



**4G+**  
Connect, with You

**2015** Sustainability Report

China Mobile Limited

# Contents

- 02 Chairman's Statement
- 04 About China Mobile
- 05 About This Report
- 06 Communication Report

- 38 Performance Report
- 53 Stakeholder Commentary
- 54 Feature: Ten-year Journey of CSR
- 58 Independent Assurance Report
- 60 Report Disclosure Indexes
- 64 Feedback

- 07 **Connect | Communication**
  - New 4G Connections
  - Speed Upgrade and Tariff Reduction
  - Security and Reliability
- 14 **Connect | Innovation**
  - Platform for Innovation
  - Innovative Applications
- 21 **Connect | Prospect**
  - Targeted Poverty Alleviation
  - Philanthropy Support
- 26 **Connect | Green**
  - The Green Action Plan
  - Green Industry Development
  - Green ICT Solutions
- 30 **Connect | Growth**
  - Grow Together
  - Develop Together
- 36 **Special Report: Steady Growth, Healthy Development**

- 39 **Stakeholder Engagement and Materiality Analysis**
- 41 **Economic Performance**
- 44 **Environmental Performance**
- 46 **Social Performance**

# Chairman's Statement



## Connect the Future, with You

In 2015, we made a critical step in our transformative development, and also made promising progresses in benefitting society with information and communication technologies.

Since the issuance of our 4G license on 4 December 2013, we have built the largest 4G network in the world in just over two years. Our 4G base stations reached approximately 1.1 million, covering a population of over 1.2 billion, and our customers could enjoy 4G roaming service in 114 countries and regions. We now have more than 300 million 4G customers, with a net addition of over 200 million 4G customers in 2015, which averaged to more than 400 new customers per minute. This was the 4G “Chinese Speed” created by all China Mobile employees with our responsibility, endeavour and passion.

With the fast development and penetration of 4G, China Mobile has acted to show our sustainability core competence and our contribution to economic and social sustainability as a backbone telecommunications operator — namely, to build the new generation of fast, ubiquitous and secure network infrastructure, and to provide state-of-art information and communication services for the great mass of the population. In short, **it is both the foundation and the obligation of us to provide quality “Connectivity” services, and to enhance “Connectivity” value.**

**To connect and facilitate communication.** In 2015, besides accelerating 4G development, we responded to customer needs and launched a variety of “speed upgrade and tariff reduction” initiatives such as data sharing, data rollover and lower roaming tariffs to promote information consumption. As a result, handset data tariff dropped by 43%, and data traffic service penetration rate reached 80%, enabling more people to enjoy our high-speed network and quality services. We also allocated designated personnel and adopted technological and management measures to prevent harmful information and telecommunications frauds and safeguard information security of our customers. The number of spam message complaints dropped by 29.4% compared to 2014.

**SHANG Bing**  
Chairman  
China Mobile Limited

We connected villages and remote areas with mobile and broadband services to narrow the digital divide. By the end of 2015, we had cumulatively invested about 45 billion yuan in the Village Connected Project, covering 99.5% of rural areas with mobile communication services, and enabling more than 70% of rural villages to use our broadband service.

**To connect and stimulate innovation.** "Internet+" set free a wave of cross-industry integration and innovation and touched every aspect of the economy and society. In 2015, we grasped this trend and implemented a strategic transformation. In doing so, we expanded our digital services, which in turn helped tap the value creation potential for individuals and supported entrepreneurship and innovation among the public. So far, China Mobile has established a specialised operational system for mobile Internet, Internet of Things and enterprise information solutions. Our digital services developed rapidly. We have over 6,000 digital new media partners, which have employed over a million people and shared value of over 10 billion yuan in total. Our Internet of Things has established more than 60 million connections and reached over 800 partners with its open-capacity platform cooperation.

**To connect and share development.** China Mobile aims to achieve symbiosis with our stakeholders. Employees are our most valuable asset. In 2015, we explored various remuneration and incentive schemes and career development paths, in order to help employees achieve self-worth and growth in parallel with our development. For developing regions and vulnerable groups, we carried out a variety of empowerment-based poverty alleviation projects and strategic charity programmes such as infrastructure construction, information solution, education aid and healthcare support to enable them to overcome difficulties and enjoy equal development opportunities. Facing severe environmental challenges, we continued to implement the Green Action Plan, and our overall energy consumption per unit of information flow dropped by 17.5% compared to 2014. We worked with value chain partners to promote telecommunications equipment energy

grading standards and green packaging solutions. We also explored environmental information solutions for pollution control and smog control to contribute to ecological civilisation.

"With perfect sincerity and integrity, we will strive to fulfil our triple-sided responsibilities: our economic responsibility, our social responsibility and our environmental responsibility." In 2015, China Mobile not only enhanced our own sustainability performance, but also contributed to sustainable development of society. We were listed in the Dow Jones Sustainability Indices (DJSI) for the eighth consecutive year, and our CSR practices were widely recognised. We deeply understand that China Mobile could never achieve any of these without the attention, confidence, support and help from all our stakeholders.

In the future, China Mobile will fully implement the development concepts of "innovation, coordination, green, openness and sharing" and seize the historic opportunities of industry transformation and innovative development. We will focus on providing better "Connectivity" services and creating greater "Connectivity" value. We will fulfil our responsibilities, support China's "Cyberpower" strategy, and build a new Internet of Everything ecology with stakeholders, which will allow everyone to create and share value through connectivity, bringing to reality the new future of "Mobile Changes Life".



March 2016

# About China Mobile

## Company Profile

As the largest telecommunications service provider in Mainland China, China Mobile Limited ("China Mobile", "the Company" or "we") serves the largest number of mobile customers and operates the world's largest mobile network while maintaining a leading position in the telecommunications market in Mainland China.

### Incorporation

3 September 1997 in Hong Kong, China.

### Operation Regions

All 31 provinces, autonomous regions and directly administrated municipalities in Mainland China and Hong Kong.

### Credit Rating

The Company has corporate credit ratings of AA-/Outlook Stable from Standard & Poor's and Aa3/Outlook Negative from Moody's, which remain at the same level awarded to China's sovereign ratings respectively.

### Shareholder

As of 31 December 2015, the Company's majority shareholder is China Mobile (Hong Kong) Group Limited, which indirectly held approximately 72.72% of the total number of issued shares of the Company through a wholly-owned subsidiary, China Mobile Hong Kong (BVI) Limited. The remaining approximately 27.28% was held by public investors.

## Organisational Structure

The Company owns 100% interest in the following major subsidiaries:

China Mobile Communication Company Limited, China Mobile Guangdong Company Limited, China Mobile Group Zhejiang Company Limited, China Mobile Group Jiangsu Company Limited, China Mobile Group Fujian Company Limited, China Mobile Group Henan Company Limited, China Mobile Group Hainan Company Limited, China Mobile Group Beijing Company Limited, China Mobile Group Shanghai Company Limited, China Mobile Group Tianjin Company Limited, China Mobile Group Hebei Company Limited, China Mobile Group Liaoning Company Limited, China Mobile Group Shandong Company Limited, China Mobile Group Guangxi Company Limited, China Mobile Group Anhui Company Limited, China Mobile Group Jiangxi Company Limited, China Mobile Group Chongqing Company Limited, China Mobile Group Sichuan Company Limited, China Mobile Group Hubei Company Limited, China Mobile Group Hunan Company Limited, China Mobile Group Shaanxi Company Limited, China Mobile Group Shanxi Company Limited, China Mobile Group Neimenggu Company Limited, China Mobile Group Jilin Company Limited, China Mobile Group Heilongjiang Company Limited, China Mobile Group Guizhou Company Limited, China Mobile Group Yunnan Company Limited, China Mobile Group Xizang Company Limited, China Mobile Group Gansu Company Limited, China Mobile Group Qinghai Company Limited, China Mobile Group Ningxia Company Limited, China Mobile Group Xinjiang Company Limited, China Mobile Group Design Institute Company Limited, China Mobile Hong Kong Company Limited, and China Mobile International Limited, China Mobile M2M Company Limited, China Mobile (Shenzhen) Limited, China Mobile Online Services Company Limited, China Mobile (Suzhou) Software Technology Company Limited, China Mobile (Hangzhou) Information Technology Company Limited, MIGU Company Limited, China Mobile Internet Company Limited, and China Mobile Tietong Company Limited.

In addition, the Company owns a 99.97% equity interest in China Mobile Group Device Company Limited, a 92% equity interest in China Mobile Group Finance Company Limited, and a 66.41% equity interest in Aspire Holdings Limited.

## Honours and Recognitions

- Listed in the Dow Jones Sustainability Indices (DJSI) for the eighth consecutive year, and listed in the Hang Seng Corporate Sustainability Index Series for the sixth consecutive year;
- Ranked 20th in the Global 2000 Leading Companies by Forbes Magazine, moving up from 28th last year;
- Ranked 11th in the Financial Times (FT) Global 500;
- The China Mobile brand was named one of the BRANDZ™ Top 100 Most Powerful Brands by Millward Brown and Financial Times for the 10th consecutive year, ranking 15th globally;
- Ranked 1st in China 300 CSR Development Index (2015) by Chinese Academy of Social Sciences;
- Received the Public Transparent Enterprise Model Award given by the Chinese Institute of Business Administration Social Responsibility Committee and Beijing Rongzhi Corporate Social Responsibility Research Institute for the third consecutive year.



# About This Report

This report is the tenth Sustainability Report about China Mobile's economic, social and environmental performance related to sustainability for the reporting period from 1 January to 31 December 2015.

## Version

This report is written in both Chinese and English and published both online and in print. This report can be viewed or downloaded at [www.chinamobiletd.com](http://www.chinamobiletd.com).

## Reporting Reference

This report was prepared in accordance with common sustainability reporting guidelines and developed based on the characteristics of both our industry and the Company.

Our 2015 report refers to the following guidelines:

- G4 Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI);
- United Nations Global Compact Ten Principles;
- ISO 26000 issued by the International Organisation for Standardisation;
- Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited;
- Chinese Corporate Social Responsibility (CSR) Report Preparation Guide (CASS-CSR 3.0) issued by the Chinese Academy of Social Sciences;
- China National Standard GB/T 36001-2015, Guidance on Social Responsibility Reporting.

## Content Selection

In accordance with the G4 reporting principles of stakeholder engagement, sustainability context, materiality and completeness, we performed the "Materiality Analysis" to identify the material issues and their boundaries (See P.40 for information about the process and result of our materiality analysis).

## Report Scope

Unless otherwise stated, all cases and data disclosed in this report are collected from China Mobile Limited and its subsidiaries (See P.4 for information about our subsidiaries).

## Data Collection and Disclosure

Data and information contained in the 2015 report were collected primarily through:

- China Mobile's internal data collection system and statistics reports;
- Quarterly provincial CSR best practice reports;
- China Mobile 2015 Best CSR Practices Selection;
- Quantitative and qualitative questionnaires developed based on the reporting framework.

## Currency

Unless otherwise specified, all monetary figures shown in this report are expressed in Renminbi (yuan).

## Report Assurance

In 2015, we engaged Ernst & Young Huaming LLP to provide an independent assurance report (P.58-59). For more information on our audited financial statements for the year ended 31 December 2015 and financial and operating performance, please refer to our 2015 Annual Report. The 2015 Annual Report is available on our website, [www.chinamobiletd.com](http://www.chinamobiletd.com).



For more CSR information, please visit our website

# Communication Report



**Connectivity** is a unique way for China Mobile to promote sustainable development:

**To connect and facilitate communication,** we will build faster and more inclusive network infrastructures to provide a universal, instant and safe access for everyone, with more affordable services and faster speed.

**To connect and stimulate innovation,** we will create digital services to enhance connectivity based on telecommunications services. We will help unleash entrepreneurship and innovations that will allow people to fully tap their creativity and potential for value creation. We will strive to extend connections to ten-billion level scale in terms of connecting people with things and between things, so as to form a new digital ecology of the "Internet of Everything" with stakeholders.

**To connect and achieve shared growth,** we will encourage our employees and partners to realise their values together with our growth. We will also work together with our stakeholders to explore solutions to social challenges through capacity building for poverty alleviation, philanthropy support, and green innovation, so that the connectivity value will be inclusive and shared by all.

# Connect Communication

“Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020.”

– United Nations, *The 2030 Agenda for Sustainable Development*

## Sustainability Context

- The development of information and communications technology (ICT) in the world is extremely unbalanced. By the end of 2015, 57% of the world population, nearly 4 billion people, who mostly live in developing countries or remote rural areas, still had no access to the Internet.
- *The 13th Five-Year Plan for National Economic and Social Development of the People's Republic of China (the "PRC")* proposed to build universal and efficient information networks, to build fast, mobile, secure and ubiquitous new generation of information infrastructure, to promote the application of information network technology... to accelerate development of information network technologies... and to promote speed upgrade and tariff reduction for broadband network.

## Our Approaches

- We applied cutting-edge technologies to build a better 4G network and narrow the digital divide due to unbalanced information infrastructure.
- We lowered tariffs and improved service availability to benefit a wide range of customers, while increasing the quality of our 4G network and services.
- We ensured stable network connection for natural disasters and major events, protected customer privacy and information security, and fought telecommunications fraud cases to create a carefree environment for customers.

## Our 2015 Achievements

- We had approximately 1.1 million 4G base stations. Our network covered over 1.2 billion people, becoming the largest 4G network globally.
- We connected mobile phone service to 1,754 natural villages and broadband service to 5,066 administrative villages in 2015.
- We increased our average 4G download speeds on urban roads to more than 37 Mbps and lowered the handset data tariff by 43%, compared to the same period in 2014. We commercially launched 4G VoLTE in 100 cities.
- We conducted 3,219 emergency support operations to ensure communications quality at key moments.
- Our customer complaints for spam messages decreased by 29.4% in 2015, compared to 2014.

## Our 2016 Efforts

- To develop a "Wider, Deeper, Thicker and Better" 4G network, and to accelerate infrastructure construction for both urban and rural areas.
- To protect customer rights, respond to customer demands, build a simpler and more transparent tariff system, and implement a fast response system and closed-loop process to manage complaints.
- To enhance our emergency support capability and network security, and to optimise the response process to strengthen such support.
- To further tackle spam and improper messages, stop telecommunications fraud cases using multiple measures to protect customer information security.



## New 4G Connections

As the first operator to offer 4G service in Mainland China, we accelerated the construction of our 4G infrastructure in order to provide a world-leading information network and connectivity services in 2015. This year was a key period for China Mobile to further develop our 4G network.



By the end of 2015, approximately **1.1 million** 4G base stations were built  
Our network covered over **1.2 billion** people  
The number of our 4G customers exceeded **300 million**

### Building Networks

By the end of 2015, approximately 1.1 million base stations were built which offer continuous coverage at township-level and above regions. Our 4G network effectively covers rural data hotspots, high-speed railways, metro subways and tourism areas. With more than 1.2 billion people covered, it has become the largest 4G network in the world.

### Developing Customers

Urged device manufacturers to develop more high-performance, lower-cost 4G handsets. By the end of 2015, there were over 1,000 types of 4G handsets, and 300 million 4G terminals were sold. More than 300 million customers have been using our 4G network by the end of 2015, accounted for 37.8% of our overall customer base. On average, there were over 400 new 4G customers per minute.

### Optimising Services

Enhanced a support system for "easy subscription, convenient use, moderate fees, timely reminders, and fast response". Our 4G customer Net Promoter Score (NPS) was industry-leading.

### Expanding Globally

Expanded our 4G service internationally. We have launched 4G international roaming services in 114 countries and regions by the end of 2015, and our roaming customers have increased by 21% compared to 2014.

Since information infrastructure distribution in China is unbalanced in different regions, we are expanding our network coverage, opening new sales channels in urban and rural areas, and building infrastructure for remote or ethnic minority regions to help narrow the digital divide. By the end of 2015, we had over 2.6 million base stations, and invested nearly 45 billion yuan in the Village Connected Project. Our coverage in rural areas reached 99.5%, and more than 70% of Chinese villages are now able to use China Mobile broadband service.

### "Ten Households Defend Together"

In Guizhou, many rural young people have left their home to work in cities, in order to give the elderly people and children a better life. However, the seniors and children left alone at home would always encounter problems, such as health or crime issues. Far from home, their family members can do nothing.

We developed a "ten households defend together" service for Guizhou rural areas. As long as a villager calls "995", the service can immediately connect all members in the same "defence group". They would know about the emergency in time and can offer assistance. The seniors and children in the village could have the support of others to help solve their problems. The connections between the neighbours became stronger.



In 2015, we connected mobile phone service to **1,754** natural villages and broadband service to **5,066** administrative villages

For more information about 4G network construction and narrowing digital divide, please refer to P.42, P.51-52 of this report.

• The Dulong People Entering The New Era of 4G •



▲ Our employee was teaching villagers how to use information services

Dulong is a special ethnic minority in Yunnan province, receiving the “Dulong” name from Premier Zhou Enlai. They live in Dulongjiang township, Gongshan county, Nujiang prefecture in Yunnan province. This is a mountainous region with few roads and an undeveloped economy, making it highly difficult for them to communicate with the outside world.

In October 2004, China Mobile built a hydropower station, and rented a satellite link to launch 2G service in the area. This was the first time this area had access to phone service.

In May 2007, we enabled mobile phone service for all villages in the county.

In June 2014, we launched 4G service for the township, which made it the first minority township in Yunnan province with 4G service.

In May 2015, we launched a pilot project for “Broadband Villages” in the township. So far, 35 out of 60 households have broadband access in their houses.

In July 2015, China Mobile Yunnan Company signed a “Mobile Internet+” strategic cooperation agreement

with the Nujiang prefecture government, according to which both would work together to build information infrastructure, innovate on applications, and assist industrial transformation in the prefecture. Tourism would be a key industry for transformation.

In September 2015, the tourist information platform “Go to Nujiang”, which was developed by China Mobile and the local government, was officially launched. By the end of 2015, this app had over 30,000 downloads and 400,000 views. During the National Day golden week holiday in 2015, the number of tourists from within the province grew by 51%, and out-of-province tourists grew by 24%, compared to the same period in 2014.

In October 2015, we launched more information platforms for Dulong such as “Mobile Internet + Education”, “Mobile Internet + Commerce” and “Mobile Internet + Travel”.

In December 2015, we offered customised 4G devices and after-sale service to local residents. Dulong became the first ethnic minority in China to have full access to 4G network and services.

## Speed Upgrade and Tariff Reduction

With the development of telecommunications technology, mobile phones have become "consumer goods" rather than "luxury goods". The demands for telecommunications services have changed, from clear calls and stable networks in the past, to high-speed Internet connection and fast response in the present.

"Speed upgrade and tariff reduction" is an expectation of society and an initiative advocated by the government. We introduced 12 new initiatives for faster speed and lower costs, including reducing roaming data traffic tariffs for international, Hong Kong, Macao and Taiwan regions, sharing data traffic, data roll-over options for the next month, and so on. We also cancelled roaming fee among Beijing, Tianjin and Hebei with the background of regional integration.

In respect of **speed upgrade**, we continued to complete our 4G quality management system, and optimised our end-to-end quality. Our network is now a high-speed network with an average download speed on urban roads exceeding 37 Mbps. Aimed at different scenarios and complex network circumstances, we adjusted our 4G network using 110 indicators in six dimensions to reduce network overlap. By 2015, the CSFB completion rate of our 4G network increased to 98.4%, customer perception

was improved, and our network service quality continued to maintain an industry lead. We boosted our 4G network speed by deploying carrier aggregation technology and accelerated our VoLTE deployment to provide a high definition voice communication experience. By the end of 2015, 304 cities in the country were equipped with the basic audio and video capabilities of VoLTE.

In respect of **tariff reduction**, we further reduced roaming tariffs for international and Hong Kong, Macao and Taiwan regions besides data sharing and rollover options. We added 30 countries and regions accessible to 3/6/9 yuan data traffic packages, covering 173 countries and regions in total. And 63 countries and regions were added to 30/60/90 yuan per day unlimited data traffic packages, covering a total of 80 countries and regions. Our overall international roaming tariffs dropped by 58% compared to last year.

Due to the effective implementation of "speed upgrade and tariff reduction" initiatives, our handset data tariff dropped by 43% compared to 2014, benefiting over 500 million customers, which is 80% of our data traffic customers. The dropped tariff allows more customers to use our data traffic services to enjoy the connectivity.



By 2015, the CSFB completion rate of our 4G network increased to **98.4%**



By the end of 2015, **304** cities in the country were equipped with the basic audio and video capabilities of VoLTE



Our handset data tariff dropped by **43%** compared to 2014



## “Faster Consumption of Data Traffic” Q&A

In 2015, media raised a concern about “faster consumption of data traffic”. We explained in detail to our customers through our Weibo, WeChat, website, hotline, and sales channels to eliminate this misunderstanding.



Customer

Is it true that 4G consumes data traffic at a faster pace?

No. The billing system of China Mobile has been repeatedly checked and tested by authorities and independent third parties. The system is equipped with a rigorous inspection and verification mechanism. We implemented a policy of “double refund for billing errors” in order to protect our customers. In addition, for customers who subscribe to our packages, we will send alert messages reminding them to avoid incurring high data costs when their data usage reaches 50%, 90%, and 100% of their packages, and when they are charged for extra data traffic use. Please rest assured and enjoy our services.



China Mobile



Customer

Why did I use more data with 4G?

With the rapid development of 4G networks, there are now more smart phone applications. Some apps may generate data traffic without your awareness. For example, weather apps automatically update data periodically, mobile anti-virus apps automatically download virus database, mobile e-mail apps regularly check for new emails, and some apps regularly check and download for updates. Viruses may also cause unexpected data consumption.



China Mobile



Customer

How can I avoid unexpected data traffic?

To avoid unnecessary data traffic, we suggest the following when using smart phones:

1. Use the “Quit” option rather than return to home screen if you want to exit an app.
2. Kill background apps regularly.
3. Turn off data pushing and automatic updates. Only update apps manually.
4. Turn off the automatic e-mail pushing function.



China Mobile



China Mobile Official WeChat



China Mobile Official Weibo

◀ Scan the QR code for more information

## Security and Reliability

Mobile phone has become a vital part of our daily lives. Yet its convenience comes with concerns and issues. Spam messages and crank calls are annoying, and telecommunications fraud is dangerous.

For spam and improper messages and crank calls, we coordinated with 31 provincial companies in implementing a “White List+ Scientific Block” strategy in 2015. The companies upgraded their integrated control platform to prevent harassing phone calls and group calls. Spam and improper messages were intercepted and effectively blocked.

- In 2015, by analysing the negative experiences of customers, the China Mobile Luoyang Information Security Centre formed a “prevention-surveillance-control” system for 16 types of harmful information including pornography, phishing scams, crank group calls and so on. We are able to protect the rights of customers through management and technology improvement.

In the area of preventing and processing telecommunications fraud, we formulated an “International Fraud Calls Surveillance Interception Technological Requirement”, which was approved as an industry standard at the China Communications Standards Association (CCSA) meeting on 13 November 2015.

- Since 2015, multiple fraud cases have occurred in Beijing by using disguised base stations to pretend as “10086” customer service number to commit “redeeming points for cash” fraud. We use our own “Disguised Base Station Detection and Tracking System” to analyse the trajectory of disguised base stations and cooperate with local law enforcement authorities to apprehend suspects. In Beijing, cumulatively 558 suspects were arrested and 406 disguised base stations were confiscated by law enforcement authorities with our help in 2015.
- In 2015, we launched a “Phishing Scam Surveillance System Based on Domain Name Service” in Shandong province. The system has cumulatively monitored more than 1.184 million domains and blocked 955 phishing scam websites, effectively lowering the risks of fraud cases.

We carried out researches on technologies and strategies for information security, and shared knowledge of telecommunications fraud identification and prevention to raise awareness. In 2015, we sent out 16 issues of fraud prevention information. These issues received over 7.3 million views from our Weibo followers.



In 2015, we blocked more than **4.8 billion** spam messages  
The number of spam message complaints dropped by **29.4%**

We sent **189 million** SMS billing alert messages to customers per month on average

In 2015, we sent out **16** issues of fraud prevention information  
These issues received over **7.3 million** views from our Weibo followers

For more information about customer information security and privacy protection, please refer to P.51 of this report.

We also continued to enhance emergency supports at key moments and major events to provide a reliable network connection. In the meantime, we applied strict management methods to ensure the electromagnetic field (EMF) of our base stations meets related safety standards. We also focused on public communication and demonstration of EMF information to address stakeholders' concerns.

### Emergency Support

We developed specific plans to ensure network security during major events. In 2015, we successfully completed communication and information security supports for important events such as the Commemoration of the 70th Anniversary of Victory of the Chinese People's Resistance against Japanese Aggression and the World Anti-Fascist War, the World Internet Conference, and other events.

- In Guangdong, we formulated a rapid emergency disclosure system for early warnings. We can send out emergency warnings within 30 minutes to all local customers. Our 10086/12580 system can provide safety checks, alarm and recharge services for customers trapped by typhoons and rainstorms.
- After the explosion at a container storage station in Tianjin on 12 August 2015, we quickly launched a special plan for emergency support including setting up emergency shelters, providing free "recharging for mobile phones" and free "family call" services. We helped 265,586 customers prevent suspension of their phone service, and set up a safety check hotline so that people could look for their family members.
- In 2015, Guangdong, Sichuan, Guizhou and other provinces suffered severe natural disasters, and local telecommunications services were cut in certain areas. Our provincial subsidiaries launched emergency plans and dispatched emergency support vehicles and employees to promptly repair damaged base stations and restore communication at the earliest time.



▲ In Liaoning, we work with local government to display radiation intensity using an EMF tour bus

### EMF Communication

After years of interruption, local villagers from Dawan village, Bailongtan town, Mashan county, in Nanning city, Guangxi province, finally agreed to build a base station on 20 December 2015. The village head told us, "The villagers had a meeting last night. We agreed to build a base station and hope it can be completed as soon as possible so that everyone can enjoy a happy new year with a strong signal".

To improve the signal for this village, we had planned to build a base station as early as 3 years ago. However, the villagers were worried that base stations and EMF radiation would cause sickness, so they interrupted the construction several times. They would rather endure a weak signal and an unstable network, than have a base station near the village, despite what we repeatedly communicated with them.

On 4 December 2015, an EMF tour bus arrived at Dawan village. Villagers could personally measure radiation levels. They watched a TV programme about EMF, tested and compared the radiation levels of base stations with that of televisions, electromagnetic ovens and other domestic appliances. They understood that the degree of radiation at base stations was much lower than that of most household electric appliances by reading the actual numbers off the testing device.

"The meeting helped us understand that base station radiation is not that scary. A weak signal is definitely more intolerable", the village head said. Eventually, the misunderstanding of villagers was eliminated and the base station in Dawan was built successfully.



Completed **3,219**  
emergency support operations  
Cumulatively dispatched **208,000**  
person-times of emergency support employees

For more information about emergency support and EMF management, please refer to P.49 and P.52 of this report.

# Connect Innovation

“The spread of information and communications technology and global interconnectedness has great potential to accelerate human progress.”

– United Nations, *The 2030 Agenda for Sustainable Development*

## Sustainability Context

- *The 13th Five-Year Plan for National Economic and Social Development of the PRC* proposed to build a modern Internet industry system, to implement the “Internet+” action plan, to promote deep and wide application of the Internet, to lead the transformation of both production models and organisational structure, and to form a new industrial mode that centred on network, intelligence, service and collaboration.
- *Made in China 2025*: to accelerate the integration between a new generation of information technologies and manufacturing technologies, and to form an open and collaborative industry ecological system. To develop industrial Internet applications of smart monitoring, remote diagnosis and value chain tracing. To enhance infrastructure schemes of industrial Internet.

## Our Approaches

- We supported the “Internet+” strategy by actively exploring the fields of mobile Internet, cloud computing, big data and the Internet of Things (IoT). We promoted specialised operation to build innovative capacity and built innovation platforms for our partners in order to support entrepreneurship and innovation.
- We followed the national strategy to build strategic, fundamental and pioneering telecommunications infrastructure in certain areas, and to build a global network connection platform.
- From connecting people to connecting things, we developed and innovated on IoT platforms and applications to build a new era of the Internet of Everything.

## Our 2015 Achievements

- We established a specialised operation system for digital services. We integrated products of “and-Entertainment”, “and-Communication” and “and-Life”, promoted integrated communication and home products as potential portal of ten-billion-level connections, promoted centralised operation for IDC and Internet TV, and launched industrial products such as “and-Education”, “and-Health”, the Internet of Vehicles (IoV), and the Mobile Cloud.
- We built network infrastructure along the areas of “One Belt and One Road” in Xinjiang, Fujian, Shanghai, Shenzhen and Hong Kong, and extended regional connections and helped Chinese enterprises operate globally.
- We completed an IoT development plan, developed more than 20 smart IoT modules, built the largest IoT network that could connect billions of IoT devices, and initiated IoT pilot applications in automobile, home appliances and industrial safety.

## Our 2016 Efforts

- To strengthen research and innovation. To form a service platform to stimulate innovation by employees. To create more independent private-label products and services. To improve the core competency towards the evolution of the next generation network. To build an open capacity platform to lead innovation and development in the industry.
- To boost connectivity scale by expanding from wireless to wireline connections, from individual to household and enterprise connections, and from domestic to global connections.
- To optimise connectivity services, concentrating on customer experience. To offer leading end-to-end information infrastructure services such as IDC, cloud computing and big data.
- To strengthen connectivity applications by following customer needs, and expanding into digital life and digital production areas based on meeting fundamental connection and communication demands.

## Platform for Innovation

From 2G and 3G to 4G, in the past ten years, we have not only upgraded the means of connection with our partners, but more importantly, we have built a platform for everyone to connect and innovate. All of us can be innovative and creative, in realising various possibilities using this platform.

In 2015, we established a specialised operation system and innovation platform for mobile Internet, IoT and enterprise information solutions. We also jointly set up the Zhongyi Innovation Fund to support value chain enterprises in mobile Internet, IoT, cloud computing and big data. We launched the Youth Entrepreneurs & Career Project, in which through entrepreneurship education, training and encouragement, we provided youths with a fast and efficient innovation environment to facilitate employment and entrepreneurship based on mobile Internet. We also worked with value chain partners on digital service innovation. By the end of 2015, we had over 6,000 partners in the digital new media area with over one million related employees.



In 2015, we submitted **1,319** patent applications, and **576** new patents were granted



By the end of 2015, we had over **6,000** partners in digital new media area

### • New Research System for Better Innovation •

In 2015, we formed a new research system that consists of the Central Research Institute and the Suzhou and Hangzhou research centres as inner circle, specialised companies as middle circle, and provincial subsidiaries as outer circle. We also encouraged collaboration among companies, facilitated the commercialisation of research outputs, and enhanced our research capabilities. In 2015, we enhanced our research capabilities in the following three areas:

- **The next-generation network:** we kept researching and deploying evolved 4G technologies such as VoLTE to improve current network capacity and promote network intelligence. In addition to that, we have been working on 5G technologies and standards to capture future trends. We initiated research for the next generation network of "NovoNet2020", and specified our vision of future networks and technologies.
- **Innovation on cloud computing and big data:** we formed research strategies for cloud computing and big data technologies. We compiled a construction and evolution plan for enterprise-level big data centres and a plan for big data management and specialised operations. We promoted the development of network clouds to lower the entry barrier and costs of enterprise information solutions, and supported the development of entrepreneurship in micro, small and medium enterprises.
- **Innovation on digital products:** by strengthening our control over key products, improving our R&D and operation abilities, and transforming our advantageous resources into high-value core capacities through innovation, we kept on expanding our information services and innovating on digital services.



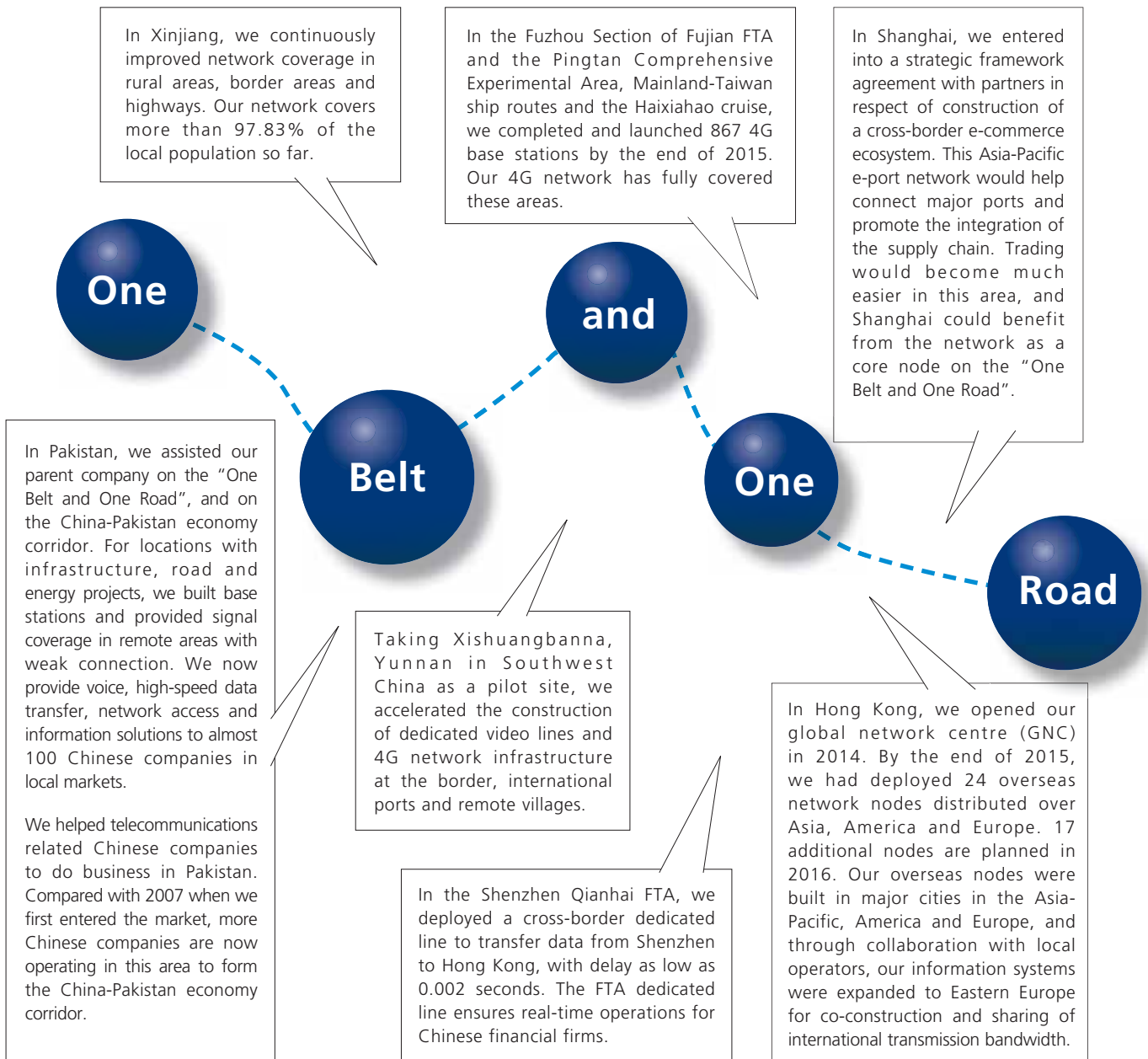
▲ We launched the Employee Independent Development Competition across our company



## Supporting a Connected “One Belt and One Road” Strategy

“One Belt and One Road” is a top strategic plan of China to further open up its economy and stimulate the economies of neighbouring countries. Xinjiang, Fujian, the Yangtze River Delta, the Pearl River Delta, Guangdong, Hong Kong and Macao play to their respective location advantages in this strategy as they become the core of the Silk Road Economic Belt and the 21st-Century Maritime Silk Road. The strategy will expand China’s collaboration with Middle Asia, South Asia and West Asia, and build transportation hubs and centres of commerce, logistics, culture and education.

We are following national strategies and promoting overseas deployment of China’s proprietary TD-LTE standards to provide network coverage and information solutions for areas along “One Belt and One Road”. We are seeking cooperation with international operators to invest in telecommunications infrastructure in these countries, so as to become a communication supporter and a value provider.



We are connecting neighbouring countries along the “One Belt and One Road”, building a global connection platform, and exploring a new trade route. China Mobile will grasp this historic opportunity, and build an information bridge to support this strategy.

## Innovative Applications

The small screen of a mobile phone enables information exchange to take place and various day-to-day services to be enjoyed. We are exploring possibilities for "Mobile Changes Life" in different fields based on ever-evolving telecommunications technologies.

On our "and-Life" platform, various apps connect us with different services. Through our phones, we can check on administrative information such as "how to apply for a

residence permit", "how to buy and sell properties", "what are the opening hours of the Civil Affairs Bureau." We can inquire and pay our utility bills, make a restaurant reservation while getting coupons...

China Mobile has launched the "and-Life" platform in 31 provinces and 355 cities. Over 8,000 apps are available on the platform. More than 130 million users have visited and used the platform in 2015.

### Taking Bus with our "Bus Waits" app

"It is never a pleasure to wait for a bus at a bus stop in winter. The temperature of Shenyang in winter often reaches as low as -10 to -20 degrees celsius. It is really tough when we do not know when the next bus will come."

Aiwei, a 21-year-old student who once was annoyed by the long wait for buses, is getting used to the app "Bus Waits". This app shows real-time route and location of a bus to users, and estimates how long before the bus will arrive at a stop. Aiwei can leave her dormitory 10 minutes before the estimated arrival time, and still catch the bus at the stop.

Although traffic in the city is still congested, people are now able to plan their journeys more efficiently and accurately.



▲ "Bus Waits" makes journeys more convenient



### Swipe "and-Wallet" for Mobile Payment

There are four items that everyone carries with them: an ID, a mobile phone, keys and a wallet. We fill our wallets with cash, debit cards, credit cards, transit cards, access cards, membership cards, and discount cards. With so many cards in one wallet, the wallet itself becomes an annoying item.

"and-Wallet" is a mobile payment app, which integrated financial cards from 70 banks, transit cards for 70 cities, campus cards for 25 universities, and different membership cards into one mobile app. As long as they are equipped with an NFC-enabled mobile phone, users can put

the phone near a POS terminal to make a payment, without inputting a PIN code or signing. For those who are in a hurry, and-Wallet is for them to save time. So far, more customers are using and-Wallet to enjoy the convenience of mobile payment.



◀ Scan the QR code for more information

## New Portable Entertainment with MIGU

In the subway or on a bus, most passengers will be reading books, watching videos, or playing games on their mobile phones. The commute is not that boring anymore, thanks to portable entertainment.

We all have our favourite music, movies and books. We launched the largest licensed digital content platform in China with five apps: MIGU Music, MIGU Video, MIGU Read, MIGU Game and MIGU Cartoon, so that customers can easily access their likes. Over 500 million users are now using these apps to enjoy their favourite digital content.

On 20 September 2015, we opened the very first MIGU Coffee brand store. Located in Suzhou, MIGU Coffee aims to offer an Internet-based digital experience within the store. Customers are able to try our online services in a comfortable environment with good coffee.



▲ The distinctive MIGU Coffee store

## Information Service Stations for a Better Farming Ecosystem

In Jilin, we established an "Internet+Commerce+Service" agricultural ecosystem with local government based on information service stations in rural communities. From the management perspective, we have built a provincial-level command and control platform which collects information on e-commerce trading, inventory,

logistics, station distribution, product quality and safety from all service stations in the province. The province is able to support each village directly via the platform. From the implementation perspective, we have built 1,557 information service stations in rural communities that help farmers get information on markets, administration, and healthcare etc..

This agricultural ecosystem covers 41 counties and more than 2 million farmers in the province. Every service station on average generates an addition annual income of over 20,000 yuan, and saves over 1,500 yuan for each farmer. The ecosystem helps boost crop output in Jilin by ten billion tonnes.

The agricultural Internet platform connects farmers, agricultural experts, governments, agricultural value chains and consumers. Rural communities, once very far from outside agriculture information, now have access to the markets. The rural economy will boom because of internet connectivity if information can flow between farmers and consumers, and problems with inventory, logistics and sales can be solved.



▲ The information service stations help farmers prosper

### “Escalator Guardian”

In July 2015, a young mother in Jingzhou, Hubei saved her child but died in an escalator accident. The news drew public attention and raised public concerns over escalator safety. In 2015, 46 people died in 58 escalator accidents in China, according to the General Administration of Quality Supervision, Inspection and Quarantine. The operation and maintenance of escalators is under scrutiny.

In Guangdong, we have used IoT technology to install sensors and data collection devices on escalators to monitor

their performance and status in real-time. Sensors collect data such as the number of times the door opens or closes or the wire rope moves up or down, and then transmit the data to a remote monitoring centre through 4G network. The centre analyses data and informs engineers so that they can fix problems accordingly. Since we installed the monitoring platform, the average repair time for escalators was reduced by 17% compared to a traditional telephone reporting mechanism, and the repair efficiency increased by 25%.



▲ IoT escalator monitoring platform

### Safety under “Explosive Information Network”

The 2015 explosion at a container storage station in Tianjin broke our hearts, and raised alarm on hazardous materials management.

Management of enterprises with explosives storage and usage is always a pain for the regulators. There are a wide range and a great number of companies that operate explosives-related businesses, using numerous categories of explosives. Safety and police departments have limited manpower to visit and supervise so many companies, thus the supervision requirement can hardly be satisfied.

In Anhui, we developed an “Explosive Information Network”, which contains information of explosive operators and materials through specialised devices. The platform can dynamically monitor explosive material traces and authenticate the operators. Operators without effective authorisations from the platform are prohibited from going on duty. Safety and police departments can use the platform to monitor and track explosive operations, explosives management processes, and employee safety coaching.

We have witnessed connections between computers, between mobile phones, and now between everything. IoT enables every item to be digitalised and informatised. IoT helps traditional manufacturing firms transform their processes to increase efficiency, improve safety management and have better quality control. We have made a “1+2+3+N” IoT development framework to accelerate the development of IoT platform and expand the connectivity scale. By the end of 2015, our OneNet platform connected with over 800 partners, and our IoT network had over 60 million connections.

The automotive industry is a promising industry for IoT. Real-time and accurate data collection and analysis is indispensable to conduct status checks, fix problems, manage energy consumption, and optimise navigation and traffic for cars. In the future, car owners can obtain all these data on a single smart device and better know their cars.

### • Internet of Vehicles Helps “Safe Cars” •

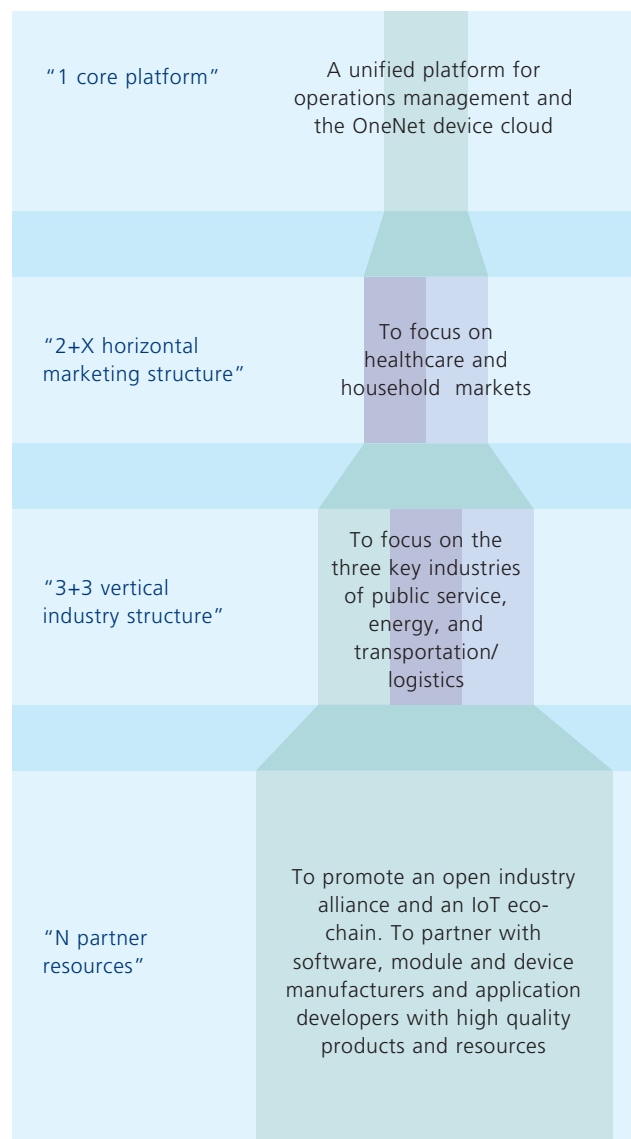
A China Mobile “Roadshang” smart terminal can be installed in the On-board Diagnostics (OBD) system of a car. The terminal is able to connect to an app to display car data and fault detection results. The app can keep tracking energy consumption and driving behaviour, remind the driver to optimise driving behaviour and proactively manage energy consumption through a comprehensive analysis, thus decreasing the oil consumption and carbon emission for a car.

We developed a “Safe Cars” app in response to the automobile security issue, which integrates IoT technologies such as RFID (Radio Frequency Identification), GPS (Global Positioning System), GIS (Geographic Information System) and LBS (Location Based Service). The app can identify the car owner via an Internet car platform, and initiate functions under the car owner’s configuration of detecting car movements, calling the police, supervising and locating the car. Car owners can learn about their cars anytime using their phones.

According to an estimate, if the IoV was fully equipped, traffic congestion would be reduced by 60%, and throughput on current roads would increase by 2-3 times. If cars follow navigation and driving behaviour advice offered by IoV, drivers could avoid unnecessary stops by 30%, reduce driving times by 13%-45%, and increase driving efficiency by more than 50%. IoV can also reduce car accidents by 20% and fatalities by 30-70%.

In order to enhance the overall experience for IoV products and services, we will work with automobile manufacturers, on-board device manufacturers and map providers to expand our service range and functions, improve our service capacity and standards, reduce costs, and extend the service to more customers. In the next 5 years, we are planning to apply our service to more than 10 million cars.

### China Mobile “1+2+3+N” IoT development framework:



The Internet of Everything will extend connections from between humans to objects. The scale of connections will increase dramatically to tens of billions of devices. Connections will integrate with data information and services. Future smart devices will connect with cloud computing and big data, and will understand each user’s unique demands. Our imagination of the future, such as smart homes and self-driving cars, will be closer to us than just pure concepts.

# Connect Prospect

“By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.”

– United Nations, *The 2030 Agenda for Sustainable Development*

## Sustainability Context

- There are still 800 million people in poverty worldwide. In Chinese rural areas, there are 70.17 million people in poverty, which accounts for 7.2% of rural residents.
- *The 13th Five-Year Plan for National Economic and Social Development of the PRC* proposed to promote targeted poverty alleviation, with more specifically targeted beneficiaries, targeted programme arrangement, targeted fund utilisation, targeted aid to each household, targeted personnel support for each village, and clear poverty alleviation targets. With these targeted measures, poverty alleviation efforts will become more efficient, ensure rural population in poverty do not worry about food and clothes, and guarantee their compulsory education, basic health care and safe housing.

## Our Approaches

- We provided targeted aid to counties in poverty. We focused on solving transportation, water and power problems for them, in order to improve local infrastructure, production and living conditions.
- We carried out targeted poverty alleviation. We promoted the construction of network infrastructure. With communication technologies, we helped them to obtain information regarding rural production, and empowered them to make changes using their own efforts.
- We built a philanthropy platform to support projects in poverty alleviation, education, childcare, and others. We tried to drive both internal and external forces to participate in such philanthropy work.

## Our 2015 Achievements

- We provided 40.68 million yuan in targeted aid and poverty relief support in 2015.
- We implemented the China Mobile “Blue Dream” Education Aid Plan, invested over 100 million yuan cumulatively, trained 80,981 principals of rural primary and secondary schools in central and western China, and built 2,310 China Mobile Libraries and 1,260 multimedia classrooms.
- We launched new projects in Guangxi and Ningxia provinces for the China Mobile Heart Caring Campaign – Aid for Children in Poverty with Congenital Heart Disease Programme. This campaign has so far cumulatively invested 87.7 million yuan, provided free screening to 27,717 children in poverty, and sponsored the treatments for 2,744 children diagnosed with congenital heart disease.

## Our 2016 Efforts

- To carry out targeted poverty alleviation in accordance with practical conditions for different regions and people. To empower them to make changes using their own efforts.
- To expand the philanthropy platform to increase stakeholder participation in eradicating poverty and to promote inclusive social development.
- To train 11,000 principals of rural primary and secondary schools in central and western China, build 160 China Mobile Libraries and 160 multimedia classrooms. To provide more books in minority languages for Tibet, Tibetan areas in four provinces and three prefectures in southern Xinjiang.
- To sponsor the treatments of 860 children in poverty who are diagnosed with congenital heart disease.

## Targeted Poverty Alleviation

### Changes in Qipan Town

Qipan town in Yecheng county, Xinjiang autonomous region, is located in a rural mountainous area. Since 2003, China Mobile has been conducting poverty alleviation programmes there. Musha Yasen, a “farmer reporter” in Qipan, witnessed and recorded how China Mobile had changed this village over the past ten years:

“In 2003, people from China Mobile came to the village. They visited the village, and gave food, fertiliser, coal and clothes to those in need. They also donated 5,000 books to build the first China Mobile Library.

In 2004, they donated over 60 TV sets, and set up basketball hoops on a playground. They would organise basketball games with village youth.

In 2005, they finally set up a telecommunications tower in this mountainous area, where the average altitude is around 2,000 meters. Since then, we could use mobile phones, instead of going to a county 70 kilometres away to make a call.

Since 2006, they have supported 10 outstanding but poor students to finish high school every year. Among them, over 10 of them were admitted to universities.

In 2007, they donated computers to local schools and to the government, and set up broadband connections. They taught children and villagers how to use computers, and how to access information and knowledge from the Internet.

In 2008, they donated tractors and other farming machinery worth more than 100,000 yuan for efficient farming.

In 2009, villagers from the three most remote villages of Qipan moved into earthquake-proof houses in the “China Mobile New Village”, with access to tap water and electricity.

In 2010, China Mobile worked with the local government to build a bridge for the village. More than 2,000 villagers can now cross a river without having to walk through water. Before that, during flooding or during winter when the water was frozen, it was difficult for villagers, students and patients to cross the river. Fruits and vegetables rotted in the village because they could not be transported.

In 2014, they worked diligently for 48 hours with nearly 200 villagers from three villages to clear the sludge in a 3-kilometer canal, so that the farmland in the village could be irrigated. They helped build demonstration farms of pigeons, rabbits and geese, and taught the villagers how to breed and feed them. They donated dovecotes and pigeons to villagers, and a brand-new Jetta car to make village production and life more convenient.

In 2015, they helped construct a motor-pumped well for three villages, so that they did not have to drink water from a reservoir.



▲ Residents received daily necessity packages

In 2015, we invested more resources to support poverty alleviation in five counties in Xinjiang and Heilongjiang provinces. We helped them build bridges, roads, canals, wells and supported their residence, breeding, education and livelihood, to solve problems with drinking water, travel, earnings power and education.

Poverty Alleviation Regions	Funding	Aid Initiative
Luopu county of Hetian region, Xinjiang	1.5 million yuan	Completed a safe drinking water project in Aqike village.
Shule county of Kashi region, Xinjiang	1.5 million yuan	Built 30 high-standard greenhouses for Baren village and helped 30 impoverished households increase production and incomes.
Aketao county of Kezhou, Xinjiang	1.5 million yuan	Built a bilingual kindergarten for Qiaerlong village.
Huanan county, Heilongjiang	2.74 million yuan	Helped 1,235 households in Xianjin village, Shuanglonghe village, Nanda village and Dalianpao village get access to tap water.
Tangyuan county, Heilongjiang	2.74 million yuan	Constructed a one-kilometre cement road for Xianglan village and built 4,100 meters of new drains for Qingdong village, Yongjiu village and Shuguang village.

## Philanthropy Support

The China Mobile Charity Foundation launched a series of long-term charity programmes to promote education equality and to assist vulnerable groups. In 2015, the China Mobile Charity Foundation continued the Heart Caring Campaign and the Blue Dream Education Aid Plan, donated 38.3 million yuan, increasing cumulative charity donations to 196 million yuan. Based on these practices, we have been including more social forces towards supporting charities.

### “Heart Caring Campaign”

At the lobby of a welfare centre in Chengduo county, Yushu prefecture, Qinghai province, a 14-year-old Tibetan girl named Baima Zhuoma leaned against her mother, anxiously waiting for the doctor to check for congenital heart disease.

Zhuoma began to show symptoms of fainting since she was 7 years old. Her mother was not much aware of it, until the fainting became frequent. Her mother took her to a Tibetan hospital that was tens of kilometres away from home, where she was diagnosed with congenital heart disease. Her father had passed away a long time ago. Since their family income from selling mushrooms was only one thousand yuan per month, the family could not imagine how they could pay for surgery expenses.

Assisted by China Mobile launching the “Heart Caring Campaign” Aid for Children in Poverty with Congenital Heart Disease Programme in Qinghai, Zhuoma was one of the children who received free surgeries. She and her mother received hope in their lives.

China Mobile launched the “Heart Caring Campaign” Aid for Children in Poverty with Congenital Heart Disease Programme in 2011. In 2015, we started new projects in Guangxi and Ningxia provinces. Thus far, a total of 7 provinces have benefited from the programme. We have provided free screening to 27,717 impoverished children and have sponsored free surgeries for 2,744 children diagnosed with congenital heart disease.

## Honours in 2015

- “The Most Caring Enterprise” in the ninth China Charity Awards;
- Ranked 2nd place in the “2015 Top 100 State-owned Enterprises Charity Development Index”;
- The China Mobile Heart Caring Campaign was ranked “Best 10 Five-Star Projects” in the “50 Best Charity Projects” from the “Corporate Philanthropy Blue Book (2015)”;
- The Blue Dream Education Aid Plan was nominated by the ninth China Charity Awards for the Most Influential Charity Programme and ranked first in the “2015 Survey on Awareness of Corporate Philanthropic Brands”.



▲ China Mobile volunteers accompanied a child from Ningxia with congenital heart disease to Tianjin to receive free surgery.



◀ Scan the QR code for more information



## “Blue Dream Education Aid Plan”

Tian Jing, the Principal of Riverside Primary School in Fengdu county, Chongqing city, attended the China Mobile Blue Dream programme in Putong Primary School, Shanghai for a one-day training. He wrote down what he learned in his diary:

The aim of this school, which was founded one hundred years ago, is to “Accept children from common families, and help them to make extraordinary achievements from their ordinary positions”, so I respect this school.

During my study, I was excited to discover new teaching methods such as “FUN Courses”, “Happy Practice Week” and “Smart Homework Books”. It occurred to me that our teachers could also learn these methods if we cooperated with this school, and so we sent our teachers here to attend “shadowing training” or invited teachers from this school to give guidance to our teachers.



▲ The trainees of the programme were communicating with teachers from Putong Primary School

I did not expect Principal Zhang Su of Putong Primary School to agree with my idea as soon as I put it forward. “Principal Tian, do you still recall our school motto? ‘Contribute to ourselves and others, be sincere in speaking and responding’. We will do our best to help your school”. The motto of “Diligence and Honesty” has not changed for a hundred years, and I feel relaxed, touched and excited by it.

Since we launched the Blue Dream – China Mobile Education Aid Plan in 2006, we have trained 80,981 principals of rural primary and secondary schools in central and western China, and have donated 2,310 China Mobile Libraries and 1,260 multimedia classrooms.



Scan the QR code for more information ▶

## The “Love Relay” and “Information Assistance” for Regional Education Development



▲ “Love Relay” helps children in rural areas with better study conditions

In Henan, we have carried out a “Love Relay” programme for ten years. We assisted 1,770 college students, 200 teachers and 1,600 children in poverty as well as 3,000 left-behind children, 350 orphans and 100 children with disabilities, and offered over 1,000 work-study positions in the province.

In Fujian, many primary and middle schools in remote areas lack educational resources. We helped them install broadband optical cable, connecting them to a broadband network for free. We donated computers, whiteboards and other teaching equipment to them, connected these devices to our educational cloud platform, and trained teachers, students and parents on how to use computers, access online teaching videos and view online exercises. This programme has covered 1,000 schools, 20,000 parents, and 300,000 teachers and students in 23 counties in poverty.

## Volunteer Service

We advocate a "volunteer spirit", and have created a volunteer charity platform along with volunteer projects to encourage employees and the public to participate in charities, pass on the power of love and promote a harmonious society.

In 2015, we continued to commend China Mobile employees who dedicated their off-work time to philanthropic activities and social services. Three "China Mobile Philanthropy Stars" were chosen by 90 thousand netizens:



In 2015, the number of registered China Mobile employee volunteers reached **118,900** and our volunteers served approximately

**483,400** hours



### Ma Ke: Engage in Charity and Advocate Volunteer Spirit

Ma Ke is an employee at the China Mobile Shandong Company Rizhao branch company. As the Executive Director of the "Love Rizhao" urban volunteer club, he leveraged the influence of the club and launched a "Love at Sunset" programme to visit seniors living alone, and a "Send Cool to the Migrant Workers" programme. These programmes have become well-known voluntary activities. In addition, he is Chief Editor of the "Love Rizhao" magazine and newspaper, spreading voluntary spirit to society.

### Su Qin: Electronic Mobile Library to Help Village Children Grow Up

Su Qin is an employee at the China Mobile Sichuan Company Chenghua branch company. She became a volunteer in 2012 to help children in remote villages gain access to leisure reading. In 2014, she founded an NGO "Canbooks" with her volunteer partners to establish an "electronic mobile library" for schools in Ya'an, Jianyang and other remote areas. Currently, there are more than 600 children from remote areas who read for leisure on electronic readers. "Canbooks" is one of the five projects nominated for the 2015 "Aspen Ideas Festival Annual Outstanding Innovation Projects".



### Wang Weixu: Lead in Green Action, Energy Conservation and Emissions Reduction

Wang Weixu is an employee at the China Mobile Liaoning Company Shenyang branch company. He has concentrated on network energy conservation for ten years, and implemented more than 10 projects such as "Optimise the power quality for communication buildings and base stations", "Intelligent self-powered ventilation system of base stations", etc. The latter project enabled us to reduce average consumption of electricity for a base station by more than 50%, with annual electricity costs reduced by 20,000 yuan.



For more information about targeted poverty alleviation, philanthropy, volunteer work and overseas responsibilities, please refer to P.49-50, P.52 of this report.

# Connect Green

“Take urgent action to combat climate change and its impacts.”

—United Nations, *The 2030 Agenda for Sustainable Development*

## Sustainability Context

- *The 13th Five-Year Plan for National Economic and Social Development of the PRC* proposed to take positive actions in response to global climate change, implement both mitigation and adaptation measures, actively control carbon emissions, fulfil emission reduction commitments, enhance adaptability to climate change, deeply engage in global climate governance, and contribute to tackling global climate change.
- In 2015, most parts of China experienced severe smog. Beijing issued red alerts for heavy air pollution for the first time; the PM2.5 Air Quality Index (AQI) in Shenyang once reached over 1,000...
- The ICT sector’s direct contribution to global warming is about 2%-2.5%, of which about 25% is from the telecommunications services. According to predictions by GeSI, with the application of ICT technologies, we could reduce CO<sub>2</sub> emissions by 7.8Gt globally in fields such as manufacturing, transportation, construction and energy. Such reduction is equivalent to 15% of global CO<sub>2</sub> emissions in 2020.

## Our Approaches

- We continued to implement the Green Action Plan to promote energy-saving measures throughout all operational processes, and adopted more stringent environmental management to achieve a green and low-carbon business.
- We cooperated with supply chain partners to develop green standards and products to create a healthy and green industry ecosystem.
- We innovated and developed green ICT solutions for energy conservation and environmental management to support governments, companies and the public in their eco-friendly efforts.

## Our 2015 Achievements

- We optimised our energy management platform to accurately analyse and control energy consumption. The accuracy of our power consumption data from equipment rooms, office buildings and base stations respectively reached 98.3%, 98% and 99.31%.
- We reduced overall energy consumption per unit of information flow by 17.5% compared to 2014.
- We promoted green packaging in 30 provincial subsidiaries (except Xizang subsidiary) and the application ratio exceeded 60%. The “Used Phone Trade-in Programme” recycled approximately 1.4 million used mobile phones.
- We launched a number of green ICT solutions such as the “Blue-sky Guardian” and a “Garbage Sorting Integration Management System” to help the public improve both the environment and life qualities.

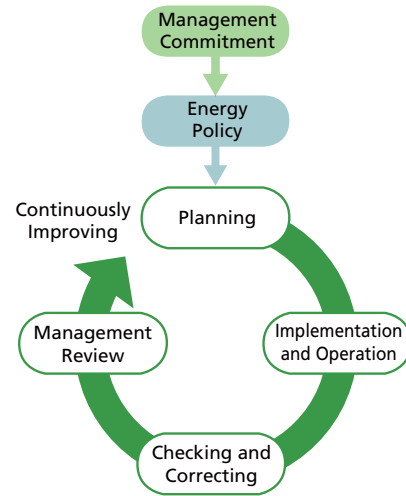
## Our 2016 Efforts

- To comprehensively promote the Green Action Plan, expanding coverage of our energy management platform and employee participation in order to enhance the effectiveness of energy conservation and emissions reduction efforts.
- To reduce overall energy consumption per unit of information flow by 15%.
- To lead our suppliers in developing and offering green products and services, and to promote communication and cooperation on environmental issues in our industry.
- To strengthen research and innovation efforts in green ICT solutions for aspects such as energy conservation and emissions reduction, environmental management and ecological protection by applying advanced ICT technologies.

## The Green Action Plan

In 2007, we launched the Green Action Plan, focusing on energy conservation and emission reductions. After years of practice and exploration, we discovered a path towards the sustainable development of both our business and the environment. In 2015, we implemented innovative technologies and management approaches to reduce our energy consumption and environmental impact.

We installed a smart data-collection system for our base stations, facilities and equipment rooms across the country, and connected the system with our energy management platform to precisely analyse and control our energy consumption. We improved our energy management system and enhanced the application of energy conservation technologies. All employees were encouraged to improve the effectiveness of energy conservation and emissions reduction.



Green Action Plan Management Process

### Energy Conservation During Phone Calls

"When do you usually make calls?" Many people make phone calls at a specific time, which leads to a total effect on our network load. When a network cell is underloaded and covered by other cells, we can actually switch it off to reduce energy consumption without affecting

communications quality. By implementing this strategy, the energy consumption of each network cell can be reduced by 10%, maintaining network quality without affecting user perception. Communications quality and energy saving can both be achieved through this multi-network collaboration.

### Management, the Most Solid Foundation for Energy Conservation

In 2013, Li Jie started to take responsibility for China Mobile Shanxi Company's energy conservation and emissions reduction work.

"At that time, we were overly focused on technologies. If any equipment room had high energy consumption, we would overhaul it and adopt a new air conditioning technology. After a while, we found this approach ineffective." Li Jie clearly remembered that once he and his colleagues installed a new ventilation facility for a high energy consumption base station. However, without a management routine, the facility was not switched on or off as it should and even when the filter broke down, no one would replace it. The reduced energy consumption soon increased again.

"After this case, we conducted some investigations and learned why we could not solve the problem. Even with the most advanced technology, without proper management we would fail." With this experience, Li Jie and his colleagues adjusted their focus to energy conservation management. "Now in Shanxi, more than 96% of base stations are equipped with remote power monitoring devices. We also hold an energy analysis meeting each month to compare the energy consumption indicators along horizontal and vertical dimensions, and analyse the problems indicated by these data."

In 2015, the air-conditioning energy-saving upgrade covered 100% of the base stations in Shanxi, and is expected to save 25 million kWh each year.

## Green Industry Development

We are actively building a green value chain, and promoting green development of the industry by reducing energy consumption and emissions over the full life cycle (production, transportation, usage and recycling).

### Energy Conservation Grading Standards

With a focus on energy saving from the source, we developed energy conservation grading standards in seven areas to encourage manufacturers to innovate on equipment integration and intelligence, reducing energy consumption by at least 10% per year, and achieving reductions in equipment size and weight as well. We led the compilation of the Base Station and Controller Energy Conservation Grading Standards to promote industry-wide energy saving efforts.

### Green Packaging

In our procurement of telecommunications equipment and facilities, we requested suppliers to adopt lightweight packaging considering logistics and transportation, environmental safety, reuse and recycling. With extensive use of green packaging materials, we are able to save timber resources and reduce wastes, leading to a value chain transformation to a circular economy. By the end of 2015, green packaging methods were applied by over 60% of suppliers among 30 provinces (except Xizang subsidiary). It was expected to save more than 100 thousand cubic meters of timber, reducing deforestation by 1,130 hectares.

### Device Recycling

From the end of 2014, we implemented a Used Phone Trade-in Programme for our customers within our sales channels with manufacturers, distributors, and other recycling vendors. By introducing new recycling vendor partnerships, we provided a valuation service for old phones and gave discounts to trade in new phones. The initiatives have significantly reduced resource wastage and environmental pollution caused by discarded phones. Under the programme of "Green Deals for You", customers could receive online coupons from China Mobile Online Store by sending used or broken mobile phones to us. Our employees also explained the negative impact of e-waste on humans and the environment to customers, and answered questions they often encountered. After understanding the hazards of e-waste, many customers purposely went home and gave old phones to us to recycle. In 2015, around 1.4 million customers participated in the Used Phone Trade-in Programme and approximately 1.4 million used mobile phones were recycled, which also drove sales of new mobile phones by about 1.3 million. In the future, we will further optimise the recycling process and call on more manufacturers to join this programme. We are also planning to strengthen supervision on manufacturers to ensure that recycled mobile phones would be disposed of in a green way.



Green packaging has been applied by over **60%** of suppliers, and is expected to save more than

**100** thousand cubic meters of timber,

reducing deforestation by **1,130** hectares



In 2015, around 1.4 million customers participated in the Used Phone Trade-in Programme and approximately

**1.4** million used mobile phones were recycled

For more information about energy consumption, greenhouse gas (GHG) emission reduction, and waste recycling, please refer to P.44-46 of this report.

## Green ICT Solutions

We utilised our ICT technical advantages to connect innovative green solutions with urgent environmental management needs, and made contributions towards energy-saving and emissions reduction processes in society by boosting environmental management and energy efficiency of traditional industries.

### Classifying Garbage and Swiping Cards to Enjoy Bonus Points

In Fujian, we launched a Garbage Sorting Integration Management System with the cooperation of the Xiamen City Appearance & Environmental Hygiene Administration Bureau. By introducing the “e-Tong card” for accumulating and redeeming bonus points, we jointly created an innovative household garbage classification reward mechanism.

When residents classified their garbage to meet the four requirements of “fixed time and place”, “separation of

dry garbage and wet garbage”, “separation of hazardous waste” and “accurate classification”, they could obtain bonus points on the card reader and automatically convert the corresponding bonus during the next month to spend on bus trips or at “e-Tong card” alliance stores. By the end of 2015, we had carried out the pilot scheme in 12 communities and distributed more than 6,000 cards, which greatly aroused enthusiasm and awareness by local residents to participate in garbage classification activities.

### “Blue-sky Guardian”, Give Us Clear Sky

“What is the AQI today?” Since smog frequently occurs nowadays, air quality has become a common conversation starter. Smog pollution caused by large-scale straw burning creates painful breathing problems, especially during the harvest seasons. According to statistics, China has 1.5 billion mu of arable land, which produces 600 million tonnes of crop residue each year. 80% of the residue will be incinerated, causing widespread regional smog and adversely affecting people’s lives and health.

In Jiangsu, we launched the “Blue-sky Guardian” HD video monitoring platform. By installing HD network cameras on base stations in rural areas, we are able to monitor surrounding areas by way of visible light and infrared imagery and transmit the images in real time for 24-hour remote monitoring and management in large-scale rural areas. By the end of 2015, we had installed 4,320 cameras in 653 townships in Jiangsu province, deterring residue incineration and enhancing environmental management in rural areas. During harvest and planting seasons from 2013 to 2015, residue incineration cases declined by 51.2%.



# Connect Growth

“Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation.”

—United Nations, *The 2030 Agenda for Sustainable Development*

## Sustainability Context

- *The 13th Five-Year Plan for National Economic and Social Development of the PRC* proposed to carry out the strategy of giving priority to employment, implement more proactive employment policies, create more jobs, address structural employment problems, encourage entrepreneurship as a driver of employment, and achieve relatively full and high-quality employment.
- According to research, there will be a shortage of 10 million skilled talents in the Internet industry in China within the next 5 years. Due to this shortage and fierce competition, we are inevitably facing challenges in terms of attracting and retaining talents.
- When the competition escalates to an industrial ecology level, the collaboration of companies and value chain partners will be key to success.

## Our Approaches

- We kept on enhancing our employee career development system to offer employees a clear and smooth career development path.
- We carried out employee care activities to help employees achieve work-life balance.
- We explored innovative approaches to assisting supplier development and building a competitive business model that works and grows with value chain partners.

## Our 2015 Achievements

- We performed researches on employee turnover, optimised our employee compensation system and built an H-shape career development path.
- Our Employee Assistance Programme (EAP) has covered more than 300,000 employees. The participation rate of the “Happiness 1+1” programme reached more than 36%.
- We allocated funds towards employee financial aid in multiple subsidiaries, and offered 2 million yuan in care funds to support branch companies at high altitude areas over 2,500 meters.
- We developed more than 6,000 cooperative partnerships for MIGU Company, generating more than 12 billion yuan in revenues with our supply chain partners.

## Our 2016 Efforts

- To promote the Four Talent programmes, implement a core employee retention programme, establish an enlarged H-shape diversified career development path, and initiate an internal 1,000 top-experts selection programme.
- To meet reasonable demands from employees, and keep on carrying out EAP, “Happiness 1+1” and other employee care activities.
- To strengthen our collaboration with supply chain partners, innovate our business models, and build an open, shared and collaborative ecology.

## Grow Together

In 2015, we faced the challenges of insufficient employee incentives and an increased risk of losing top talent. It has become an important issue for us to enhance our market-oriented employee incentive mechanism and to build a diversified career development system.

### More Support for Career Development

In 2015, we finished a report titled *An Investigation into 2013-2014 China Mobile Employee Turnover*, in which we looked into the reasons and current situation of employee resignations, and proposed a set of solutions.

- Link the marketisation level of each business unit's operating model to the marketisation level of its remuneration system. The more market-oriented a unit is, the more competitive its remuneration system would be.
- Link performance to remuneration. Break the restraints on positions and levels, allowing elastic remuneration incentives to be based more on employee performance and value creation.
- Explore the building of an H-shape career development channel and more talent programmes such as Millions of Talents Plan, One Thousand Talents Plan and special government allowance recommendation, according to the key areas and talents of our business.
- Promote the construction of a job specification system to provide guidance for employee development in some provincial subsidiaries, with corresponding learning maps to systematically plan employee growth paths, thereby matching investments with organisational development and employee growth.

#### “Broadband” Positions and Multi-Path Development

Compared with Internet companies, the previous position system at MIGU was unattractive to talents because of excessive hierarchy, narrow level ranges and unclear promotion channels. To solve this problem, MIGU designed an ability-based broadband position management system through benchmarking with outstanding Internet companies.

The new system is flatter, has fewer levels and wider level ranges, and allows the remuneration of two adjacent levels to partially overlap, so as to offer greater management flexibility. This system is also equipped with a multi-path growth structure for employees by setting up promotion channels for administrative employees and also experts in different areas such as marketing, technology and products.

We organised a best practices contest in 2015, “Elites Create the Future Together”. We selected the best internal practices in the four areas of digital leadership, marketing, technology and management, and summarised them into a series of micro-video lessons for our online university.



▲ The Qimei Duoqi and Bianba Zhuoma couple were named the “Ten Star Professionals in State-owned Enterprises”

In 2015, the Qimei Duoqi and Bianba Zhuoma couple from China Mobile Xizang Company Ali branch company Taerqin store were named the “Ten Star Professionals in State-owned Enterprises”. Besides, the network construction and maintenance team from China Mobile Hainan Company, Tian Fang (a customer manager from the China Mobile Shandong Company Yantai branch company Changdao Daqingdao sale channel) and Huang Shaowen (a senior network support expert from the China Mobile Guangdong Company network management centre) were named the “Ten Most Beautiful Mobile Telecommunications Employees”.



## More Happiness in Work and Life

Our employees are facing reform-induced shocks and increased competition because of significant development in the ICT industry. They require proper channels to destress and enjoy work-life balance. Since our experiment with the EAP programme in 2005, the programme has covered over 300,000 employees and helped many of them make positive changes in their lives for the past 11 years.

### Li Xiaoya: Beautiful Changes Brought by EAP

"Imagine your boss was a dictator who never listens to your opinions or explanations whenever there is a problem and always calls you and assigns work to you at mid-night and on weekends. You just cannot go home even on weekends, and you are almost getting a divorce. Can you finish your work well and not getting depressed?" At the beginning of Li Xiaoya's EAP class, a customer manager stood up and challenged her aggressively. Other customer managers applauded loudly after this question, and Li understood the meaning behind that applause. "You are right. It is undeniable that we all have our own problems not known to one another. What we need is to have better communication to build mutual understanding. Firstly...Secondly...Thirdly..." Applause was raised again, but this time it was filled with understanding. The customer manager who asked this question walked towards Li Xiaoya and gave her a big hug.

Li Xiaoya started her career from a grass-root level. With 3 years of EAP experience, she has helped many colleagues find happiness at work and in life again. In front of others, she is always passionate, joyful and full of energy. As a matter of fact, she once suffered from depression due to stress in 2013 as well. At that time, a colleague responsible for EAP gave her much help. Afterwards, out of personal interest, Li got a second-level

certificate as a national psychological consultant. With her background as a senior trainer and a psychological consultant, she accepted the offer when the chief EAP tutor of Anhui Company invited her to be an EAP specialist.

"I myself had plenty of psychological problems before helping others. However, when I focused on helping others, my mindset shifted from negative to positive. Helping others is meaningful and makes me happy despite tiredness." Excitement could be seen in her eyes. She was eager to help others and even sometimes seemed "insane". Once she was in Wuhan for a business trip during which she always had breakfast at a steamed dumpling store in Hangzhou. The owners were a couple, and they frequently quarrelled with each other. Li assumed the role of a mediator and helped them reach an agreement to go back to their hometown to stay with their children and find jobs there. Li also supported other EAP specialists in putting theories into practice by organising activities designed to discuss the dilemmas they encountered in real life.

"When you realise that everyone around you becomes better, it means you are better. When you are in a positive mood, everything around you works well." Li Xiaoya herself, her colleagues, other EAP specialists, and even strangers, all became better because of EAP.



▲ Li Xiaoya was sharing how EAP made her happier during a training session

To help employees develop a healthy lifestyle, we started a “Happiness 1+1” activity to boost their physical and mental health. With “1” sport plus “1” hobby, they can be happier than “1+1”. In 2015, the participation rate of “Happiness 1+1” reached more than 36%.

### • Hand-drawing Posters, From Work to Fun •

“I joined the hand painting POP poster workshop twice. I applied what I had learned to my work and even to assist my kid’s studies.” Liu Xinxin, an employee from China Mobile Beijing Company Miyun branch company, officially joined China Mobile in 2005 and has worked here for more than 11 years. During these years, she got married and had a baby. When her child went to kindergarten, she had one more task: to finish homework together with her child, which normally would be some paintings and drawings. Before participating in the POP workshop, Xinxin lacked confidence in drawing and was stressed out. She signed up for the POP workshop at the moment she heard about it. Now, it is much easier for her to draw with her child together. “I am thankful to the company for arranging these useful workshops.”



▲ Hand-drawing Posters brought Liu Xinxin more happiness to her work and life

We launched a “Happiness 1+1” public account in WeChat to show employees’ personal charisma, to boost activity innovation, and to increase activity impact and coverage. We will establish “Happiness 1+1” files for employees from which we can choose experts and talents, and offer them a platform to showcase their hobbies and skills.



Scan the QR code for more information ►



▲ Shanghai Company organised a series of “Happiness 1+1” activities



## More Warmth for Employee Care

### • The “Mother Care Rooms”

“Since we launched the Mother Care Rooms, there are fewer mothers who need to use toilet booths for a long time to save breast milk. Saving breast milk has become a happy and sweet ‘burden’ for me.”

“Since we had the Mother Care Rooms, our family need not worry about baby’s food anymore.”

With more working mothers insisting on feeding babies with breast milk, there are more “milk saving” mothers in the company. If there was nowhere to save milk, they would have to occupy a toilet booth or a warehouse. It was both embarrassing and inconvenient. In order to solve this problem, since early 2014, Shanghai Company has built Mother Care Rooms in 20 branches to offer a convenient environment for them to save milk. These rooms are used 250 times per day on average, which are welcome among female employees.



▲ The “Mother Care Rooms”

To increase employees’ sense of belonging and to connect employees with the company, we organised many employee care activities.

- For female employees, we organised a Transformation and Development Forum, and produced a video named “Heroines Contributing to the China Mobile Dream” to encourage them to work hard for the company while maintaining good work-life balance.
- We allocated 2 million yuan as care funds to support branch companies in high altitude areas above 2,500 meters.
- For employees with financial difficulties, we offer financial aid in many provincial subsidiaries. In 2015, Henan Company offered 453,800 yuan to 44 employees. Tietong Company increased the amount of one-off financial aid to employees with serious illness and of regular financial aid to other employees with special needs.



We allocated **2 million** yuan as care funds to support county-level companies in high altitude areas above 2,500 meters



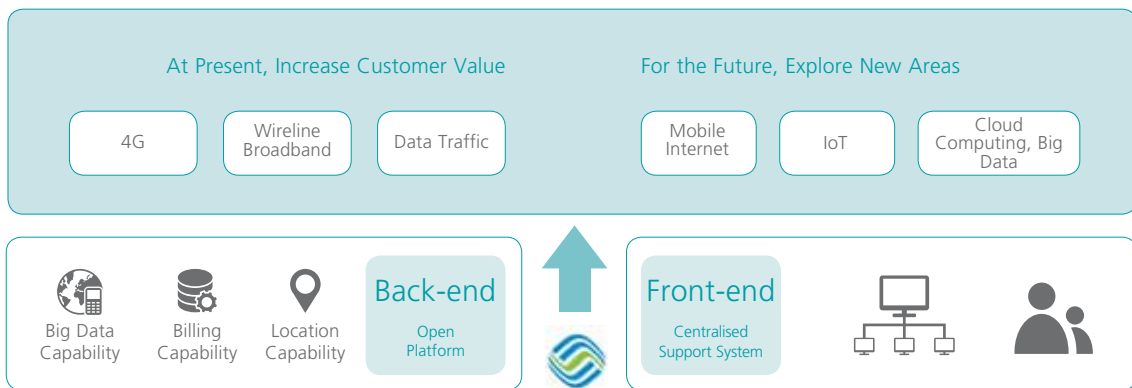
In 2015, **94%** of our employees received health check-ups

For more information about occupational health and safety, training and education, and diversity, please refer to P.42 and P.46-49 of this report.

## Develop Together

On 14-16 December 2015, we held the third China Mobile Global Partner Conference in Guangzhou. 5,000 professionals from device manufacturers, distributors and Internet application providers attended the conference. This is only a small part of how China Mobile collaborates with value chain partners to explore development opportunities. We will build an open, sharing-based and competitive digital industrial ecology based on a new generation of infrastructure, platforms and applications, and expand our cooperation with partners.

### Cooperation for New Development



#### • Fast-track Small Payments and Order Financing •

To reduce suppliers' management costs and to increase payment speeds, Guangdong Company adopted a "performance deposit + one-off payment" method for strategic and long-term partners. All payments are made as soon as goods are received. Currently, 9 suppliers have benefited from this service. Moreover, in order to support

small and medium-sized and high-technology suppliers, Guangdong Company cooperated with Shanghai Pudong Development Bank to offer order financing to suppliers. As of the end of 2015, 69 suppliers had had access to 400 million yuan of financing through this service.

#### • Build a "MIGU+" New Ecology •

During the 2015 World Mobile Conference (Shanghai), MIGU released the "MIGU+" One-stop Service System. This system would change the modes of digital content, product operation, capability opening, product packaging, channel distribution and business settlement, and would increase industry cooperation efficiency. In respect of business models, MIGU introduced various forms of cooperation on top of the usual revenue sharing, such as buyout, minimum guarantee plus royalty and joint production, in order to speed up the establishment of industrial ecology and achieve win-win outcomes.

MIGU Company now has more than 6,000 partners. More than 12 billion yuan in revenues were created for its supply chain partners. MIGU signed strategic cooperation agreements with more than 10 partners in the areas of video, music, games, books and cartoons. By regularly holding "thinking, sharing, gathering" events among MIGU partners, we shared opportunities with them to push forward cross-sector integration.

For more information about supply chain management, please refer to P.43 of this report.

## Special Report:

# Steady Growth, Healthy Development

In 2015, China Mobile complied with the Listing Rules to ensure sound corporate governance under the principles of integrity, transparency, openness and efficiency. By continually improving our anti-corruption regulations, punishing violators, raising awareness of integrity and building an Embedded Integrity Risk Prevention and Control Mechanism, we conducted anti-corruption work in tandem with business development. This ensures our steady growth and healthy development during the period of strategic transformation.

## Embedded Integrity Risk Prevention and Control Mechanism

We embedded specific management and control processes into our production and business operations. These processes could match and operate synchronously with our business operations to form an Embedded Integrity Risk Prevention and Control Mechanism with China Mobile characteristics. We also formulated the *Guidelines for Promoting the Construction of an Embedded Integrity Risk Prevention and Control Mechanism* to define both short-term and long-term targets and work plans. We compiled templates to standardise

the basic framework and components of this mechanism. In 2015, we applied this mechanism to 6 key areas, including planned investments, construction, network operations and maintenance, procurement tendering and bidding, business support, and device marketing. We identified 145 important risk areas and introduced 107 prevention and control measures to further promote the deep integration of anti-corruption work and business management, thereby establishing a sound anti-corruption system with China Mobile characteristics.

## Strengthened Regulatory Framework

We formulated the *China Mobile Discipline Inspection Group Work Rules (Trial)* to standardise organisational structure, work responsibilities, meeting mechanisms and work methods for our discipline inspection groups at our headquarters and subsidiaries. For procurement and other high-risk processes, we issued the *Integrity Risk Warning Notice* and the *Declaration of Special Relationships and Particular Matters*. Through establishing and implementing the systems of Special Relationship Declarations, Integrity Rules Notices and Integrity Risk Notices, we made clear the specific requirements

of integrity in the procurement process. We applied both the principle of conflicts of interest and a market supervision mechanism to the procurement process. We distributed the *China Mobile Honest Government Interview System (Trial)* to promote regular and systematic integrity-related interviews. We urged relevant departments to include terms of supervision, inspection and responsibility investigation into new regulations in order to promote closed-loop management and strengthen the regulatory framework.

## Enhanced Accountability

We standardised the investigation process to make sure that provincial subsidiaries follow the same processes, requirements and rules made by higher authorities and the

company. As of the end of 2015, we internally dealt with 96 cases, punished 140 employees, imposed organisational sanctions for 219 times, and held 4 subsidiaries accountable.

### Special Management Measures to Prevent Interest Transfers

Through rigorous investigation and review of problems, we carried out special management measures in respect of connected transactions between businesses run by our corporate executives, their spouses, children and other relatives, and our

executives' receipt of gifts from business partners. More than 26,000 managers and executives at county-level companies or above submitted declaration forms and written undertakings. The employees concerned also surrendered their gifts on their own initiative.

## Advocacy of Integrity

We carried out various integrity education activities with rich content and in diverse forms to increase employees' awareness of integrity, honesty and ethics.

We focused on disciplinary education and carried out the "Month of Anti-corruption" education programme for the fourth consecutive year, covering more than 90% of management personnel and 75% of employees. We also further expanded our educational channels, using formats such as manager lectures, external expert reports, typical case analysis, educational films, educational tours MMS lectures and learning experience sharing, and media such as office networks, online university, SMS and MMS, WeChat, animations, games and micro video, to launch various practical, innovative and effective anti-corruption education activities.

Meanwhile, we tried to enhance the warning effect of our integrity and anti-corruption education. We analysed all our corruption cases since 2011 to reveal their features, patterns and negative impacts. In 2015, we held 5 educational meetings with these cases used as examples.

For more information about anti-corruption, please refer to P.50 of this report.



In 2015, we received

**1,605** cases of

whistle-blowing, among which

**90.28%** were closed



In 2015, we conducted

**1,986** anti-corruption

education events with a total attendance of

**761,800** person-times

# Performance Report



China Mobile benchmarks itself with international and domestic sustainability guidelines and best practices of the industry to improve its sustainability management approaches and performance. We follow the requirements of GRI G4 Guidelines, UNGC Ten Principles, ISO 26000, HKEx ESG Reporting Guide, CASS-CSR 3.0 and GB/T 36002-2015 to disclose our management approaches to and performance data of material economic, environmental and social issues in the following performance report. We make efforts to ensure that the information is comprehensive, objective and accurate.

## Stakeholder Engagement and Materiality Analysis

To effectively achieve sustainable development, a company must comprehensively listen to its stakeholders, understand their concerns and respond to their needs. In 2015, we maintained close communication with our six stakeholder groups including customers, employees, shareholders and investors, government and regulators, value chain partners, and community and environment. In preparation of this report, we conducted a stakeholder survey to identify their key issues of concern and to determine what to disclose in this report through a materiality analysis.

Stakeholders	Key Issues of Concern (Top 5)*	Engagement Approaches
 Customers	<ol style="list-style-type: none"> <li>1. Network Quality</li> <li>2. EMF Safety</li> <li>3. Information Security and Privacy Protection</li> <li>4. Customer Rights Protection</li> <li>5. Corporate Charity</li> </ol>	<ol style="list-style-type: none"> <li>1. Customer Day</li> <li>2. 10086 Hotline</li> <li>3. Weibo and WeChat Communication</li> <li>4. Online and Mobile Customer Service Platforms</li> <li>5. Customer Satisfaction Surveys</li> <li>6. Mobile App</li> <li>7. CEO Mailbox</li> </ol>
 Employees	<ol style="list-style-type: none"> <li>1. Information Security and Privacy Protection</li> <li>2. Network Quality</li> <li>3. Workplace Health and Safety</li> <li>4. Information Benefits for the Society</li> <li>5. Employee Training and Career Development</li> </ol>	<ol style="list-style-type: none"> <li>1. Employee Representative Conferences</li> <li>2. Regular Trainings</li> <li>3. Performance Communication</li> <li>4. MMS Magazine Mobile Weekly</li> <li>5. Employee Recognitions</li> <li>6. Employee Grievance Mechanism</li> <li>7. CEO Mailbox</li> </ol>
 Shareholders and Investors	<ol style="list-style-type: none"> <li>1. Information Benefits for the Society</li> <li>2. Network Quality</li> <li>3. Stakeholder Engagement</li> <li>4. Corporate Governance and Risk Management</li> <li>5. Economic Value Creation</li> </ol>	<ol style="list-style-type: none"> <li>1. Annual Reports, Interim Reports and Announcements</li> <li>2. Annual General Meetings</li> <li>3. Investor Briefings and Conferences</li> </ol>
 Government and Regulators	<ol style="list-style-type: none"> <li>1. Information Benefits for the Society</li> <li>2. Stakeholder Engagement</li> <li>3. Network Quality</li> <li>4. Corporate Charity</li> <li>5. Narrowing Digital Divide</li> </ol>	<ol style="list-style-type: none"> <li>1. Routine Reports</li> <li>2. Specific Researches and Meetings</li> <li>3. Relevant Forums</li> <li>4. CEO Mailbox</li> </ol>
 Value Chain Partners	<ol style="list-style-type: none"> <li>1. Network Quality</li> <li>2. Information Security and Privacy Protection</li> <li>3. Supply Chain Management</li> <li>4. Customer Rights Protection</li> <li>5. Economic Value Creation</li> </ol>	<ol style="list-style-type: none"> <li>1. Procurements</li> <li>2. Suppliers Website, Service Sites and Hotline</li> <li>3. Trainings and Assessments</li> <li>4. Forums and Meetings</li> <li>5. CEO Mailbox</li> </ol>
 Communities and Environment	<ol style="list-style-type: none"> <li>1. Corporate Charity</li> <li>2. Stakeholder Engagement</li> <li>3. Information Security and Privacy Protection</li> <li>4. Carbon Emission and Waste Management</li> <li>5. Information Benefits for the Society</li> </ol>	<ol style="list-style-type: none"> <li>1. Community Development Activities</li> <li>2. Mass Media</li> <li>3. New Media (Weibo, WeChat)</li> <li>4. Charity Platform</li> <li>5. CEO Mailbox</li> </ol>

\*Note: For the top 5 key issues of concern, please refer to the conclusion of the stakeholder survey for materiality analysis on P.40 of this report.

Indicators	2013	2014	2015
Number of sustainability training and promotion programme participants (person-times)	131,350	216,038	276,519
Number of emails received in CEO Mailbox	2,194	2,378	2,058

Indicators	2013	2014	2015
Number of participants in Customer Day (person-times)	79,970	93,000	106,289
Number of complaints and inquiries responded to on Customer Day	78,096	101,000	101,560



In 2015, we conducted a materiality analysis over our social responsibility issues, covering both their impacts on our stakeholders and their importance to China Mobile's development. The analysis revealed a set of high-materiality issues to be covered in this report.

## Identification

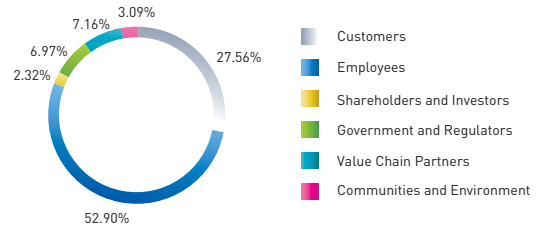
We identified 16 social responsibility issues related to China Mobile by benchmarking international standards and industry best practices with our communications with stakeholders in the last year.

International Standards	Best Practice	Sustainability Context
Studied standards such as GRI G4 and DJSI to select issues reflecting global sustainability trends and requirements.	Benchmarked against sustainability disclosures made by industry peers to identify industry specific issues.	Reviewed global sustainability trends, government macroeconomic policies and social responsibility related media coverage to identify issues and concerns of sustainability and society.

## Evaluation

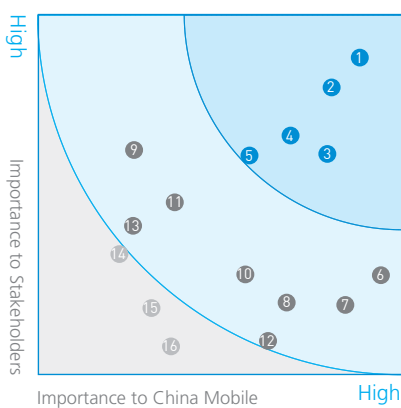
We conducted an online stakeholder survey in respect of 16 sustainability issues and invited various groups of stakeholders to prioritise the 16 issues based on each issue's importance to them.

**1,034** individuals responded to the survey, with internal and external stakeholders each accounting for approximately **50%**.



## Prioritisation

We prioritised the 16 issues based on their importance to China Mobile and constructed an issue materiality matrix with results from the stakeholder survey. This matrix revealed the material issues to be covered in this report.



- |  |  |
|--|--|
| 1. Network Quality                             | 9. Corporate Charity                         |
| 2. Information Security and Privacy Protection | 10. Workplace Health and Safety              |
| 3. Customer Rights Protection                  | 11. EMF Safety                               |
| 4. Information Benefits for the Society        | 12. Employee Training and Career Development |
| 5. Stakeholder Engagement                      | 13. Narrowing Digital Divide                 |
| 6. Economic Value Creation                     | 14. Carbon Emission and Waste Management     |
| 7. Corporate Governance and Risk Management    | 15. Environmental Resource Conservation      |
| 8. Anti-corruption and Compliance              | 16. Supply Chain Management                  |

	Issue	Report Content	Boundary
High Materiality Issues	Network Quality	Connect   Communication; Social Performance	Internal
	Information Security and Privacy Protection	Connect   Communication; Social Performance	Internal
	Customer Rights Protection	Connect   Communication; Social Performance	Internal
	Information Benefits for the Society	Connect   Innovation; Social Performance	Internal
	Stakeholder Engagement	Ten-year Journey of CSR	Internal
Moderate Materiality Issues	Economic Value Creation	Connect   Innovation; Economic Performance	Internal
	Corporate Governance and Risk Management	Steady Growth Healthy Development; Economic Performance	Internal
	Anti-corruption and Compliance	Steady Growth Healthy Development; Social Performance	Internal
	Corporate Charity	Connect   Prospect; Social Performance	Internal
	Workplace Health and Safety	Connect   Growth; Social Performance	Internal
	EMF Safety	Connect   Communication; Social Performance	Internal
	Employee Training and Career Development	Connect   Growth; Social Performance	Internal
	Narrowing Digital Divide	Connect   Communication; Social Performance	Internal
Low Materiality Issues	Carbon Emission and Waste Management	Connect   Green; Environmental Performance	Internal & External
	Environmental Resource Conservation	Connect   Green; Environmental Performance	Internal & External
	Supply Chain Management	Connect   Growth; Economic Performance	Internal & External

## Economic Performance

### Corporate Governance

#### Why Is This Material?

A sound corporate governance structure is crucial for a company to protect shareholder interests and balance stakeholder relationships. Stringent risk management and internal control are important for our reaction to changes and sustainable development.

#### Our Management Approach

1. Governance Profile: China Mobile has established a sound corporate governance structure and practices following the principles of integrity, transparency, openness and efficiency. We have improved various policies, internal control systems and other management mechanisms and procedures over the past years. By the end of 2015, the board of directors of the Company (Board) comprised nine directors, namely Mr. SHANG Bing (Chairman), Mr. LI Yue (Chief Executive Officer), Mr. XUE Taohai, Mr. SHA Yuejia and Mr. LIU Aili as executive directors, and Dr. LO Ka Shui, Mr. Frank WONG Kwong Shing, Dr. Moses CHENG Mo Chi and Mr. Paul CHOW Man Yiu as independent non-executive directors (INEDs). The Board operates in accordance with established practices (including those related to reporting and supervision). The Board currently has three principal Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, all of which are composed solely of INEDs. Each of the Board committees was appointed and authorised by the Board, and operates under its respective written terms of reference. (For more information on corporate governance, please refer to our 2015 Annual Report or our website [www.chinamobileltd.com](http://www.chinamobileltd.com))
2. Risk Management: in line with our business features, we continuously optimise our comprehensive risk management framework by tracking risk management theoretical research trends both in China and abroad. We established the principles of hierarchical risk assessment and classified risk management and control. We specified roadmaps and plans for risk management progresses to provide guidance for all business lines and subsidiaries across the company.
3. Internal Control: in compliance with Section 404 of the U.S. Sarbanes-Oxley Act, we established a systematic and standard internal control system. This system is risk-oriented and deeply integrated with our business, and explicitly defines the responsibilities of each business unit. Our internal audit team independently and objectively monitors and assesses the suitability, compliance and effectiveness of our operation and internal control processes to improve our corporate governance, risk management and control processes.

#### Progress in 2015

1. In 2015, we convened six Board meetings, and engaged a third-party professional agency to conduct Board review as proposed by the nomination committee.
2. We enhanced monitoring of high-risk operations such as procurement, construction and collaboration, and strengthened audit over overseas subsidiaries. We carried out special audits of key processes and IT systems to plug the loopholes and improve management. We actively promoted informatised auditing and formally adopted computer-aided continuous auditing.
3. We aimed at establishing an internal control system that covers all employees and is integrated with our business operation policies, processes and systems. When we adopt new management methods, commence new business operations or launch a new system, the corresponding internal control requirements will be followed.

## Financial Performance

### Why Is This Material?

The creation of economic value is the fundamental way for us to create value for stakeholders, and is also the foundation of our sustainable growth.

### Progress in 2015

Indicators	2013	2014	2015
Operating revenue (billion yuan)*	640.0	651.5	668.3
Mobile data traffic revenue (billion yuan)	105.4	150.6	198.3
Taxation (billion yuan)*	36.7	33.2	35.1

\*Note: In 2015, CM TieTong, a wholly-owned subsidiary of the Company, acquired certain assets and businesses of China TieTong Telecommunications Corporation. Data for 2013 and 2014 was restated accordingly.

Please refer to our 2015 Annual Report for operating costs, employee remuneration and welfare, payments to providers of capital and other financial performance data.

## Market Presence

### Why Is This Material?

Benefiting local communities with our operations and co-developing and sharing growth value with local communities can create a stable external environment for our further development.

### Our Management Approach

We comply with local labour laws and regulations and actively support local employment, and all of our employees receive salaries higher than local minimum wage standards.

### Progress in 2015

The percentage of local employees in our Hong Kong Company was about 94.7% for all employees and 99.4% for management personnel.



## Indirect Economic Impacts

### Why Is This Material?

In addition to the creation of direct economic value, economic and social development are also affected by infrastructure investments, employment, entrepreneurship and so on. Corporations can bring long-term positive impacts on the economy and society in an indirect way. Meanwhile, due to the uneven economic development in different regions, the difference in the penetration rate of telecommunications services such as network and broadband between urban and rural areas still exists. It is our mission to help narrow the digital divide and enhance the overall informatisation level of society.

### Our Management Approach

1. We continuously carry out the Village Connected Project (VCP) to provide communication and information services to remote rural areas and narrow the digital divide.
2. We built more 4G base stations nationwide, expanded our 4G coverage, and promoted a "Wider, Deeper, Thicker and Better" 4G network.
3. We launched the Mobile Market (MM), which aims to foster an open, collaborative and win-win mobile Internet value chain for developers and service providers. Based on the MM platform, we launched the Youth Entrepreneur Project to provide entrepreneurship incubators for young developers to achieve self-worth.

### Progress in 2015

In 2015, with our operations, we generated more than 2.6 million job opportunities across the value chain.

Indicators	2013	2014	2015
<b>Infrastructure Construction</b>			
Cumulative number of remote villages covered by VCP	118,236	121,243	122,997
Cumulative number of natural villages obtained access to mobile phone service via VCP	72,659	75,666	77,420
Cumulative number of administrative villages obtained access to broadband service via VCP	20,544	27,995	33,061
Number of sales channels in township-level areas (10,000)	65.4	60.2	59.5
Number of Rural Information Service users (10,000)	6,029	6,266	6,349
Cumulative number of rural information sent via Rural Information Network (100 million)	217.4	350.2	532.4
Total number of 4G base stations (10,000)	—	72	110
<b>Promoting Employment and Entrepreneurship</b>			
Cumulative funding for Entrepreneurship support (10,000 yuan)	1,308	4,207	6,873
Number of registered developers in MM (10,000)	384.5	391.0	394.6
Cumulative application distribution in MM (100 million)	41.97	93.07	129.42

## Supply Chain Management

### Why Is This Material?

Supply chain partners are one of our six stakeholder groups, and one of the most important partners for us to achieve sustainable development. By operating our business with standards and ethics and fulfilling social and environmental responsibilities together with our value chain partners, we can achieve our sustainability goals better and faster.

### Our Management Approach

1. In the procurement process, we conduct strict qualification pre-assessments and after-assessments to verify the qualifications of potential suppliers. Regarding issues that have been identified, we would evaluate the impacts and then take actions such as clarification, rectification or cancellation of qualifications accordingly.
2. We promote a fair and transparent procurement process. Through regulating a formal procurement decision-making process and embedding standard procedures into our information systems and electronic procurement tendering and bidding system, we reduced human intervention and ensured stringent execution of procurement policies and requirements to reduce procurement risks. All procurement documents must disclose key information such as suppliers' qualification requirements, auditing standards and methods, and bid-winning principles. For all public procurements, bidding announcements are required to be published. All procurement outcomes that ought to be published must be published.
3. In the process of procurement evaluation and audit, we take SA8000 certificate (or other certificates of occupational health and safety system) and ISO 14000 certificate of environmental management system as one of the evaluation criteria. As for suppliers who have not obtained a SA8000 certificate, we require them to provide information (for our evaluation) about employees' working hours, salary and payment status, safety and healthcare. As for suppliers who have not obtained an ISO 14000 certificate, we require them to provide information (for our evaluation) about their product environmental friendliness undertakings and natural environment protection management to help evaluate environmental performance.

### Progress in 2015

1. We published the *Guidelines on Regulating Procurement Decision Management for Subsidiaries of China Mobile*, which aimed at enhancing procurement management at all levels and ensuring consistent and unbiased evaluation of all suppliers to guarantee fair procurements.
2. We shifted changed our procurement specifications of USIM cards to smaller and thinner packaging. The new specifications allowed USIM card suppliers to reduce packaging materials and resource consumptions, and thus reduce their carbon emissions.
3. Our electronic procurement and bidding system has covered all provincial and prefecture-level subsidiaries, units directly under the Company as well as specialised companies. This system took the lead in the industry to integrate with the communication construction project tendering and bidding information management system of the Ministry of

Industry and Information Technology. It is the only system in the ICT industry that was included in the first batch of national electronic procurement, tendering and bidding trial platforms. In 2015, 48,345 experts and 49,283 suppliers were registered in the system, and we finished over 37,000 electronic procurements through the system, accounting for 95% of total procurements. We reduced approximately 600,000 paper documents for tendering and bidding, and hence reducing usage of 1,500 tonnes of paper, 754 tonnes of coal, 1,312.4 tonnes of timber, 962,000 tonnes of water and 904,000 kWh of electricity, emission of 3,468 tonnes of carbon dioxide and 452,000 tonnes of sewage, and 18 million yuan of social costs.

Indicators	2013	2014	2015
Number of suppliers	7,037	6,751	6,235
Number of first-level suppliers	455	500	419
Percentage of first-level local suppliers <sup>1</sup>	100	100	100
Number of second-level suppliers	6,829	6,605	6,105
Percentage of second-level local suppliers <sup>2</sup>	47.65	44.80	47.41
Number of assessments on first-level suppliers <sup>3</sup>	814	1,502	2,252
Percentage of assessed suppliers in all confirmed first-level suppliers	100	100	100
Number of suppliers disqualified because of quality problems found during on-site assessments	0	0	0
Number of contracted service providers	227	120	210
Percentage of outstanding level SMS partners	11.8	11.7	9.6
Percentage of outstanding level MMS partners	10.4	13.3	8.6

Note:

1. Percentage of first-level centralised procurement suppliers means the proportion of domestic suppliers (registered in Mainland China) in all suppliers for the first-level centralised procurement. We did not conduct any international tendering projects in 2015, thus did not have any international suppliers.
2. Percentage of second-level centralised procurement suppliers means the proportion of suppliers registered in a province for the second-level procurement of that particular China Mobile provincial subsidiary.
3. Number of assessments on first-level suppliers refers to the number of supplier assessments carried out by our Procurement Shared Service Centre, covering both winning and non-winning suppliers. This number does not cover second-level procurements.

## Environmental Performance

### Energy Consumption

#### Why Is This Material?

Reducing energy consumption and increasing energy efficiency are the direct ways to cut GHG emissions, which is a core target of our Green Action Plan. Although our total energy consumption goes up along with the expansion of our network scale and our business growth, we are striving to continuously reduce the overall energy consumption per unit of information flow.

#### Our Management Approach

1. Implemented energy conservation grading standards for wireless network, core network, IT supporting network and IP bearer network. These standards act as our management basis.
2. Researched and promoted new technologies of energy conservation and emissions reduction. Extended usage of renewable energy to substitute fossil energy.
3. Established an energy management system that covers 30 provincial subsidiaries to monitor the energy consumption data. Conducted third-party energy audits each year to ensure the accuracy of our energy management and data.
4. Optimised air flows for core equipment rooms to increase efficiency of cooling systems and save electricity. Deployed natural cooling equipment for base stations. Used IP system, cloud computing and virtual technologies to increase IT system efficiency.
5. Proposed the next generation of network scheme C-RAN, which would reduce the number of equipment rooms and cut energy consumption through centralised construction of stations. If the C-RAN scheme was fully deployed, we would improve wireless network performance while at the same time reduce 60% of average energy consumption.
6. Encouraged our employees to use IT solutions such as video conferencing and our Integrated Information Network to avoid unnecessary business trips and reduce our carbon footprint.

#### Progress in 2015

1. We invested a total of 180 million yuan into the Green Action Plan.
2. Our overall energy consumption per unit of information flow decreased by 17.5% as compared to 2014, and electricity per frequency carrier decreased by 4.5%. We enabled 4G symbol shutdown function for 1.07 million base stations.
3. Our energy management platform has covered 30 provincial subsidiaries to remotely collect energy data from 280,000 base stations, 3,000 equipment rooms and 336 building systems.
4. We conducted on-site inspections for 10 provincial subsidiaries, 20 cities, 50 equipment rooms and 50 data

centres. We implemented 142 energy saving measures of 20 categories.

5. We actively attended the carbon trading programme in Beijing, and completed third-party verification, third-party spot checks, quota applications and implementation at our headquarters and Beijing Company.
6. We were named "Sustainability Leadership Model Enterprise" again by the international carbon emission organisation authority CDP (China).
7. China Mobile International Information Port's data centre won the 2015 "Award for Energy Efficiency Technology Innovation" by the Chinese Data Centre Energy Efficiency Technology Committee.

Indicators	2013	2014	2015
<b>Energy Consumption</b>			
Total electricity consumption (100 GWhs)	150.6	171.8	200.9
Natural gas consumption (million m <sup>3</sup> )	6.5	6.9	8.9
LPG consumption (100 tonnes)	5.5	5.3	3.3
Coal gas consumption (million m <sup>3</sup> )	1.2	1.1	0.5
Coal consumption (10,000 tonnes)	1.6	0.9	1.2
Gasoline consumption (million litres)	128.5	117.1	127.8
Diesel fuel consumption (million litres)	21.5	19.4	20.6
Purchased heating costs (million yuan)	134.32	131.38	147.65
<b>Alternative Energy Consumption</b>			
Number of alternative energy base stations – total	11,863	12,776	12,816
Solar energy	8,501	9,219	9,068
Wind energy	589	604	522
Solar and wind energy	1,765	1,931	1,940
Others	1,008	1,022	1,286
CO <sub>2</sub> emissions reduction from alternative energy base stations (10,000 tonnes)	3.9	4.3	4.3
<b>Energy Conservation</b>			
Total electricity saving in this year (100 GWhs)	—	7.9	3.0
Equivalent costs saving by saving electricity (100 million yuan)	—	10.7	2.9
Equivalent GHG emission reduction by saving electricity (10,000 tonnes)	—	59.2	22.7
<b>Green Office</b>			
Cross-provinces video conferences usage at headquarters (times)	942	851	855
<b>Green Operation</b>			
Online business sales of self-operating electronic channels (100 million yuan)	—	2,089	3,209

## Water

### Why Is This Material?

China does not have abundant water resources. Reducing water consumption can save the Company's cost and ease the resource crisis in areas facing water shortage.

### Our Management Approach

We encourage the use of recycled water in our operations, and arrange property technicians to inspect water supply systems and equipment regularly. During the construction of our data centres, we use municipal reclaimed water and reuse underground water to reduce consumption.

### Progress in 2015

We did not find any incident which had significant influences on water source in this year.

Indicators	2013	2014	2015
Total amount of water used (million tonnes)	30.62	31.13	37.57
Average amount of water used per employee (tonnes)	—	129	86

## Biodiversity

### Why Is This Material?

We must install and maintain base stations in natural reserves to enlarge our network coverage and improve network quality. Biodiversity in these reserves is extremely fragile and needs special attention and protection from us in order for man to live in harmony with nature.

### Our Management Approach

We conduct rigorous project evaluations and reviews according to relevant provisions regarding base stations located in nature reserves.

### Progress in 2015

In 2015, we did not find any species which were materially affected by our operating activities.

## Emission

### Why Is This Material?

Climate change is one of the issues with greatest concern in the world right now. If telecommunications enterprises and their value chain could reduce emissions, climate change can be significantly slowed down.

### Our Management Approach

1. Our main emission source is scope 2 emissions. Thus the key to our emission management is to reduce energy consumption and increase energy efficiency. We implemented the Green Action Plan for the ninth consecutive year, and established an energy management system which has been continually strengthened to achieve these goals.
2. We annually respond to CDP questionnaires and disclose our climate change strategies, risks, opportunities, third-party verifications, emission data and emission information from our top 20 suppliers.

### Progress in 2015

In November 2015, we were named "Sustainability Leadership Model Enterprise" again by CDP (China).

Indicators	2013	2014	2015
CO <sub>2</sub> emissions (million tonnes)	11.67	13.11	15.70
Direct GHG emissions (Scope 1) (cubic tonnes)	—	341,819	388,129
Indirect GHG emissions (Scope 2) (cubic tonnes)	—	12,771,972	15,312,904
Carbon emission intensity (tCO <sub>2</sub> e/10,000 yuan)	0.185	0.204	0.235
Carbon emission from business travel (10,000 tonnes)	—	16.49	15.87
Drop rate of carbon emission from business travel (%)	—	—	3.8

## Effluents and Waste

### Why Is This Material?

Effluents and discarded e-wastes would have severe negative impacts on our environment if not properly processed and disposed.

### Our Management Approach

1. All waste water generated in our operation is treated by our sewer system to ensure zero emission of waste water.
2. Wastes generated from equipment rooms, base stations and data centres are recycled by qualified third parties.
3. We promote mobile device recycling through our Used Phone Trade-in programme all over the country. The programme recycles used phones from consumers and increases public awareness of environmental protection.

### Progress in 2015

100% of the waste water generated in our operation was emitted into sewer system and no non-compliance was found regarding emission of effluents.

Indicators	2014 Weight (Tonnes)	2014 Value (10,000 yuan)	2015 Weight (Tonnes)	2015 Value (10,000 yuan)
<b>Waste Recycled by Qualified Third Parties</b>				
Network Wastes	32,499	15,992	26,637	13,546
Acid batteries	19,916	9,674	19,195	10,392
Communication equipment	6,797	3,950	4,598	1,914
Cables	2,153	1,158	907	578
Others	3,633	1,210	1,937	662
Office Wastes	1,631	976	1,323	551
Electronic equipment	1,036	743	937	473
Other wastes	595	233	386	78
Devices	50	53	44	142
<b>Total</b>	<b>34,180</b>	<b>17,021</b>	<b>28,004</b>	<b>14,239</b>

## Social Performance

### Employment

### Why Is This Material?

It is a basic requirement for a responsible company to make sure its behaviour throughout the processes of recruitment, working and dismissal meets legal requirements, and make sure it offers adequate welfare to employees.

### Our Management Approach

1. We provide employees with insurance and welfare coverage in accordance with labour laws and regulations.
2. We carry out EAP throughout the entire Company, which covers more than 300,000 employees and provides them with psychology consulting service.
3. We carry out the "Happiness 1+1" activity to enhance employees physical and mental well-being.
4. We set up special funds at provincial subsidiaries for employees who are suffering from serious diseases.

### Progress in 2015

1. Held EAP specialist advanced training seminars to enhance the EAP capability of the Company's core EAP team. We have a dedicated team of 180 EAP specialists at subsidiaries at provincial, municipal and township levels, as well as at headquarters, specialised companies, customer service centre and other units.
2. Officially launched the "Happy 1+1" activity with more than 36% of employees participating.
3. We offered 2 million yuan as caring funds to support township level subsidiaries in high altitude area over 2,500 meters.

Indicators	2013	2014	2015
<b>Employee Age Structure</b>			
Total number of employees	197,030	241,550	438,645
Percentage of employees under 30 years old	25.12	35.24	39.64
Percentage of employees between 30 and 50 years old	67.36	59.94	55.85
Percentage of employees above 50 years old	7.52	4.82	4.51
<b>Employee Turnover</b>			
Total number of newly hired employees	7,555	16,913	28,512
Number of newly hired female employees	3,026	8,286	15,452
Number of newly hired male employees	4,529	8,627	13,060

Indicators	2013	2014	2015
Total number of resigned employees	2,322	5,524	10,711
Number of resigned female employees	867	2,105	5,088
Number of resigned male employees	1,455	3,419	5,623
Total number of dismissed employees	65	375	510
Number of dismissed female employees	31	141	199
Number of dismissed male employees	34	234	311

## Workplace Health and Safety

### Why Is This Material?

Avoiding safety accidents during production and protecting employees' health and safety in workplace are important parts of our business operations and employee rights protection.

### Our Management Approach

1. We provide employees with annual health checkups to help them understand their health conditions.
2. We organise annual "Safe Production Month" events to examine safety issues and to ensure implementation of safety standards throughout the production process.

### Progress in 2015

1. In June 2015, we carried out "Safe Production Month" events with the theme of "enhance safety policies, guarantee safety in production". We also organised production safety inspections from August to December.
2. We launched a "looking back" safety supervision and inspection campaign. We organised production safety supervisions and inspections in more than 10 units. For identified safety problems and potential hazards, we urged for rectification within a specified period.
3. We held trainings for management in charge of the safety management departments, and organised a lecture about "to be a quick responder in emergencies" to increase their safety consciousness and skills.
4. In 2015, we had no major incident of workplace safety.

Indicator	2013	2014	2015
Participation rate of employee health check-up (%)	91	92	94
Number of safety emergency drills	1,120	1,130	1,156
Participation rate of safety emergency drills (%)	85	86	86

## Training and Education

### Why Is This Material?

Employees are the most valuable assets to us. Employees' professional skills are not only important to their personal career development, but also a key driving force for our long-term innovation and growth. Providing our employees with diverse and in-depth trainings is crucial to our talent retention.

### Our Management Approach

1. Focusing on our business technical development, we gradually improve our talent selection mechanism through the Millions of Talents Plan, One Thousand Talents Plan and special government allowance recommendation.
2. We revised the *China Mobile Expatriate Management Measures* according to the needs of business development and actual situations of expatriate management. We regularly select expatriates for overseas companies, including executives, middle-level and key employees of general management, finance, human resources, marketing, network maintenance and other fields to set up our international talent system.
3. We keep optimizing our senior engineer evaluation system. We recommend middle-level managers to participate in the evaluation of professor level senior engineers held by the State-owned Assets Supervision and Administration Commission of the State Council. We regularly coordinate all units to participate in different kinds of national evaluation of professional titles to improve professional skills.
4. We carry out employee training programmes every year. Catering for our employees' career development as well as our business growth, we provide our employees with tailored trainings. We also offer employees diverse off-work trainings to help them develop interests and hobbies that are good for both life and work.
5. We carried out research on professional skill certification system. We set up standard mechanisms and procedures for skill development and implementation, skill courses database development, and skill certification examination. The system lays a foundation for overall professional skill certifications. We set up promotion paths for twelve areas, including wireless network and core network management. We have compiled the training resources for all professional areas.
6. We completed a full-cycle management and evaluation system, a training design and implementation system, and a platform to share training resources, so as to strengthen our development of courses and training of lecturers. In order to cultivate a learning culture in the Company, we constantly explore innovative training methods.
7. Our Online University offers a variety of trainings to all employees such as corporate strategy, corporate culture, business strategy communication, skill certification for certain positions, and personal development, by means such as PC, mobile phone, WeChat, live streaming and MOOC. It provides comprehensive learning support to our employees' career development and professional growth, and promotes the implementation of our business strategies.



## ▶ Progress in 2015

1. In 2015, about 330,000 employees participated in our Online University, of whom more than 140,000 used mobile phones to access our Online University. They studied for 10.24 million hours in total, representing an average study time of 31 hours per participating employee.
2. China Mobile University won the China Top Enterprise University Award and the American Society for Training and Development (ASTD) Excellent Implementation Award in 2014. And it won external recognition such as the Engine Award: 2015 China Top Enterprise University, the China E-learning Industry Application Innovation Award and the BooAoo Awards: 2015 Best Learning Management System Application Award in 2015.
3. In 2015, about 155,800 person-times participated in our professional skill trainings cumulatively. We organised skill certification examinations for 12 specialisation areas at junior and intermediate levels, and examinations for 4 specialisation areas at advanced levels. 110,000 person-times attended those examinations.

Indicators	2013	2014	2015
Training expense per employee (yuan)	2,632	2,429	1,944
Number of persons trained (10,000 person-times)	98.9	116.8	116.9
Number of senior management trained (person-times)	686	734	741
Number of mid-level management trained (person-times)	15,126	12,327	12,139
Number of general employees trained (10,000 person-times)	97.9	115.5	115.6
Percentage of employees who have attended diploma courses (%)	4.13	0.85	0.98
Average training time per employees (hours)	61.2	57.5	57.6
Average training time per senior management (hours)	60.1	68.4	92
Average training time per mid-level management (hours)	61.7	56.6	66.4
Average training time per general employees (hours)	61.8	57.5	57.3
Employees studied in online university (10,000)	—	32	33
Average studying hours of employees in online university (hours)	25	25	31
Employees studied in online university via mobile phones (10,000)	—	14	14

## Diversity and Non-discrimination

### ☰ Why Is This Material?

Treating every job seeker and employee equally is the basic behaviour for a responsible company.

### ⚙️ Our Management Approach

1. It is explicitly provided in our employee manual that we will not tolerate any discrimination based on employees' age, ethnicity or gender. In recruitment and promotion, we also make sure that gender, ethnicity, and other unrelated factors would not influence final decisions.
2. We attach great importance to female employees' reproductive rights, and fully respect their rights to take maternity leave.
3. We provide female employees with a suitable work environment, including nursing rooms and mother caring rooms.

## ▶ Progress in 2015

1. We organised a Transformation and Development forum, and produced a video named "Heroines Contributing to the China Mobile Dream", to show female employees' proactive and optimistic spirits and hard work.
2. In 2015, 100% of our female employees at our headquarters returned to work after maternity leave.

Indicator	2013	2014	2015
Percentage of female employees	40.92	47.05	54.79
Percentage of female employees at senior management level <sup>1</sup>	18.17	17.60	14.15
Ethnic minorities as a percentage of total employees	6.92	6.86	6.80

### Note

1. Senior management refers to management personnel at vice president level or above at provincial subsidiaries and management personnel at department general manager level or above at headquarters.

## Labour Grievance Mechanisms

### ☰ Why Is This Material?

To offer employees smooth channels of communication and complaining can allow us to understand employees' needs, protect employee rights and identify blind spots of our management in time, thus improving our general management.

### ⚙️ Our Management Approach

Employee grievances, suggestions and feedback are collected through channels such as the CEO Mailbox, the Petition Office and the labour union. Collected materials will be handled promptly.

## ▶ Progress in 2015

1. In 2015, 83 emails relevant to human resource management were received in the CEO Mailbox. All these emails have been sent to relevant departments to process.
2. We held video conferences about optimising labour issues communication channels to summarise and promote good practices such as labour union chairman's mailbox, inspection and reception day.

## Business and Human Rights

### ☰ Why Is This Material?

Human right protection shows the value of a company, and reflects its basic attitude towards society and people. China Mobile adheres to the value of "Responsibility Makes Perfection" to respect and protect human rights.

### ⚙️ Our Management Approach

1. We have been a member of the United Nations Global Compact since 2007, and we support and implement the UNGC Ten Principles. We fully respect and protect internationally recognised human rights and forbid any involvement in human rights abuses and violations.
2. We actively protect the rights of employees to participate in corporate affairs and their freedom of expression. We organise labour unions and employee representative conferences. At these conferences, major concerns to the interests of employees or major activities are presented to employee representatives. All of our headquarters, provincial subsidiaries and specialised companies signed equal collective agreements with all employees. We forbid the hiring of child labour or forced labour.
3. In addition to strictly protecting employee rights, we also take efforts to encourage our suppliers to protect employee rights. We revised the *Supplier Management Methods* and developed the supplier certification template to require human right certification from our suppliers. We also conducted labour practice assessments during first-level centralised procurement process.
4. Through evaluating our business and service, we consider that customers' privacy, employees' rights protection and suppliers' human right protection are essential for us. Moreover, through our efforts on poverty alleviation and digital divide narrowing, we are able to contribute to the development of human rights in poor and remote areas.

## ▶ Progress in 2015

1. We formulated the *Guidance on Promoting Transparent Corporate Operation* to further promote the development of democratic management.
2. For our achievements in customer privacy protection, employee rights protection, supply chain management, poverty alleviation and digital divide elimination, please refer to relevant sections of this report.

Indicators	2013	2014	2015
Union participation rate for regular employees (%)	100	100	100
Union participation rate for all contracted workers (%)	98	98	98

## Local Communities

### ☰ Why Is This Material?

Our business significantly impacts local communities and residents. It is a vital part of our sustainability strategy to help the development of communities by using our resources and technologies.

### ⚙️ Our Management Approach

1. We have pre-arranged plans of emergency support to ensure quick response of network maintenance when emergency occurs, in which case we will maintain local communication facilities and telecommunications networks to secure basic telecommunications service for the public.
2. The China Mobile Charity Foundation carries out key programmes of Blue Dream and Heart Caring Campaign to help rural primary and secondary schools and children in poverty with congenital heart disease. Our subsidiaries undertake charity and volunteer programmes for local communities.
3. In Qinghai, Xizang, Heilongjiang and Xinjiang, we undertake poverty alleviation programmes at targeted areas. We offer manpower, in-kind resources and investments for infrastructure, industrial development, education and household donations.

## ▶ Progress in 2015

We provided 40.68 million yuan as targeted aid and poverty relief support in 2015.

Indicators	2013	2014	2015
<b>Emergency Communication Support</b>			
Number of emergency support	4,005	3,126	3,219
Major political or economic events support	3,416	2,728	2,807
Significant natural disasters support	491	350	371
Significant accidents or catastrophic events support	85	31	24
Public health incidents support	2	3	0
Public safety incidents support	11	14	17
Number of emergency support vehicles deployed	5,127	6,135	8,212
Number of sets of emergency support equipment installed	50,741	33,421	58,624
Personnel involved in emergency support (person-times)	465,443	314,212	207,822

Indicators	2013	2014	2015
<b>Philanthropy and Volunteering</b>			
Number of registered employee volunteers (10,000)	9.85	11.52	11.89
Hours of employee volunteer services (10,000 hours)	52.20	46.05	48.34
Cumulative number of children in poverty who received free congenital heart disease screenings	17,788	23,840	27,717
Cumulative number of assisted children in poverty who were diagnosed with congenital heart disease	1,341	2,260	2,744
Cumulative number of China Mobile Libraries built	1,910	2,110	2,310
Cumulative number of multimedia classrooms built	880	1,070	1,260
Cumulative number of principals of rural primary and secondary schools trained	59,000	70,539	80,981

## Anti-corruption

### Why Is This Material?

Corruption cases cause serious damage not only to our interests but also to our reputation.

### Our Management Approach

- We have always paid much attention to building an integrity management, punishment and prevention system. We studied the *2013-2017 Work Plan on Establishing and Improving an Anti-Corruption System*, and formulated detailed implementing guidelines.
- Our employees can learn the requirements and progresses of our anti-corruption efforts from our website, internal publications, trainings and so on.
- We have set up a designated mailbox, an email address (jubao@chinamobile.com), CEO mailbox, a telephone hotline (010-52616186) and a fax number to encourage whistle-blowing from our employees and the public. We strictly protect the identities and interests of whistle blowers, carefully verify issues involved and properly handle confirmed cases.

### Progress in 2015

- We amended our anti-corruption policies. We formulated the *China Mobile Discipline Inspection Group Work Rules (Trial)*, *Integrity Risk Warning Notice*, *Declaration of Special Relationship and Particular Matters*, and *Interview Provisions on China Mobile Honest Government Interview System (Trial)*. By adopting the systems of Special Relationship Declaration, Integrity Rules Notices

and Integrity Risk Notices, we made clear the specific requirements of integrity in the procurement process.

- In 2015, we applied the Embedded Integrity Risk Prevention and Control Mechanism to 6 key areas, namely planned investments, constructions, network operations and maintenance, procurement biddings, business supports, and device marketing. We sorted out 145 important risk points and introduced 107 prevention and control measures, thus establishing and improving the anti-corruption work system of "education, prevention and control, punishment, and accountability".
- We worked with the central inspection team to conduct special inspections. We enhanced communication with the central inspection office and the team, and formulated a set of inspection mechanisms and processes to clearly convey the requirements proposed by the inspection team in time. We carefully verified the whistle-blowing reports and established the coordination mechanism integrating material verification, external investigation support and special case coordination. We formed 43 verification teams to verify 112 reports.
- We carried out the "Month of Anti-corruption" education programme for the fourth consecutive year, which covered more than 90% of our management and 75% of our employees.
- We published the *Notification on 2014 Disciplinary Inspection Results* and required all subsidiaries to conduct self-inspections. In particular, the six subsidiaries subject to headquarters' inspection in 2014 formulated and amended 138 policies, and 110 employees were held accountable for their violations.
- We implemented a standard investigation process and ensured that provincial subsidiaries strictly followed the requirements set by higher authorities and the companies. By the end of 2015, we internally dealt with 96 violations. 140 employees received disciplinary punishments. We disposed 219 person-times cases, and held 4 subsidiaries accountable.
- In 2015, we received 1,605 cases of whistle-blowing, among which 90.28% were closed.
- In 2015, we carried out 114 efficiency supervision projects.

Indicators	2013	2014	2015
Anti-corruption education programmes organised (times)	3,908	3,071	1,986
Attendance of anti-corruption education and trainings (person-times)	428,146	461,137	761,800
Number of confirmed and disciplined corruption cases	16	54	96
Number of employees dismissed and disciplined for corruption	16	87	140

## Fair Competition

### Why Is This Material?

In order to create an open and fair market, each participant shall behave properly. A well-ordered market will provide participants with a better development environment.

### Our Management Approach

We attach importance to our marketing activities during special promotions, including campus promotions and holiday promotions, as which have a relatively high incidence of unfair competition behaviours. For example, we set up mechanisms to effectively regulate campus marketing activities and hold special sessions to give provincial subsidiaries guidance on rational competition. As a result, there was no wide-ranging and long duration major incident in 2015.

### Progress in 2015

In 2015, we were not charged with any lawsuit for anti-competitive behaviours.

## Customer Information Security and Privacy Protection

### Why Is This Material?

Issues concerning information security and customer privacy have been hot topics in recent years but are difficult to be completely solved. There are always new types of telecommunications fraud, which not only result in financial losses for customers, but also bring challenges to our management.

### Our Management Approach

1. We implemented the "White List + Scientific Block" strategy for spam messages, upgraded the integrated control platform for crank calls, and collectively managed "voice group crank calls" and disguised base station fraud.
2. We continued to promote the "Vault Mode" to realise strict control of sensitive customer data following the principle of "multiple authorisation and double checking for key operations".
3. We upgraded our international fraud call interception system. All 31 provincial subsidiaries are able to intercept international fraud calls.
4. We supported network and information security for major events. During such events we developed special supporting plans and assigned tasks to different specialised teams.
5. We conducted monthly security inspections on our business systems. We also worked with external security experts to monitor our network and business systems.

### Progress in 2015

1. In 2015, based on the "Vault Mode", we enhanced our compliance management on key points of control, such

as position and clearance, accounts and authorisation, and customer information processing. We performed company-wide on-site inspections. In this year, we did not have any major incident of customer data leakage.

2. We carried out special activities against pornographic content. Nearly 100,000 customer complaints were handled.
3. In 2015, we blocked more than 4.8 billion spam messages, and shut down more than 3.41 million crank call numbers. 260 million international fraud calls were intercepted, 4 million pieces of mobile pornographic content were deleted, 160,000 websites were blocked, 128,000 types of malware were detected, and 4,400 malware ports were disposed.
4. Our "Monitor Technology Requirements for Mobile Fraud Base Station" and "International Fraud Phone Surveillance Interception Technological Requirement" were approved as China's industry standards at CCSA.

Indicators	2013	2014	2015
Percentage decrease of complaints for spam messages (%)	—	64.9	29.4
Number of fraud numbers dealt with	—	5,600	96,000

## Network and Service Security

### Why Is This Material?

In order to maintain our competitive advantages, it is essential for us to build a network that is suitable for future Internet and mobile Internet development, and to provide wider range of connections, better networks and services. It is also the foundation of sharing connectivity value with society.

### Our Management Approach

1. We constantly optimise our networks system, and continue to be an industry leader in respect of network quality. We improve our customer-oriented quality control mechanism, reformed our operation and maintenance mechanisms, optimise the 4G wireless and core networks, and fully promote the VoLTE (Voice over LTE) network renovation and maintenance system.
2. We focus on 4G customers and conduct customer satisfaction surveys. By introducing the NPS (Net Promoter Score), we have adopted Internet research methods to investigate 4G customers' perception during the whole consumption process on the basis of CATI (Computer-Assisted Telephone Interview). We conduct 360-degree monitor on the perception of 4G customers and all the key elements, which provides important information to improve our products and services.

### Progress in 2015

1. In 2015, our daily 4G data retention rate was 96.2%, and our mobile phone click rate was 85.8%.

- We promoted network renovation in connection with VoLTE in ten areas, which covered 90% of network units and over one million equipments. By the end of 2015, the comprehensive completion rate was 96%, and 304 cities were equipped with the basic audio and video capabilities through VoLTE.
- According to the customer satisfaction survey conducted by the PRC Ministry of Industry and Information Technology, our customer satisfaction was 78.72%, continuing to maintain an industry leading level.

Indicators	2013	2014	2015
<b>Network Service</b>			
Number of customers (million)	767	807	826
Number of 4G customers (million)	—	90	312
Number of countries and regions with 4G international roaming service	—	71	114
Number of countries and regions with GSM international roaming service	242	248	255
Number of countries and regions with roaming data traffic service	197	208	215
International transmission bandwidth (G)	1,300	1,579	2,983
CSFB completion rate of 4G network (%)	—	97.65	98.38
Successful connection rate of GSM network (%)	99.12	98.57	98.32
Successful connection rate of 3G network (%)	98.53	97.49	97.43
Call drop rate of 4G network	—	—	0.14
Call drop rate of GSM network (%)	0.43	0.46	0.45
Call drop rate of 3G network (%)	0.21	0.22	0.19
<b>Customer Rights Protection</b>			
Complaint rate per million customers (cases)	32.3	30.7	38.5
Number of reported spam messages handled (10,000)	435	195	145

## EMF Management and Communication

### Why Is This Material?

Currently, the public still deeply misunderstand the EMF of telecommunications base stations. This brings difficulties to the base station planning and construction work. Communication with the public about EMF is not only a manifestation of the public's right to know, but also a necessary process for us to maintain a harmonious relationship with the community.

### Our Management Approach

We strictly implement regulations such as the *Environmental Protection Regulation for EMF* to strengthen EMF management and build our EMF management system.

We regularly inspect and monitor the EMF management in provincial subsidiaries. Trainings regarding EMF standards and laws and EMF risk communications are offered to employees to make sure that our base stations meet requirements provided in relevant regulations and their EMF is within the regulatory limits. We also carry out a variety of activities to help the public understand EMF and address the public's concerns about EMF.

### Progress in 2015

We used EMF Awareness Raising and Experience Tour Buses to encourage public to measure the EMF levels in a variety of sites, such as their homes, base stations, crowded areas, streets, etc. We directly explained EMF regulations and standards and its impacts on health to the public to ease their concerns about EMF.

In order to make EMF information more transparent to the public, we participated in regular events organised by environmental protection authorities including the Earth Day, the Environment and Development Forum, annual sustainable meeting of Chinese environmental NGOs and the World Environment Day.

## Overseas Responsibility

### Why Is This Material?

When we enter a foreign market, our operation would have impacts on the local communities. It is necessary for us to be responsible for overseas communities to achieve further business expansion and co-development.

### Our Management Approach

- In Hong Kong, we have started recruitment and training programmes with the local government, including the Youth Employment and Training Programme with the Labour Department and the Internship Programme with the Vocational Training Council. In Pakistan, by working with our partners, social channels, agents and retailers, we have supported our parent company to create over 200,000 jobs indirectly there. Meanwhile, we launched a management trainee programme GTO, which provides 1.5-year internship opportunities to outstanding graduates.
- In terms of employee caring, we have set up a Employee Caring Committee in Hong Kong to help employees achieve better communication and work-life balance.

### Progress in 2015

- We won the "Partner Employer Award" and Job Market's "Best Employer Award 2015" in Hong Kong.
- On 26 October 2015, an earthquake struck Hindu Kush on the Afghanistan-Pakistan border. We assisted our parent company to actively participate in earthquake relief and mobilise employee donation. We also offered free communication services to customers affected by the disaster.

# Stakeholder Commentary



**Guo Xiuming**

Deputy Inspector, Department of Policies and Regulations  
Ministry of Industry and Information Technology of the PRC

## Connect to Create a New Sustainable Ecology

In 2015, “Connectivity” played an unprecedentedly significant role in China’s national strategies of economic and social development, including promoting “Cyberpower”, implementing the “Internet+” initiative, building a manufacturing giant, and facilitating the “Made in China 2025” plan. It has become a mission and responsibility of China’s information and telecommunications industry in these areas: acting a fundamental, strategic and leading role in the economy; building the fast, mobilised, safe and ubiquitous new generation of information infrastructure; integrating information and telecommunications technologies with the manufacturing industry in all areas and segments; and transforming production and development patterns to drive economic growth, structural adjustments and livelihood improvements.

I am happy to learn from this report that “Connectivity” has become a core competence and responsibility of China Mobile. In terms of faster connections, China Mobile made great efforts to promote and develop the 4G network in a “Chinese speed”, with a million base stations and over 300 million customers. In terms of easy access, China Mobile launched initiatives such as data sharing, data rollover and lower roaming tariffs so that more customers could enjoy high-speed, high-quality connections. In terms of connecting with vulnerable groups, China Mobile carried out the Village Connected Project to enable remote villages and underdeveloped regions to enjoy fast and convenient connections brought about by the new generation of information communication network. In terms of innovation in connectivity applications, China Mobile developed various innovative digital applications for key areas of transportation, mobile payment, digital content and security. It also supported entrepreneurship and social innovation to create and share industrial value in the order of tens of billions, and established an open and win-win digital service ecology. In terms of sharing connectivity value, China Mobile made great contributions to energy conservation, emission reduction, education equality

and aid of children in poverty with congenital heart disease through many long-term projects such as the Green Action Plan, the Blue Dream and the Heart Caring Campaign. It is worth mentioning that this report also responds to and explains issues such as “speed upgrade and tariff reduction” and “telecommunications frauds” which are of customers concern. This is the tenth sustainability report of China Mobile and a significant milestone of China Mobile’s efforts in fulfilling its corporate social responsibility. I sincerely congratulate China Mobile in its achievements in sustainability and social responsibilities.

In this report, China Mobile depicted a picture of Internet of Everything in the future. With the range of connections expanding from human to things, a wave of industry transformation and innovation will be stimulated and enormous possibilities created. Looking ahead, I wish China Mobile will grasp the new opportunities of “Internet+” to support the “Cyberpower” strategy and create more connectivity value for better life and social development. I expect that China Mobile will lead the information and telecommunications industry and other state-owned enterprises in performing social responsibilities, and connect more social forces to build a new sustainable ecology.



March 2016

## Feature:



The year 2006 was considered the first year of corporate social responsibility (CSR) in China as the revised *Company Law of the PRC* specified that “companies need to fulfil social responsibility” for the first time. It was exactly the same year when China Mobile announced its vision of corporate responsibility” with perfect sincerity and integrity, we will strive to fulfil our triple-sided responsibilities: our economic responsibility, our social responsibility and our environmental responsibility” and compiled its first CSR report. Since then, China Mobile has been continuously improving its CSR philosophy and management system. We have been exploring to integrate CSR into our corporate strategy, operations and culture, and improving our CSR practices to better address stakeholders’ key expectations. We summarise our ten-year journey of CSR as follows:

## 10 Years of CSR Practice

### “Economic Responsibility”

**Economic Responsibility:** we will secure our own sustainable development through honest and responsible economic activities. To this end, we will build on all our strengths, pursue excellence and continue our efforts in innovation.

#### Value Creation

Operating revenue increased from 295.4 billion yuan in 2006 to **668.3 billion** yuan in 2015

Income tax paid during the period from 2006 to 2015 cumulatively exceeded **370 billion** yuan

Created an average of about **2.5 million** employment opportunities each year from 2006 to 2015

Number of registered developers in MM reached **3.946 million**

#### Customer Service

Number of customers increased from 301 million in 2006 to **826 million** in 2015

In 2015, compared to 2006, tariff of voice services decreased by **65.6%**, and handset data tariff decreased by **97.3%**



Complaint rate per million customers remained the **lowest** in the industry for **six consecutive years**

#### Communication Reliability

From 2006 to 2015, we cumulatively conducted **36,043** emergency support operations, with over **3.7 million** person-times deployed

We handled over **13 million** spam messages reported from 2009 to 2015

## Universal Service

We implemented the Village Connected Project, bringing mobile phone service to **122,997** administrative villages and natural villages and broadband service to **33,061** administrative villages

The number of sales channels in township-level areas reached **595,000**

## Employee Caring

EAP has covered **300,000** employees

More than **1 million** person-times of employees were trained on average each year

**Social Responsibility:** while pursuing our own excellence, we will strive to achieve synergy with the sustainable development of the society and enable the public to reach their full potential by using our network and services.

## "Environmental Responsibility"

## Poverty Alleviation and Philanthropy Efforts

From 2006 to 2015, we invested over **300 million** yuan in targeted aid and poverty alleviation support



China Mobile Charity Foundation has donated **196 million** yuan since its establishment in 2009

From 2006 to 2015, China Mobile employees spent more than **11.8 million** hours on volunteer work

From 2011 to 2015, China Mobile Heart Caring Campaign provided free congenital heart disease screening to **27,717** children in poverty, and sponsored the treatments for **2,744** children diagnosed with the disease

From 2006 to 2015, Blue Dream – China Mobile Education Aid Plan trained **80,981** principals of rural primary and secondary schools in central and western China, and built **2,310** China Mobile Libraries and **1,260** multimedia classrooms

From 2008 to 2012, the Warm China 12.1 Project sponsored **15,749** children orphaned by AIDS or living in extreme poverty



## "Social Responsibility"

**Environmental Responsibility:** we will endeavour to protect the natural environment and build ecological civilisation by reducing our consumption of resources and minimising the impact of our operations on the environment.

## Energy Conservation and Environment Protection

Our electricity consumption per unit of business volume decreased by **86%** in 2015 compared to 2007 through our Green Action Plan, equivalent to saving **36.7 billion** kWh electricity calculated at the 2007 level of energy efficiency



We reduced timber use in packaging materials by over **600,000 cubic metres** by applying the green packaging solution for telecommunications products from 2008 to 2015



Since 2008, we have formulated a variety of energy saving grading standards for telecommunications equipment, which have promoted the use of smart equipment and achieved over **10%** of electricity saving per year, leading the green development of the whole industry



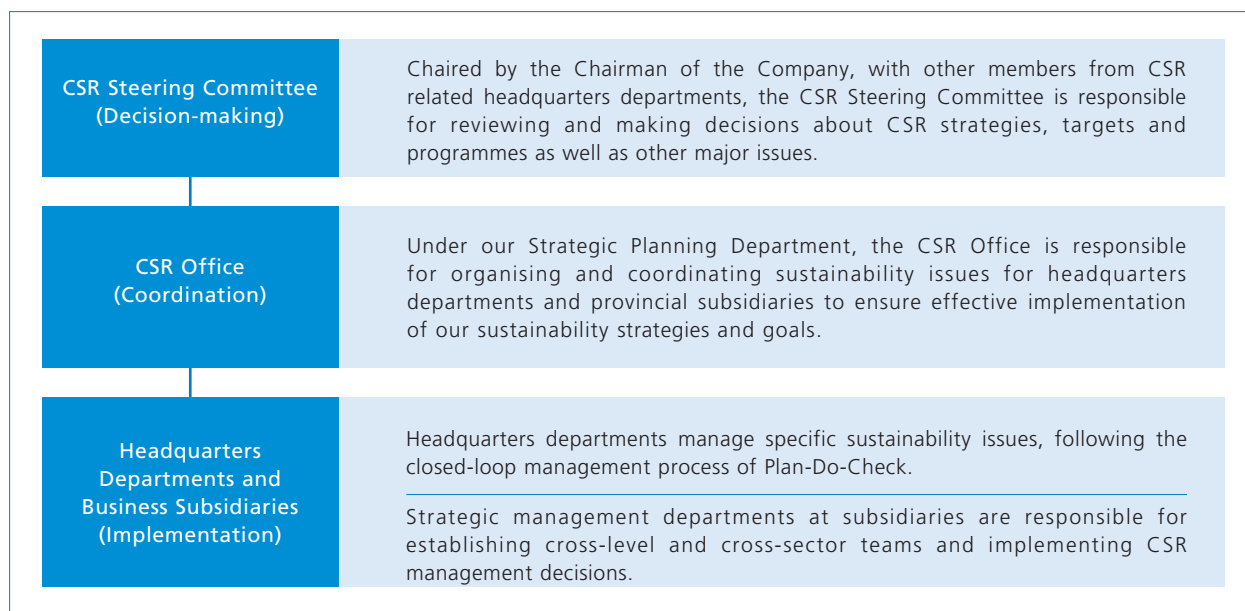


## 10 Years of CSR Management

Since 2006, China Mobile has implemented strategic CSR management by following global CSR standards and best practices, adapted to the needs of our operations and management, and focused on results and management innovation.

- Strategic:** We take our corporate strategy as both a starting point and a guidance to develop an integrated strategy of fulfilling CSR and achieving strategic development.
- Comprehensive:** We pursue a dynamic balance of our economic, social and environmental performance, which is integrated with all aspects of our operations and processes, and focus on impacts on all stakeholders.
- Systematic:** We aim to achieve coordinated CSR management with effective organisation structures, systems and processes.
- Open:** We attach great importance to the engagement of our stakeholders and take their feedbacks into our consideration in our business decision-making processes and management improvements.

### China Mobile CSR Organisation Structure



### China Mobile CSR Management Structure



## China Mobile CSR Management Milestones

- 2006** ● Started strategic CSR management by establishing our CSR vision of "With perfect sincerity and integrity, we will strive to fulfil our triple-sided responsibilities: our economic responsibility, our social responsibility and our environmental responsibility".
- 2007** ● Published the first CSR report in China's telecommunications industry and started regularly disclosing our economic, social and environmental performance comprehensively, systematically and objectively.
- 2008** ● Set up the CSR Steering Committee and an integrated CSR management system involving senior management, functional departments and subsidiaries.
- 2009** ● Released the China Mobile Corporate Social Responsibility Management Policy and formally established a close-loop CSR management system.
- 2010** ● Conducted a sustainability capacity assessment of all 31 provincial subsidiaries for the first time, guiding our subsidiaries to conduct annual sustainability capacity benchmarking and make improvements in weak issues.
- 2011** ● Formed a DJSI issue management system by benchmarking with DJSI sustainability issues, and established a close-loop, cross-function issue management system.
- 2012** ● Comprehensively improved the CSR management, summarising our CSR practices and striving for better CSR issue management and external recognition.
- 2013** ● Adopted the G4 sustainability reporting guidelines and participated in GRI's G4 Pioneer programme and Knowledge Sharing programme as the only participating company from Mainland China.
- 2014** ● Jointly released the Chinese Corporate Social Responsibility Report Preparation Guide – Telecommunications Service Sector with the CSR Research Centre, Chinese Academy of Social Sciences, raising the bar of information disclosure for the industry.
- 2015** ● Published our sustainability report online for the first time, entering a new phase of CSR communication with stakeholders in a more interactive and open way.

### Looking Forward

- 2016** ● To enhance CSR strategies and management, improve CSR policies and management processes to better serve business strategies.
- 2020** ● To enhance issue management by benchmarking with international best practices and focusing on weak issues identified to ensure good overall sustainability performance.
- To enhance sustainability communication and brand by enhancing stakeholder engagement mechanism, adapting to the flexible interaction of new media, and building an integrated communication of CSR brand.

## 10 Years of Honours and Recognitions

Listed in the Dow Jones Sustainability Indices (DJSI) for the **eighth consecutive year** (2008-2015). Also listed in the Hang Seng Corporate Sustainability Index Series for the **sixth consecutive year** (2010-2015);

Awarded the **China Philanthropy Award** by the PRC Ministry of Civil Affairs for six consecutive years (2008-2015);

Awarded "Sustainability Leadership Enterprise Model" by CDP (China) for **two consecutive years**;

Ranked **1st** in China 300 CSR Development Index (2015) by CSR Research Centre, Chinese Academy of Social Sciences;

Selected as the **Top 10 Responsible State-owned Enterprises** by the Information Centre of State-owned Assets Supervision and Administration Commission of the State Council and CASS. Our 2007 CSR report was selected as the **Top 10 Responsibility Reports**, and our Heart Caring Campaign was selected as the **Top 10 Philanthropy Programmes**;

China Mobile **Rural Communications Strategy case**, **Green Action Plan case**, **Health Insurance in Rural China case** and **E-Mining case** were selected by Harvard Business School, University of Michigan and Cranfield School of Management.

# Independent Assurance Report



## To the Board of China Mobile Limited:

### I. Scope of Our Engagement

The 2015 Sustainability Report (the "Sustainability Report") of China Mobile Limited (the "company") has been prepared by the company. Management of the company (the "Management") is responsible for the collection and presentation of information within the Sustainability Report referring to the G4 Sustainability Reporting Guidelines ("G4") issued by the Global Reporting Initiative ("GRI"), and for maintaining adequate records and internal controls that are designed to support the corporate social responsibility reporting process.

Our responsibility is to carry out limited assurance procedures in accordance with International Standard on Assurance Engagements 3000 ("ISAE3000"): "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Federation of Accountants and issue the assurance statement for the year ended 31 December 2015 in accordance with the Management's instructions.

Our work was limited to these stated above and our report is made solely to you, as a body, and for no other purpose. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Sustainability Report is entirely as its own risk.

### II. Work Performed

Our review has been planned and performed in accordance with ISAE3000. In order to form our conclusions, we carried out the following procedures:

According to the Management's instructions, we performed limited assurance procedures in:

- China Mobile Limited Head Office
- China Mobile Hunan Company Limited
- China Mobile Fujian Company Limited
- China Mobile Guizhou Company Limited

We did not perform limited assurance procedures on other sites.

The limited assurance procedures were performed over the following key performance indicators in the Sustainability Report for the year ended 31 December 2015:

#### Economic Indicators

- Number of first-level suppliers
- Number of second-level suppliers
- Percentage of first-level local suppliers
- Percentage of second-level local suppliers
- Number of assessments on first-level suppliers
- Number of natural villages with mobile phone service newly added
- Number of administrative villages with broadband service newly added
- Number of Rural Information Service users
- Number of sales channels in township-level areas

#### Environmental indicators

- Total electricity consumption
- Natural gas consumption
- LPG consumption
- Coal gas consumption
- Coal consumption
- Gasoline consumption
- Diesel fuel consumption
- CO<sub>2</sub> emissions
- Number of alternative energy base stations

- Number of video conferences usage at group level

#### Social indicators

- Number of reported spam messages handled
- Number of emergency support
- Number of emergency support vehicles deployed
- Number of emergency support equipment installed
- Number of person-times involved in emergency support
- Number of principals of rural primary and middle schools trained newly added
- Number of assisted children in poverty who suffered from congenital heart disease newly added
- Number of person-times trained
- Percentage of female employees
- Ethnic minorities as a percentage of total employees
- Total number of newly hired employees
- Total number of resigned employees
- Total number of dismissed employees
- Number of Anti-Corruption Education programme organised
- Attendance of anti-corruption education and trainings

The limited assurance procedures we carried out are following:

- Interviewing the company's management and staffs responsible for the selected key performance information;
- Performing analytical review procedures;
- Performing sample inspection on the selected key performance information;
- Performing recalculation procedures on the selected key performance information;
- Other procedures we considered necessary.

### III. Limitations of Our Scope

Our scope of work did not include:

- Assessing the accuracy or fairness of information (including financial information) other than the selected key performance information.
- Reviewing the forward-looking statements made by the Management.
- Reviewing and consequently providing assurance on historical data.

### IV. Level of Assurance

Our evidence gathering procedures have been designed to obtain a limited level of assurance (as set out in ISAE 3000) on which to base our conclusion. The procedures conducted do not provide all the evidence that would be required in a reasonable assurance engagement and, accordingly, we do not express a reasonable assurance opinion or an audit opinion. While we considered the effectiveness of the Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

### V. Our Conclusions

Subject to the limitations of scope and based on the procedures specified above for this limited assurance engagement, we provided the following conclusions:

Nothing has come to our attention that causes us to believe that the selected indicators were not presented fairly in all material respects in the 2015 Sustainability Report of China Mobile Limited.

### VI. Our Independence

We are in compliance with the Ernst & Young Global Independence Policy which was designed to comply with the requirements of the IFAC Codes of Ethics for Professional Accountants (the IFAC Code). We believe that there were no events or prohibited services provided which could impair our independence.

### VII. Our Assurance Team

Our assurance team has been drawn from our sustainability assurance service network, which undertakes similar engagements to this with a number of domestic or international businesses. Our assurance team has met the requirements of competence and work experience of this engagement.

*Ernst & Young Hua Ming LLP*

Ernst & Young Hua Ming LLP

Beijing, PRC

15 March, 2016

# Report Disclosure Indexes

## GRI Sustainability Reporting Guidelines (G4)

No.	Page/Omissions
<b>STRATEGY AND ANALYSIS</b>	
G4-1	2-3
G4-2	2-3
<b>ORGANISATIONAL PROFILE</b>	
G4-3	4
G4-4	4
G4-5	4
G4-6	4
G4-7	4
G4-8	4
G4-9	42,46-47
G4-10	46-47
G4-11	49
G4-12	43
G4-13	42,43,46-47
G4-14	12-13,41
G4-15	5,49,60-63
G4-16	49,57
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>	
G4-17	4
G4-18	5,39-40
G4-19	40
G4-20	40
G4-21	40
G4-22	5
G4-23	5
<b>STAKEHOLDER ENGAGEMENT</b>	
G4-24	39
G4-25	39
G4-26	39-40
G4-27	39-40
<b>REPORT PROFILE</b>	
G4-28	5

No.	Page/Omissions
G4-29	5
G4-30	5
G4-31	64
G4-32	5,58-61
G4-33	58-59
<b>GOVERNANCE</b>	
G4-34	41,56
G4-35	56
G4-36	56
G4-37	39,56
G4-38	41, Annual Report
G4-39	41
G4-40	Annual Report
G4-41	Annual Report
G4-42	56
G4-43	56
G4-44	We plan to establish such process in the future
G4-45	56
G4-46	We plan to establish such process in the future
G4-47	56
G4-48	56
G4-49	56
G4-50	41,56
G4-51	Annual Report
G4-52	Annual Report
G4-53	Annual Report
G4-54	Confidential Information
G4-55	Confidential Information
<b>ETHICS AND INTEGRITY</b>	
G4-56	54,56-57
G4-57	37
G4-58	37

No.	Page/Omissions
<b>ECONOMIC</b>	
<b>Economic Performance</b>	
G4-DMA	42
G4-EC1	42
G4-EC2	26-29
G4-EC3	We participate in Social Insurance System in accordance to Chinese Law
G4-EC4	Annual Report
<b>Market Presence</b>	
G4-DMA	42
G4-EC5	42
G4-EC6	42
<b>Indirect Economic Impacts</b>	
G4-DMA	7-9, 15,42
G4-EC7	7-9, 15,42
G4-EC8	42
<b>Procurement Practices</b>	
G4-DMA	35, 43
G4-EC9	43
<b>ENVIRONMENTAL</b>	
<b>Energy</b>	
G4-DMA	26-27,44
G4-EN3	44
G4-EN4	Currently we do not have an in place external energy statistic system,we plan to establish such a system in the future
G4-EN5	44
G4-EN6	26-27,44
G4-EN7	26-27,44
<b>Emissions</b>	
G4-DMA	26-27,45
G4-EN15	45
G4-EN16	45

No.	Page/Omissions
G4-EN17	Currently we do not have an in place scope 3 GHG emission statistics system,we plan to establish such a system in the future
G4-EN18	45
G4-EN19	26-28,45
G4-EN20	ODS is not one of our major emission substances
G4-EN21	Our major emission substances do not include such emissions
<b>Effluents and Waste</b>	
G4-DMA	45-46
G4-EN22	45
G4-EN23	46
G4-EN24	No significant spills occurred during the year
G4-EN25	Our operation does not involve hazardous waste or emission
G4-EN26	45
<b>Products and Services</b>	
G4-DMA	26,28-29
G4-EN27	28-29
G4-EN28	46
<b>Compliance</b>	
G4-DMA	45-46
G4-EN29	45-46
<b>Supplier Environmental Assessment</b>	
G4-DMA	43
G4-EN32	43
G4-EN33	43
<b>LABOUR PRACTICES AND DECENT WORK</b>	
<b>Employment</b>	
G4-DMA	46
G4-LA1	46
G4-LA2	46-48
G4-LA3	48

No.	Page/Omissions
<b>Labour/Management Relations</b>	
G4-DMA	49
G4-LA4	49
<b>Training and Education</b>	
G4-DMA	31,47
G4-LA9	48
G4-LA10	31,47-48
G4-LA11	31,47-48
<b>Diversity and Equal Opportunity</b>	
G4-DMA	48
G4-LA12	48
<b>Supplier Assessment for Labour Practices</b>	
G4-DMA	43
G4-LA14	43
G4-LA15	43
<b>Labour Practices Grievance Mechanisms</b>	
G4-DMA	48
G4-LA16	49
<b>HUMAN RIGHTS</b>	
<b>Non-discrimination</b>	
G4-DMA	48
G4-HR3	48
<b>Freedom of Association and Collective Bargaining</b>	
G4-DMA	49
G4-HR4	49
<b>SOCIETY</b>	
<b>Local Communities</b>	
G4-DMA	21,49
G4-SO1	21,49
G4-SO2	21,49
<b>Anti-corruption</b>	
G4-DMA	36-37,50

No.	Page/Omissions
G4-SO3	36-37,50
G4-SO4	36-37,50
G4-SO5	37,50
<b>Compliance</b>	
G4-DMA	41,45,50
G4-SO8	41,45,50
<b>Supplier Assessment for Impacts on Society</b>	
G4-DMA	43
G4-SO9	43
G4-SO10	43
<b>PRODUCT RESPONSIBILITY</b>	
<b>Customer Health and Safety</b>	
G4-DMA	12-13,52
G4-PR1	13,52
G4-PR2	52
<b>Product and Service Labelling</b>	
G4-DMA	8,10-11,51
G4-PR3	10-11,52
G4-PR4	52
G4-PR5	52
<b>Marketing</b>	
G4-DMA	51
G4-PR6	51
G4-PR7	51
<b>Customer Privacy</b>	
G4-DMA	10,51
G4-PR8	51
<b>Compliance</b>	
G4-DMA	51
G4-PR9	51

## The UN Global Compact's Ten Principles

No.	Index	Page
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	9,21-24,49
Principle 2	Make sure that they are not complicit in human rights abuses	49
Labour Standards		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	49
Principle 4	The elimination of all forms of forced and compulsory Labour	49
Principle 5	The effective abolition of child labour	49
Principle 6	The elimination of discrimination in respect of employment and occupation	48
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges	26-27,44-46
Principle 8	Undertake initiatives to promote greater environmental responsibility	26-29,44-46
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	28-29,44-46
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	36-37,50

## ISO26000

Core Issues	Index	Page
Organisation Governance		4,41,56-57
Human Rights	1. Due diligence	49
	2. Human rights risk situations	49
	3. Avoidance of complicity	49
	4. Resolving grievances	39,48
Labour Practices	5. Discrimination and vulnerable groups	8-9,21-24
	6. Civil and political rights	49
	7. Economic, social and cultural rights	49
	8. Fundamental principles and rights at work	30-34,46-48
Environment	1. Employment and employment relationships	46-47
	2. Conditions of work and social protection	30-34,47
	3. Social dialogue	39,49
	4. Health and safety at work	47
	5. Human development and training in the workplace	46
Environment	1. Prevention of pollution	45-46
	2. Sustainable resource use	26-28,44-47
	3. Climate change mitigation and adaptation	26-28,44-47
	4. Protection of the environment, biodiversity and restoration of natural homes	46

Core Issues	Index	Page
Fair Operating Practice	1. Anti-corruption	36-37,50
	2. Responsible political involvement	-
	3. Fair competition	51
	4. Promoting social responsibility in the value chain	43
	5. Respect for property rights	35,43
Consumer Issues	1. Fair marketing, factual and unbiased information and fair contractual practices	10-13,51
	2. Protecting consumers' health and safety	13,52
	3. Sustainable consumption	8-9
	4. Consumer service, support and compliant and dispute resolution	11,39,52
	5. Consumer data protection and privacy	51
	6. Access to essential services	9-10,42
	7. Education and awareness	9-13,24,52
Community Involvement and Development	1. Community involvement	21-25,49-50
	2. Education and culture	24,49-50
	3. Employment creation and skills development	15,42
	4. Technology development and access	14-20
	5. Wealth and income creation	42
	6. Health	13,21-24,49-50,52
	7. Social investment	21,23,49

## Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Limited

Core Issues	Index	Page
<b>A. Environment</b>		
A1 Emissions	A1.1 The types of emissions and respective emissions data.	45-46
	A1.2 Greenhouse gas emissions in total (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	45
	A1.3 Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	46
	A1.4 Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	46
	A1.5 Description of measures to mitigate emissions and results achieved.	44-45
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	28,45-46
A2 Use of resources	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	44
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	45
	A2.3 Description of energy use efficiency initiatives and results achieved.	26-28,44
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	45
	A2.5 Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced.	-
A3 The environment and natural resources	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	26-28,44-46
<b>B. Society</b>		
Workplace Quality		
B1 Working conditions	B1.1 Total workforce by gender, employment type, age group and geographical region.	46-47
	B1.2 Employee turnover rate by gender, age group and geographical region.	46-47
B2 Health and safety	B2.1 Number and rate of work-related fatalities.	-
	B2.2 Lost days due to work injury.	-
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	47
B3 Development and training	B3.1 The percentage of employees trained by gender, employee category (e.g. senior management, middle management, etc.).	48
	B3.2 The average training hours completed per gender, employee by employee category.	48
B4 Labour standards	B4.1 Description of measures to review employment practices to avoid child and forced labour.	49
	B4.2 Description of steps taken to eliminate such practices when discovered.	48-49
Operating Practice		
B5 Supply chain management	B5.1 Number of suppliers by geographical region.	43
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	43
B6 Product responsibility	B6.1 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	-
	B6.2 Number of products and service related complaints received and how they are dealt with.	11,39,51-52
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	15
	B6.4 Description of quality assurance process and recall procedures.	28,46
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	12,51
B7 Anti-corruption	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	37,50
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	36-37,50
Community		
B8 Community investment	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	21-25,42, 49-50,55
	B8.2 Resources contributed (e.g. money or time) to the focus area.	21-24,42, 49-50,55



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China Mobile Report Team

March 2016

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# 正德厚生 臻于至善

With perfect sincerity and integrity, we will strive to fulfil our triple-sided responsibilities: our economic responsibility; our social responsibility and our environmental responsibility



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