

和諧共成長
Growing Together Harmoniously

China Mobile Limited 2007 Corporate Social Responsibility Report

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Chairman's Statement



Mr. WANG Jianzhou,
Chairman and Chief Executive
Officer
China Mobile Limited

○ Excellence through Responsibility, Growing together Harmoniously

2007 marked the 20th anniversary of the mobile telecommunications industry in China. In the past two decades, the mobile phone has transformed from a status symbol to an easily accessible, widely used communication tool. This transformation has dramatically influenced the way people communicate and live, and consequently, how society operates as a whole.

Along with the development of China's telecommunications industry and together with our stakeholders, our company has grown. We have become the world's largest mobile telecommunications operator by network capacity, subscriber base and market value. With this scale and growth comes greater economic, social and environmental responsibility. In line with our core value *Responsibility Makes Perfection* we endeavor to fulfill our economic, social and environmental responsibilities, in pursuit of a harmonious growth with industry, society and the environment.

In our first Corporate Social Responsibility (CSR) Report released in 2006, we clearly stated our CSR vision, reported on our CSR performance, and committed to *fulfilling our responsibilities and striving for pre-eminence*. In 2007, we have actively undertaken four major CSR programs in accordance to the theme *Growing Together Harmoniously* and in line with stakeholder expectations.

Rural Program. We have continued to help our parent company (China Mobile Communications Corporation) implement the Village Connected Project. This project expanded mobile telecommunications coverage to the remote areas in China, increasing the availability of mobile services. Our Agricultural Information Service and our Rural Information Network provide rural customers with agricultural market information and updates on the newest farming techniques, greatly contributing to the realization of the information highway. At the same time, the rural market presents an important business development opportunity, as it had become an important source of our new subscribers during 2007.

Life Program. We maintained the first-rate quality of our premium network, making a unique contribution to protecting people's lives amidst major events and natural disasters. We have accomplished a first in the mobile telecommunications history: we built the world's highest base station on Mount Everest, 6,500 meters above sea level, to provide reliable mobile network support for the 2008 Olympic Torch Relay and future mountaineers. We have also taken on a number of initiatives to help those in need: providing financial assistance for cataract surgery for the elderly and actively participating in "China 12.1", a foundation which supports children in China orphaned by AIDS.

Cultural Program. We successfully implemented programs to reduce the transmission of spam and, through innovative programs like *e-thumb literature*, we promoted a positive, healthy mobile phone messaging culture. We have also continued to support several philanthropic efforts focused on education, such as the China Mobile Library project, training for rural educators, and internships and financial support for low-income students.

Green Program. We diligently initiated our Green Action Plan to conserve energy and reduce waste. We have implemented new techniques to manage resource consumption, improve resource efficiency and decrease environmental impact. We have also worked closely with our business partners to build a greener industry chain.

Social responsibility goes hand in hand with the development of our company. We will establish a scientific CSR management system, integrating it into every phase of our business and management and making CSR an essential component of our business strategy.

Looking forward, we will strive to fulfill our responsibilities. Keeping in mind the scientific development concept and the value of social harmony, we will continue to work together with our stakeholders for a brighter future.

March 2008

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Preface

At China Mobile we believe that achieving our own values will help improve the well-being of society. In holding ourselves to high standards of corporate governance and CSR management, we continually provide customers with a rich array of new products and services that improves quality of life, enhances the welfare of society and creates a “new mobile lifestyle”.

In line with our core value, *Responsibility Makes Perfection* and our theme of *Growing Together Harmoniously*, we have undertaken significant CSR efforts in 2007. Our work has focused on advancing the development of industry, promoting social harmony and extending efforts to conserve energy and manage waste. This report summarizes our business activities and impacts towards three key areas: industry, society and the environment.

About this Report

This is our second CSR report and covers our activities between January 1, 2007 and December 31, 2007. This report has been published in both English and Chinese.

In 2007, we became official signatories of the U.N. Global Compact. We have compiled this report according to the 10 principles of the Global Compact and using the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines and the GRI Telecommunications Sector Supplement. According to the GRI, the GRI Application Levels are "a statement about the extent to which the GRI Reporting Framework was utilized" in the writing of a CSR Report. There are three levels, C, B, and A, with A being the highest. We hereby declare that we have reached GRI Application Level B.

Selecting Content

We have used the GRI Reporting Principles of Materiality, Completeness, Sustainability Context and Stakeholder Inclusiveness to select content for inclusion in this report. In particular we:

- Engaged with our stakeholders to understand what information they expect to see in a China Mobile report (see pages 15 to 16)
- Prioritized information of greatest relevance to our business strategy (see pages 6, 7 and 16)
- Provided information about the sustainability context in China
- Included data and case studies from our operating subsidiaries across 31 provinces, autonomous regions and directly-administered municipalities in Mainland China and Hong Kong SAR

Report Scope

Except otherwise specified, the data in this report covers our operating subsidiaries across 31 provinces, autonomous regions and directly-administered municipalities in Mainland China and Hong Kong SAR.

Currency

Except otherwise specified, all monetary figures shown in this Report are expressed in Renminbi.

Data Collection

During 2007, we took our first steps towards the coordinated collection of CSR performance data throughout the Group and the results of these efforts are included in this report. During 2008, we will establish an automated data collection system to enhance consistency and ensure accuracy of the report.

Unaudited data

Except otherwise specified, the data included in this Report is unaudited. Please refer to the 2007 Annual Report of the Company for the Group's audited financial statements for the year ended December 31, 2007 and other details of our financial performance and operating results. The 2007 Annual Report as well as previous Annual Reports of the Company are available on the Company's website, www.chinamobileltd.com.

China Mobile Key Operational Indicators as of 31 December 2007

Operating Revenue (RMB billion)	356.959
Total Assets (RMB billion)	563.493
Total Number of Subscribers (million)	369.339
Number of Employees	127,959

Company Profile

China Mobile Limited (the "Company", and together with its subsidiaries, "China Mobile" or the "Group") was incorporated in Hong Kong on 3 September 1997. The Company was listed on the New York Stock Exchange and The Stock Exchange of Hong Kong Limited on 22 October 1997 and 23 October 1997, respectively. The Company was admitted as a constituent stock of the Hang Seng Index in Hong Kong on 27 January 1998.

At present, as the leading mobile services provider in China, China Mobile boasts the world's largest mobile network and the world's largest mobile subscriber base. In 2007, the Company was once again selected as one of the "FT Global 500" by *Financial Times*, and "The World's 2000 Biggest Public Companies" by *Forbes* magazine. Currently, the Company's corporate credit rating is A/Positive Outlook by Standard and Poor's and A1/Outlook Stable by Moody's (respectively equivalent to China's sovereign credit rating).

The Company owns 100% interest in 31 provincial-level operating subsidiaries in Mainland China and China Mobile Peoples Telephone

Company Limited ("Peoples") in Hong Kong SAR. We provide nation-wide mobile telecommunications services in all 31 provinces, autonomous regions and directly-administered municipalities in Mainland China and in Hong Kong SAR through these operating subsidiaries.

As of 31 December 2007, the Group had a total staff of 127,959 and subscriber base of over 369 million, and enjoyed a market share of approximately 69.3 per cent. in Mainland China. The Group's GSM global roaming services covered 231 countries and regions and its GPRS roaming services covered 161 countries and regions.

The Company's majority shareholder is China Mobile (Hong Kong) Group Limited, which, as of 31 December 2007, indirectly held an equity interest of approximately 74.33 per cent. of the Company through a wholly-owned subsidiary, China Mobile Hong Kong (BVI) Limited. The remaining equity interest of approximately 25.67 per cent. of the Company was held by public investors.

Corporate Social Responsibility Strategy and Management

CSR Strategy

Our business and CSR strategies operate in one interdependent framework. During 2007 we developed a clearer understanding of the main ways in which our business and CSR strategies support one another:

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With perfect sincerity and integrity, we will strive to fulfill our responsibilities: our economic responsibility, our social responsibility and our environmental responsibility

Economic Responsibility

Social Responsibility

Environmental Responsibility

Our Commitments

Economic responsibility:

“Using integrity and high ethical standards to guide the way our business operates, we strive to develop in a harmonious and sustainable way”

Social responsibility:

“Through the establishment of our information network and our programs to support those in need, we will ensure our business grows in harmony with society”

Environmental responsibility:

“By rationalizing energy use, and promoting recycling and reuse, we will strive to grow in harmony with the environment”

What This Means for Our Business

Meeting our economic responsibility means managing the long-term sustainability of our business and the industry. We will:

- Implement innovative and effective management structures and methods
- Strive to ensure low cost, high efficiency business operations
- Engage in effective management and risk controls
- Grow our business in a way that adds value and takes advantage of our key strengths as a business
- Create new opportunities, continuously improve our capabilities and lead our industry

Meeting our social responsibility goes hand in hand with the concept of “informatization” - ensuring our technology is widely accessible and applied in ways that benefit society. We will:

- To further expand our network coverage and infrastructure and extend to remote regions
- Develop a diverse set of products and services that satisfy our customers needs and promote a high quality mobile lifestyle
- Create a secure and healthy environment for customers
- Help those in need by supporting poverty alleviation and education
- Contribute to the overall advancement of society and culture

Meeting our environmental responsibility means protecting the natural environment. We will:

- Operate a “green network”, one that reduces energy use and helps us lower our emissions
- Closely manage waste disposal and reuse, building an environmentally-friendly company
- Conduct research on Electromagnetic Field (EMF) issues and promote recycling and reuse
- Continue to raise the public’s awareness of environmental issues and encourage public participation in environmental activities

We have identified several core issues that are critical to the implementation of our CSR strategy. In 2007 the Group made progress on four major CSR programs. In the future, our Company will deepen our efforts around these four major CSR programs and initiate the fifth major CSR program, a "Employee Volunteering Program". We will report on their progress in future CSR Reports.

■ Expanding Our Rural Program

We fully leveraged our potential as a mobile telecommunications company to help close the digital divide and bridge the differences between rural and urban areas. We continued to help China Mobile Communications Corporation ("parent company") implement the Village Connected Project, continue to increase our network coverage in Sichuan and Xizang administrative villages and develop mobile network access in natural villages to provide modern telecommunication services. We also expanded our "Rural Information Network" in China and improved our capacity to support and provide agricultural information services. Ultimately, by creating innovative new ways to use agricultural information services, we have enabled customers to improve their own livelihoods. (See pages 32 to 36)

■ Improving our Life Program

We extended access and service to the most remote and far-reaching areas in China. Alongside the expansion of our network, we worked to ensure network stability, making a unique contribution to protecting people's lives amidst major emergencies and natural disasters. We also continued to help disadvantaged groups. Taking full advantage of the size and scope of our business, we worked with our stakeholders to develop philanthropic platforms, enabled people to express their own goodwill, and sought to continuously improve society's well-being. (See pages 30 to 31, 39 to 42)

■ Strengthening our Cultural Program

We are committed to protecting customer rights, reducing unhealthy content, and leveraging the unique attributes of mobile media to make a positive contribution to society through innovative content and service delivery methods. Focusing on our future generations, we adopted creative ways to improve the quality of Chinese education through our philanthropic work. We will create good customer and employee relationships and promote the development of a harmonious culture. (See pages 26 to 29, 43 to 48)

■ Implementing our Green Program

We have started to implement our Green Action Plan to reduce energy consumption and manage waste, working with our business partners to build environmentally-friendly practices into our value chain, creating a green industry chain. Through creative applications of our information services, we have also helped other industries reduce energy consumption and manage waste. Our innovative products and services are providing solutions that will contribute to national targets for managing waste, reducing energy consumption and addressing the global issue of climate change. (See pages 49 to 58)

■ Developing our Employee Volunteering Program

Implementing the concept of "Starting From Us", we will explore and set up an employee volunteering organization, providing support and incentives to encourage employee participation. We will run country-wide activities to raise employee awareness about this program and we will create a corporate culture that enthusiastically supports philanthropy and community investment. (See pages 40 and 45)

CSR Management

In order to continuously improve how we manage CSR issues, in 2007 we began to implement a scientific, systematic and effective CSR management system. This has taken us from merely reporting on our CSR progress to proactively managing our CSR performance. Our CSR management system clearly designates CSR tasks and responsibilities at the company level across major departments and in our subsidiaries.

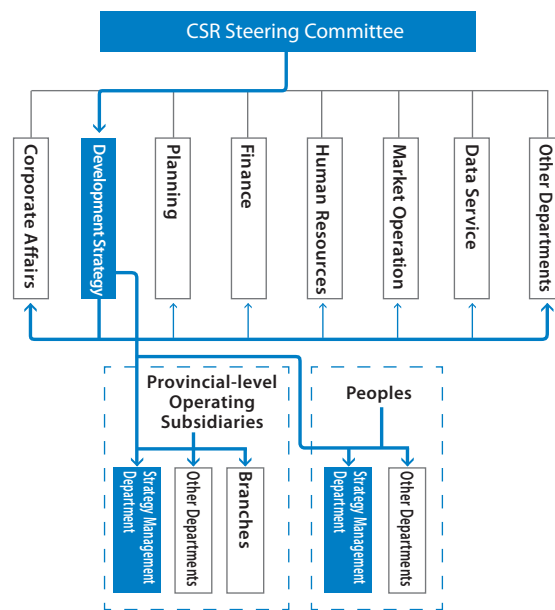
CSR Steering Committee

Management of CSR starts at the highest level in the Group. We set up a CSR Steering Committee, with our Chairman and Chief Executive Officer Wang Jianzhou serving as chairperson and our Executive Director and Vice President Li Yue serving as vice chairperson. The group meets at least once annually – with regular check-ins – to design, discuss and evaluate our CSR activities. Reporting to the CSR Steering Committee is our Office for CSR, which is housed in our Development Strategy Department. The Office for CSR helps to spearhead and implement our CSR program throughout China Mobile by working across different departments and within our 31 provincial-level operating subsidiaries in Mainland China and Peoples in Hong Kong SAR.

We have systematically planned and implemented CSR programs within China Mobile and regularly report on our progress to the CSR Steering Committee.

Responsibilities of the CSR Steering Committee

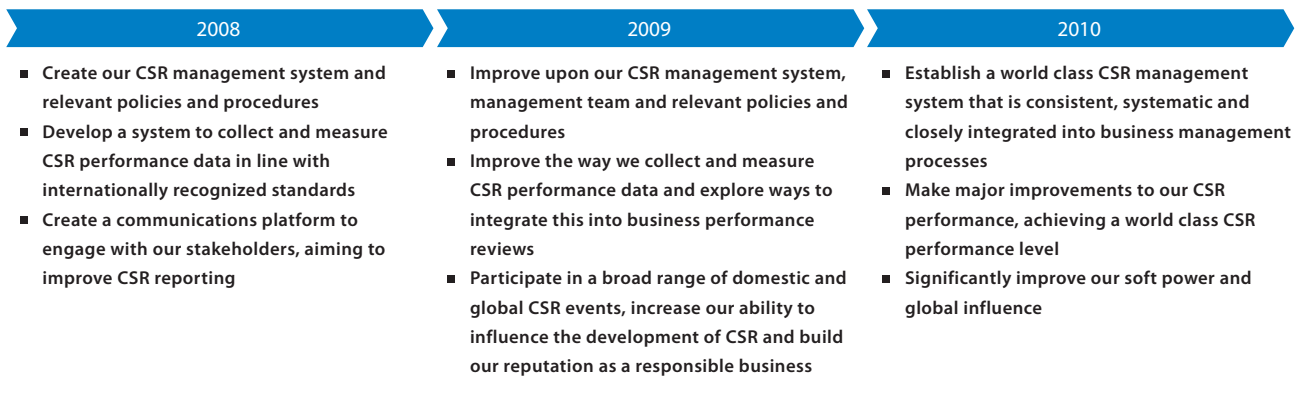
- Lead and make key decisions on CSR programs
- Discuss and approve CSR related policies and procedures
- Review and approve our CSR strategies, planning, annual plans and major CSR programs
- Review and approve any changes to our CSR goals, strategies, annual plans, or major CSR programs
- Review and approve the annual CSR report
- Discuss and decide on any other major CSR programs



China Mobile CSR management structure

Our 3 Year Plan for Managing CSR

Our CSR Management Framework is at an early stage of implementation and we will report on our progress in future years. We expect that it will take three years to reap the full benefits of this coordinated and planned approach.

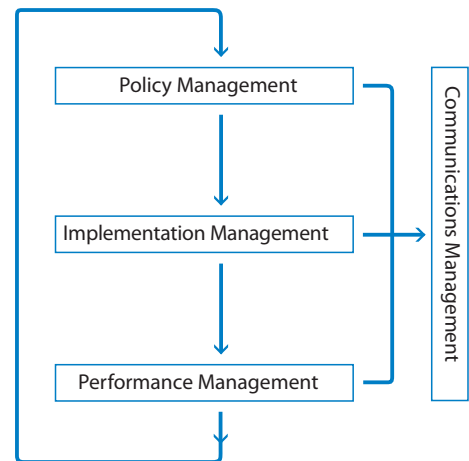


China Mobile's CSR management planning for 2008-2010

Our CSR Process Flow

Our CSR activities consist of four aspects:

- **Policy Management.** We seek to ensure that our CSR goals and actions are aligned throughout the company. Thus, taking into account our CSR vision and our business strategies, we will make certain that CSR management targets, focus areas, policies and plans are systematically managed, both at headquarters and at our provincial-level operating subsidiaries and Peoples.
- **Implementation Management.** We want our CSR projects have a strong impact, and thus ensure that all major CSR projects are properly resourced, well-planned, monitored, and evaluated upon completion.
- **Performance Management.** We will implement and monitor CSR activities against a set of key CSR performance indicators. Our progress on CSR will be gradually integrated into business performance reviews.
- **Communications Management.** We will regularly publish our CSR Report. Using our report, we will establish a platform that allows us to regularly communicate and engage with our stakeholders on relevant issues.



China Mobile CSR process flow

Building a CSR Management System, Our Efforts in 2007

We worked hard in 2007 to advance the way we manage CSR activities across the Group. The following are some highlights.



The China Mobile CSR Review, Issue 1

- **CSR Performance Monitoring.** We instituted a system for collecting qualitative and quantitative CSR performance data on a quarterly basis across the entire Group. For example, in the first half of 2007, we collected 479 CSR cases and conducted an investigation on CSR spending across the Group. In Guangdong, Zhejiang and Shanxi, we conducted an in-depth study of CSR performance and conducted interviews with local stakeholders. The results of the investigation and in-depth study provided strong support for the development of our CSR management system.
- **China Mobile CSR Review.** In 2007 we released our first *China Mobile CSR Review*. The Review has become an important platform by which we can discuss key CSR issues, share CSR best practices and build internal awareness. The Review will be published quarterly from 2008 onwards.
- **Internal Training.** In June, 2007 we conducted CSR management training involving relevant employees from the Group. The training covered our Corporate Values, CSR management system and our CSR performance measurement system. The training program helped to ensure that CSR programs will be implemented consistently across the Group.

We will continue our efforts to evolve and improve our CSR management system. Some specific priorities during 2008 are:

- Enhance our CSR performance measurement system and identify the CSR Key Performance Indicators (“KPIs”)
- Build an e-platform for CSR management, building a system that allows us to collect and report CSR information across across the Group
- Initiate and systematically enhance programs around critical CSR issues, with an emphasis on rolling out our Green Action Plan
- Actively promote and build internal awareness around CSR
- Establish a China Mobile Employee Volunteering Program
- Proactively engage and communicate with our stakeholders

Corporate Governance

Enhance our Corporate Governance

The Company's goal has always been to enhance its corporate value to ensure its sustainable long-term development and to generate greater returns for its shareholders. In order to better achieve the above objectives, we shall implement good corporate governance with a principle of integrity, transparency, openness and efficiency. With respect to key participants involved in the practice of good corporate governance including shareholders, board of directors, management, internal audit, external auditors and other stakeholders (including our customers, communities, peers, regulatory authorities, etc.), we established and improved various policies, internal controls and other mechanisms.

We believe that corporate governance goes hand in hand with corporate culture. High standard of corporate governance is built on good corporate culture. Corporate governance principles and policies can only be applied effectively and consistently when a corporate culture which emphasizes honesty and integrity is built. Our core value is Responsibility Makes Perfection and our goal is to achieve a harmonious development between enterprise and industry, enterprise and society, and enterprise and environment.

Our corporate governance practices in 2007 include:

- Established an independent legal department and further improved our legal risk management system.
- Promoted the China Mobile core value of "Responsibility Makes Perfection" throughout the group.
- Established the CSR management system, organizational structure and task forces, issued the China Mobile CSR Report and commenced a series of CSR management practices.
- Developed an anti-corruption system, and conducted relevant staff trainings and activities on prevention and penalization of corruption and bribery.

Shareholders

The Company's controlling shareholder is China Mobile (Hong Kong) Group Limited, which, as of 31 December 2007, indirectly held approximately 74.33 per cent. of the Company's share capital through a wholly-owned subsidiary, China Mobile Hong Kong (BVI) Limited. The remaining share capital of approximately 25.67 per cent. was held by public investors.

The Company engages a number of formal channels to account to shareholders for the performance and operations of the Company, particularly our annual and interim reports. Generally, when announcing its interim results, annual results or any major transactions in accordance with relevant regulatory requirements, the Company arranges investment analyst conferences, press conferences and investor telephone conferences to explain the relevant results or major transactions to shareholders, investors and the general public, and to address any questions they may have. In addition, the Company adheres to the practice of voluntarily and additionally disclosing on a quarterly basis certain key, unaudited operational and financial data to further increase the Group's transparency and to provide shareholders, investors and the general public with additional timely information so as to facilitate their understanding of the Group's operation.

The Company also has high regard for the annual general meetings of its shareholders, and makes substantial efforts to enhance the communications between the Board and the shareholders. At the annual general meetings of shareholders, the Board always makes efforts to fully address any questions raised by shareholders. The last annual general meeting of shareholders of the Company was held on 16 May 2007 in Hong Kong. At this meeting, all resolutions were passed by an overwhelming majority of votes cast in favor of them.

The Board of Directors

The key responsibilities of the Board include, among other things, formulating the Group's overall strategies, setting management targets, monitoring internal controls and financial management and supervising the management's performance while the day-to-day operations and

management are delegated by the Board to the management executives of the Company. The Board currently comprises 13 directors. Their biographies are presented on pages 12 to 13 of this report and also on the Company's website. Board meetings are held at least once a quarter and as and when necessary.

The Board currently has three principal board committees, which are the audit committee, the remuneration committee and the nomination committee, and all of which are comprised solely of independent non-executive directors. For more details, please refer to our 2007 Annual Report at pages 42 to 43 and our company website.

Management

The task of China Mobile management is to implement the strategy and direction as determined by the Board, and to take care of the day-to-day operations and functions of the Company. The division of responsibilities of our Chief Executive Officer and other senior management is set out in the biographies of directors and senior management on pages 12 to 13 of this report and on our company website.

For the purpose of promoting honest and ethical conduct and deterring wrongdoing, the Company, in 2004, adopted a code of ethics, which is applicable to our Chief Executive Officer, Chief Financial Officer, Deputy Chief Financial Officer, Assistant Chief Financial Officer and other designated senior officers of the Group, in accordance with the requirements of the U.S. Sarbanes-Oxley Act of 2002 (the "SOX Act"). Under the code, in the event of a breach of the code, the Company may take appropriate preventive or disciplinary actions after consultation with the Board.

To prevent and penalize corruption and bribery, we developed an anti-corruption system and adopted an employee code of conduct and an employee handbook to put all employees under specific obligations as to the manner in which they should deal with issues such as integrity, code of ethics and conflicts of interest. During 2007, a series of staff trainings and briefings on prevention and penalization of corruption and bribery took place.

Biographies of Directors

Executive Directors



Mr. WANG Jianzhou

Age 59, Executive Director, Chairman and Chief Executive Officer of the Company, joined the Board of Directors of the Company in November 2004. Mr. Wang is in charge of the overall management of the Company. He is also the President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company), and Chairman of China Mobile Communication Co., Ltd. He formerly served as Deputy Director General and Director General of the Posts and Telecommunications Bureau of Hangzhou, Deputy Director General of the Posts and Telecommunications Administration of Zhejiang, Director General of the Department of Planning and Construction of the Ministry of Posts and Telecommunications, Director General of the Department of General Planning of the Ministry of Information Industry, Director, Executive Vice President, President and Chairman of China United Telecommunications Corporation, Executive Director, President, Chairman and Chief Executive Officer of China Unicom Limited, and Chairman and President of China United Telecommunications Corporation Limited. Mr. Wang graduated in 1985 from Department of Management Engineering of Zhejiang University with a Master's Degree in Engineering, and holds a doctoral degree in business administration from Hong Kong Polytechnic University. Mr. Wang is a professor-level senior engineer with extensive knowledge and 30 years of experience in the telecommunications industry.



Mr. LI Yue

Age 49, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in March 2003. Mr. Li assists the Chief Executive Officer in relation to the matters of network, planning and development strategy of the Company. He has also held the post of Vice President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company) since April 2000. Mr. Li is also a director of China Mobile Communication Co., Ltd. He previously served as the Deputy Director General of the Tianjin Posts and Telecommunications Administration and the President of Tianjin Mobile Communications Company. Mr. Li graduated from Tianjin University with a Master's Degree in business administration, and holds a doctoral degree in business administration from Hong Kong Polytechnic University. Mr. Li is a professor-level senior engineer with over 32 years of experience in the telecommunications industry.



Mr. LU Xiangdong

Age 48, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in March 2003. Mr. Lu assists the Chief Executive Officer principally with respect to marketing, data, corporate customer matters and Beijing Olympics related matters of the Company. He has also held the post of Vice President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company) since April 2000. Mr. Lu is also a director of China Mobile Communication Co., Ltd., Chairman of Aspire Holdings Limited and a director of Phoenix Satellite Television Holdings Ltd. He previously served as the Director General of the Fujian Wireless Telecommunications Administration and the Deputy Director General of the Mobile Telecommunications Bureau of the Ministry of Posts and Telecommunications. Mr. Lu graduated from the Academy of Posts and Telecommunications of the Ministry of Posts and Telecommunications with a Master's Degree in wireless telecommunication, and holds a doctoral degree in economics from Peking University. Mr. Lu is a professor-level senior engineer with nearly 26 years of experience in the telecommunications industry.



Mr. XUE Taohai

Age 52, Executive Director, Vice President and Chief Financial Officer of the Company, joined the Board of Directors of the Company in July 2002. Mr. Xue assists the Chief Executive Officer in relation to the management of corporate finance and human resources remuneration of the Company. He is also a Vice President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company) and a director of China Mobile Communication Co., Ltd. Mr. Xue previously served as the Deputy Director General of the Finance Department of the former Ministry of Posts and Telecommunications, Deputy Director General of the Department of Financial Adjustment and Clearance of the Ministry of Information Industry and Deputy Director General of the former Directorate General of Telecommunications. He graduated from Henan University and received an EMBA degree from Peking University. Mr. Xue is a senior accountant with over 28 years of experience in the telecommunications industry and financial management.



Madam HUANG Wenlin

Age 53, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in September 2007. Madam Huang assists the Chief Executive Officer in relation to the corporate affairs of the Company. She is also a Vice President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company), and a director of China Mobile Communication Co., Ltd. Madam Huang previously served as Director of Domestic Communications Division and Director of Communications Organization Division of the Directorate General of Telecommunications of the Ministry of Posts and Telecommunications, Vice President of China Telecommunications Corporation, Executive Director and Executive Vice President of China Telecom Corporation Limited. Madam Huang graduated in 1984 from Beijing University of Posts and Telecommunications with a major in management engineering and received an EMBA degree from Peking University. Madam Huang is a senior economist with 32 years of extensive operational and managerial experience in the telecommunications industry.



Mr. SHA Yuejia

Age 50, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in March 2006. Mr. Sha assists the Chief Executive Officer in relation to business support, technology and R&D of the Company. He is also a Vice President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company) and a director of China Mobile Communication Co., Ltd. He previously served as Director of the Engineering Construction Department IV Division of Beijing Telecommunications Administration, President of Beijing Telecommunications Planning Design Institute, Deputy Director General of Beijing Telecommunications Administration, Vice President of Beijing Mobile Communications Company, Director and Vice President, Chairman and President of Beijing Mobile. Mr. Sha graduated from Beijing University of Posts and Telecommunications, and received a Master's Degree from the Academy of Posts and Telecommunications of the Ministry of Posts and Telecommunications and a doctoral degree in business administration from Hong Kong Polytechnic University. He is a professor-level senior engineer with over 25 years of experience in the telecommunications industry.



Mr. LIU Aili

Age 44, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in March 2006. Mr. Liu assists the Chief Executive Officer in relation to business expansion and management information systems of the Company. He is also a Vice President of China Mobile Communications Corporation (the ultimate controlling shareholder of the Company), a director of China Mobile Communication Co., Ltd. and Chairman of CMPak Limited. He previously served as Deputy Director General of Shandong Mobile Telecommunications Administration, Director General of Shandong Mobile Telecommunications Administration and General Manager of Shandong Mobile Communications Enterprises, Vice President of Shandong Mobile Communications Company, Director - General of Network Department of China Mobile Communications Corporation, Chairman and President of Shandong Mobile and Zhejiang Mobile. Mr. Liu graduated from Heilongjiang Posts and Telecommunications School with an associate degree and completed a post-graduate program in economics at Shandong University. Mr. Liu also received a Master of Management degree from Norwegian School of Management BI and a doctoral degree in business administration from Hong Kong Polytechnic University. He is a professor-level senior engineer with over 25 years of experience in the telecommunications industry.



Madam XIN Fanfei

Age 51, Executive Director and Vice President of the Company, joined the Board of Directors of the Company in January 2006. Madam Xin assists the Chief Executive Officer in relation to the general administration and investor and media relations of the Company. She is also Chairwoman of Peoples. She previously served as Deputy Director of the Foreign Affairs Division, Deputy Director of the Planning Division and Chief of the Planning Office, Director of the Planning Division, Director of the Department of Planning and Construction of Tianjin Posts and Telecommunications Administration, Assistant to the Director General and Director of the Department of Planning and Construction of Tianjin Mobile Telecommunications Administration, Vice President of Tianjin Mobile Communications Company, Vice President of Tianjin Mobile, President of Heilongjiang Mobile Communications Company, and Chairwoman and President of Heilongjiang Mobile. Madam Xin graduated from Xidian University and received an EMBA degree from Peking University. She is currently pursuing a doctoral degree in business administration from Hong Kong Polytechnic University. Madam Xin is a professor-level senior engineer with many years of experience in the telecommunications industry.



Mr. XU Long

Age 51, Executive Director of the Company, joined the Board of Directors of the Company in August 1999. Mr. Xu is the Chairman and President of Guangdong Mobile, responsible for the Company's mobile telecommunications operations in Guangdong. He previously served as the Deputy Director of the Shaoxing Posts and Telecommunications Bureau, President of Zhejiang Nantian Posts and Telecommunications Group Company, Director of the General Office and Deputy Director General of the Posts and Telecommunications Administration in Zhejiang, and Chairman and President of Zhejiang Mobile. He graduated from Zhejiang Radio and Television University in 1985, and holds a doctoral degree in business administration from Hong Kong Polytechnic University. Mr. Xu is a senior economist with 30 years of experience in the telecommunications industry.

Non-executive Director



Mr. Paul Michael DONOVAN

Age 49, Non-Executive Director of the Company, joined the Board of Directors of the Company in June 2006. Mr. Donovan is currently Vodafone's Chief Executive Officer for EMAPA. He is also a member of the Executive Committee of Vodafone, a director of Vodafone's operating companies located in Turkey, Hungary, Australia, New Zealand, Egypt, Czech Republic and Romania and also a director of certain other subsidiaries of Vodafone. Prior to his appointment as the Chief Executive Officer of EMAPA division, Mr. Donovan was Chief Executive Officer of the Other Vodafone Subsidiaries ("OVVS"), which included 14 of Vodafone's operating subsidiaries. Mr. Donovan joined Vodafone UK in 1999 as Managing Director — Commercial, and in 2001 was appointed the Chief Executive Officer of Vodafone Ireland. In 2004 he assumed the additional role of Global Director of Business Integration, leading One Vodafone, Vodafone's business transformation programme. Mr. Donovan began his career in FMCG sales and marketing at the Mars Group, before becoming Marketing Director at Coca-Cola and Schweppes Beverages in 1989. He holds a BA in Scandinavian Studies from University College London and a Masters Degree in Business Administration from Bradford University Management Centre, and has over 16 years experience in the telecommunications and IT industries, gained at Apple Computer, BT and Cable and Wireless subsidiary One2One as Commercial Director, and as Chief Commercial Officer at Australian telecoms provider Optus Communications. His directorships held in other listed public companies in the last three years include Vodafone Egypt Telecommunications S.A.E. and Bharti Airtel Limited.

Independent Non-executive Directors



Dr. LO Ka Shui

Age 61, Independent Non-Executive Director of the Company, joined the Board of Directors of the Company in April 2001. Dr. Lo is the Chairman and Managing Director of Great Eagle Holdings Limited, and is the non-executive chairman of Eagle Asset Management (CP) Limited (Manager of the publicly listed Champion Real Estate Investment Trust). He is also a non-executive Director of The Hongkong and Shanghai Banking Corporation Limited, Shanghai Industrial Holdings Limited, Phoenix Satellite Television Holdings Limited, City e-Solutions Limited, Melco International Development Limited and Winsor Properties Holdings Limited. He was also a non-executive Director of The HSBC China Fund Limited, Tom Online Inc and Hong Kong Exchanges and Clearing Limited. He is also a Vice President of the Real Estate Developers Association of Hong Kong, a Trustee of the Hong Kong Centre for Economic Research and a Member of the Airport Authority. Dr. Lo graduated with a Bachelor of Science Degree from McGill University in Canada and a Doctorate Degree in medicine from Cornell University in the United States. He is board certified in cardiology. He has more than 28 years of experience in property and hotel development and investment both in Hong Kong and overseas.



Mr. Frank WONG Kwong Shing

Age 60, Independent Non-Executive Director of the Company, joined the Board of Directors of the Company in August 2002. Mr. Wong is currently Vice Chairman of DBS Bank, Chief Operating Officer and a member of the DBS Bank and DBS Group Holdings boards, and Chairman of DBS Bank (Hong Kong). Mr. Wong is also a director of the National Healthcare Group Pte Ltd and Mapletree Investments Pte Ltd, and is a member of the University Court of The University of Hong Kong. He previously held a series of progressively senior positions with regional responsibility at Citibank, JP Morgan and NatWest from 1967 to 1999. Mr. Wong has also served in various positions with Hong Kong's government bodies including the Chairman of the Hong Kong Futures Exchange. Mr. Wong has many years of finance and commercial management experience.



Dr. Moses CHENG Mo Chi

Age 58, Independent Non-Executive Director of the Company, joined the Board of Directors of the Company in March 2003. Dr. Cheng is a practicing solicitor and the senior partner of Messrs. P.C. Woo & Co. Dr. Cheng was a member of the Legislative Council of Hong Kong between 1991 and 1995. He is the Founder Chairman of the Hong Kong Institute of Directors of which he is now the Honorary President and Chairman Emeritus. His other directorships held in listed public companies in the last three years include ARA Asset Management Limited, Beijing Capital International Airport Company Limited, City Telecom (HK) Limited, China COSCO Holdings Company Limited, China Resources Enterprise, Limited, Guangdong Investment Limited, Kader Holdings Company Limited, Galaxy Entertainment Group Limited (formerly known as K. Wah Construction Materials Limited), Liu Chong Hing Investment Limited, Shui On Construction and Materials Limited, Tian An China Investments Company Limited and Hong Kong Exchanges and Clearing Limited.

Internal Audit and Internal Controls

The Company has an internal audit department ("IA Department"), whose principal roles are to ensure the establishment and performance of the Company's internal controls and to improve the Company's corporate governance, risk management and internal controls with a view to safeguarding the Company's funds and assets, enhancing operational efficiency and benefits and achieving the Company's long-term goals. Taking into account the potential risk and urgency in respect of the internal controls that are subsisting in the Company's management structures and business processes, the IA Department routinely carries out audits as well as inspections and evaluations of the Company's accounting information, internal controls and other types of operational and management activities through the application of systematic and standardized audit procedures and methods, in order to assess the Company's internal controls and to monitor their performance.

The IA Department formulates an annual internal audit plan, which is submitted to the audit committee for review, and the IA Department carries out audits on the Company's management structures and business processes on an on-going basis. The head of the IA Department reports to and makes recommendations regarding the improvement of internal controls to the Chief Financial Officer and the audit committee on a regular basis, and the audit committee in turn reports regularly to the Board. The head of the internal audit department is also responsible for the implementation of plans to improve internal controls.

To protect its assets and to ensure the accuracy and reliability of the financial information that the Company employs in its business or releases to the public, the Board conducts regular reviews of the effectiveness of the Group's internal controls. The scope of these reviews includes, among other things, finance, operations, regulatory compliance and risk management, etc.

Managing risk and implementing internal controls are a business imperative. Our activities around these issues include:

- Sarbanes-Oxley Compliance. In 2005 we began to ensure our operations were in compliance with the SOX Act Section 404 ("SOX 404"). Compliance with SOX 404 is integrated into performance management at the Company and noncompliance results in a deduction in points in a performance review.
- Accountable Management. At headquarters and at all operating subsidiaries, we set up senior management teams that directly involve the Chief Executive Officer, Chief Financial Officer and department heads.
- Internal Controls Office. A new office was set up at headquarters that manages internal controls at all of our operating subsidiaries. The internal controls office is responsible for the implementation of all internal control projects.
- Documentation. In accordance with internal controls framework COSO, we have set up a standard internal control handbook and matrix. All operating subsidiaries are required to comb and document its internal controls over financial reporting based on such handbook and matrix.
- Internal Controls Inspection Team. Our internal controls inspection team is comprised of employees from our audit, finance, business support and network departments. Guided by a set of unified auditing principles, methods, procedures and quality control checks, the team conducts independent audits of internal controls across the Group addressing all of our critical management issues.
- Internal Training. We have developed a wide range of new trainings and activities to raise employee awareness about risk management.

All disclosure of material information relating to the Company is made through the unified leadership and management of the Board, with the Company's management performing its relevant duties. The Company has performed an annual review of the effectiveness of the Company's disclosure controls and procedures in 2007, and concluded that the Company's disclosure controls and procedures were effective in ensuring that material information relating to the Company was promptly recorded, processed, summarized and disclosed.

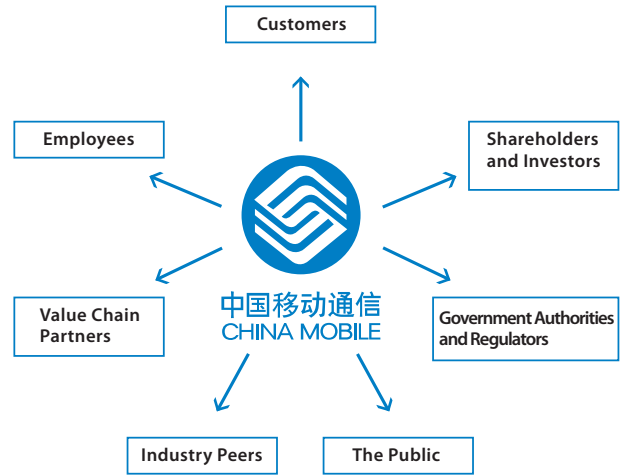
Continuous Evolvement of Corporate Governance

We will closely study the development of corporate governance practices among the world's leading corporations, future evolution of the relevant regulatory environment, and the requirements of the investing community on an on-going basis. We will also review and enhance our corporate governance procedures and practices from time to time so as to ensure the long-term sustainable development of the Company.

On September 13, 2007 in Shanghai, we worked with our business partners to hold a forum on how to manage corruption and bribery in the workplace. At the forum, attendees signed onto a pledge, "Working Together to Prevent Corruption and Bribery, Improving Business Reputation." A total of over 40 business partners signed onto the pledge, including building contractors, service providers, third party sales channels, process auditors, advertising agencies and consultants.



In 2007, CSR became a key discussion topic at the annual meeting of China Mobile Strategies and Decisions Advisory Committee



Stakeholder Engagement

Participation Mechanism

We seek growing together harmoniously with our stakeholders, building trust and sharing our values. Building a regular and systematic channel to engage with our stakeholders is a key component of our CSR strategy and we strive to engage and respond to our stakeholders in a timely way. The table below describes our regular engagements with seven major types of stakeholders:

Stakeholder Type	Method of Engagement	Stakeholder Expectation	Pages
Customers	<ul style="list-style-type: none"> Customer satisfaction survey Customer complaint management Customer service center 	<ul style="list-style-type: none"> Providing high quality, innovative products and services to meet the needs of our customers 	24, 26-29
Shareholders and Investors	<ul style="list-style-type: none"> Business presentations Shareholder general meetings Regular communication Investor road shows and reverse road shows 	<ul style="list-style-type: none"> Stable and sustainable investment returns Transparent, open, and fair disclosure systems Sound management and corporate governance approaches 	11-14
Employees	<ul style="list-style-type: none"> Employee Representatives Committee meeting 	<ul style="list-style-type: none"> Provide equal employment and career development opportunities Recognize and work on employee health issues and create a safe working environment 	46-48
Government Authorities and Regulators	<ul style="list-style-type: none"> Regular communication 	<ul style="list-style-type: none"> Comply with relevant laws and regulations Reduce energy use and manage waste 	11-14, 49-58
Value Chain Partners	<ul style="list-style-type: none"> Training for value chain partners Contract bidding and procurement management Supplier assessment and management 	<ul style="list-style-type: none"> Work with value chain partners to meet the needs of our customers Mutually beneficial growth 	19-20, 29, 48, 52, 55
Industry Peers	<ul style="list-style-type: none"> Meetings Industry discussion forums 	<ul style="list-style-type: none"> Build a fair competitive environment Promote sustained industry development 	19-21
The Public	<ul style="list-style-type: none"> Community engagement Philanthropic activities 	<ul style="list-style-type: none"> Build a harmonious society Actively engage in philanthropic activities Protect the environment 	30-45, 56, 58



2007 Special Engagement with Key Stakeholders

In 2007, China Mobile conducted several engagements with its key stakeholders in various fields around the theme of "Growing Together Harmoniously".

Stakeholder Type	Content of Engagement
Suppliers	Building a green industry
Business partners, media, consumers, beneficiaries of CSR programs	Understanding how to improve our CSR programs by listening to comments and suggestions from key stakeholders'
International CSR organizations and socially responsible investors	Improve our understanding of the CSR field, improving our CSR management and the level of our CSR performance and
Industry peers	Understand how industry peers manage CSR issues, ultimately improving our own CSR practices and contributing to the advancement of CSR in our industry
Academic groups	Creating a CSR management system with Chinese characteristics
International investors	Enhance CSR communication channels to meet investor expectations

Engaging our stakeholders helped us to identify key issue areas relevant to our CSR strategy. We identified the following priorities and adopted corresponding measures in 2007:

- **Contribution to Market Development:** Rapidly increasing access to communications in rural areas and understanding how this contribution can generate significant value for society was put forward by stakeholders as a key priority for China Mobile (see pages 32 to 36).
- **Achieving high standards of corporate governance:** As a publicly-listed company, ensuring operational stability and mitigating risk are of utmost importance to us (see pages 11 to 14).
- **Environmental Management:** As our network continues to expand rapidly, it is important to have an effective environmental management system that helps us control our climate impact, use of materials and waste disposal (see pages 49 to 58).
- **Customer Relations Management:** Maintaining positive relationships with customers and attending to issues of privacy, data security and content (see pages 26 to 29).
- **Employee Relationships:** Maintaining positive relationships with employees and attending to needs such as training and career development to build a comprehensive work force. (see pages 46 to 48).

In preparing this CSR report, we held a number of one-to-one meetings with our stakeholders to understand what they expected to see in a CSR report from China Mobile. These engagements represented an opportunity to influence the future direction of our CSR reporting. The following comments were received:

- **CSR and Business Strategies:** Set out the link between CSR and business strategies and describe how CSR helps to grow our business (see pages 6 to 7).
- **Corporate Governance and Management Systems:** Provide information about our corporate governance practices and management systems. In addition, disclose what practices are in place to manage CSR risks and opportunities (see pages 6 to 14).
- **CSR Performance Appraisal:** Disclose CSR performance data on important issues, such as in relation to climate impact, waste management, employee diversity and health and safety (see page 59 and other relevant sections of this report).
- **Contribution to Market Development:** Promoting Rural Informatization is clearly an area where we can make the greatest contributions to sustainable development and should be a significant focus of the CSR report (see pages 32 to 36).

Growing Harmoniously with Industry

China's economy has continued to develop rapidly, growing about 11.4% in 2007. In the context of this development, the information industry has flourished, reaching a total added value of 1.8 trillion yuan in 2007. This growth should continue - according to China's Eleventh Five Year Plan (2006-2010), by the year 2010, the telecommunications industry will represent 10% of China's GDP with China's mobile subscribers reaching 600 million.

In 2007 our operating revenue had increased by 20.9% compared to the same period last year and our subscriber base exceeded 369 million, appreciating company assets and contributing to the growth of the economy. Our growth has also helped stimulate the growth of our business partners and has helped expand the size and strength of the telecommunications industry.

With the Group's size and growth comes significant economic responsibility. Our growth will help promote the growth of the telecommunications industry, and through proactive efforts to promote a harmonious industry environment, we seek to contribute to sustainable development and fulfill our social responsibilities.



○ Growing Together with China's Economy

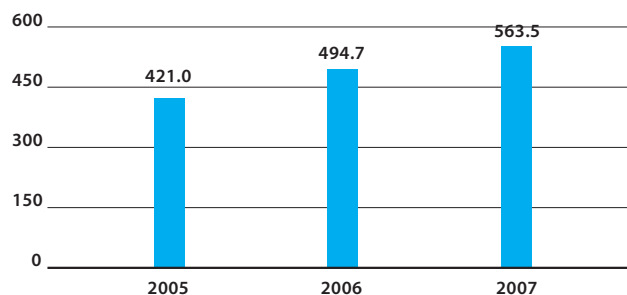
As a listed company, we have a responsibility to provide stable financial returns to our shareholders. We do so through our "Leapfrogging Strategy" by expanding our subscriber base, developing new business to maintain steady and rapid growth of the Group and increase shareholder value. At the same time, we grow alongside the Chinese economy in two major ways: by contributing to China's economy and by creating employment.

Contributing to Economic Development

In 2007, the Group experienced growth in subscribers, network coverage, operating revenue, which effectively realised an appreciation of company assets.

Given the size of our enterprise, our operations have a relatively significant impact on China's national economy. Based on expert's estimates, in 2006 we directly contributed 1.29% to China's national income, and 1.97% to national economic demand. Our continued economic success ensures that we are increasing shareholder value and national economic development.

China Mobile Total Assets (RMB billion)



Creating Opportunities for Employment

According to China's Eleventh Five Year Plan, China has a very clear national target regarding the issue of employment: to control national unemployment rates to below 5%. The growth of our services, products and market has created employment opportunities within the Group, within our industry, and within companies in our supply base.

Between January and September 2007 we indirectly provided employment for 1.37 million people. These include employees for outsourced projects, contractors, employees at third-party sales channels and employees at service providers.

Over the course of 2007, in the Binzhou region of Shandong, we entered into agreements with more than 5,000 rural sales outlets to sell China Mobile services on our behalf. This not only extended the reach and availability of our services, but also directly and indirectly created nearly 15,000 employment opportunities in the area.



Growing Together with our Industry

2007 marks China's 20th year using cellular radio systems in a commercial context and the Group's development has played a major role in driving the growth of the mobile telecommunications industry in China. Growing together with our industry, we have expanded industry size, built win-win business partnerships and promoted innovative technology.

Expanding Industry Size

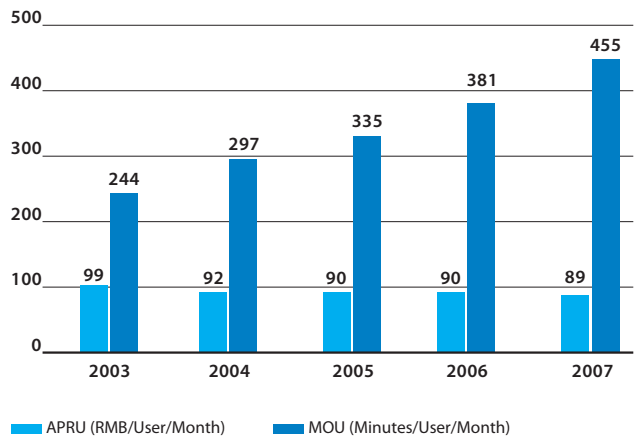
Between 1987 and 2007 China's mobile telecommunications industry has undergone tremendous growth that has garnered global attention. During the course of our development, we have been important players in China – and as we continue to grow – our efforts are gradually being recognized by the global telecommunications industry as well.

Growing the Market, Extending the Availability of Mobile Services

In 1987, the first mobile phone call was made over China's cellular radio system in Guangzhou; by 1997 the whole of Mainland China had merely 10 million subscribers. The numbers have since skyrocketed – in 2001 the number was 100 million and by November 2002 it had grown to 200 million; by the end of 2007, China's mobile subscribers exceeded 500 million, of which 69.3% are China Mobile subscribers.

Alongside the growth of our industry, we have developed a wide range of services and payment options that meet the diverse needs of our customers. Since 2003, MOU (average minutes of usage per user per month) has doubled while ARPU (average revenue per user per month) has showed a declining trend. Previously a luxury, mobile services are now common necessity.

Changes in China Mobile's ARPU and MOU



Driving Growth in our Value Chain

The expansion of our business has served to build the business of manufacturers of network equipment, mobile phones and the providers of information and Internet services. The rapid expansion of our network coverage has created a high demand and investment in network equipment and greatly contributed to China's development into a country with a top-notch telecommunications industry.

The rapid growth in China's mobile information industry brought increasing demand in system equipment, thus contributing towards the system equipment production industry. In 2007, China Mobile's capital expenditure has reached 105.1 billion yuan, representing 46% of the total capital expenditure of China's telecommunications industry.

Growth in mobile information and Internet services has also been significant. In November 2000 China Mobile launched its "Monternet" plan, which effectively brought two important services into our value chain: value-added and mobile Internet services. Between 2001 and 2006, revenues generated from value-added and mobile Internet services grew at an annual compounded rate of 106% from virtually nothing to 14 billion yuan, during the same period, the number of mobile information service providers has grown from 0 to nearly 20,000, representing approximately 80% of the information service industry, greatly contributed towards the telecommunication market in China.

Building Win-Win Business Partnerships

Our major partners include: equipment suppliers, Service Providers (SPs) and third party sales channels.

Equipment Suppliers

Our company purchases a high volume of equipment from both domestic and global suppliers. In our Tier 1 Centralized Purchasing, we have more than 200 suppliers. These suppliers can be sorted into 11 categories: network equipment, base station facilities, transmitting equipment, servers, fiber optics and cables, power supplies and dynamic power control systems, among others. As we expand our network, we are also driving growth in their respective industries. Every year we spend hundreds of millions on equipment, our growth and investment have greatly contributed to the development of the telecommunication equipment industry.

Service Providers

In the 2007 value-added business accounted for 25.7% of our operating revenues, what we believe is the result of strong collaboration between our company and our Service Providers (SPs).

Using our innovative "Monternet" platform, we are able to use our extensive network and powerful business support systems to create market opportunities for SPs. At the end of 2007 we had a total of 1,140 nationwide SPs.

To effectively manage our SPs, we have set up tiers and implemented robust ranking systems to assess performance. We have made significant investments in research and development with our SPs, holding SP forums, trainings and other programs.

Third Party Sales Channel Partners

China Mobile's services cover 31 provinces (regions, municipalities) in Mainland China and Hong Kong SAR. An excellent sales and distribution network is critical for success. As of the end of 2007, we had more than 500,000 sales channels, including China Mobile proprietary sales outlet, franchised stores and retail outlets. Amidst our own rapid growth, we pay special attention to the development of our third party sales partners, continually improving upon our cooperation.

We launched our "Golden Value Chain Program" in Jiangsu, a program that helps us manage major business partners (network and equipment suppliers, Service Providers and third party sales channels) in a way that is clear, consistent and transparent. Based on the significance of the business relationship and annual performance reviews, we separate business partners into 3 tiers. Tier 1 and Tier 2 partners are subject to preferential policies and in certain cases financial support based on positive business performance. We frequently host seminars, forums and engage in joint-research efforts. In Beijing, we opened a Monternet Training Center. Through the Monternet Training Center, Service Providers (SPs) can learn about the Monternet system's management structures, business processes, customer service mechanisms and new technologies. More than 300 people working at SPs have gone through certification courses on SMS messaging, multi-media messaging, IVR, and WAP services.

Since 2004, we established a fund valued at nearly 10 million yuan in Henan, dedicated to developing and recognizing our third party sales channel partners. We provided marketing materials, helped create local marketing and development plans, and recognized and provided financial rewards for our top third party sales channel partners. The business development fund assisted our third party sales channel partners in enhancing advertising, promotions and management and sales ability.

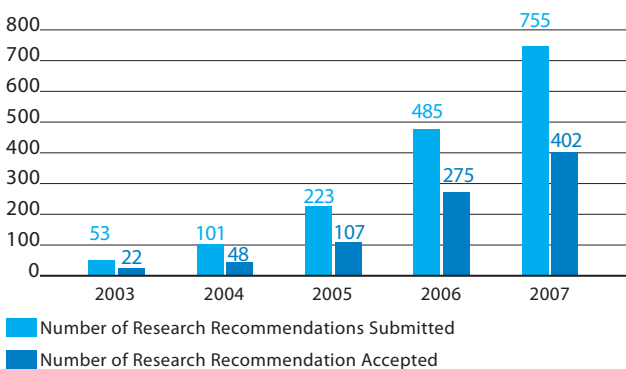
Promoting Technical Innovation

We view our influence on global industry standards as key indicators of our ability to innovate and our technical capability.

We have proactively supported our parent company in their involvement with the development of technical standardization that is important to the global success of the mobile communications industry. We have also helped to initiate more than 30 different projects on technical standards and have participated in leading positions of standardization organization committees for more than 20 times. We have helped spearhead global research to develop international technical standards by actively participating as key members in organizations such as 3GPP, NGMN, OMA, GSMA, and CCSA.

The Group is committed to future research to improve technical standards – for the telecommunications industry. We hope to participate in the evolution of our industry.

Number of Research Recommendations on Technical Standards Submitted by China Mobile



China Mobile 2008-2010 Plans for Technical Innovation



Innovation

In 2006, domestic spending on research and development reached an estimated total of 300 billion yuan. China's Eleventh Five Year Development Plan has also emphasized the importance of innovation, which is critical for growth, competitiveness, a healthy business environment and strategic breakthroughs.

We believe strongly that innovation is essential for growing our business, managing our work efficiently and being a responsible enterprise. Up till now, we have built a corporate culture and structure that promotes innovations in technology, management and service.

Innovations in Operational Efficiency

Our networks, our services and our overall business have all expanded very quickly. The rapid pace of development poses formidable challenges to our management systems, our corporate structure, and our ability to control risk. To help us meet these challenges, we have implemented innovative new ways to run our business.

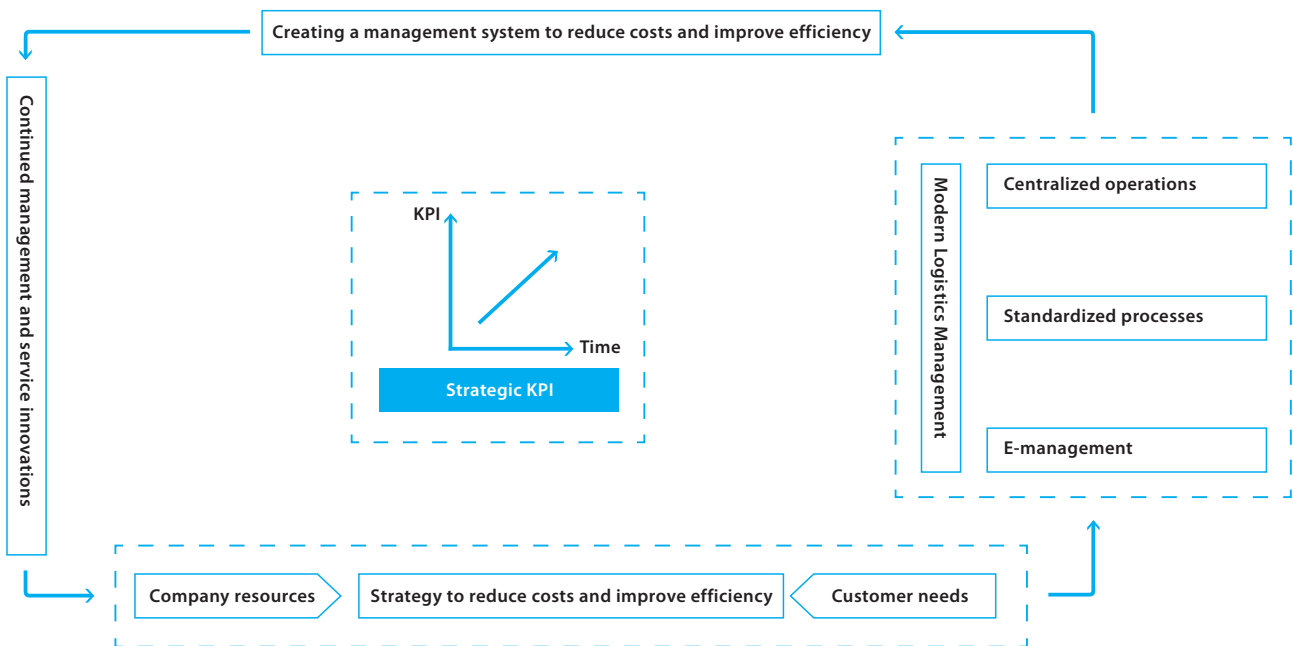
We are undertaking efforts to further centralize and align critical aspects of our business with the explicit goal of reducing costs, improving efficiency and raising competitiveness. One way we are doing this is by centralizing and standardizing the way we operate our network equipment. We want to harmonize network technology allowing the operations to be run in a way that reduces overhead, increases resource efficiency, improves our ability to monitor change and eliminates redundancy (see diagram below).

We are pleased that our efforts to improve operational efficiency have achieved two major results in 2007: improved network quality and improved resource efficiency.

Improving Network Quality. Indicators of improved network quality with the number of network maintenance personnel remain unchanged include:

- Billing accuracy has reached 99.99%
- We now offer more than 10,000 types of mobile services
- Average daily SMS volume has exceed 1.3 billion, with success rates exceeding 99%. We continue to be a global leader with our voice call drop rate. Our voice call drop rate sat at 0.72% in 2007, is well below the average of mobile operators in Europe and Asia, which according to our research sits at above 1.2%

Improved Resource Efficiency. Compared to leading global mobile operators, our operating cost per subscriber is among the lowest in the world; at the same time, we have the highest minutes of usage compared to our number of employees.



China Mobile Low Cost High Efficiency Model

Enabling Technical Innovation in our Business

Innovation cannot grow without a system to support it. In the past few years we have sought to establish a more mature system, a set of strategies and a culture that enable innovation.

We want to be in a position to monitor, enable and evaluate all efforts to innovate. In 2007, we reassessed our innovation strategy and formalized several aspects of our program by setting policies and procedures that help guide the Group's practices around innovation.

The number of patents we apply for is a good indicator of the Group's technical innovation. In 2007 we worked to systemize the processes we use to advance new technology to a 'patent-ready' stage. We established an overall policy framework that accounted for each stage of patent development and wrote standard internal guidance for each stage. As of the end of 2007, China Mobile and its parent company have submitted 875 patent applications, of which 67 has been granted, ranking as the first within the industry in China.

Next Generation GSM (NG-GSM)

Taking into account advancing mobile telecommunications technology as well as the current state of technology used at our company, we have conducted GSM (Global Systems for Mobile communications) research and come up with Next Generation GSM (NG-GSM). This technology considers concurrent developments in 2G and 3G technologies, ensuring that investments in GSM pay off in the long term.

We have updated the GSM technology in several ways. In terms of network structure, we are seeking to implement resource efficient, easily maintained systems that utilize of IP technology. In terms of product design, we want to ensure our base stations are both optimized and multi-modal – allowing for resources and workload to be both clearly delineated and easily shared as needed. We also have worked to ensure network equipment operates in a way that saves energy, optimizes the density of integration, and improves the smoothness of the network evolution. Finally, we have worked to increase the capacity of our network, allowing us to better service our customers and increase our ability to host voice and data services using current hardware resources. To date, the Group has developed 576 technical protocols for NG-GSM and has applied for 5 patents on the topic.

Innovative Services for our Customers

To satisfy our customers, we need to meet their essential mobile communication needs; to advance as a business, we need to innovate, anticipate and shape future mobile communication demands.

Transitioning from a "Mobile Telecommunications Expert" to a "Mobile Information Expert" means fully taking advantage of our extensive network and the scale of our subscriber base, continuing to market information services and promote industry specific applications. Our efforts are starting to show success and we are gradually becoming a leading mobile information provider. In 2007, our value-added services (many of which are information services) have increased as a percentage of the Group's total revenue

In 2007, we effectively pushed business innovations through the promotion of Mobile Media and Multi-Functional Mobile Phones.

Mobile Media

Our current mobile media services include services such as: mobile paper; mobile music; e-thumb literature and mobile TV.

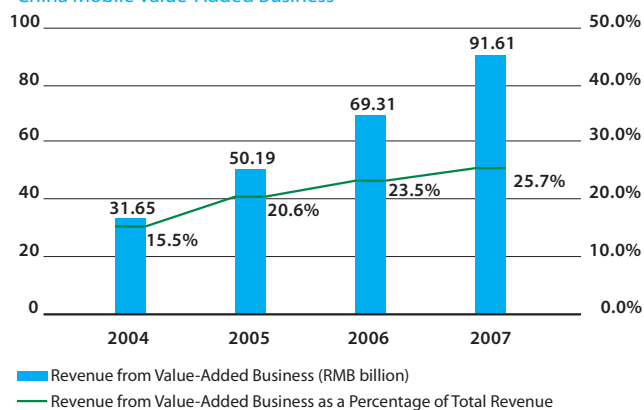
The Mobile Paper, which currently has reached 23.55 million paying subscribers, keeps them informed with customized news updates. In addition to news, sports news, financial news, subscribers are kept updated about major national events and stories.

The mobile music service allows customers to listen to music clips, download ringtones and download full songs at any time any place. Since the launch of our Wireless Music Club, China Mobile has provided abundant music products through consolidation of music resources and the establishment of a mobile music community. The number of senior members of the Wireless Music Club has reached 35.46 million. Subscribers have the ability to enjoy music while the artists' intellectual property rights are simultaneously protected.

Multi-Functional Mobile Phones

We are expanding traditional uses for mobile technology with programs such as: mobile wallet; mobile authentication; mobile securities trading; mobile navigation, personal information management, mobile mailbox; and location specific directory assistance. Our mobile wallet service, for example, allows subscribers to purchase small items and manage their bank accounts through their mobiles phones. Through another service, mobile authentication, we allow customers to buy items such as movie tickets via their mobile phones; once a purchase has been made, we send bar codes to them via multi-media messages which they can then use in lieu of tickets. In addition, using our innovative services such as mobile map, mobile GPS, customers can locate restaurants, shops and petrol stations with great ease.

China Mobile Value-Added Business



Growing Harmoniously with Society

The concepts of “scientific development” and “social harmony” are explicit expectations of social development. Scientific development emphasizes putting people first, and promotes a holistic, comprehensive, balanced and sustainable approach to development; social harmony is socialism with Chinese characteristics. These concepts are integral to each other.

In 2007, guided by the principles of scientific outlook on development, we have strived to build a sustainable business that grows in harmony with society. For our customers, we have implemented effective means to improve services and proactively improved customer satisfaction, building a harmonious relationship with our customers. With our expertise at extending informatization, we are continually expanding network coverage, providing access and services to customers in the most remote areas of China. Access to information services has enabled rural customers improve their own livelihoods and has played a role in promoting new rural construction. Our philanthropic efforts directly focus on improving the lives of disadvantaged groups, sharing China Mobile’s economic success with society and continuously promoting social harmony. Our employees are core to the development of our business and we are committed to giving them opportunities for development and learning and improving employee satisfaction.

Looking forward, using our expertise as a mobile telecommunications company, we have a responsibility to help close the digital divide and improve livelihoods through technology. Following the principles of “putting people first” and “caring for communities”, we will drive efforts to address critical social issues and proactively fulfill our social responsibilities.

Improving Customer Relationships

As at the end of December 2007, we had more than 369 million subscribers representing 69.3% of China's mobile subscribers and 28% of China's total population. For this reason, developing harmonious relationships with our customers and protecting their interests is both an enormous challenge and an important priority for us.

Our approach to customer relationships is based upon:

- Providing fair, accurate and transparent billing and pricing information
- Protecting customer data privacy and data security
- Tackling unhealthy content, such as spam
- Monitoring and improving customer satisfaction

Building Confidence in our Services

In 2006, in an effort to improve customer relationship management and satisfaction, we conducted a systematic customer survey that revealed two key customer concerns:

- Transparent pricing information, which included billing information and service plans
- Fraudulent activities through mobile services

We initiated a new program in 2007 - "Customer Confidence, Satisfaction 100" - to manage these concerns and improve customer confidence.

Under this program, we revised our customer contracts, improved the accuracy of our billing system, added alerts to ensure that customers will not unknowingly subscribe to our paid services and undertook efforts to minimize fraudulent activities through our mobile services.

Fair Pricing

We strive to provide mobile telecommunication services that are accessible to any potential customer and offer a very wide range of service plans designed to meet the needs of customers with different income levels and usage behavior. For example, we designed our "M-Zone" service to suit the needs of students and our "GoTone" service to meet the needs of business customers.

For rural customers, we have developed services that are both attractive and user-friendly.

In Guangdong, we have designed a 3-tier Agricultural Information Service available for customers free of charge or at a low cost. For example, users can sign up for free legal and policy updates, agricultural weather forecasting, agricultural hot topics and agricultural trends and pricing.

Payment Notices and Billing Transparency

Directly addressing customer complaints that they did not understand mobile service pricing, we have changed our internal procedures and back office systems in 2007 to improve transparency.

- Subscription Contracts. In February 2007 we revised our subscription contracts to improved clarity and transparency. More than 30 million new subscribers have signed onto our services using the revised contracts.

- Subscription Double Check. We have added alerts to make sure customers do not inadvertently sign up for subscription services. Before being charged for service, all customers are sent SMS alerts which clearly state the name of the service provider, the name of the service, pricing information and cancellation mechanisms. Only after customers confirm their subscriptions are they enrolled in our services.
- Access to Cancellation Information. For our Monternet Services, we have made cancellation and subscription details simple and accessible to our customers. Any customer who sends a "0000" SMS message to our hotline "10086" is immediately provided with service, billing and cancellation information.
- Call Center Service Commitment. We also seek to provide excellent service in our call centers and have a commitment that any customer who calls "10086" can get his or her issues dealt with promptly by the person who picks up the phone.
- Improving Back Office Systems. We have also made changes to our Data Services Management Platform (DSMP), automating several processes that improve our transparency to customers. These included automation of subscription double checks, alerts sent after subscriptions are made and recordkeeping for billing accuracy.

Accurate Billing

Accurate billing is a fundamental requirement for our customers and it is also an important KPI in our performance reviews. China Mobile strictly adheres to "Telecommunications Rules" and "Telecommunications Guidelines" along with other related industry standards, reviewing billing lists carefully and closely following service agreements. We also rolled out an "Any Billing Error, Double Refund" scheme in 2007 whereby customers are refunded twice the amount of any wrongfully charged fee within seven days.

Preventing Fraud

We have increased our efforts to prevent fraud and strived to establish "Network Safety," a program which is designed to prevent and manage fraudulent activities conducted through our mobile network and services, creating a safe place for customers to enjoy mobile services.

Managing “Web Mice”

In recent years a new form of telephone fraud known as “Web Mice” has emerged. Using multiple pre-paid mobile phone numbers, offenders call customers and immediately hang up – which prompts a missed call on a customer’s mobile phone. People who then call back are enticed by fraudulent claims – many for example are told they have won a local lottery – and may end up entangled in a scheme designed to mine personal data and collect illegitimate fees. “Web Mice” increased customer complaints, caused customers to entangle in fraudulent schemes which result in monetary losses and affected network quality.

In Guangdong, local law enforcement authorities based on the information provided in customer complaints and with our assistance, investigated and successfully closed down 5 criminal sites, arrested 12 suspects, and confiscated 236 mobile phones and 289 sets of automated dialing equipment. This not only protected network safety and improved network quality in the locally affected areas, it reduced more than 18.6 million fraudulent calls every month.

Data Security and Customer Privacy

We have a responsibility to protect customer privacy and ensure data security. The scale of this responsibility is growing as the number of China Mobile customers increases and as the amount of data stored, communicated and transmitted over our networks grows. In as early as 2002, we set up a “Data Security Leadership Team” and an “Office for Network and Data Security.” Both organizations are comprised of leaders from relevant departments and are headed by Executive Director and Vice President, Li Yue.

The Leadership Team has enacted stringent network and information security policies, standards and procedures and the Office has conducted regular internal audits and risk assessments for data security. For employees who may come in contact with customer data, we have enacted strict requirements for information security and confidentiality. Across our business areas, we have implemented technical and operational “checks” to ensure that customer information is not misused or speculated.

Prevention Technology

We have put in place stringent measures – both in terms of technology and business processes – to protect customer privacy and prevent customer information from being misused or speculated. Our data management hardware and software systems adhere to strict security measures and controls; our internal operating policies and procedures are clearly designed to protect customer data and set operating guidelines exist for specific situations.



We protect customer data security using the newest available technologies

Customer Education on Data Security

We are committed to raising customer awareness around data security issues as the first step toward preventing the misuse of customer data. For example, we promoted a “security option” that allows no one but China Mobile and the customer himself/herself to access certain personal data, significantly reducing the chance of speculation.

In Hunan, to enhance privacy settings for our customers, in December 2006 we initiated a program called “Billing Security Safes”. For customers signed on to this service, detailed billing information becomes inaccessible at all of the following sites: China Mobile retail stores, automatic China Mobile data terminals, online data terminals, SMS service information centers, 10086 Call Centers and Monternet mailbox. This fully secures customer billing information.

Like all telecommunications companies we need to balance our commitment to customer privacy with the need to work with law enforcement authorities as part of their legitimate efforts to investigate illegal activities. We have processes in place to protect our customers, and have implemented a very strict set of internal policies, procedures and processes that guide our employees how and when we need to cooperate with law enforcement authorities on legal enforcement.

Tackling Spam

As we are committed to ensuring that our mobile telecommunications platform contributes to public well-being, we have a responsibility in tackling unwanted content - spam - which in China is often sent via SMS and multi-media messages (MMS). We have closely investigated the distribution of spam in order to minimize and eliminate these messages. We have set up prevention and management methods that include policies and procedures, staff accountability and continuous improvement of technical controls.

■ **Guidelines for the Management of Unwanted Messages.** In 2007 we released internal guidelines to guide the management of unwanted messages across the Group. The guidelines assign different departments with specific roles in managing unwanted messages and set a clear definition for what can be defined as an unwanted message. These guidelines are used to prevent and manage unwanted messages in our provincial-level operating subsidiaries.

■ **Tightening Technical Controls.** We have tightened our technical controls to better manage and prevent the distribution of spam. Our technical platform is now better equipped to monitor the distribution of spam and is aligned closely with our customer complaint systems which allows us to promptly investigate and resolve spam-related complaints. Spam reported by our customers, if found to be breaking laws and regulations, is reported to law enforcement authorities according to the instruction of law enforcement authorities.

■ **Listening to Our Customers.** In January 2007, we launched "Customer Confidence, Satisfaction 100", a new program that promotes the use of SMS and live customer hotlines "10086999" and "10086", which allow customers to easily report unwanted messages. Through these hotlines, we have collected, categorized, dealt with and analyzed customer complaints regarding spam.

Spam Prevention Programs

In 2007 we implemented several spam prevention programs:

In March 2007 we initiated a program in Henan that improved the way we manage unwanted messages sent via our Monternet platform. Representing more than 300 service providers (SPs) from across the country, 26 of our SPs worked together to design and present an "Honest Service Initiative," a program aimed at reducing unwanted messages. At the same time, amongst our customers, we selected 37 "Monternet Guards" to help monitor our SPs. Altogether, we penalized 83 SPs through this program, of which we cancelled contracts with 37 SPs for their major infractions. Between January and September 2007, compared to the same time period in 2006, we saw a 56% decrease in customer complaints regarding the Monternet platform.

Between mid-May and end of June 2007, we conducted a full audit of all Monternet SPs in Shanghai. Since the audit, we cancelled contracts with 2 SPs for their repeated infractions.

In 2007, we invested 8.66 million yuan to manage unwanted messages in Jiangsu. Between May and August, we locked the numbers of 15,804 senders of unwanted messages, effectively preventing the distribution of 95 million unwanted messages. The program helped us reduce the number of spam-related complaints from customers from thousands of customer complaints each month prior to the launch of this program to about 200 customer complaints each month.

Promoting "Healthy" Mobile Messaging Culture

With two major objectives – first to strengthen internet culture and second to reduce the transmission of harmful messages – we worked continuously to improve the mobile information service environment and promote healthy mobile messaging culture through an "e-thumb literature" messaging service. This service encouraged customers to use mobile services to transmit positive messages – and as a result, users produced, purchased, used and sent positive SMS messages. These all had a positive impact on the way that SMS messages are used. As of 2007 we have held 3 "e-thumb literature" competitions which promoted creativity and healthy mobile messaging culture and have received more than 1.2 million SMS message submissions from customers.

Managing our Service Providers

We have been building a management system to increase supervision of our Service Providers (SPs):

- Clear and transparent approval processes: We have set up a two-step approval process that SPs must pass before being allowed to access our Monternet platform. We require that all SPs have value-added service business licenses (licenses are authorized by China's Ministry of Information Industry) as well as detailed documentation to ensure they have appropriate publishing rights to the information or service they distribute.
- Improved Cooperation Guidelines: We have set out specific regulations for each phase of collaboration with SPs which are regularly updated according to new regulations and requirements.
- Ethical Business Performance Standards for SPs: We regularly evaluate our SPs against their ethical business standards and penalize those that do not meet standards.

- Tiered Management for SPs: Our SPs are tiered according to how closely they adhere to ethical business standards. This rating is integrated into how the service provider is ranked overall in our SP management system. Ultimately this means an SP's overall business rating is in part determined by their ethical business performance.
- Technical Controls: Through our Data Services Management Platform – a back-end technical control system – we have been able to implement technical controls to better manage SPs.
- Centralized Services for our SPs: We have implemented a comprehensive service center to provide SPs with a one-stop shop to manage business performance, certify business practices, pilot services, pilot billing systems and build cooperative marketing programs.

Managing Customer Satisfaction

We attach great importance to improving customer service based on customer comment and feedback. Customer feedback is received through various means such as the customer service hotline (10086) and regular customer satisfaction surveys.

In addition, using a third party company, we conduct regular customer satisfaction surveys between July and November every year. The survey canvasses about 180,000 customers from across the country via telephone interviews. According to a customer survey conducted in 2007, even with a significant increase in our subscriber base, we experienced improvement in customer satisfaction rate.

In addition to working to understand our customer satisfaction,

we have also implemented a customer complaint system, outlined in two internal documents: "Management of Customer Complaints Measures" and "Customer Service Standards – Channel and Complaint Management Handbook." We evaluate our provincial-level operating subsidiaries against these standards, rewarding those that perform well and disciplining those that do not.

China Mobile Overall Customer Satisfaction Rate (percentage)

	2005	2006	2007
Customer Satisfaction Rate	75.0	79.6	80.8

Building an Information Society

We are committed to building the foundation for an information society and contribute to doing so by establishing a stable, extensive mobile telecommunications network and by providing a rich set of mobile telecommunications services.

In 2007, three major types of work helped us to realize our responsibility in this area:

- Extending a Stable Network
- Closing the Digital Divide and Reducing Barriers to Use
- Increasing the Social Value of our Services

Extending a Stable Network

Our world-class network is essential to providing high quality service, and through continued persistent efforts, we have set up a high quality mobile telecommunications network which is currently the world's largest. We have and will continue to construct a proactively-built, high-tech, easy-to-operate, secured, high quality network. In the coming years, we will make improvements to our network that take full advantage of the size and scope of our business, and integrate new network and IP technologies. We seek to reduce costs, extend network coverage and improve network quality.

In Jiangsu, we invested more than 10 million yuan to ensure that travelers on highways where high-speed trains travel at speeds of up to 250km/h have stable access to our network. Around these areas our coverage has reached 99%; our connection rates have reached 95% and our voice call drop rate were only at 0.5%.

In addition to extending our network, we are also working continuously to improve network quality. A quality test of our network was conducted by a third party company to compare our network quality with that of more than 100 other mobile telecommunications operators. The tests found that our GSM network has among the strongest accessibility and retention rates in Asia and globally. Our voice call drop rate was the third lowest in the world and the lowest in Asia; our wireless connection rates were the third strongest in the world and second strongest in Asia. The tests also found that our data business network quality is top notch, ranking our SMS and MMS delivery-rates as the best in the world.

China Mobile Network Stability and Quality Indicators

	Wireless Connection Rate	Voice Call Drop Rate	SMS Delivery Rate
2007	99.2%	0.72%	99.1%



In Xizang our strong network coverage brings convenience to local residents



In Hebei we extended coverage onto an ocean-based base station

Our extensive network has enabled us to provide reliable telecommunication services for a series of major events, and at the same time it has allowed us to provide stable services in the face of crises and natural disasters. For example, in 2007 we ensured network stability during the 10th Anniversary of Hong Kong SAR. Working closely with local governments, we deployed emergency response teams to ensure network stability during major natural disasters including the Liaoning snowstorm and the major flooding in Hunan. In 2007, we deployed our emergency response services 3,124 times.

China Mobile 2007 Emergency Response Statistics

Emergency Response Deployment (number of deployments):	3,124
Major political or economic events	2,242
Major natural disasters	608
Major emergency or accident situations	87
Major public health situations	85
Public safety events	102
Emergency response vehicles (number of deployments)	3,205
Emergency response equipment (number of deployments)	10,736
Number of people (number of deployments)	124,792

China Mobile Emergency Response

- On March 4, 2007 mid-night the largest snowstorm in 56 years hit Liaoning. We immediately deployed an emergency response plan to repair damaged telecommunications equipment, particularly power generation for major network equipment. We deployed over 160 diesel-powered generators, more than 170 emergency response vehicles and deployed employees more than 1,500 times, reducing the impact of the snowstorm on our network and enabling regular service.
- In Jiangsu, on May 4, 2007 late-night, in a major area of turbulent water near Haimen, a 4,000 ton freight carrier sunk, sending 7 sailors overboard. Despite heavy fog and low night visibility, the Nantong Rescue team led by a mobile phone was able to locate the 7 sailors for their rescue mission.
- Starting from August 19, 2007, a major rainstorm caused flooding in Hunan, affecting network stability in Chenzhou, Hengyang, Zhuzhou and Yiyang. We immediately deployed our emergency response plan: we deployed employees more than 2,352 times, deployed 947 temporary emergency base stations, deployed emergency response power-generating vehicles 605 times, used diesel-powered generators 3,202 times, and operated emergency response vehicles for a total of 131 hours. These efforts ensured the prompt repair of damaged network equipment in affected areas.
- On July 17, 2007, Chongqing was hit by the largest rainstorm in 115 years. We deployed employees 3,921 times, vehicles 2,170 times, 485 diesel-powered generators and 2 emergency response vehicles which ran for a total of 154 hours, ensuring network stability in affected areas.

Using Positioning Technology to Locate Lost Hikers

On December 1, 2007 9 hikers climbed Wumei Mountain, the highest mountain in Jiangxi. The mountain is hard to navigate, steep and features high density forests – and the hikers became lost. The next morning at 9 am, Jiangxi deployed 6 network maintenance staff with an emergency response vehicle and GPS positioning equipment to help locate the lost hikers. That afternoon at 1:10pm, the China Mobile team laid a 12 kilometer long optical cable, stretching from Niaoao to Guji. Where the signal was strongest, the team set up its emergency response vehicle and expanded mobile coverage by an area of 10 kilometers in diameter. About three hours later, a police command center was able to guide its team in two directions for rescue. In the morning of December 3, 2007 after a night of searches, the team was able to find and rescue 7 of the lost hikers. The other two hikers were found the next day. The rescue showed how important our responsibility is to quickly deploy t of emergency response vehicles, staff and stable network coverage.

Promoting Rural Informatization

As of the end of 2006 there were more than 737 million people (56% of China's total population) living in rural areas. Closing the gap between urban and rural living standards is a major priority for sustainable development of China.

The Village Connected Project was implemented in early 2004 and as of the end of 2007, mobile and fixed line telecommunication coverage rates reached 99.5% in administrative villages.

For China Mobile, developing the rural market, extending our network coverage, developing new innovative voice and data services for customers, and increasing the popularity of mobile services in rural areas are all important aspects of creating an information society in rural areas. It is also a chance to leverage the nature of our business to make a strategic, positive social impact and remains an important component of our CSR strategy.



In Hunan, rural customers learn about new farming techniques through our "Rural Information Network" and increase crop yields



In a mountainous region in Zhejiang, our Village Connected Project helps local residents connect with friends and family beyond this mountain village

Village Connected Project

Since 2004, with guidance from China's Ministry of Information Industry, we continued to assist our parent company in the Village Connected Project, a program which seeks to expand telecommunications networks into rural areas. Through the program, we have constructed 17,769 base stations, brought coverage to 39,784 previously disconnected administrative villages and increased telecommunications coverage in administrative villages to 99.5%. Our work has extended coverage to nearly all of China's administrative villages, with the exception of some in Xizang and Sichuan highland regions.

In 2007 we continued to assist in the Village Connected Project, extending coverage to administrative villages as well as natural villages. As of the end of December 2007, we brought coverage to 4,676 administrative villages and 5,367 natural villages.



In Hebei, China Mobile employees worked hard to resolve local telecommunication problems



In Xizang we constructed a base station in a remote village Linzhi



In Sichuan, Miao minority residents celebrated the construction of a new base station with our technicians

- In Sichuan, we constructed 937 base stations in 2007, extending coverage to 1,061 previously disconnected administrative villages and 151 previously disconnected natural villages.
- In Qinghai, we invested 100 million yuan bringing coverage to 80 remote administrative villages -- achieving 100% coverage in Qinghai's administrative villages.
- In Xizang, 382.86 million yuan was invested in extending our network coverage via Village Connected Project, addressing the telecommunication challenges of local villages helping to make a positive impact on local economic development.



In Shanghai, our rural informatization provide new farming techniques which have changed traditional farming methods



Farmers in Fujian use our "Rural Information Network" to access information about crop prices



In Jiangxi, we developed a mobile e-market for customers to buy and sell agricultural products

Application of Agricultural Information Business and Services

In addition to extending access to our network, we need to ensure that our network is used to provide valuable information services to rural customers. Through our network and services, rural customers should be able to access agricultural knowledge and learn new farming techniques that allow them to improve their standard of living. In rural areas, it is not only network coverage, but also the application of agricultural information and services that will be our final measure of success.

Since 2006, based on our efforts with the Village Connected Project, we launched our Agricultural Information Service, a platform that acts as an important exchange hub for sharing agricultural information in rural areas all across China. As of the end of 2007, we have 26.43 million subscribers of Agricultural Information Service.

In October 2006, to effectively promote our Agricultural Information Service business, we have launched our "Rural Information Network", a China Mobile information network platform. The "Rural Information Network" relies heavily on rural information terminals set up in rural villages, as well as a unified set of voice, SMS, website, and hotline services. Voice services are

available in several ethnic languages to provide access to ethnic minority groups. The ten major categories of information provided through the network are mostly geared towards agriculture:

- Agricultural laws and regulations
- Agricultural news
- Agricultural technology
- Price and product information
- Pest management and prevention
- Market developments
- Agricultural weather forecasts
- Labor information
- Emergency alerts
- Lifestyle and health

Our "Rural Information Network" provides data to rural customers in a way that is simple to use, convenient and does not come with high cost barriers.

Efforts at a Glance: the "Rural Information Network"

Number of subscribers	■ Approximately 6.97 million subscribers
SMS Services	■ We distribute an average of more than 5 million SMS messages related to agriculture per day, for a total of 1.85 billion messages since the services were launched
Hotline Services	■ We received an average of 14,000 calls to our rural information hotline per day and a total of 6.45 million calls since the hotline was launched
Website	<ul style="list-style-type: none"> ■ Agriculture-related content received 4.46 million clicks ■ Website subscribers publicized a total of 3.08 million news items related to agriculture
Recognition	<ul style="list-style-type: none"> ■ The United Nations gave our efforts a "2007 World Summit on the Information Society Special Recognition Award" ■ At the 7th Informatization Dialogues, we were awarded with the "2007 Rural Informatization Application Golden Award"



Our employees educated customers in Sichuan on how to use information services on a one-to-one basis



Mobile users in Hunan communicate with customers from outside the province



In Heilongjiang, a farmer learned new techniques for farming corn through our Rural Information Network, making significant improvements to his crop

Application of our Agricultural Information Business and Services

In order to more quickly bring the information society into China's countryside, we have implemented a "100-1,000-10,000" Program. As of the end of the June 2007, the program had provided information services to 490 leading rural enterprises; built 1,584 "Model Informatization Villages" (villages that use a high volume of information services); and set up 13,459 "Model Informatization Towns" (towns that use a high volume of information services). Across the country, 75 contracts were signed with local agricultural government departments which promoted local cooperation. Under the program, we also set up 11,629 information service sites which together employed 19,379 people. We have also helped to organize agricultural information provided to rural customers from 701 different sources. Overall the success of the "100-1,000-10,000" Program has helped to bring a wide range of valuable information services to rural areas in China.

- At the end of September 2007, we had 742,000 subscribers of

our "Agricultural Information Service" in Jilin. We set up model informatization programs in 25 towns, 190 villages and 2 leading rural enterprises. We set up a total of 25 rural information sites.

- In Zhejiang we promoted the "Zhejiang Rural Mailbox", an information platform, mail service and website for rural customers in Zhejiang. As of the end of 2007, we had 1.7 million subscribers and the total volume of products and services purchased through the rural mailboxes totaled 1.49 billion yuan. The Rural Mailbox services have made both economic and social contributions in Zhejiang. Using the Rural Mailbox services, customers sent emails and SMS messages that saved them time from making phone calls and incurring mailing fees -- altogether saving them more than 3.477 million yuan. We used the Rural Mailbox services to send alerts about upcoming typhoons and cold fronts as well as pest management methods, preventing an estimated 1.58 billion yuan in damages.

Agricultural Information Business and Services: Building Sales Channels for Agricultural Products

On March 30, 2007, we set up rural information terminals in Jielin, a village in Sichuan.

On May 9, 2007 morning, Yangping Agricultural Development Company (a local agricultural company) found that they could not locate buyers for a recent crop of cabbages and the crop was at risk of going rotten. Learning about this problem, the village chief listed these cabbages for sale on China Mobile's "Rural Information Network". On the same day, orders from a buyer in Chengdu came in and had ordered a total of more than 40,000 catty of cabbages, bringing the company more than 8,000 yuan in revenue; another buyer in Pengxian purchased more than 50,000 catty of cabbages, bringing the company more than 7,000 yuan in profit.

"The rural information terminals are great. They have solved some major problems for us: they have taught us new agricultural techniques and they are an excellent way for our village to sell our agricultural products."
- Village Chief and Local Manager for the Rural Information Terminal

"Lack of information has really hindered our business. Without market data, we do not know what crops will bring in high prices and we do not have access to a very good sales channel. We wanted to develop our own information platform, but it costs too much money. The rural information terminal has helped us address both of these problems. I would like to say it has been a helping hand towards prosperity!"
- an employee from Yangping Agricultural Development Company



We set up special retail sites for rural customers in Gansu



Our employees provided detailed advice and guidance to customers in Guizhou



Our retail sites and service centers have extended into the most remote villages in Hunan

Customer Service and Sales Channels in Rural Areas

To help rural customers more easily access mobile telecommunication services, we have established both virtual and physical sales centers. As of the end of 2007, we had set up more than 300,000 sales outlets in rural areas. We have also initiated payment schemes where China Mobile representatives collect payment at a customer's residence, and over-the-air recharging. We are doing our best to make it easy for rural customers to enjoy our services from their homes. Together our efforts have built several "mobile villages and towns" – rural areas with very high mobile service use – throughout China.

At the same time, to encourage young people in rural areas to participate in building a "new rural construction," we delivered rural informatization mobile paper and provided 2 million agricultural information posters to youth centers in rural areas. This work was part of our efforts to support the development of rural youth centers in 2007.

In addition to making it easier for customers to access mobile services, we provided customers with the basic understanding of how to use mobile telecommunication services. To that end, we have hosted several training and educational events for potential customers in rural areas.

China Mobile's Plans for Supporting Rural Youth Centers

Our plans to support rural youth centers were made in cooperation the Communist Youth League in 2006. Working with the Youth League, we plan to build 110 model rural youth centers in rural areas and have invested 40 million yuan towards that goal. In addition, we will recruit 100 youth volunteers to work at the centers, donate 1,000 libraries to these youth centers and organize the showing of more than 100 different films at the youth centers. We seek to recruit 1 million youth center members at these youth centers and through our membership, and to train 10,000 young rural leaders.

In July 2007, working with the Henan Youth League, we hosted a rural education and assistance program called, "Hello! New Henan!" We recruited 500 volunteer university students to visit more than 100 remote villages to teach local children and residents some computer and mobile phone basics. We also took the opportunity to promote the Olympic Games.



Using mobile technology we developed a food safety information tracking system for meat production – here a pig farmer in Jiangsu uses a scanning device to track data

Information System to Track Meat Production

Area	Number of Scanning Devices	Number of SIM Cards
Beijing	1,821	982
Liaoning	112	92
Shanghai	941	830
Shandong	318	249
Guangdong	189	45
Hainan	108	97
Chongqing	3,221	2,890
Sichuan	6,460	4,001
Yunnan	238	192

Increasing Efficiency through our Services

We seek to build an information society, and two main attributes of an information society are efficiency and convenience. The following are examples of products and services that have increased efficiency for multiple segments of society.

Machine to Machine Services

Machine to Machine services (M2M) provide our corporate customers with solutions to help optimize many of their processes. M2M gives customers remote control of business processes and the ability to remotely collect and monitor data. M2M services have been used in areas such as power, oil, transportation, air quality and water monitoring industries.

- In Shanxi, in cooperation with Jinzhong City's Forestry Bureau, we initiated a M2M system which allows the bureau to monitor and control fire prevention efforts remotely.
- In Gansu, in collaboration with the Environmental Protection Bureau, we set up a system to monitor air pollution and dust levels.

Building an Information System to Track Meat Production and Food Safety

With increasing concern about food quality and safety, in cooperation with the Chinese Ministry of Agriculture, we initiated a system in November 2006 which helps to trace meat products back to their source. We manage an extensive database which logs and categorizes identification codes for livestock across every phase in meat production, tracking how livestock are raised, disease prevention measures, known quarantine cases, and results from quality tests. With such a detailed set of information in hand, we can help to immediately trace any food quality issues back to the source. The system has been widely recognized and supported by China's national leaders and other key stakeholders in food safety. This system has been implemented across China in provinces and municipalities including: Beijing, Liaoning, Shanghai, Shandong, Guangdong, Hainan, Chongqing, Sichuan and Yunnan.



In Zhejiang, we installed a Campus Information Service terminal to allow parents know when their children arrive and leave school



We installed mobile system safety control systems on fishing boats in Jiangsu

Campus Information Service

Using our information terminals and networks, we have created an information platform to provide Campus Information Service that facilitates communication among school teachers, parents and students. In January 2007 we worked with the Ministry of Education to promote our information service, to facilitate communication between school teachers and parents and link school education, family education and social education closely together. We have implemented these services in 30 provinces (regions, municipalities).

Police Information Service

Using our information terminals and network, the Police Information Service helps the police remotely access their information database and their internal deployment system. This helps the police access information to manage a wide range of issues including safety, traffic, criminal and economic investigations, local residency permits, inspections, fire safety and customs.

Within the premises of safety protection, we have ensured the full cooperation and free communication with police services. We have signed a cooperative agreement with the Ministry of Public Security to promote the information service across the public security system in 24 provinces (regions, municipalities).

In addition to the Police Information Service, we have also supported some key public safety services. In Jilin for example, we invested more than 2 million yuan to set up a "SMS 110 Positioning Service", which helps the police locate senders based on their SMS messages. (110 is a free number and will connect to an emergency operator for the police).

Banking Information Service

The Banking Information System uses mobile phones, wireless points of sale and other mobile telecommunication channels (i.e. SMS, GPRS, etc.) to meet the needs of banking customers who need instant financial information. The system has allowed bank employees to manage certain operations remotely, helping to increase efficiency, improve revenue and lower costs. Services have been rolled out in all 31 provinces (regions, municipalities).

Municipal Information Service

Starting in April 2006, we have been helping local governments build Digital Urban Management Systems, mobile telecommunication services that allow the city to store and collect local geographic and business data and citizens to look up information, ask questions and raise concerns. Currently 28 cities across 12 provinces (municipalities) have piloted this information service, including Beijing, Tianjin, Hebei, Shanxi, Shanghai, Jiangsu, Zhejiang, Shandong, Hubei, Guangdong, Chongqing and Sichuan.



In Fujian, we donated mobile phones with positioning technology to elderly residents, allowing them to call for help more easily



In Xinjiang, we set up a Uigur language customer service center

Attending to Groups with Special Needs

In 2007, we made great efforts to bring the convenience of modern technology to those with special needs. We pay great care to the elderly, the disabled and ethnic minority groups with specific language needs and have developed communication services and applications suitable for them so that they can enjoy the convenience brought about by mobile telecommunications.

- In Jiangsu, on May 20, 2007 – China's Seventeenth National Disability Day – we worked with Yangzhou City's Disabled People Association to become China's first telecommunications company to release contracts written in Braille.
- In Fujian, working with the Xiamen Public Security Bureau, we distributed free mobile phones equipped with positioning technology, allowing elderly residents to call for help more easily.
- In Xinjiang, we set up a Uigur-language service center. In only 4 months, the center had received more than 100 million inquiries.



In Heilongjiang, we helped to improve education standards in Tanguan county



In Fujian, we provided free phone calls to migrant workers who were not able to go home for Chinese New Year



Employee volunteers visited the elderly during the Mid-Autumn Festival

Community Investment

We believe that besides pursuing business development, corporations are also responsible for assisting the poor and the disadvantaged in society. As a key member of society, we believe that investing in our communities and helping those in need are not just a manifestation of a caring corporate culture, but also an important way that a company shares its economic success with society.

In 2007, to ensure our community investment activities are conducted in a strategic, scientific and systematic way, we moved our Philanthropy Office into our Development Strategy Department. We have also begun to draft a management approach and a 3 year plan for our community investment seeking to maximize our positive social impact.

Poverty Alleviation, a Shared Responsibility

China currently has more people living in poverty than any other country in the world, with the exception of India. Over the course of the 11th Five Year Plan (2006-2010) China aims to bring 75.87 million people out of poverty. Within this context, supporting poverty alleviation is an important activity for any responsible company operating in China.

In 2007, we sought to implement innovative programs to involve the public in our poverty alleviation and philanthropy efforts. At the same time, we are constantly attuned to the concept of leveraging our core competencies as a business to help those in need.

Poverty Alleviation Efforts

In Xizang, we have supported the development of a low-income area called Gaize. Since 2002, 4 groups of employee volunteers went there and our parent company had invested a total of 67.36 million yuan. Between 2007 and 2008, it was planned to invest an additional 30 million yuan in the county to develop 7 projects focusing on issues such as infrastructure, cultural protection and public hygiene. In 2007, we invested 6.21 million yuan in a Gaize agricultural housing program and 15.4 million yuan in other Gaize programs, for a total investment of 21.61 million yuan.

We have participated in many community investment programs, building a culture of personal accountability - internally called "Starting from Us" and have created opportunities for employee giving and volunteering. From January to September 2007, China Mobile employee contribution totaled 13.67 million yuan.

At the same time, we have used our mobile telecommunications products and services to provide ways to invite the public to participate in philanthropic efforts. This has created an influential platform by which larger society can be involved in efforts to fight poverty and contribute to good causes.

Since 2002, we have been seconding young leaders from our organization to Tanguan and Huanan - two counties in Heilongjiang - to set up a ten-year program focused on education, public health and hygiene, road infrastructure, municipal water and mobile telecommunication network construction. Investments provided by our parent company in these projects totaled 34.2 million yuan with 5.2 million yuan spent in 2007.

In Guangdong we set up "Communication 100" retail sites where migrant workers can make 15 minute phone calls home every month, free of charge. As of August 2007, this service was used 460,000 times. In addition, we set up a "Keeping Contact, Calling Home" free-long-distance-call service package for migrant workers that accumulated a total of 20 million minutes of free long distance calls.

In Tianjin in July 2007, we initiated another "Keeping Contact, Calling Home" program with two specific service options for migrant workers: the first program provided 10 minutes of free long distance calls every weekend from Tianjin retail sites; the second gave "Shenzhouxing" customers free long distance minutes. More than 1,000 migrant workers benefited from the first program and nearly 10,000 have signed up for the second.



In Shanghai, we organized activities to help the children of migrant workers celebrate International Children's Day



We collected more than 60,000 yuan to provide clean water to Ningxia residents facing severe drought



We continued to run our "Bringing Light" program in Zhejiang in 2007, restoring vision for the elderly

Philanthropy

We engage in philanthropic activities in all provincial-level operating subsidiaries where we operate.

In December of 2007 we worked with the China Women's Federation to build "China 12.1", a foundation which supports children in China's orphaned by AIDS. We donated 50 million yuan to provide living stipends and educational support for about 10,000 AIDS orphans. In addition, we will develop an information management platform to manage data related to these orphans, the management of the foundation and the foundation's website. We actively encouraged employees and customers to help extend the impact of the program by donating to the foundation.

In 2007 we initiated a philanthropic SMS platform for the China Health Express Foundation. Through this platform, donations can be collected to help provide free cataract surgery for patients in rural areas. This was modeled after the platform we previously initiated and continued to operate in 2007 for the China Foundation for Children and Youth.

In Guangdong, we set up a program called "Enjoying the New Mobile Life". The program had four goals: to help 10,000 rural families living in poverty set up basic housing; to help 10,000 disabled orphans with rehabilitation; to support 10,000 low-income university students with tuition; and to provide 10,000 low-income farmers with employment training. As of the end of June 2007, in cooperation with the Guangdong Foundation for Poverty Alleviation, we were able to collect more 73 million yuan in customer

donations for these programs.

In Jilin and Shaanxi, we developed donation hotlines and a "Care100" SMS platform, allowing customers to make donations through the hotline or via the SMS platform.

In Jiangxi, our employees and Jiangxi company donated funds into the "China Mobile Jiangxi Welfare Foundation." The fund was used to support students who could not afford tuition, disadvantaged groups and employees facing economic hardship.

In Guizhou, we set up a "Mobile Security V-Web Fund," dedicated to supporting people in need working in the police department. Every year, we contribute 300,000 yuan to the fund, which is used over time to help families of officers who have lost their lives on the job, disabled officers, officers stricken with cancer, leukemia, or those in need of organ transplants. Since inception, the fund had helped 15 officers, and deployed 112,000 yuan in donations.

In Zhejiang, we donated 1.5 million yuan to build a 5-year program called "Bringing Light." In 27 poverty stricken areas, the program allowed us to sponsor cataract surgery for 1,725 senior citizens, fully restoring their vision.

In Shandong, we sponsored cataract surgery for 125 low-income senior citizens.



In Guizhou, in providing disaster relief, we provided free calling services for coal miners to call home

Disaster Relief and Reconstruction

Part of our commitment and responsibility to the community is to help those stricken by natural disasters. In addition to our own philanthropic efforts, we seek to use our business competencies to provide support, using our mobile network to:

- Alert the public of upcoming disasters
- Provide instruction on preparing for natural disasters
- Support post-disaster reconstruction
- Create SMS and other platforms to collect donations from employees and the public for disaster relief efforts

In Guangdong, working closely with the meteorological department, we have sent more than 16.8 million public notice SMS and MMS messages alerting customers of inclement weather, covering all customers within range of events such as upcoming typhoons. This effort helped the government and local residents with disaster relief and prevention efforts. We also cooperated with Guangdong's Poverty Alleviation Foundation, donating 5.9 million yuan for disaster relief as of the end of June 2007.

In Shanghai, we worked closely with the local weather bureau on a "Weather Information Alert" pilot project. The project used our rural information terminals to warn island residents of major upcoming storms.

During the 2007 flood season in Henan - with the support of the Red Cross - we donated 600,000 yuan for victims of natural disasters living in Xinyang and Zhumadian. We donated 100 information terminals valued at 80,000 yuan to the local flood prevention department.

In Chongqing, we donated 1.03 million yuan for disaster recovery. On July 19, 2007 we worked with the city's philanthropy association, Xinhua's (a media agency) website and the Chongqing Commercial Times to put together a program called "Working Together to Rebuild our Community." We set up an SMS donation platform collecting 4,662 yuan on the first day, representing 2,331 SMS messages.



In Hubei, the "China Mobile Library Project" brought new ideas to local children



Our "Training for Headmasters" program in Qinghai provided training to rural educators



University interns in Gansu showed customers how to use self-service terminals

Supporting Education, Building our Tomorrow

Education is a primary focus area of our community investment program. This year we have continued to make great efforts to improve the education environment and provide financial support for those who cannot afford education. We have also tapped into our technical abilities and network resources – alongside our value chain partners – to enlist public support of education.

Company Efforts to Support Education

■ Supporting Education in Central and Western China

In cooperation with the Ministry of Education, we have invested 30 million yuan to launch a donation program for rural primary and middle school education in the poverty-stricken areas in Central and Western China, aiming to supplement educational resources and improve the qualifications of local teachers. We set up two sub-programs: "The China Mobile Library Project," which built 700 rural libraries in 2006 and 2007 and "Trainings for Headmasters in Central and Western China," which during the same time period provided training to 2,400 headmasters. According to our 3-year plan for these programs, by the end of the 3-year period, we will have trained a total of 3,600 headmasters and built a total of 1,000 libraries.

■ Providing Opportunities for Low Income Students

We provided many opportunities for college students to work part time, giving them a chance to earn money for tuition while gaining practical

work experience. At the same time, we set up programs that encouraged these students to donate part of their earnings to support others, which we hoped would instill in them a sense of responsibility towards the community.

In 2007 in Zhejiang, we provided 1,000 university students – 200 of which were low income university students – with internship opportunities. Low income students were given a preferential opportunity to obtain summer internships at our 10086 customer service centers, our retail sites, or at M-Zone brand stores. Summer interns also had an opportunity to participate in several company programs, including the "Green Boxes Environmental Protection Campaign" and the "Orange Heart Philanthropy Plan." These students could also volunteer to donate part of their earnings to support others.

In Hubei, we initiated a "Caring for Hubei" program which provided 5,000 part time work opportunities for university students with financial difficulties. We also encouraged students to donate a portion of their earnings to charity.

In Guangdong, in cooperation with the local education department, we provided 10,000 part time job opportunities for university students with priority given to the low-income students; these students volunteered to donate part of their earnings to support education for 100,000 primary and secondary school students with financial difficulties.



In Anhui we provided college tuition support for low-income students



In Henan, we introduced children of migrant workers to the newest mobile technology



In Guizhou volunteers offered support to primary school children in Changshun county

Enlisting Public Support for Education

Charity SMS Message Competition

In 2007 China Mobile hosted a Charity SMS Message Competition. During the competition period, customers were first invited to write and send in inspirational text messages; in about 80 days, we received more than 1.38 million message submissions. Among these message submissions, we selected 270 messages to be downloaded and forwarded on by other customers; these messages were downloaded more than 4.23 million times and were forwarded more than 36 million times and more than 4.75 million yuan in donations were collected through this program. Through the China Mobile Foundation for the Support of Education, the donations provided educational assistance to academically gifted primary and secondary school students from low-income families in 10 provinces in Central and Western China. We run similar programs to support education in provinces where we have operations.

In June 2007, working with the provincial philanthropy association, we set up a new program "Thank You, New Henan," donating 800,000 yuan to support 800 children of migrant workers, 100 new university students and 100 leading school teachers in poor areas.

In 2007 we set up a program for our GoTone customers in Hainan — "Responsible Hainan, Supporting Hainan Education" — which invited customers to donate points from their mobile subscription services that were converted into funding to support Hainan education. The funds were used to buy supplies for rural schools, send volunteer college students majoring in education to teach at rural schools and improve the quality of training for rural school teachers. More than 6,000 customers have participated in the program generating nearly 200,000 yuan in donations.

In Yunnan, we invested 20 million yuan to set up a new system, "Mobile Network Rural Education Training." Using terminals and networks set up via our Village Connected Project, we conducted educational training for primary schools in low income areas, minority groups, and border regions.

At the end of March 2007, we rolled out a local version of "Care 100" in Shaanxi to help 500 university students from low-income families with tuition. The Group donated 800,000 yuan to the program, and by building an SMS donation platform, employees and the public donated more than 1.44 million yuan.

Promoting Culture and Athletics, Supporting the Beijing 2008 Olympic Games

China has committed to building a high quality, unique Olympic experience for the world. As an official partner of the Beijing 2008 Olympic Games, we are committed to helping Beijing build a "Green Olympics," a "People's Olympics" and a "High Technology Olympics." We are working hard to provide the Beijing 2008 Olympic Games with the most cutting edge technology, the highest quality services and the most comprehensive customer service.

In 2007 we completed most of the construction needed to provide GSM and EGPRS network coverage at the Beijing 2008 Olympic Games. For example, we constructed a base station 6,500 meters above sea level to help broadcast the passing of Olympic torch on Mount Everest, as well as providing network coverage and stability.

For the Beijing 2008 Olympic Games, we have developed 29 new products and services. Ten of these services will be "Olympic firsts" for mobile phone technology. These "firsts" include: the ability to simultaneously take and upload photos, live mobile video streaming of ocean-based sporting events, enabling mobile phones for push-to-talk service and an official mobile phone website for the Beijing 2008 Olympic Games.

In September 2007, one-year countdown to the Paralympics, we sent SMS messages to our 3.65 million subscribers to promote the Paralympics in Beijing. We also sent SMS messages describing the passing of the Paralympics Torch to 1 million subscribers.

In August 2007, China Mobile Beijing Company became a corporate-level volunteer for the Beijing 2008 Olympic Games. We will recruit 2,000 local volunteers for the Beijing 2008 Olympic Games and the Paralympics, our volunteers will provide assistance at about 500 City Service Stations that will be set up for the Beijing 2008 Olympic Games.

In Shanghai, we spent 36.18 million yuan and deployed our employees 6,000 times to ensure the Special Olympics ran smoothly. Nearly 500 of our employees worked to ensure network stability and we conducted about 1,200 network quality tests in 30 competition sites and at 96 hotels where athletes were staying. To service international guests in Shanghai for the Special Olympics, we completed quality testing to ensure that 323 different mobile service providers representing 161 countries were compatible with our system. More than 200 employees volunteered to assist in the Special Olympics.



Our employee volunteers in Shanghai provided assistance to athletes attending the 2007 Special Olympics

Setting up the World's Highest Base Station on Mount Everest

In order to ensure network coverage during the passing of the 2008 Olympic Torch through Mount Everest, and to ensure long term GSM network coverage in the area, we began efforts to extend our network coverage on Mount Everest in June 2007.

Facing extreme weather conditions and high altitude, planning and constructing a base station on Mount Everest was a formidable challenge. However, through the diligent efforts of our staff, we were able to construct a base station on Mount Everest – at 6,500 meters above sea level – on schedule. This has ensured network coverage during the passing of the 2008 Olympic Torch and provided telecommunication services to mountaineers. This project was not only an important milestone in our network construction; it was also a major breakthrough for the global mobile telecommunications industry.



On November 13, 2007 at 1pm, we started service on the world's highest base station on Mount Everest at 6,500 meters above sea level

Improving Employee Satisfaction

We seek to grow in harmony with our employees by developing together and sharing our successes. Accordingly, "Investing in Employee Excellence" is a vital part of our core business strategy. Our approach to employee relationships is based upon:

- Respecting equal opportunities
- High standards of employee health and safety
- Providing employee development
- Putting our people first, caring for employee welfare

Respecting Equal Opportunities

Our human resources policies strictly adhere to relevant laws and regulations. We are fully committed to the principles of gender equality, equal pay for equal work and the development of female employees. As we expand globally we will be paying attention to opportunities for local employees to develop careers in China Mobile.

Employee Health and Safety

We place growing emphasis on increasing employee awareness of workplace health and safety. Our policies and programs – especially for network maintenance employees – play a role in creating a safe working environment. For example, precautionary tools and equipment have been provided to outdoor construction workers working at height, at power supply facilities, under inclement weather conditions and in dangerous terrain. Across the entire company we purchase occupational injury insurance for all employees, ensuring that should any worker be hurt on the job, they can access immediate care and economic protection – ultimately reducing risks for employees.

For the first time this year we are disclosing the health and safety performance information in the chart on the right. In future years we will establish goals for health and safety performance improvement.

China Mobile Gender Distribution (All employees)



China Mobile Gender Distribution (Management)



Female employees: 41.91%
Male employees: 58.09%

Female employees: 15.89%
Male employees: 84.11%

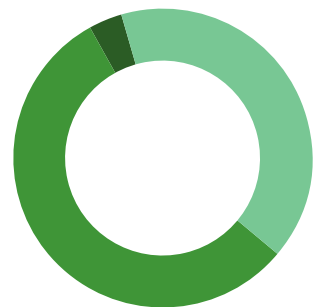
Note: Management refers to all staff at Vice President level and above at provincial-level operational subsidiaries and all staff at General Manager level and above at headquarters

China Mobile Ethnicity Distribution



Ethnic Minorities: 5.47%
Non-minorities: 94.53%

China Mobile Age Distribution



Employees under the age of 30: 40.73%
Employees between ages of 30-50: 55.86%
Employees over the age of 50: 3.41%

2007 Work-Related Employee Injuries and Fatalities Cases

Employer Liable Fatalities	0
Work Related Injuries	59*

* This number is reported for January – September 2007

In Hunan, we have undertaken several measures to protect the safety of outdoor workers:

- Safe work procedures with direct accountability links to company officials
- A "Safe Policies and Safety Awareness Handbook" is given to all employees
- Regular safety training
- Regular "Safe Work" inspections
- Implementation of safe work systems
- Accident prevention measures
- Provision of personal accident insurance cover of more than 6 million yuan with an annual premium of 30,000 yuan
- Provision of protective equipment

Providing Employee Development Opportunities

We are committed to building a learning organization. To meet our goals, we have provided extensive training to our employees and have established clear procedures to ensure they are constantly learning. These policies require that mid-and senior-level managers receive at least 80 hours of training a year and all other employees receive at least 56 hours of training per year.

We have established different employee training systems at headquarters and in provincial-level operating subsidiaries where we operate; these trainings are managed by local human resources departments. The types of training we offer include lectures, classroom training, forums, site visits, job rotation programs and on-site coaching. In 2007, we established an internal distance-learning program to encourage employee learning, helping to create a learning-focused organization.

China Mobile Training Characteristics:

- **Varied Formats.** Our employee development focuses on on-the-job training, supplemented by both large and small format trainings.
- **Uncovering Employee Potential.** Training is held for all employees, but special attention is given to developing the potential of our high-performing employees through training.
- **Continuous Improvement.** We are continuously seeking to improve our training. We closely monitor training results and consistently collect employee feedback on training quality.
- **Innovation.** We strive to use innovative training methods that can help equip employees for continued growth and support the development of a dynamic training system.
- **Partnerships.** We proactively seek collaboration with domestic and global training service providers, making our employees more globally-oriented.

Putting People First, Caring for Employee Welfare

The well-being of our employees is very important to us and we show our concern for employees in many ways. In accordance to legal requirements, we have ensured that our employees are fully covered by all relevant social insurance and benefit schemes. These include, but are not limited to, national retirement insurance, medical insurance, unemployment insurance and work injury insurance. We also ensure that employees are fully equipped with proper protective equipment.

We closely manage our human resources system to ensure compliance with employee rights. When possible noncompliance is reported, we investigate and assess the issues against our existing systems and rules, which

2007 Employee Training Data

Number of employees trained (every instance when an employee attends training, 10,000 instances)	91
Training for senior executives (every instance when an employee attends training)	308
Training for mid-level executives (every instance when an employee attends training)	7,345
Other employee training (every instance when an employee attends training, 10,000 instances)	90.2
Percentage of employees pursuing higher degrees	4.77
Training investment per employee (yuan)	3,052
Average training time per employee per year (hours)	60.4

provide clear, transparent and fair processes to guide our work. We also have an internal web-based platform that allows employees to post their suggestions and complaints. We are committed to promptly responding to employee issues.

Programs are in place to support employees with severe financial hardships and to provide psychological services to help employees deal with work or life related stress. In 2007, across a number of our operations, we have established Employee Assistance Programs (EAP) to provide advice and counseling to employees on how to deal with stress and to promote good mental health.

Province

(Region, Municipality)

Progress of EAP

Beijing	Beijing introduced an EAP in March 2007. The program covers topics such as: improving mental health, healthy work attitudes, working through tough issues, relieving work-related stress, and working through anxiety.
Hebei	Between August and October 2007, 700 employees participated in programs focused on improving mental health. The programs were run by experts and included training sessions, discussion seminars and employee hotlines – all focused on reducing employee stress levels.
Jiangsu	As of September 26 2007, Jiangsu's employee assistance help line had been used for 223 hours. During this time, 48 hours of employee counseling were offered to 837 employees.
Fujian	In September 2007, Fujian developed an EAP to support the mental health of its employees through the support of an external consultancy company.
Guangdong	Through EAP, employees can benefit from assessments, training and counseling that help them deal with work-related stress.
Hainan	In addition to setting up physical spaces for first-level employees to relax, Hainan has provided EAP services for its employees using external experts. The company has also developed an online "12315" discussion forum for employees to share work related stress issues.
Shaanxi	Shaanxi's EAP includes five key components: surveys, awareness raising, training, counseling and impact assessments.
Xinjiang	In September 2007, Xinjiang initiated a 100-day pilot EAP whereby 1,000 employees benefited from mental health assessments, training programs, and counseling services.

Employee Management in our Value Chain

Ensuring good labor standards at our supplier facilities is an important component of our social responsibility. Our "Comprehensive Supplier Skills Assessment Form for Centralized Purchasing," used for our equipment suppliers, includes several requirements regarding labor conditions. The results of the assessment are integrated into purchasing decisions. The specific labor requirements include:

- **Human Resources Management.** Human Resources systems at our value-chain partners' sites need to include clear attendance records, evaluation schemes and incentive systems that all comply with labor laws and regulations.
- **Employee Awareness.** Staff at value-chain partners' sites should have a good understanding of overall company targets and know of specific company targets. We conduct interviews with various departments to assess this.
- **Line Employee Stability and Retention.** Suppliers should have a stable workforce and low turnover compared to other companies in their area – we audit supplier turnover and personnel statistics. (We seek suppliers that achieve 60-70% retention rates).
- **Senior Management Stability.** Senior management retention should be between 80%-90%. We also ask to know the names of the responsible officers in the last 2 years.
- **Employee Grievance Systems.** The supplier should have a good system by which employees can file grievances and provide feedback to management. We check records of employee suggestion boxes and see if management has followed up on the requests of their employees.
- **Employee Training.** Suppliers should have policies in place to stimulate employee learning. In addition, suppliers should implement on the job training. We review employee training records.
- **Industrial Health and Hygiene.** We do an assessment of high risk work stations and ensure that there are necessary protections and procedures in place for the benefit of employee safety. We also review the suppliers' documentation to ensure procedures are being met.
- **Labor Contracts.** All employees must have signed labor contracts and such contracts need to be fair. As a test, we randomly select 4 employees and review their labor contracts.
- **Employee Incentives and Non-discrimination.** Suppliers should provide opportunities for employee development, vocational training, education and growth. We also need to ensure that no discriminatory practices are taking place. We review and assess documentation regarding these issues.
- **Worker Insurance.** The rights of the employees of our suppliers need to be respected; suppliers should have systems, procedures and records in place to ensure this. We review relevant employee insurance documentation, such as occupational accident insurance and social insurance.
- **Minimum Wage.** Suppliers' employees must be paid no less than the minimum level required by the government and there must be no instances of overdue wages.
- **Overtime.** Suppliers must adhere to laws regarding employee overtime. We meet with the production department and discuss overtime issues and how the company is handling them; we also meet with other departments to get a more holistic view on the issues.

Growing Harmoniously with Environment

Environmental sustainability is a key issue facing China.

In 2007, we continued to practice our environmental responsibility, with a particular focus on energy conservation, reducing emissions and minimizing waste. We are the first mobile telecommunications company in China who have established a Green Action Plan encouraging system-wide efforts for energy conservation, the use of renewable energy, increasing resource efficiency, improving waste management and recycling. In addition, in promoting an information society, we developed creative mobile products and services to reduce society's overall energy consumption. We've initiated a key environmental indicator collection system and started data collection to monitor our environmental impact. At the same time, we continued to implement strict management on EMF radiation while working hard to engage the public participations in a wide range of environmental protection activities.

Looking forward, we will take advantage of the unique attributes of both our company and industry to advocate for industry-wide changes and reduce our environmental footprint. We will gradually enforce scientific and efficient environmental management, and make contributions to Chinese government as it seeks to meet its own environmental targets, playing an active role in tackling global environmental issues such as climate change. Ultimately, we will create a way for our business and the natural environment to grow together harmoniously.

Green Action Plan and Environmental Management System

Compared to traditional manufacturing enterprises, our operations have a much lower and very different impact on the environment. Accordingly, we are building an environmental management system that is tailored to our business and industry.

Green Action Plan

According to the unique characteristics of our business, in 2007, we have made a three year Green Action Plan focusing on energy conservation and reducing emissions across our business while promoting the use of mobile technology to reduce society's energy use. Internally all of our staff will be involved in improving energy conservation and reducing emissions at every step of our operations and management. Externally we will work proactively with key stakeholders to create a healthy operating environment that promotes energy conservation in our equipment, reduces costs and creates a win-win situation where we can grow together with our industry and promote energy conservation.

We will set up overall work targets with a break-down of specific objectives and plans to be achieved each year. Through practical efforts and diligence, we will strive to be a pioneer in conserving energy and managing waste, influencing the practices of our entire industry.

The Overall Goals for our Green Action Plan
 The Chinese government has declared its target to reduce energy consumption for each unit of GDP by 20% by the year 2010. Taking this into account, in our Green Action Plan we have declared our own target: a 40% decrease in power consumption per business unit by 2010 compared to 2005 level. We estimate this could save 8 GWh of electricity, equivalent to preventing the emission of 6.8 million tonnes of carbon dioxide, or the consumption of around 2.7 million tonnes of coal energy, or taking 1.7 million cars off the road for a year.

The 7 focuses of our Green Action Plan are:

- **Standardization:** We will proactively encourage standardization in our buildings, equipment and designs to save land use, materials and energy in network construction.
- **Using Internet Protocol ("IP") and 3G technology in 2G networks:** We will promote the use of IP technology as well as the use of 3G technology in 2G networks so as to increase our network capacity and protect business investments.
- **Green packaging:** We will establish a set of standards for packaging and transport to promote the use of alternative packaging and new reusable materials. We will reduce both excessive packaging and the use of wood-based packaging products.
- **Energy conservation for main equipment:** We will proactively promote energy conservation with main equipment manufacturers and create an

analytical platform to assess energy savings.

- **Energy conservation for ancillary equipment:** Summarizing the trial experiences of some provincial operating subsidiaries that have implemented energy conservation practices with ancillary equipment, we will actively promote the uptake of new technologies and products that reduce energy consumption and optimize land use.
- **Informatization:** We will encourage suppliers to use B2B services and promote the use of industry specific applications to increase efficiency and reduce energy consumption.
- **Environmental protection:** We will reduce emissions, increase waste recycling, actively use renewable energy and promote public awareness of environmental issues.

Initiation of a Data Collection System for Key Environmental Indicators

In 2007, we began to systematically collect CSR performance indicators including various environmental indicators across the Group. This was a new endeavor for our Group. The following data reflects our 2007 environmental performance and lays a solid foundation for us to further our efforts at monitoring and improving performance. Here we present the initial results from our data collection exercise.

Energy Consumption	2006	2007
Power (GWh)	6.82	7.89
for buildings (GWh)	1.68	1.98
for transmission and Base Stations (GWh)	5.14	5.91
Gasoline for Company Vehicles (Gasoline, non-diesel, million liters)	91	112
Gasoline for Company Vehicles (Gasoline, diesel, million liters)	12	7
Diesel Fuel for power generators (million liters)	15	18
Natural Gas (million cubic meters)	2.1	2.5
LPG (thousand tonnes)	89	94
Total carbon dioxide emissions* (million tonnes)	6	7

* We use the following conversion coefficient for carbon dioxide emissions: power 0.849; non-diesel gasoline 2.3; diesel gasoline 2.63; natural gas 0.559; LPG 1.49

In 2007, we have initiated the data collection system for key environmental performance indicators, charting our overall progress towards energy conservation and reducing emissions. We will adjust our indicators as necessary, making them more detailed and diverse, and for areas of our environmental program that we identify as critical, we will come up with specific practical mechanisms that allow us to monitor performance against clear, actionable targets. With clear goals, implementation methods, accountability and incentive structures, we will ensure that we meet annual targets for the Green Action Plan.

Consumption and Recycling of Materials	2006	2007
Toner cartridges (1,000 units)	81	98
Paper (1,000 tonnes)	3.6	4.7
Batteries recycled, office use (1,000 units)	105	117
Base Station Power Supplies (1,000 units)	50	41
Scrap Metals (1,000 tonnes)	2.3	2.6
Cables (tonnes)	96	112
Total Water Use (million cubic meters)	59	71

Note: Because this is our first time reporting environmental performance metrics for 2007, we will update and improve upon any possible errors in future reports

Improving Supplier Cooperation for Environment Management

In 2007, we worked with 4 main equipment suppliers and 11 suppliers of ancillary components and signed a strategic memorandum for our Green Action Plan. During a second round of supplier engagement, we brought more than 20 additional major suppliers into our Green Action Plan. These suppliers provide us main telecommunications network equipment, IT equipment, transmission equipment, network optimization equipment, antennas, power supplies, air conditioning and other components. Our goal is to collaborate with our suppliers to conserve energy, reduce emissions, manage waste and create a "green network" in the telecommunications value chain. The content of the memo included:

- Establishing a working group to have regular dialogues to create a collaborative partnership with our suppliers in energy conservation and emissions reduction.
- Promoting the evolution of IP network and network capacity, and reducing energy consumption for each business unit.
- Reducing network energy use by employing new technology that decreases materials use, lowers the weight of equipment and improves technical integration.
- Working on product design, manufacturing technique, selection of components and raw materials suppliers to reduce energy use and emissions, minimize waste and build a comprehensive green cooperation.
- Using B2B methods to encourage the use of electronic channels throughout our production process, from the selection of materials and equipment to production, delivery, payment and bookkeeping.
- Gradually setting up an evaluation system to assess network equipment energy use in order to improve our performance on key environmental indicators.

In 2008, we will build a comprehensive environmental management system, improve the ways that we monitor and collect environmental metrics, set internal goals for environmental performance, and promote key environmental projects, such as:

- Building widespread internal support and participation for the implementation of our energy conservation and emission reduction programs.
- Conducting a thorough collection of the resource consumption data throughout the Group, coming up with clear categories to help us classify and analyze data.
- Working closely with our suppliers to promote environmentally-friendly designs in ancillary equipment and infrastructure, staying up to date on new technologies and trends in telecommunications and IT equipment (e.g. using IP and 3G technology in 2G networks), and establishing green packaging and transportation standards.
- Improving and refining our key environmental indicators to reflect the effectiveness and direction of our Green Action Plan.
- Actively engaging with different industries, enterprises and other stakeholders.

Starting Internally to Reduce Energy Consumption and Emissions

Reducing energy use is a way of helping us to cut costs and enhance efficiency. It is also a way for us to help address the issue of climate change. By employing comprehensive technical and management approaches to increase energy efficiency, and by using innovative applications, we have not only reduced our own energy consumption, we have also provided informatics solutions for other industries in our society to reduce energy use.

Reducing Energy Use in our Network Equipment

Our base stations account for more than 70% of our total power consumption. Of that 70%, network equipment and air conditioning account for about 35% and 25% respectively. We have been working hard to increase network efficiency, which is regarded as a key factor in reducing our energy consumption.

Standardization and Energy Reduction

We have standardized our approach to network equipment and network planning. For our network equipment, we have standardized our requirements for ancillary parts and wireless equipment cabinets. We are encouraging our suppliers to conduct research and reduce the amount of energy used for each carrier frequency by designing products accustomed to our mobile network that reduce materials use, require less energy and can be manufactured more simply.

Technical Innovations and Energy Reduction

We have implemented technical innovations in our main network equipment and ancillary equipment to reduce energy use. We have conducted energy assessments on our wireless equipment, switch equipment, transmitters and small-scale servers and established a classification system based on energy use. At the same time, for ancillary components, we have implemented the harmonic wave method for our structural facilities, automatic shut-off capability for our power supplies, innovations in our lighting systems, energy saving improvements to air conditioning and other energy saving measures.

GSM Base Station Energy Conservation Technical Research

In 2007, we conducted research on intelligent power saving technology used on GSM base stations. We have already patented part of our findings, and established the "China Mobile Base Station Energy Conservation Technical Protocols," which has been integrated into our centralized procurement system. Currently, we are using 1,109 sets of intelligent free cooling systems and 2,523 sets of intelligent ventilation systems in our base stations. Based on our initial calculations, these systems will help us reduce power consumption by 7 million kWh each year.

Renewable Energy

Renewable energy - such as wind and solar energy - not only provides a stable source of power for base stations located in the remote areas, but also helps to reduce the environmental impact of base stations.

- In Inner Mongolia, we adopted a combination of wind and solar power generators to provide a high quality, highly reliable and cost-effective power source for our base stations in remote areas. Currently 202 base stations in this region are powered using these systems.
- In Henan, 7 base stations powered by solar energy were constructed along highways and roads in remote mountain areas. These base stations met our requirements for environment protection, clean energy and pollution-free.
- In Hainan, we installed high capacity solar energy systems for trial in base stations located in Sanya's Yuzhi Zhou Island and the town of Cangjiang Wangxia. We are working to scale up this activity.
- In Xizang, Qinghai and other remote areas, the extensive use of solar energy power generators for base stations and repeaters has provided a reliable source of power.

Promoting Green Buildings

We adopt energy conservation concepts in designing and constructing base stations, infrastructure facilities and office buildings. To reduce energy consumption, we have optimized the layout of our infrastructure facilities, using integrated equipment rooms, partition walls or screens to control temperatures, natural wind for cooling, and the careful examination and setting of building temperatures. We have implemented these design and construction principles in Jiangsu and Hainan with satisfactory conservation results.

In Guangdong, we have released two documents covering green construction, energy conservation and reducing water use. We also handed out awards for "Innovations in Building Green Infrastructure" to promote green construction principles across our Guangdong operations.

Using Informatics Solutions to Conserve Energy and Reduce Emissions

Informatization and Management

We attach great importance to using informatics solutions to save energy and strongly promote the use of informatics solutions internally. We have set up an intranet platform whereby all employees can access multiple Internet services through their mobile handsets. By the end of 2007, our employees received and sent more than 800 million email messages and logged in to our Office Automation (OA) system more than 80 million times.

We have established a B2B e-commerce system, which allows our systems to link up directly to our suppliers' systems and creates electronic channels for accessing information regarding product catalogues, cost estimates, equipment purchasing, manufacturing, delivery and payment and bookkeeping. This has greatly increased efficiency, reduced the need for

human resources and has also decreased energy use.

We will further improve our environmental management by using new applications, such as the remote intelligent meter reading systems installed in newly constructed buildings and base stations. These systems will improve the accuracy and timeliness of our environmental data collection and ultimately improve our performance in energy conservation.

We regularly conduct network quality tests using "road tests", whereby monitors are placed in China Mobile vehicles and then driven around to test our network quality across our service areas. In Beijing, we signed agreements with local taxi companies and installed monitors in their vehicles. By doing so, we have reduced our oil consumption by 4,320 to 7,200 liters per month while extending the scope and quality of our testing process.

Promoting e-Sales Channels

E-sales channels are more environmentally-friendly than traditional retail sales. Using e-sales channels for mobile services can provide diverse services for our customers in a convenient and efficient way and reduce the need to print documents and the distribution of pre-paid cards made of PVC.

We will take full advantage of our web, SMS services, WAP services, call centers and other electronic means, making them the main channel for customers to access services. In 2008, we seek to conduct 40% of our business through electronic channels.

In Beijing, between January and September 2007, we handled more than 30 million cases through e-sales channels, representing 66% of business conducted. For example, in 2007 we launched an online payment service for our GoTone customers. In its first 5 months of operations, the online platform had processed 16,631 transactions totaling more than 2.76 million yuan.

New Services that Promote Energy Efficiency

Mobile technology can enable new services that reduce the energy consumption of our customers. For example, using mobile mailboxes and programs that facilitate remote work, our technology can be used to enable more flexible approaches to travel.

Further, we have created innovative informatics solutions that have

significant environmental benefits when used in other industries. We have already developed a series of services that takes advantage of our GPRS technology.

In 2008, we plan to further improve our industry-specific solutions for the power sector, oil industry, municipalities and environmental protection agencies.

- In Tianjin, we worked with Tianjin's Municipal Cleaning Company and developed a "Vehicle Workflow Control System" using GPRS technology. The system allows the company to closely monitor the position and workflow of its fleet. Currently the program has been installed in 79 cleaning trucks and increased work efficiency by 10%. In the first half of 2007, the company reduced petroleum consumption by more than 20,000 liters compared to the same period in 2006.
- In Fujian, we developed a GPRS auto-controlling system that let local municipalities more effectively control public lighting. By January 2007 in Zhangzhou, nearly 200 real-time monitors and a control center had been installed and constructed. Using this system, the accuracy of street lighting increased to more than 98%, reducing maintenance fees by nearly 100,000 yuan.

○ Waste Management and Recycling

As of the end of 2007, our subscriber base exceeded 369 million. Our large network and subscriber base inevitably bring with them a large quantity of waste, including used network equipment and mobile phones. As China's largest mobile services provider, we are greatly concerned about the environmental impact imposed by electronic waste (e-waste). Creating a scientific, reasonable, environmentally-friendly method of managing e-waste has become an important component of our environmental management system. In 2007, we improved our waste management practices and have seen concrete results coming from our new methods regarding the disposal and reuse of e-waste.

Improving Battery Recycling and Reuse

Currently, China goes through 50 to 60 million lead-acid batteries a year, equivalent to roughly 350,000-400,000 tonnes. If not properly disposed of, these batteries could greatly endanger both human health and the environment through poisoning, land pollution, and water source contamination. Thus finding ways to reuse these batteries contributes significantly to efforts to conserve resources, improve environmental protection and achieve sustainable development.

In 2007, we required all suppliers in our bidding document to submit

detailed plans on how they will recycle the 2V batteries. In addition, we conducted several studies on methods for battery reuse in China.

In 2008, we will evaluate and certify each supplier's battery recycling plan, seeking to ultimately stabilize the channels and processes through which batteries are purchased, used, disposed of and recycled. We will also pay close attention to new efforts in battery repair technology and efforts to extend battery life.



We encouraged the public to participate in our "Green Boxes Environmental Protection Campaign"

Expanding our "Green Boxes Environmental Protection Campaign"

According to estimates from the State Environmental Protection Administration of China (SEPA), more than 30 million used mobile phones are thrown away every year in China. This number will further increase with the growth of the mobile phone penetration rate and the accelerated trend of mobile phone upgrading by customers. There will be increasing risks and threats to human and environmental health due to these discarded mobile phones and accessories.

As early as December 2005, together with industry peers, we initiated our "Green Boxes Environmental Protection Campaign", to recycle mobile phones and accessories using green boxes placed in retail sites across China. Mobile phones and accessories collected are sent to our waste management partners for disposal. In 2007, we had Green Boxes installed in 60% of our proprietary outlets and other public places in communities across China. By the end of 2007, we had recycled over 2.6 million used mobile phones and accessories. Through our program, we have created:

- a platform for recycling used mobile phones and accessories in China;
- a process that allows our value chain partners to participate in environmental protection activities;
- a system and value chain for recycling electronic waste.

We were recognized for our efforts by receiving China's highest award for environmental protection -- "The Fourth Chinese Environmental Excellence Award" (Corporate Contribution to Environmental Protection).

We are seeking to expand the scope of this program by putting Green Boxes into 80% of our proprietary outlets by 2008 and all of our proprietary outlets by 2009. By making it easier for customers to participate, we will increase the influence of the program and recycling volume. We strive to increase recycling volume to one-thousandth of total customer volume each year starting in 2008.

Exploring New Ways to Improve Resource Efficiency

We are continually exploring current business models to find new ways to promote resource efficiency. For example, through the standardization of infrastructure facilities and towers, we have enhanced efficiency in the use of infrastructure facilities and reduced land and steel use as well. At the same time, we have worked with our suppliers to conduct research on how to recycle retired equipment and components.

Our next focus will be on the recycling and reuse of SIM cards and green packaging. We have been investigating the current status of SIM card use and analyzing methods for its reuse. We are also working with our suppliers to develop ways to create standard, reusable products for packing and shipping. By creating consistent, resource-efficient packaging and shipping methods we can reduce lumber use, lower waste and meet environmental targets. Based on our estimates, if we fully implement these measures, we could save 57,000 cubic meters of wood a year, equivalent to 670 hectares of forest. If all mobile telecommunications companies were to implement such steps globally, we would collectively conserve 640,000 cubic meters of wood a year, equivalent to 7,500 hectares of forest.

EMF Management

The research of World Health Organization has concluded in May 2006 that: "There is no convincing scientific evidence that weak RF Signals from base stations and wireless networks cause adverse health effects". Nevertheless, we see electromagnetic fields (EMF) management and its environmental impacts as a high priority issue.

Strict EMF Standards for Network Equipment

Working to address EMF issues at their root, we have integrated strict EMF testing and requirements into our bidding and procurement processes. Products must meet the requirements of relevant laws and regulations, including "Electromagnetic Radiation Protection Provisions" (GB8702-88) and "Electromagnetic Environmental Health Standards" (GB9175-88) jointly issued by SEPA and the Ministry of Health of China.

Optimization of Network Layout

The better a base station is constructed, the better the network coverage and the lower the radio frequency (RF) emissions of mobile phones. According to the unique characteristics of our customer distribution, we have built our network using micro-cellular technologies, repeaters and internal distribution system technologies, creating a high-density and small-distance layout for our network. Through dynamic power control, voice activation and other methods, we have built an environmentally compliant mobile network.

Consultation with Local Communities

Working with relevant governmental authorities in China, we are open with local communities about EMF issues, providing them with needed information and preventing misunderstandings.

EMF Testing

We strictly comply with the "Electromagnetic Environmental Health Standards" issued by China's Ministry of Health. All of our base stations meet Level 1 standards for radio frequency emissions.

In addition to the requirements of environment protection authorities, we issued and implemented an internal policy, "Annual Base Station Tests," which further ensures that our base stations meet exposure standards. As of September 2007, all base stations tested have passed, falling well within national requirements.

<p>In Inner Mongolia, prior to construction of any base stations, we engage in dialogue with local stakeholders. These stakeholders include government representatives from environmental protection, land administration, forestry and real estate departments. Before putting in use, all base stations run through all relevant EMF testings as required by local environmental protection authorities.</p>	<p>In Guangdong, in compliance with SEPA's "Temporary Methods on Public Participation In Environmental Impact Assessments," before an expert accreditation meeting is convened, we publish environment assessments in the local press and the Internet to improve consultation with local communities.</p>
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China Mobile Base Station EMF Measurement Results

Subsidiary	Results (Chinese National Limit 0.4W/m ²)
Beijing	The Beijing Environmental Protection Center has conducted testing for our base stations. The results indicated the EMF radiation around antennas was between 0.005-0.2, and between 0.002-0.03 in environmentally sensitive areas.
Anhui	The local Environmental Protection Bureau has conducted environmental assessments of our GSM network EMF emissions. They randomly picked 820 base stations and measured EMF radiation at 7,437 test points, which were all found to be between 0.003 and 28.06 uw/cm ² . In fact, 99.0% of these test points emitted at levels less than 10% of the national standard.
Hubei	We spent nearly 10 million yuan on environmental testing of all of our local base stations. Testing results showed that all our local base stations were well within national limits. In 2007, we also effectively addressed 28 environmental grievances from the public.
Guangdong	The local Environmental Radiation Centre (GDERC) conducted assessments on GSM network base stations in 21 districts and cities of Guangdong. All base stations passed.

In addition to strict EMF controls, in installing base stations, we also pay attention to the visual impact of antennas on the local landscape. Taking San Qing Mountain of Jiangxi as an example, the only Chinese site in 2008 applying for World Natural and Cultural Heritage status, we invested more than 4 million yuan and deployed more than one hundred technicians and professionals to ensure that our mobile facilities blend in with the environment.

Increasing Public Participation in Environmental Protection

Protecting the environment requires participation from a whole range of key players, including the public. We are committed to combining our size with the power of modern telecommunications to bring the whole society together in the pursuit of environmental protection. We will use innovative marketing techniques to raise public awareness of environmental issues and inspire public participation in environmental solutions. We have used the spirit of environmentalism surrounding the Beijing 2008 Olympic Games to promote a series of environmental activities. In 2007, we published a book named "Green Olympics: an Environmental Education Reading for Middle School Students" and vividly introduced Olympic facilities and stadiums and Olympics-related environmental issues. This is the first after-school reading material for middle school students focusing on environmental management in China. After publication, we donated 120,000 copies of this book to middle school students in Beijing, Shanghai, Shenyang, Qingdao, Tianjin and Qinhuangdao, the 6 host or co-host cities of Olympic Games in China. Additionally, we held a "Green Olympic Youth Writing Contest."

In October 2007, we worked with Tianjin municipality to host a "China Mobile Green Handprint" program in the Tianjin Olympic Athletic Center, which allowed "green pioneers" to create public artwork to promote environmentalism. The project captured the positive spirit of the Beijing 2008 Olympic Games and resulted in a creative mural on a 40 meter long wall. At the activity site, we organized an environmental quiz and promoted battery recycling and provided information on environmental protection issues.



In Tianjin, we initiated the "China Mobile Green Handprint" program, using public excitement around the Olympics to promote environmentalism



In Guangxi, we used promotional materials to increase public awareness around environmental issues

2007 Key CSR Performance Metrics

	2005	2006	2007
Total Number of Subscribers (million)	246.652	301.232	369.339
Operating Revenue (RMB million)	243,041	295,358	356,959
Number of Employees	99,104	111,998	127,959
Average Revenue Per User Per Month (APRU) (RMB/User/Month)	90	90	89
Average Minutes of Usage Per User Per Month (MOU) (Minutes/User/Month)	335	381	455

Economic Indicators	2005	2006	2007
Capital Expenditure (RMB billion)	71.5	87.0	105.1
Taxation (RMB billion)	24.7	30.1	42.1

Social Indicators	2005	2006	2007
Customer Satisfaction Rate (Percentage)	75.0	79.6	80.8
Administrative Villages Newly-covered by the Village Connected Project	26,631	8,477	4,676
Subscribers of the Rural Information Network (thousand)	--	--	6,970
Number of Work Related Injuries	--	--	59*

Environmental Indicators	2005	2006	2007
Power (GWh)	--	6.82	7.89
Number of Uninterrupted Power Supplies Made Obsolete (thousand)		50	41
Total CO ₂ Emissions (million tonnes)	--	6	7
Number of Mobile Phone Handsets and Accesories Recycled (thousand)	--	120	2,600

*This number is reported for January-September 2007

--We have not collected these metrics

Looking Forward

Systems Establishment

- CSR Management**
- Create our CSR management system and relevant policies and procedures
 - Develop performance metrics and data management in line with global expectations and clarify metrics collection process
 - Initiate activities to raise internal awareness around CSR issues
 - Build an e-platform to encourage effective CSR management
 - Improve our engagement with key stakeholders

Economic Responsibility

- Economic Influence and Innovation**
- Increase investment in innovation, improve upon policies and procedures to encourage innovation
 - Continue to promote a shift towards centralized operations management to achieve lower cost, high efficiency operations
 - Assume a global leadership role in setting technical standards, exerting our influence in the establishment of key telecommunications industry standards

Social Responsibility

- Customer Relationships**
- Improve customer service, improve our ability to meet customer needs
 - Improve customer privacy policies and procedures

- Bridging the Digital Divide**
- Continue to extend rural informatization and our efforts with the Village Connected Project -- with particular focus on extending access to natural villages
 - Develop new mobile media and multi-function mobile phone services, promoting a "mobile lifestyle"

- Community Investment**
- Initiate high impact philanthropic activities that are national in scope, develop new platforms that allow the public to participate in philanthropic activity
 - Improve our community engagement policies and procedures, create CSR communications procedures

- Employee Relationships**
- Advance our health and safety management systems
 - Build an employee volunteering organization, create employee volunteering opportunities

Environmental Responsibility

- Green Action Plan**
- Build widespread internal support and participation in the implementation of our program
 - Create a sensible way to categorize and analyze resource consumption data across the Group
 - Work closely with our suppliers to promote environmentally-friendly design and environmental improvements to major and auxiliary network equipment, ensuring that these improvements reflect modern technical innovations (e.g. using IP and 3G technology in 2G networks) with a focus on energy use in our network and IT equipment. In addition, we will work with suppliers to create standards for green packaging and transport
 - Devise a practical data management approach based on detailed KPIs that allows us to effectively and comprehensively evaluate the success of our Green Action Plan
 - Engage with industry and other key stakeholders to ensure continuous learning and improvement
 - Put Green Boxes into 80% of all proprietary outlets run by the Group by 2008; increase recycling volume to one-thousandth of our total subscriber base

Stakeholder Commentary

○ Bridging the Digital Divide, Building an Information Society

In the last 20 years, mobile telecommunications has become a part of normal daily life. As at the end of September 2007, there are 900 million telecommunications users in China – and with more than 530 million users of mobile telecommunications – China is the world's largest user of telecommunications services.

However, China is a massive country with an enormous population, with an uneven pace of economic development between the East and West – particularly between urban and rural areas – a major digital divide still exists. The digital divide has hindered the modern economic development of rural and remote areas. Without access to information and without proper markets, many rural residents are unable to improve their own livelihoods. Given the goal of creating a harmonious society, bridging the digital divide and allowing all people – particularly rural residents – to enjoy the benefits of an information society is arguably the social mission of China's telecommunications industry.

Under the guidance of the Ministry of Information Industries, the Village Connected Project has increased telecommunications coverage in China, reaching 99.5% of the country in 2007; this is the foundation on which China can achieve its 2010 goal of bringing phone coverage to all Chinese villages and Internet access to all Chinese towns.

Further, it should be clear that improving access is only one small part of bridging the digital divide. What's as important – if not more – is that information services are widely used in rural areas in a way that speeds up economic development, brings real value to rural customers, and helps to balance the pace of development between urban and rural areas.

China Mobile has exceeded its development targets for the Village Connected Project in 2007 – and with this good work as a foundation, the company has successfully expanded its service offerings to rural

customers and helped raise the overall level of informatization in rural areas. Services like the company's Agricultural Information Service and the Rural Information Network are truly able to help create modern information platforms and technology for rural customers, allowing millions of farmers, the agricultural industry and rural society experience the benefits of informatization.

Of particular importance is the fact that alongside the promotion of informatization in rural areas, China Mobile has made the development of the rural market a viable business growth opportunity, creating a situation where fulfilling the company's social responsibilities is directly in line with fulfilling its growth potential. This is a true "win-win" situation that has the potential for sustained, long-term development.

It should be said that bridging the digital divide is an objective that takes on the spirit of the reforms announced at the 17th National Congress of the Communist Party of China as well as the goal of creating a harmonious society – requiring the effort of government, business, and many other stakeholders. In this context, Chinese telecommunications companies should harder work and to take on their responsibilities – building a bright future that ensures the well-being of future generations.



Wu Jichuan

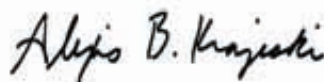
Standing Committee Member, China National People's Congress
Deputy Director, China Education, Science, Culture and Health Commission
Former Minister, China Ministry of Information Industries

Environmental and Social Responsibility throughout the Value Chain

F&C welcomes the publication of China Mobile Communications Corporation's 2nd CSR Report. In the report, China Mobile clearly demonstrates its commitment to aligning its CSR strategy with its overall business objectives, namely growing mobile telephony services -in a sustainable and responsible way -throughout China. As an analyst covering the global telecommunications sector, I commend the company for focusing on the CSR issues that are most salient to the business. By focusing on material social risks such as customer satisfaction, data security, fraud management and billing transparency, China Mobile builds a strong foundation for customer retention. Its emphasis on developing network coverage, as well as products and services that meet the needs of rural and poor customers, serves the dual function of strengthening the company's customer base and contributing to China's sustainable economic growth, which will require robust and reliable telecommunications services. F&C also values the company's clear commitment to environmental sustainability and looks forward to seeing it meet its 2008 targets, as well as setting additional targets for reducing greenhouse gas emissions in the year ahead.

As China Mobile develops and expands its CSR management systems, F&C encourages the company to take further consideration on its environmental and social impacts throughout its entire value chain. Given the company's

strong track record in operational management and internal controls, it might consider publishing a Vendor Code of Conduct that would articulate publicly its expectations for its business partners and suppliers. Best practice codes cover a range of issues including anti-bribery and corruption, employee welfare and working hours, environmental pollution, and product safety among others. To be effective, any such code should be supported by training, implementation, and oversight systems, as well as a corporate culture that encourages dialogue with stakeholders. Leading international companies that operate in China are establishing such systems and are providing business ethics "help lines" and other mechanisms through which employees in the supply and distribution chain can ask questions or report concerns. Given China Mobile's leadership position within China's telecommunications sector, it has the potential to be highly influential in driving sustainable business practices across the market.



Alexis Krajewski
Associate Director, Governance and Sustainable Investment F&C Investments

Finding Solutions to the Threats of Climate Change

Business leadership is the key to finding solutions to the threats of climate change. China Mobile, a front-runner from China in responsible corporate citizenship, is taking another step forward by integrating energy and resource efficiency, energy security, and reduction of carbon emissions into its 2007 Corporate Social Responsibility Report. I applaud the leadership demonstrated by China Mobile in this endeavor.

In the "Section" of this report, China Mobile disseminated the following key message to readers in relation to its activities in environmental control, energy conservation and waste management:

- GHG emission reduction is a straight business proposition for those who pursue it;
- While effectively managing carbon is no doubt an issue of compliance risk management, companies that do it can realize significant financial and economic returns from their actions; and
- The old adage that is every threat lies opportunity holds true, as demonstrated by many cases, including China Mobile in the arena of climate change.

As a leading global company, China Mobile has joined many others in turning the spotlight on its own performance. What is demonstrated here is leadership in transparency and sense of responsibility, as well as confidence

in its business model. I believe that with the availability of improved reporting methodologies, the China Mobile's Annual CSR Report will set an example for others to follow. In the case of effectively addressing carbon issues from a corporate perspective, I would expect that there will be an increasing number of companies joining the league. Together, Chinese businesses are expected to play a more significant role in contributing to the solutions to the global climate change issues.

A role model company is set to succeed. My best wishes and appreciation to China Mobile corporate leaders and also to all the China Mobile employees!



Wu Changhua
Great China Director
The Climate Group

Feedback

Dear Reader:

Thank you for taking the time to read our 2007 CSR Report. In order to continually improve our reporting efforts, we greatly appreciate your feedback.

Thank You,
 China Mobile 2007 CSR Report Writing Team
 March 27, 2008

Name				
Contact Information	Telephone		Email	
Company				
Report Feedback	Readability	Objectivity	Logic and Structure	Completeness
Opening sections				
Growing Harmoniously with Industry				
Growing Harmoniously with Society				
Growing Harmoniously with the Environment				
Closing Sections				
Overall Feedback				

Please rate 1-5, with 5 being the strongest

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GRI Index

No.	Index	Relevance	Page	No.	Index	Relevance	Page	No.	Index	Relevance	Page
	Strategy and Analysis										
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	High	P1	4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	High	P1,P12	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	High	P17-21
1.2	Description of key impacts, risks, and opportunities.	High	P1	4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	High	P11-13	LA1	Total workforce by employment type, employment contract, and region.	High	P5, P46
	Organizational Profile										
2.1	Name of the organization.	High	P4-5	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	High	P11	LA2	Total number and rate of employee turnover by age group, gender, and region.	High	--
2.2	Primary brands, products, and/or services.	High	P5	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	High	P11	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	High	P46-48
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	High	--	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	High	P11, P14	LA4	Percentage of employees covered by collective bargaining agreements.	High	--
2.4	Location of organization's headquarters.	High	P64	4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	High	P11-13	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	High	--
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	High	P4	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	High	P3, P6	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	High	--
2.6	Nature of ownership and legal form.	High	P5	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	High	P8-9	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	High	P46
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	High	P5	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	High	--	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	High	P46-48
2.8	Scale of the reporting organization.	High	P5	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	High	P11,14	LA9	Health and safety topics covered in formal agreements with trade unions.	High	--
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	High	P4-5	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	High	P4	LA10	Average hours of training per year per employee by employee category.	High	P47
2.10	Awards received in the reporting period.	High	P5	4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization.	High	P4	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	High	P47
	Report Parameters										
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	High	P4	4.14	List of stakeholder groups engaged by the organization.	High	P15	LA12	Percentage of employees receiving regular performance and career development reviews.	High	P47
3.2	Date of most recent previous report (if any).	High	P4	4.15	Basis for identification and selection of stakeholders with whom to engage.	High	P15	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	High	P46
3.3	Reporting cycle (annual, biennial, etc.)	High	P4	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	High	P15-16	LA14	Ratio of basic salary of men to women by employee category.	High	P46
3.4	Contact point for questions regarding the report or its contents.	High	P63-64	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	High	P15-16	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	High	--
3.5	Process for defining report content.	High	P4					HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	High	--
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	High	P4					HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	High	--
3.7	State any specific limitations on the scope or boundary of the report.	High	P4					HR4	Total number of incidents of discrimination and actions taken.	High	P48
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	High	P4					HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	High	--
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	High	P4					HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	High	P46
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	High	--					HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	High	P48
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	High	P4					HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	High	--
3.12	Table identifying the location of the Standard Disclosures in the report.	High	P4, 65-70					HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	High	P48
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	High	--					SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	High	P40-45
	Governance										
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	High	P11-14	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	High	P5, P18-20	SO2	Percentage and total number of business units analyzed for risks related to corruption.	High	P14
				EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	High	P1, P21, P32-36	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	High	P11, P14
				EC3	Coverage of the organization's defined benefit plan obligations.	High	P46-48				
				EC4	Significant financial assistance received from government.	Not Applicable	N.A.				
				EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	High	--				
				EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	High	P19-20, P29, P48				
				EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	High	P46				

No.	Index	Relevance	Page
SO4	Actions taken in response to incidents of corruption.	High	P11, P14
SO5	Public policy positions and participation in public policy development and lobbying.	High	P15
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not Applicable	N.A.
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	High	--
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	High	--
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	High	P52, P55-57
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	High	--
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Medium	P26
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Medium	P26
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	High	P26, P29
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	High	P26-29
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	High	--
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	High	P27
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	High	--
Environmental Performance Indicators			
EN1	Materials used by weight or volume.	Medium	P51
EN2	Percentage of materials used that are recycled input materials.	Medium	P51, P55-56
EN3	Direct energy consumption by primary energy source.	High	P51
EN4	Indirect energy consumption by primary source.	High	P51
EN5	Energy saved due to conservation and efficiency improvements.	High	P50, P53-54
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	High	P54
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	High	P50-54
EN8	Total water withdrawal by source.	Medium	P51
EN9	Water sources significantly affected by withdrawal of water.	Low	--
EN10	Percentage and total volume of water recycled and reused.	Low	--
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Low	--
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	High	--
EN13	Habitats protected or restored.	Low	--
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Low	--
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by	Low	--

No.	Index	Relevance	Page
EN16	Total direct and indirect greenhouse gas emissions by weight.	High	P51
EN17	Other relevant indirect greenhouse gas emissions by weight.	High	P51
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	High	P50-54
EN19	Emissions of ozone-depleting substances by weight.	Low	--
EN20	NO, SO, and other significant air emissions by type and weight.	Low	--
EN21	Total water discharge by quality and destination.	Low	--
EN22	Total weight of waste by type and disposal method.	High	P51
EN23	Total number and volume of significant spills.	High	--
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Low	--
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Low	--
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	High	P55-57
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Low	P56
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	High	--
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Low	P56
EN30	Total environmental protection expenditures and investments by type.	High	P49

GRI Telecommunications Sector Supplement

No.	Index	Relevance	Page
Internal Operations			
IO1	Capital investment in telecommunication network infrastructure broken down by country/region.	High	P19, P33, P50
IO2	Net costs for service providers under the Universal Service Obligation when extending service to geographic locations and low-income groups, which are not profitable. Describe relevant legislative and regulatory mechanisms.	High	P26, P32-33, P39
IO3	Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant. Related health and safety issues include working at heights, electric shock, exposure to EMF and radio frequency fields, and exposure to hazardous chemicals.	High	P46
IO4	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to radiofrequency (RF) emissions from handsets.	High	P57
IO5	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines on exposure to radiofrequency (RF) emissions from base stations.	High	P57
IO6	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets.	High	P57
IO7	Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing, and initiatives to reduce visual impacts. Describe approach to evaluate consultations and quantify where possible.	High	P57
IO8	Number and percentage of stand-alone sites, shared sites, and sites on existing structures.	High	--
Providing Access			
PA1	Polices and practices to enable the deployment of telecommunications infrastructure and access to	High	P26, P30, P32-36

No.	Index	Relevance	Page
PA2	telecommunications products and services in remote and low population density areas. Include an explanation of business models applied.	High	P39
PA2	Polices and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	High	P39
PA3	Polices and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time.	High	P30, P31
PA4	Quantify the level of availability of telecommunications products and services in areas where the organisation operates. Examples include: customer numbers/market share, addressable market, percentage of population covered, percentage of land covered.	High	P5, P32-36
PA5	Number and types of telecommunication products and services provided to and used by low and no income sectors of the population. Provide definitions selected. Include explanation of approach to pricing, illustrated with examples such as price per minute of dialogue/bit of data transfer in various remote, poor or low population density areas.	High	P26, P32-36, P39
PA6	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	High	P30-31
PA7	Polices and practices to manage human rights issues relating to access and use of telecommunications products and services.	High	P15-16, P27-29
PA8	Polices and practices to publicly communicate on EMF related issues. Include information provides at points of sales material.	High	P57
PA9	Total amount invested in programmes and activities in electromagnetic field research. Include description of programmes currently contributed to and funded by the reporting organisation.	High	--
PA10	Initiatives to ensure clarity of charges and tariffs.	High	P26
PA11	Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective, and environmentally preferable use.	High	P26, P36, P56
Technology Applications			
TA1	Provide examples of the resource efficiency of telecommunication products and services delivered.	High	P34-35, P37-38, P54
TA2	Provide examples of telecommunication products, services and applications that have the potential to replace physical objects.	High	P34-35, P37-38, P49-56
TA3	Disclose any measures of transport and/or resource changes of customer use of the telecommunication products and services listed above. Provide some indication of scale, market size, or potential savings.	High	P34-35, P37-38, P49-56
TA4	Disclose any estimates of the rebound effect (indirect consequences) of customer use of the products and services listed above, and lessons learned for future development. This may include social consequences as well as environmental.	High	P34-35, P37-38, P54
TA5	Description of practices relating to intellectual property rights and open source technologies.	High	P21

