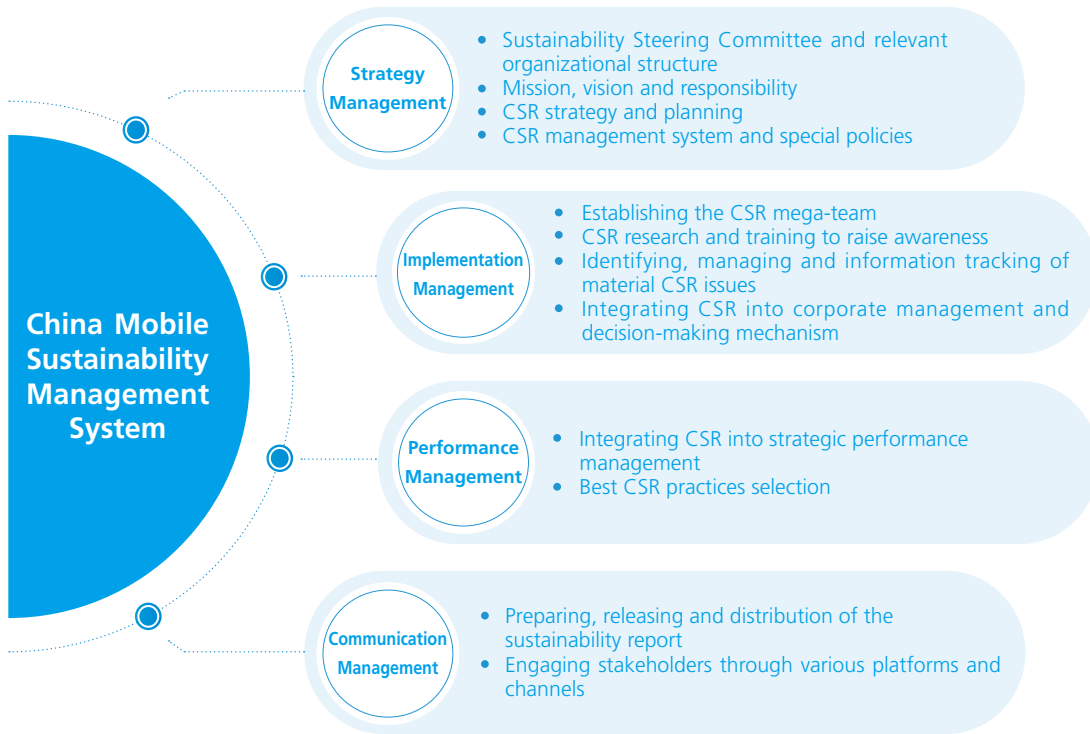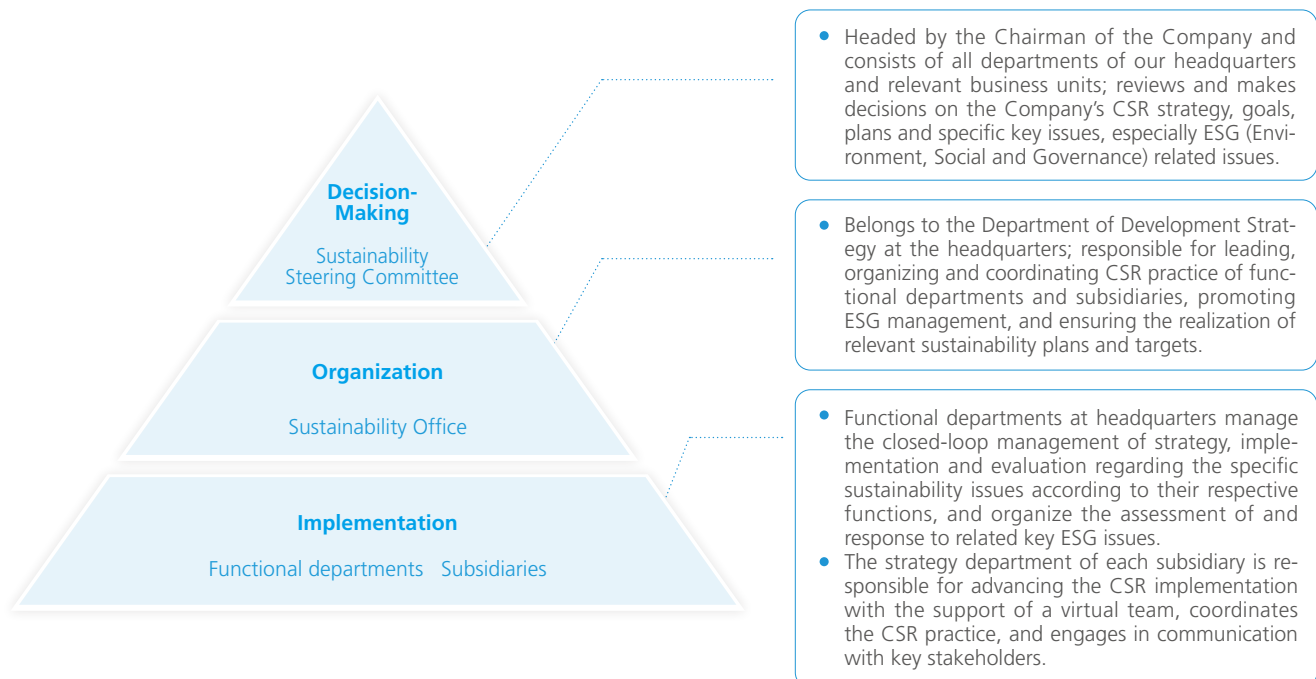# Sustainability Management

Since 2006, China Mobile has been managing its corporate social responsibility (CSR) practice in a strategic way in joint connection with its corporate strategy and operation. We have developed a 4-module strategic CSR management system covering strategy, implementation, performance and communication. In 2019, we further streamlined the scope of each CSR management module in accordance with the "3 steps and 10 methods" requirements for CSR management.

China Mobile Sustainability Management System

Strategy Management
- Sustainability Steering Committee and relevant organizational structure
- Mission, vision and responsibility
- CSR strategy and planning
- CSR management system and special policies

Implementation Management
- Establishing the CSR mega-team
- CSR research and training to raise awareness
- Identifying, managing and information tracking of material CSR issues
- Integrating CSR into corporate management and decision-making mechanism

Performance Management
- Integrating CSR into strategic performance management
- Best CSR practices selection

Communication Management
- Preparing, releasing and distribution of the sustainability report
- Engaging stakeholders through various platforms and channels

Strategy Management

Adhering to our CSR philosophy 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", our parent company established the CSR Steering Committee in 2008 (name changed to Sustainability Steering Committee in 2016) and a three-layer CSR management system of decision-making, organization and implementation. Meanwhile, we formulated management policies such as the *China Mobile CSR Management Measures* and the *China Mobile Annual Best CSR Practices Selection and Reward Determination*, to enhance our CSR management improvement and further standardize the system and process requirements of CSR management.

Decision-Making
Sustainability Steering Committee

- Headed by the Chairman of the Company and consists of all departments of our headquarters and relevant business units; reviews and makes decisions on the Company's CSR strategy, goals, plans and specific key issues, especially ESG (Environment, Social and Governance) related issues.

Organization
Sustainability Office

- Belongs to the Department of Development Strategy at the headquarters; responsible for leading, organizing and coordinating CSR practice of functional departments and subsidiaries, promoting ESG management, and ensuring the realization of relevant sustainability plans and targets.

Implementation
Functional departments   Subsidiaries

- Functional departments at headquarters manage the closed-loop management of strategy, implementation and evaluation regarding the specific sustainability issues according to their respective functions, and organize the assessment of and response to related key ESG issues.
- The strategy department of each subsidiary is responsible for advancing the CSR implementation with the support of a virtual team, coordinates the CSR practice, and engages in communication with key stakeholders.

Implementation Management

The Company continued to deepen the capacity building for its CSR team with regular internal trainings to help functional departments and business units learn about the latest requirements and trends of sustainable development, and enhance the sustainability awareness of all employees. In 2019, the total participation of our CSR training activities reached 418,500 person-times.

We continued the management of sustainability related issues, conducted research and surveys on stakeholders, and studied the evolution of key sustainability standards at home and abroad, the best practice of our industry peers, and hot issues in relation to sustainability. Based on these, we identified our annual material sustainability issues, and took the opportunity of collecting information for our annual sustainability report to improve our management and disclosure of key sustainability issues as well as our

sustainability performance. Please see page 59 for the process of how we identified our material sustainability issues of 2019 and the results.

Regarding the implementation process, the Company continued to deepen the involvement of senior management in sustainability related matters. In addition to the establishment and operation of the Sustainability Steering Committee, our annual sustainability report is required to be formally reviewed and approved by senior management and the Board of Directors of the Company. Meanwhile, we have also strengthened the horizontal coordination across functional departments with clearly defined management responsibility over the relevant key CSR issues, fully incorporating CSR into their core operations.

Performance Management

The Company organized the annual Best CSR Practice Selection for the 12th consecutive year, inviting internal and external experts to sit on the annual review panel. Over the last 12 selections, we have received more than 820 CSR cases, 184 of which won an award. The selection has effectively encouraged our subsidiaries to innovate on CSR practices. In 2019, we also published

a book containing all the selected CSR best practice cases since 2013, *New Era, New Connectivity, New Responsibility: Selected Best CSR Practice of China Mobile (2013-2018)*. These cases present an overview of China Mobile's practice, explorations and accomplishments in fulfilling its corporate social responsibilities with a focus on connectivity.

Communication Management

In 2019, the Company prepared and released its 13th sustainability report. Not only did we fully comply with the requirements for ESG information disclosure, we also practiced our CSR in innovative forms such as promotional clips and short videos, which created a record-high online views of over 18 million.

The Company attaches great importance to the concerns of our stakeholders and has established a variety of communication channels in accordance with their expectations. In 2019, we organized the third "CSR Communication Day" event to listen to the opinions and suggestions of our wide range of stakeholders on our CSR activities. CSR communication activities were organized at 3,184 self-operated China Mobile stores, where 1,508

general managers of our prefecture-level branch companies and over 37,000 person-times of customers participated.

In addition, we also actively participated in the revision of sustainability standards, communicated and shared our experience with our industry peers, and strove to further improve the CSR management and performance jointly with our industry peers. We carried out over 40 major communication activities during the year.

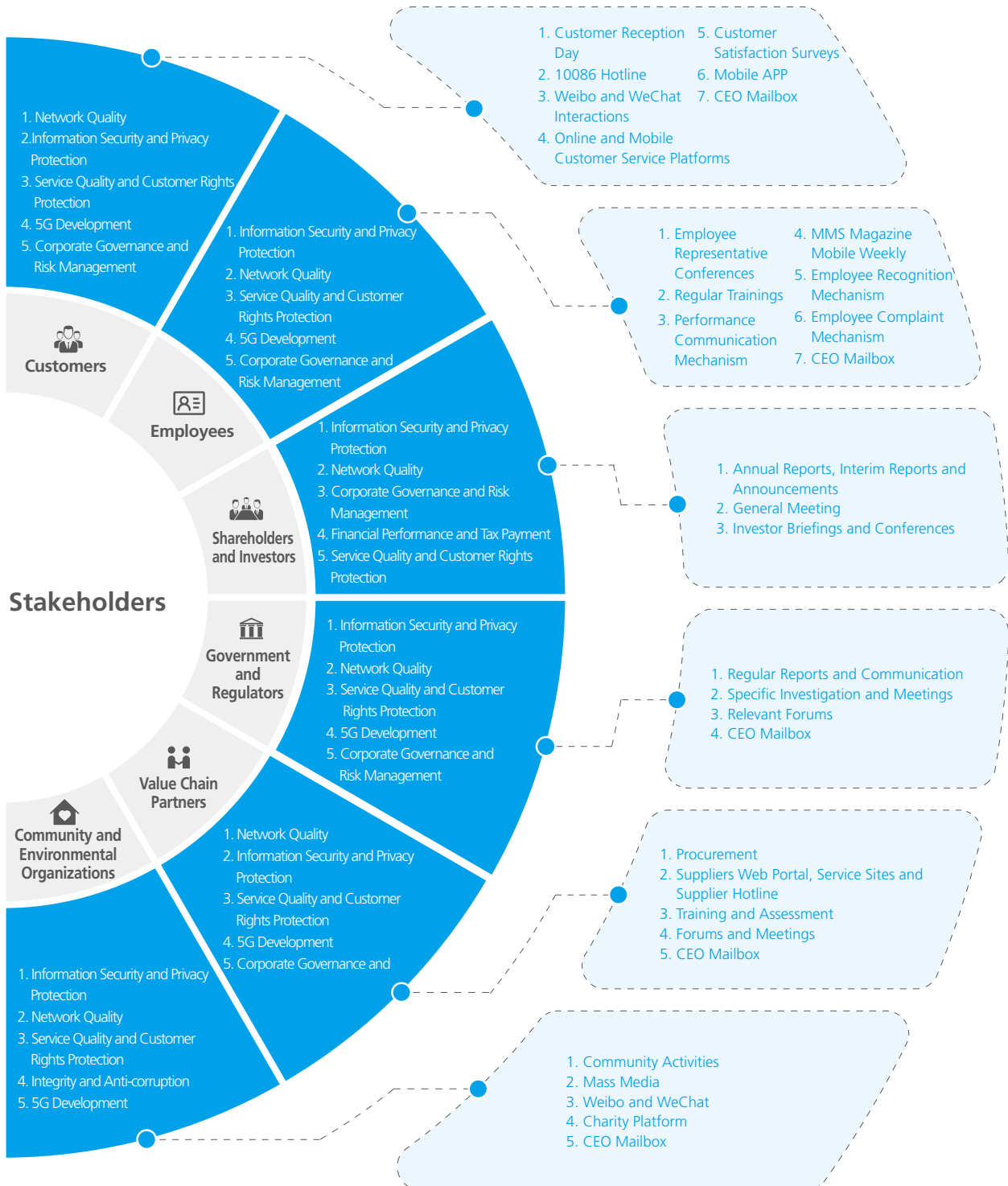Please see page 58 for the concerns and communication channels of our stakeholders.

Indicators	2017	2018	2019
CSR trainings participation (person-times)	471,669	447,006	418,507
Number of emails received in CEO Mailbox	1,279	1,315	903
Number of customer visits on Customer Day (person-times)	102,060	138,301	141,627
Number of complaint and inquiry cases handled on Customer Day	91,960	118,304	126,509

Stakeholder Engagements

We have established a variety of communication channels and maintained regular communication with 6 groups of stakeholders, including customers, employees, shareholders and investors, government and regulators, value chain partners, and community and environmental organizations. When preparing this report, we used questionnaires to identify sustainability issues that concerned different stakeholder groups, and then determined areas to be disclosed in the report based on a materiality analysis.

Key Issues of Concern (Top 5)*

Stakeholders

Customers
1. Network Quality
2. Information Security and Privacy Protection
3. Service Quality and Customer Rights Protection
4. 5G Development
5. Corporate Governance and Risk Management

Employees
1. Information Security and Privacy Protection
2. Network Quality
3. Service Quality and Customer Rights Protection
4. 5G Development
5. Corporate Governance and Risk Management

Shareholders and Investors
1. Information Security and Privacy Protection
2. Network Quality
3. Corporate Governance and Risk Management
4. Financial Performance and Tax Payment
5. Service Quality and Customer Rights Protection

Government and Regulators
1. Information Security and Privacy Protection
2. Network Quality
3. Service Quality and Customer Rights Protection
4. 5G Development
5. Corporate Governance and Risk Management

Value Chain Partners
1. Network Quality
2. Information Security and Privacy Protection
3. Service Quality and Customer Rights Protection
4. 5G Development
5. Corporate Governance and

Community and Environmental Organizations
1. Information Security and Privacy Protection
2. Network Quality
3. Service Quality and Customer Rights Protection
4. Integrity and Anti-corruption
5. 5G Development

Examples of Communication Channels

Customers
1. Customer Reception Day
2. 10086 Hotline
3. Weibo and WeChat Interactions
4. Online and Mobile Customer Service Platforms
5. Customer Satisfaction Surveys
6. Mobile APP
7. CEO Mailbox

Employees
1. Employee Representative Conferences
2. Regular Trainings
3. Performance Communication Mechanism
4. MMS Magazine Mobile Weekly
5. Employee Recognition Mechanism
6. Employee Complaint Mechanism
7. CEO Mailbox

Shareholders and Investors
1. Annual Reports, Interim Reports and Announcements
2. General Meeting
3. Investor Briefings and Conferences

Government and Regulators
1. Regular Reports and Communication
2. Specific Investigation and Meetings
3. Relevant Forums
4. CEO Mailbox

Value Chain Partners
1. Procurement
2. Suppliers Web Portal, Service Sites and Supplier Hotline
3. Training and Assessment
4. Forums and Meetings
5. CEO Mailbox

Community and Environmental Organizations
1. Community Activities
2. Mass Media
3. Weibo and WeChat
4. Charity Platform
5. CEO Mailbox

*Note: The top 5 key issues of concern of each stakeholder group come from the results of the stakeholder survey in relation to the materiality analysis. Please refer to the materiality analysis on page 59.

Materiality Analysis

In 2019, based on the materiality analysis of various sustainability issues, we evaluated the degree of impact being brought on stakeholders by economic, environmental and social issues, and the importance of these issues to China Mobile, and identified issues of the high materiality to be highlighted in this report.

Based on the analysis and conclusion during the identification stage, this year we have added three issues: "5G development", "social ICT solutions", and "environmental ICT solutions". We have also made adjustment to three issues, replacing "anti-corruption and compliance" with "integrity and anti-corruption", "carbon emissions reduction" with "coping with climate change", and "employee health and safety" with "employee rights and interests protection". There is no significant change regarding the reporting scope of each issue.

01 Identification

International standard benchmarking

- HKEx ESG Reporting Guide
- GRI standards
- UN SDGs
- UNGC Ten Principles

Analysis of key sustainability issues and key industry issues
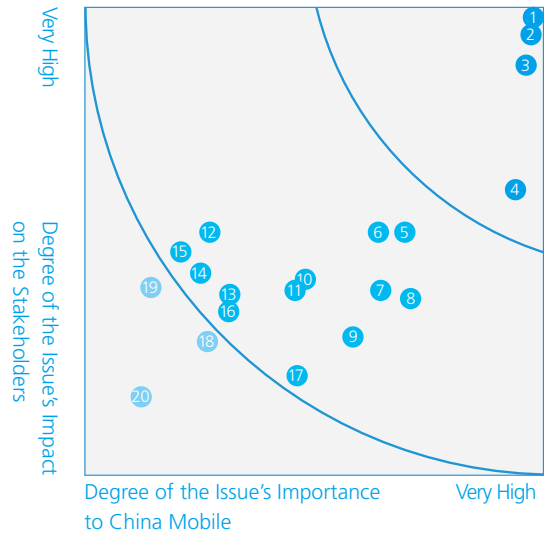
Corporate strategy analysis

02 Evaluation

Using online questionnaires, we carried out the key stakeholder survey with respect to the degree of impact of sustainability issues on stakeholders, collecting 3,901 valid questionnaires in total.

With reference to industry practices, we teamed up internal and external experts to evaluate the importance of different sustainability issues to China Mobile's operations.

03 Report Preparation

A materiality matrix was formed (see the chart right) to highlight issues to be prioritized in the report.

Degree of the Issue's Impact on the Stakeholders — Very High

Degree of the Issue's Importance to China Mobile — Very High

Materiality	No.	Issue	Page(s)	Boundary
Very High	1	Service Quality and Customer Rights Protection	10-11,22-27	Customers, government and regulators, community and environmental organizations
	2	Information Security and Privacy Protection	24,26-27	Customers, government and regulators, community and environmental organizations
	3	Network Quality	10-14,26-27	Customers, value chain partners, community and environmental organizations
	4	5G Development	6-7,18-21	Customers, government and regulators, value chain partners, community and environmental organizations
High	5	R&D and Innovations	16-17,26-27	Customers, government and regulators, value chain partners
	6	Integrity and Anti-corruption	54-55	Customers, government and regulators, value chain partners
	7	Social ICT Solutions	11,18-21	Customers, government and regulators, value chain partners, community and environmental organizations
	8	Corporate Governance and Risk Management	4,53-55	Customers, shareholders and investors, government and regulators
	9	Financial Performance and Tax Payment	4	Shareholders and investors, government and regulators
	10	Environmental ICT Solutions	44-47	Customers, government and regulators, value chain partners, community and environmental organizations
	11	Human Resource Development	38-40,43	Customers, shareholders and investors
	12	Employee Rights and Interests Protection	10,37,41-43	Customers, value chain partners
	13	Fair Employment and Non-discrimination	37,42-43	Customers, value chain partners
	14	Reducing Environmental Resource Use	48-52	Customers, employees, government and regulators, value chain partners
	15	Stakeholder Engagement	58	Customers, employees, shareholders and investors, government and regulators, value chain partners, community and environmental organizations
	16	Public Welfare	28-34,42-43	Customers, community and environmental organizations
	17	Coping with Climate Change	48-52	Customers, employees, government and regulators, value chain partners
Moderate	18	Supply Chain Management	50,55	Value chain partners, community and environmental organizations
	19	Waste Management	50,52	Customers, employees, value chain partners
	20	Offshore Compliance of Corporate Social Responsibilities	36	Customers, value chain partners