

Performance Report

Economic Performance

※ Direct Economic Impact

Management Practices and Main Actions

Striving towards the new positioning of becoming “a world-class information services and sci-tech innovation enterprise”, the Company made steady progress in implementing the development strategy of building a world-class dynamic “Powerhouse”. We worked to create a new information infrastructure centering on 5G, CN, and integration platform and innovatively built a new information service system integrating “connectivity + computility + capability”. The Company continued to advance the comprehensive and integrated development of our CHBN (Customer, Home, Business, and New) markets and stepped up efforts to integrate information services into all industries and serve all people. The financial subsidies received from the government by the Company in 2023 are detailed in the annual report.

Key Performance

Performance indicator	Unit	2021	2022	2023
Operating Performance				
Operating revenues	RMB 100 million	8,483	9,373	10,093
Service Scale				
Mobile customer base	Million	957	975	991
5G package customer base	Million	387	614	795
Wireline broadband customer base	Million	240	272	298
IoT card customer base	Million	806	1,062	1,316
Corporate customer base	Million	18.83	23.20	28.37
Network Scale				
Number of 4G base stations	10,000	332	334	337
Number of 5G base stations	10,000	74	128.5	> 194
Number of cities with NB-IoT	Number	337	337	337
5G SA average download speed	Mbps	> 750	> 750	> 750
5G network traffic	PB/Day	/	/	> 300
Internet backbone bandwidth	Tbps	456	519	633
International Services				
Number of countries and regions with 4G international roaming services	Number	212	218	229
Number of countries and regions with 5G international roaming services	Number	51	60	75
YoY growth in international data roaming charges	%	-21.21	9.82	218.57
International transmission bandwidth	G	105,683	123,000	145,000

※ R&D and Innovation

Management Practices and Main Actions

We have always placed R&D and innovation at the heart of our work, adhering to a strategy that prioritizes innovation for growth. We have made sustained efforts to improve the “Unified Five Rings” sci-tech innovation system, promoted enterprise-led integration of industry, academia and research, and built a dual-cycle layout for innovation characterized by solid internal capabilities and expanding external cooperation. We mobilized efforts to drive breakthroughs in key and core technologies, led the formation of the 5G Innovation Coalition, piloted the modern mobile information industrial chain, and built an industry-leading base for nurturing innovative technologies. We furthered the “Joint Innovation+” plan and built a new scientific research ecosystem featuring win-win cooperation with key universities, enterprises and other partners. We stepped up efforts in entrepreneurship and innovation to foster a culture of innovation in the wider society and invigorate the ecosystem for innovation.

Patent management: The Company has initiated comprehensive patent empowerment initiatives, developing three key patent tools aimed at boosting innovation efficiency, enhancing patent quality, and strengthening competitive edge. The Company established a patent navigation system that addresses the challenges faced by the R&D team in patent searches, such as incomplete retrieval and low efficiency, used by over 7,000 individuals. Additionally, the Company has set up a patent knowledge base that covers crucial aspects like methods for infringement evidence collection, patent drafting techniques, and strategies for responding to examination feedback, creating an essential quick-reference guide and a secret handbook for writing effective patents. This facilitates a shift from merely drafting patents to crafting high-quality patents. Furthermore, the Company developed a patent arsenal to guide the strategic output of patents, significantly speeding up the process of bringing patent technologies from concept to the market.

Intellectual property protection: Adhering to the *Trademark Law of the People’s Republic of China*, the *Copyright Law of the People’s Republic of China*, and other legal frameworks, the Company has developed comprehensive guidelines for trademark and copyright management. The *China Mobile Trademark Management Methods*, the *China Mobile Copyright Management Methods* and related management standards are set to guide the trademark and copyright management of the whole company. Furthermore, for 14 years in a row, the Company hosted an annual Intellectual Property Awareness Week for all employees to strengthen the awareness of protecting independent intellectual property rights.

Key Performance

Performance Indicator	Unit	2021	2022	2023
R&D and Innovation				
R&D investment ¹	RMB 100 million	186	217	341
Proportion of R&D investment to operating revenues	%	2.5	2.7	3.9
Number of patent applications	Number	4,760	5,186	6,452
Number of newly granted patents	Number	1,886	2,258	2,958
Number of valid patents	Number	/	/	15,149
Number of valid patents per million in revenue	Number	/	/	0.02
Number of software copyrights	Number	/	/	7,098
Open Cooperation				
Average number of daily authentication requests processed on the mobile authentication platform	100 million	17.77	18.73	19.85
Number of developers on OneNET	Number	247,507	292,641	349,177
Number of enterprises on OneNET	Number	15,049	15,414	16,384
Number of devices connected to OneNET	10,000	21,647.17	22,180.81	23,781.61
Number of developers on Lianying platform	Number	153,300	190,610	195,064
Number of enterprises on Lianying platform	Number	1,384	1,716	2,007
Number of devices connected to Lianying platform	10,000	22,400	37,100	49,210
Number of capability requests on Lianying platform	10,000	11,105,908	47,766,823	60,252,530
Number of GTI operator members	Number	141	142	146
Number of GTI industry partners	Number	250	254	257
Number of China Mobile's Smart Home Cooperation Alliance members	Number	473	515	560
Number of China Mobile's IoT Alliance members	Number	1,743	2,000	2,048
Entrepreneurship				
Investment in entrepreneurship and innovation support	RMB 10,000	5,692	3,770	3,300
Number of users of the entrepreneurship and innovation platform	10,000	17.9	19	19.3
Number of projects created from entrepreneurship and innovation events	Number	3,528	3,575	3,795
Number of teams participating in entrepreneurship and innovation events	Number	3,616	3,744	3,859
Number of teams participating in "HeChuang Incubation"	Number	191	238	284
Number of people participating in "HeChuang Incubation"	Number	645	786	1,148
Number of jobs created	10,000	217	205	161

1: R&D (research and development) investment includes both expense-based R&D investment and capital-based R&D investment.

※ Cybersecurity, Information and Data Security

Management Practices and Main Actions

In alignment with the *Cybersecurity Law*, the *Data Security Law*, the *Personal Information Protection Law*, the *Anti-Telecom and Online Fraud Law* and the *Regulations on Critical Information Infrastructure Security Protection* of the People's Republic of China, the Company has established over 40 protocols, such as the *China Mobile Network Security Threats and Disposal Management Methods*, the *China Mobile Data Security Management Methods (Trial)*, and the *China Mobile Information Security System Maintenance Management Methods*. These measures are in place to mitigate the growing risks of critical information infrastructure attacks, the rising threat of cybercrimes including hacker activities, malicious software, and data theft, as well as new challenges posed by advancements in big data, IoT, and AI technologies like automated attacks and distributed denial of service (DDoS) attacks, amidst the ongoing shortage of skilled cybersecurity professionals. In 2023, the Company did not encounter any significant cybersecurity breaches or any major incidents of information or data leaks.

Management framework: The Company has formed a dedicated Cybersecurity Leadership Team, headed by the Chairman with the General Manager serving as the primary deputy. This team is tasked with enforcing the government's network security regulations (encompassing both customer and data security), endorsing the cybersecurity strategic direction, and overseeing significant policies and decisions. To facilitate these efforts, an office has been established within the Information Security Management and Operations Center to ensure seamless coordination across all cybersecurity initiatives. In 2023, the Company took significant steps to enhance our cybersecurity accountability, including the introduction of a quarterly reporting system for cybersecurity tasks to foster best practice sharing; executing thorough cybersecurity inspections that led to the identification and amendment of over 500 issues; and refining the security assessment metrics to hold relevant parties accountable for any shortcomings in their responsibility execution.

Critical information infrastructure security protection: The Company has developed the *China Mobile Communications Network Critical Information Infrastructure Network Security Protection Guidelines* to clearly define management roles and enhance the defensive measures. Additionally, the Company put together the *China Mobile Communications Network Critical Information Infrastructure Network Security Emergency Handling Plan* to systematically categorize and address security breaches, ensuring a structured approach to crisis management. Through rigorous security assessments of the critical information infrastructure systems, the Company has tailored specific improvement and protection strategies to reduce or nullify potential threats.

Cybersecurity emergency response drills: In 2023, the Company launched two phases of the *Guardian · Spring Ploughing Action*, a cybersecurity drill that employed a dynamic offense and defense approach, engaging “cloud experts” in remote penetration testing and defensive surveillance of 50 internal divisions. This extensive exercise resulted in the collection of 2,084 attack and 565 defense reports, rectified 718 cybersecurity vulnerabilities, thoroughly validating and improving the network’s readiness in responding to emergency, improving the actual combat ability of cybersecurity talents and effectively strengthening the awareness of cybersecurity risks.

Cybersecurity talent cultivation: Leading the charge, the Company has established a comprehensive system for nurturing cybersecurity talents, propelling the *Cyber and Information Security Technical Skill Enhancement Initiative* to forge a robust team of 6,802 security experts, with 1,334 members joining the foundational talent reserve in cybersecurity. The Company has launched the *Talent Genius Program* to develop an elite team of engineers in cybersecurity, successfully qualifying 1,126 individuals as “outstanding engineers” in this critical field. The Company also initiated a pioneering incentive program targeting cybersecurity vulnerabilities, leading to the creation of the Security Talent Empowerment and Development Demonstration Units. This incentive program aims to align the growth and efforts of the security professionals closely with the core business operations, ensuring a harmonious synergy. Over the course of the year, the Company hosted six major training events including cybersecurity certification courses, hands-on cybersecurity workshops, and preparatory training for cybersecurity competitions, reaching over 650 individuals. In 2023, professionals in the national security sector earned a total of 126 professional skill certifications and 49 international certifications. The Company released the *Cybersecurity Watch* think tank series, delving into the forefront of cybersecurity technologies and strategic movements. This publication offers in-depth analyses on 19 pivotal subjects, such as AI and cloud security, among others.

Key Performance

Performance indicator	Unit	2021	2022	2023
Emergency Communications Support				
Number of times emergency communications support was provided	Number	6,173	4,743	7,879
Significant event support	Times	5,620	3,973	7,663
Significant natural disaster support	Times	304	334	194
Significant accident or catastrophe support	Times	44	39	14
Public health incident support	Times	192	394	5
Social safety incident support	Times	13	3	3
Number of emergency vehicles dispatched	Vehicle-times	8,709	6,155	9,957
Number of emergency support equipment installed	Set-times	10,549	11,128	15,803
Number of personnel involved in emergency support	Number	212,317	471,709	307,026
Spam Governance				
Number of customer complaints about spam handled	10,000	94	77	68
Number of scam phone numbers handled	10,000	15.21	15.13	23.42
Average monthly number of spam SMS and MMS messages blocked	100 million	5.23	5.91	11.18
Average number of illegal 5G messages handled per month	10,000	39.38	486.46	2,768.65
Number of nuisance call numbers handled such as “Husini”	10,000	> 18.23	>7.68	>8.47

Number of illegal websites handled	10,000	>34.83	>53.31	>72.79
Number of malwares monitored and handled	10,000	>37.17	> 21.24	>75.71
Number of malware control terminals handled	Number	49,466	19,764	55,115
Number of SMS fraud alerts sent	100 million	81.85	348.94	282.17
Number of targeted covert fraud incidents identified and successfully intervened	10,000	1,301.95	2,734.37	4,578.47
Number of users covered by the scam caller alert service	100 million	2.20	1.97	1.97
Annual cumulative number of scam caller ID reminders sent	100 million	32.13	34.32	45.34

Service Quality Management and Standardized Marketing

Management Practices and Main Actions

The Company steadfastly implements the “Sunshine Action” for customer rights and interests protection, as outlined in the *2023 Sunshine Action for Customer Rights Protection Notice*. The “Sunshine Action” emphasizes stringent controls and measures to firmly protect against any actions that could harm customer rights.

Standardizing marketing and promotion: The Company has established a dedicated group tasked with refining the marketing strategies, focusing on three key areas: improving business rule fairness, reducing fee disputes, and ensuring ethical marketing practices. The Company introduced the *China Mobile Telecom Misconduct Supervision and Accountability Standards*, streamlined the broadband cancellation process, improved oversight of telemarketing, and standardized notifications and data service reminders. The Company also made clear guidelines for service phone number usage and seriously addressed any actions that disrupt market fairness. By the end of 2023, complaints regarding our marketing efforts had significantly dropped by 41.20% compared to the average in 2022.

Maintaining marketing integrity: Aligning with the national updates to the *Internet Advertising Management Measures*, the Company has provided cutting-edge training in market communications and integrated marketing strategies, focusing on ensuring that our advertising activities are both ethical and compliant. The Company emphasized the importance of compliance in promotional content and, regarding the promotions of significant sporting events, developed comprehensive guides like the *Advertising Compliance Manual and Legal Guidelines for Event Rights*, ensuring all our event-related promotions adhere strictly to legal standards.

Key Performance

Performance indicator	Unit	2021	2022	2023
Overall customer satisfaction	Point	81.80	82.05	82.57
First call resolution rate via hotline	%	89.7	92.0	95.17
Annual complaint rate per million customers	%	516.5	860.5	557.5
Annual number of customer complaints	Number	616,997	1,072,291	721,354
Number of customers receptions on general manager’s reception days	Person-times	93,520	91,305	135,978
Number of customer inquiries and complaints handled on general manager’s reception days	Number	86,735	85,710	53,803

※ Product Quality Management

Management Practices and Main Actions

The Company is dedicated to refining its product experience and enhancing its “Two Firsts” (customer first, frontline first) product quality assessment system. At the same time, the Company has adopted a stringent quality control system that scrutinizes products both before commercial release and throughout their iterative development.

Product quality evaluation system: The Company has clarified product quality standards by formulating 23 customer perception standards (KEI) for key products, 659 quality standards, 400 internal operation support standards (KQI). By the end of 2023, the satisfaction score of 23 key products was 91.32, increasing 1.25pp compared with 2022. Furthermore, we have included the key-products-benchmarking-improvement and iterative-improvement into business performance assessment, engaging closed-loop product management and evaluation.

Product quality control system: Before launch, the Company will ensure commercial readiness. In 2023, the Company launched the closed beta version of 3 products, 5G New Call, mobile cloud phones, and healthy elderly care products, adhering to the “no standard, no launch” assessment criterion. After launch, focuses on continuous improvement, with over 970 updates across our key products, introducing more than 15,400 new features and achieving a product overall iterative improvement rate of 99%.

For terminal products like mobile phones, pan-terminals, cloud computing terminals, and industry intelligent hardware, the Company has implemented a closed-loop quality management system that includes pre-testing/checking and post-evaluation. Additionally, the Company has established the last quality barrier before the launch of proprietary brand products, and a dual-level incoming inspection mechanism of local inspections plus headquarters’ random checks, adhering to the Inspect Every Batch principle, providing quality assurance for unified supply.

Social Performance

※ Employment and Compensation

Management Practices and Main Actions

The Company is committed to upholding the *Labor Law of the People’s Republic of China* and the *Labor Contract Law of the People’s Republic of China*, among other legal standards, by implementing the *China Mobile Employee Recruitment Management Procedures*. These procedures mandate that the Company’s recruitment process is conducted in an open, transparent, fair, and equitable manner, aiming to raise our employment management standards. The Company focuses on attracting talent across various genders and age demographics to foster a workforce that reflects diversity. In doing so, the Company prioritizes hiring graduates from impoverished and ethnic minority regions, assuming all other qualifications are equal.

Key Performance

Performance Indicator	Unit	2021	2022	2023
Employee Structure¹				
Total number of employees	Number	449,934	450,698	451,830
Number of male employees	Number	/	213,527	215,343
Number of female employees	Number	/	237,171	236,487
Number of employees in the mainland of China	Number	447,849	448,226	449,390
Number of employees in Hong Kong, Macao, Taiwan and overseas markets	Number	2,085	2,472	2,440
Employees under 30 years old	Number	/	/	58,086
Employees between 30 and 50 years old	Number	/	/	362,469
Employees over 50 years old	Number	/	/	31,275
Number of employees with master degree or higher	Number	/	55,904	60,380
Employees with bachelor degree	Number	/	300,644	306,579
Number of employees with associate degree or below	Number	/	94,150	84,871
Proportion of employees under 30 years old	%	14.7	13.62	12.86
Proportion of employees between 30 and 50 years old	%	79.15	79.76	80.22
Proportion of employees over 50 years old	%	6.15	6.62	6.92
Proportion of technical personnel	%	34.87	36.8	38.83
Proportion of marketing personnel	%	47.2	45.35	43.74
Proportion of management personnel	%	7.02	7.35	7.26
Proportion of general affairs personnel	%	9.98	9.71	9.37
Proportion of others	%	0.93	0.97	0.79
Employee Introduction				
Number of new employees	Number	15,775	16,808	17,577
Number of new female employees	Number	6,032	6,747	7,157
Number of new male employees	Number	9,743	10,061	10,420
Number of new employees in the mainland of China	Number	/	/	16,485
Number of new employees in Hong Kong, Macao, Taiwan and overseas markets	Number	/	/	1,092
Number of new employees under 30 years old	Number	/	/	10,972
Number of new employees between 30 and 50 years old	Number	/	/	6,414
Number of new employees over 50 years old	Number	/	/	191

Employee Turnover				
Employee turnover rate ²	%	2.53	1.77	1.31
Female employee turnover rate	%	2.17	1.47	1.18
Male employee turnover rate	%	2.93	2.11	1.46
Turnover rate of employees in the mainland of China	%	2.28	1.53	1.13
Turnover rate of employees outside the mainland of China	%	23.95	21.88	15.88
Turnover rate of employees under 30 years old	%	8.93	6.92	5.51
Turnover rate of employees between 30 and 50 years old	%	1.52	1.02	0.74
Turnover rate of employees over 50 years old	%	0.18	0.21	0.22
Number of employees who resigned	Number	11,376	7,985	5,939
Number of female employees who resigned	Number	5,173	3,478	2,793
Number of male employees who resigned	Number	6,203	4,507	3,146
Number of employees dismissed	Number	1,620	1,364	2,274
Number of female employees dismissed	Number	991	717	1,193
Number of male employees dismissed	Number	629	647	1,081
Employee Diversity				
Proportion of female employees	%	52.88	52.62	52.34
Proportion of female employees in senior management positions	%	16.48	16.08	15.14
Number of ethnic minority employees	Number	/	/	33,222
Proportion of ethnic minority employees	%	7.24	7.30	7.35

1: By the end of 2023, all employees of the Company are long-term full-time employees, with no part-time employees, temporary employees, or non-guaranteed hours employees.

2: Employee turnover rate excludes retirees and refers to employees who quit voluntarily.

※ Compensation and Benefits

Management Practices and Main Actions

Compensation: Guided by the principle of market-oriented and performance-based compensation, the Company formulated the *China Mobile Labor Cost Management Measures* and the *China Mobile Guidelines for Employee Compensation Management*, and implemented a “performance-oriented and structure-adjusted” compensation system. This approach includes a detailed nineteen-grade pay structure for staff, aiming to make the distribution of wages fair and beneficial, particularly for those on the front lines, core team members, and those in lower-income brackets, ensuring an equitable, structured, and efficient pay system.

Incentives: The Company remains firmly committed to its three guiding principles of “strategy, business and innovation”, and has implemented a full range of special incentive plans across different levels of its workforce. In terms of motivating its transformation and development, it has focused on key markets, key regions and key businesses, and introduced special incentives such as CHBN (Customer, Home, Business and New) markets, key regional company development plans, 5G construction, integration platform and mobile cloud performance-link incentives, to promote effective achievements in the Company’s operating results and key businesses. In terms of driving its sci-tech innovation, the Company has formulated the *China Mobile Implementation Plan for Incentive and Guarantee Mechanisms to Support Sci-Tech Innovation*, systematically advanced incentive mechanisms designed to vitalize sci-tech innovation, implemented a comprehensive range of rewards for technological innovation, such as scientific research “special zones”, fast-track development program for outstanding talents, internalization of core capabilities, talent incentives, and commercialization of patents and sci-tech achievements. At the same time, the Company has made an orderly launch of a series of medium and long-term incentive plans, such as share option incentives, sci-tech enterprise project bonuses, employee shareholding through mixed-ownership reforms, and virtual follow-up investments.

Benefits: A comprehensive welfare guarantee system has built for employees, including five types of social insurance, housing provident fund, corporate annuity, supplemental medical care, and other benefits, fully safeguarding employees’ daily life and work needs. *The Guidelines on Strengthening the Construction of the Medical Security System for Employees* were formulated, constructing a three-pillar medical security system framework based on social basic medical insurance as the basic guarantee, enterprise supplemental medical insurance as the core guarantee, and individual commercial health insurance as the autonomous guarantee. Reasonable arrangements have made for employees’ working and rest time, ensuring the right to rest and vacation for employees.

Key Performance

Performance indicator	Unit	2021	2022	2023
Number of CEO mailbox emails and letters	Number	540	626	1,032
Number of Female Employees on Maternity Leave at the HQ	Number	/	17	20
Number of Male Employees on Paternity Leave at the HQ	Number	/	15	10
Proportion of Male Employees at the headquarters who returned to work after paternity leave at the HQ	%	/	100	100
Proportion of female employees at the headquarters who returned to work after maternity leave at the HQ	%	100	100	100

※ Labor Rights Protection

Management Practices and Main actions

In compliance with the *Labor Law of the People’s Republic of China*, the *Law on the Protection of Minors of the People’s Republic of China* and the *Provisions on Prohibition of Child Labor*, and other applicable laws and regulations, the Company strictly prohibits the use of child labor and forced labor. Throughout 2023, the Company did not encounter any incidents of child labor or forced labor violations, nor did it face any major labor disputes.

The Company strictly adheres to the *Trade Union Law of the People's Republic of China*, the *Regulations on the Democratic Management of Enterprises*, formulating the *Guidance on Further Strengthening the Construction of the Employees' Representative Assembly System* and the *Guidance on the Implementation of Enterprise Affairs Disclosure* by China Mobile, perfecting the democratic management system primarily in the form of the *Employees' Congress*. This ensures that the *Employees' Congress* can legally exercise its various powers and perform its democratic supervisory duties, providing a systematic guarantee for the protection of employee rights and interests.

Key Performance

Performance Indicator	Unit	2021	2022	2023
Proportion of unionized contract employees	%	100	100	100
Proportion of employees covered by a collective bargaining agreement	%	100	100	100

※ Occupational Health and Safety

Management Practices and Main Actions

The Company is deeply committed to ensuring the occupational health and safety of our employees, closely following guidelines such as the *State Council's Opinions on Implementing the Healthy China Initiative* and the *Healthy China Action Plan (2019–2030)*. The Company strictly complies with the *Law on Prevention and Control of Occupational Diseases of the People's Republic of China*, among other relevant laws and regulations. In line with the *14th Five-Year National Health Plan* issued by the State Council's General Office, the Company has engaged in various initiatives such as hosting awareness weeks for occupational disease prevention, participating in the Healthy China Enterprise Action led by the China Enterprise Confederation and the China Entrepreneurs Association, and contributing to the National Health Commission's campaign for occupational health awareness. These efforts have earned us over 20 accolades, including being recognized as a national model for healthy enterprise development and for our innovative practices in promoting health within China, placing us at the forefront of the industry in terms of accolades received.

Key Performance

Performance Indicator	Unit	2021	2022	2023
Physical and Mental Health of Employees				
Physical examination rate of employees	%	97	97	96.5
Number of employees covered by "Happiness 1+1"	10,000	42	41.2	41.2
Number of employees covered by the Employees' Mental Health Care Program	10,000	> 40	> 40	> 40
Cumulative number of Employees' Mental Health Care ambassadors trained	Number	> 3,000	> 3,000	> 3,000
Cumulative number of stress-relief rooms and care rooms built under the Employees' Mental Health Care Program	Number	> 100	> 100	> 100
Work Safety				
Investment in work safety	RMB 100 million	23.03	22.21	30.37

Number of safety emergency drills	Number	11,170	12,116	15,367
Security risk protection training coverage rate	%	/	/	94.29
Employee participation rate in safety emergency drills	%	94.3	92.3	97.07
Work-related Injuries				
Number of accidents occurring among employees in the workplace	Number	/	/	0
Rate of accidents occurring among employees in the workplace	%	/	/	0
Lost workdays due to work-related injuries	Days	39,611	32,519	37,360
Number of fatalities due to work related accidents	Number	1	0	0
Accident fatality rate per 1,000 employees	%	0.002	0	0

※ Development and Training

Management Practices and Main Actions

The Company has formulated the *China Mobile 14th Five-Year Talent Plan* and the *China Mobile's Implementation Opinions on Further Strengthening Talent Work* to assist employees in achieving their career development goals. A 1–19 level job grade development system is built, and through the *China Mobile Standard Position Library (2022 Edition)*, non-managerial standard positions are set, stimulating the vitality of the employee team and the endogenous driving force for high-quality development of the Company. Comprehensive vocational capability training is provided for employees, and diverse labor skills competitions are organized to optimize the construction of a skilled talent team. Layered and graded training is implemented, and the Company's annual training tasks and course resource construction plans are systematically advanced.

Furthermore, the Company's approach to performance management is holistic and strategic, grounded in clearly defined roles. The Company navigates through critical stages including planning, coaching, evaluating, feedback, and application, all the while adhering to a transparent and equitable evaluation system based on a standard normal distribution. This method ensures the assessments are thorough, accurate, and fair. In 2023, the Company achieved a 100% rate in performance evaluation coverage, demonstrating our commitment to a comprehensive and fair assessment process.

Key Performance

Performance Indicator	Unit	2021	2022	2023
Employee Training				
Average training expenses per employee	RMB	2,115	1,957	2,895
Number of total employee participations in training	10,000	124.2	123.4	160.1
Female employees' participations in training	10,000	/	/	78.9
Male employees' participations in training	10,000	/	/	81.1
Senior management's participations in training	Number	1,275	1,341	1,612

Middle-level management's participations in training	Number	20,214	23,103	25,799
General staff's participations in training	10,000	122.1	121.0	157.3
Average employee training time	Hour	142.4	125.0	123.8
Average training time for female employees	Hour	134.7	118.77	130.1
Average training time for male employees	Hour	153.1	131.85	118.1
Average training time for senior management	Hour	137.9	128.1	173.1
Average training time for middle level management	Hour	179.3	151.1	173.6
Average training time for general staff	Hour	141.8	124.6	123.1
Training participation rate of female employees	%	98.8	99.9	99.6
Training participation rate of male employees	%	99.2	98.9	99.4
Training participation rate of senior management	%	100	100	100
Training participation rate of middle-level management	%	99.7	99.9	99.9
Training participation rate of general staff	%	98.9	99.5	99.6
Training on Online Talent Development Center				
Total number of users on Online Talent Development Center	10,000	47.3	47.6	47.5
Average learning time of users on Online Talent Development Center	Hour	113.4	93.6	81.8
Number of mobile learners on Online Talent Development Center	10,000	33.9	37.5	31.9
Employees Assessed for Performance and Career Development				
Proportion of employees regularly assessed for performance and career development	%	100	100	100
Proportion of female employees regularly assessed for performance and career development	%	100	100	100
Proportion of male employees regularly assessed for performance and career development	%	100	100	100
Proportion of senior managers regularly assessed for performance and career development	%	100	100	100
Proportion of middle-level managers regularly assessed for performance and career development	%	100	100	100
Proportion of general staff regularly assessed for performance and career development	%	100	100	100

Local Communities

Management Practices and Main Actions

The Company adheres closely to the *Charity Law of the People's Republic of China* among other relevant regulations when making external donations. The Company works in tandem with the parent company to offer financial and consumer support, contributing to the sustained success of poverty eradication efforts. The Company is deeply committed to the public welfare sector, spearheading initiatives like the Heart Caring Campaign and the Blue Dream-China Mobile Education Aid Plan, and engaging in a wide range of volunteer efforts. Additionally, the Company has placed a significant emphasis on fulfilling our responsibilities abroad by actively contributing to the development of local communities.

Key Performance

Performance Indicator	Unit	2021	2022	2023
Public Welfare Activities				
Total number of registered employee volunteers	10,000	11.31	7.78	7.39
Total employee volunteer hours	10,000	80.62	57.78	54.89
Number of "And You" volunteer activities	Number	/	1,920	800
Cumulative amount of funds donated by "And You" volunteer activities	RMB 10,000	/	134.24	96
Cumulative amount of funds donated by the China Mobile Charity Foundation	RMB 10,000	42,110	45,940	50,070
Cumulative amount of funds donated under the "Blue Dream" Program	RMB 100 million	2.198	2.451	2.704
Cumulative number of primary and secondary school principals in rural areas trained under the "Blue Dream" Program	Number	> 129,000	> 130,000	> 130,000
Cumulative number of libraries constructed under the "Blue Dream" Program	Number	2,310	2,310	2,310
Cumulative number of multimedia classrooms constructed under the "Blue Dream" Program	Number	4,029	4,360	4,725
Cumulative amount of funds donated under the "Heart Caring" Campaign	RMB 100 million	2.013	2.143	2.24
Cumulative number of impoverished children receiving free CHD screening under the Heart Caring Campaign	Number	61,898	63,850	68,591
Cumulative number of impoverished children receiving free CHD screening under the "Heart Caring" Campaign	Number	7,069	7,446	7,745
Cumulative number of impoverished children with CHD assisted under the "Heart Caring" Campaign	Number	/	48	48
Cumulative number of non-profit funds on MIGU Running platform	Number	/	700	700.46
Cumulative number of participants in public benefit activities on MIGU Running platform	10,000	/	2,848	3,002
Cumulative number of corporate entities on MIGU Running platform	Number	/	36,521	36,707
Employee Localization				
Proportion of local employees in Hong Kong subsidiary	%	86.5	84.4	79.6
Proportion of local management-level employees in Hong Kong subsidiary	%	65.0	60.6	62.8

Paired-up Support and Assistance				
Paired-up support and assistance funds allocated by the headquarters within the year	RMB 10,000	27,600	28,700	28,700
Cumulative paired-up support and assistance funds allocated by the headquarters	RMB 100 million	13	15.9	18.74

Environmental Performance

※ Energy Use, Greenhouse Gas Emission and Exhaust Emission

Management Practices and Main Actions

The Company rigorously follows the *Energy Conservation Law of the People's Republic of China*, alongside specific guidelines issued by the National Development and Reform Commission, such as the *Management Measures for Energy Conservation in Key Energy-Consuming Entities* and the *Energy Conservation Review Measures for Fixed Asset Investment Projects*, as well as the national carbon peaking and carbon neutrality goals and the "1+N" policy model. The Company has established pertinent policies and procedures to steadfastly advance the development of eco-friendly networks, embraced the utilization of renewable energy sources, engage in sustainable office practices, and enhanced the efficiency of our energy consumption. Our efforts are also focused on minimizing the greenhouse gas emissions resulting from the energy usage.

Key Performance

Performance Indicator	Unit	2021	2022	2023
Investment on Energy Saving and Environmental Protection				
Investment on energy saving and environmental protection	RMB billion	/	/	72
Energy Use				
Total energy consumption	MWh	/	/	63,067,608
Green electricity purchase volume	100 million kWh	/	/	1.58
Average data center power usage efficiency	/	/	/	1.32
Direct energy use				
Natural gas consumption	Million cubic meters	13.4	12.8	12.6
LPG consumption	100 tons	1.6	1.5	1.5
Coal gas consumption	Million cubic meters	0.01	0.01	0.03
Coal consumption	10,000 tons	0.05	0.04	0.03
Gasoline consumption	Million liters	84.7	77.9	74.7
Diesel consumption	Million liters	10.5	9.3	8.4
Indirect energy use				
Purchased electricity consumption	100 million kWh	570.4	592.5	610.8
Purchased heat consumption	10,000 GJ	404.6	405.0	392.0
Energy use intensity				
Comprehensive energy consumption per unit of telecommunications services	Kg of standard coal/RMB 10,000	/	/	64.5

Rate of decrease in total energy consumption per unit of data traffic	%	21	15	13.16
Rate of decrease in total energy consumption per unit of total telecommunications services	%	21	14	12.99
Energy conservation				
Total electricity savings	100 million kWh	43.5	64.3	89.90
Equivalent cost savings reductions of the electricity savings	RMB 100 million	28.0	43.09	60.63
Equivalent GHG emissions reductions of the electricity savings	10,000 tons	265.4	366.70	512.65
Greenhouse Gas (GHG) Emissions				
GHG emissions (Scope 1 + Scope 2) ¹	Million tons	33.82	34.46	35.40
Total direct GHG emissions (Scope 1)	Million tons	0.24	0.22	0.22
Total indirect GHG emissions (Scope 2)	Million tons	33.58	34.24	35.18
GHG emission intensity per unit of data traffic (Scope 1 + Scope 2)	Tons CO ₂ e/TB	0.018	0.015	0.013
Rate of decrease in GHG emissions intensity per unit of data traffic	%	21	16	13.3
Scope 3 GHG emissions – Category 6: business travel ²	10,000 tons	4.72	3.47	7.05
Scope 3 GHG emissions – Category 7: employee commuting ³	10,000 tons	40.24	37.13	29.05
Exhaust Emission				
SO ₂ emissions ⁴	Tons	11.36	8.16	5.17

1: The Company adopts the operational control method for accounting greenhouse gases, including all related operational entities within the accounting scope. The type of greenhouse gas accounted for is carbon dioxide. The accounting standards are sourced from the *Accounting Methodology and Reporting Guidelines for Greenhouse Gas Emissions for Other Industrial Enterprises* published by the National Development and Reform Commission. The average greenhouse gas emission factor of the power grid is obtained from the *Notice of the Ministry of Ecology and Environment on the Management of Greenhouse Gas Emission Reporting of Enterprises in the Power Generation Industry from 2023 to 2025*. The carbon dioxide emission factor of outsourced heat is taken from the *Notice of the General Office of the National Development and Reform Commission on Issuing the Third Batch of Greenhouse Gas Accounting Methods and Reporting Guidelines for Enterprises in 10 Industries (Trial)*. The carbon dioxide emission factors for natural gas, liquefied petroleum gas, coal gas, gasoline, diesel were taken from the *2006 IPCC Guidelines for National Greenhouse Gas Inventories*, where gasoline density was 0.72Kg/L and diesel density was 0.83Kg/L.

2: The scope of greenhouse gas emissions statistics for business travel covers domestic units. The method of calculation is based on financial travel expense data, accounting for the starting and ending distances of domestic travel expense documents and modes of transportation. The carbon emissions are calculated by summing up the emissions based on the United States Environmental Protection Agency's corresponding unit mileage carbon emission factors. Among them, the carbon emissions from air travel are provided by the Company's suppliers, based on the International Air Transport Association's pre-flight standards, calculated by aircraft type and distance for the corresponding flight segment's greenhouse gas emissions data.

3: Employee commuting greenhouse gas data utilize an internally developed commuting carbon emission inventory mini-program, encouraging employees to regularly submit information on commuting mileage and modes of transportation. Based on the number of employees participating in the inventory (valid inventory participants exceed 355,000, with a coverage rate of nearly 80%) and the total greenhouse gas emissions inventory, the annual average commuting carbon emissions are derived. Then, based on the total number of employees under labor contracts, the Company's total commuting carbon emissions are estimated.

4: The theoretical value estimation is based on the emission calculation formula stipulated in the *Notice on Issuing the Statistical Report Form for Energy Conservation and Ecological Environmental Protection of Central Enterprises* (State-owned Assets Comprehensive [2019] No. 19).

※ Water Resource Usage

Management Practices and Main Actions

The Company strictly adheres to the relevant requirements of the *Water Law of the People's Republic of China* and the *Water Pollution Prevention and Control Law of the People's Republic of China*. In our daily production and operation, the Company promotes water conservation, encourages rainwater harvesting, rigorously controls sewage discharge, reduces unnecessary water resource consumption, and aim to achieve the established goal of zero growth in per capita managed water use.

The Company's routine office activities and production processes rely primarily on water supplied by municipal systems, eliminating any risk associated with water resources.

Key Performance

Performance Indicator	Unit	2021	2022	2023
Total water consumption	Million tons	43.32	35.97	37.41
Fresh water consumption	Million tons	/	/	37.12
Water use intensity	Ton/ RMB 10,000	0.51	0.38	0.37
Reclaimed water usage	Million tons	/	/	0.29

※ Waste and Material Use

Management Practices and Main Actions

The Company continues to strengthen the management of various types of solid waste, strictly adhering to national relevant laws and regulations in every aspect, including storage, transportation, and disposal, in order to prevent and control environmental pollution risks and continuously improve the overall utilization rate.

Key Performance¹

Performance Indicator	Unit	2021	2022	2023
Non-hazardous Waste ²				
Amount of general solid waste generated	10,000 tons	7.67	4.46	6.17
Amount of general solid waste comprehensively utilized	10,000 tons	7.88	4.63	6.35
Amount of general solid waste carried over from previous years comprehensively utilized	10,000 tons	0.45	0.68	0.18
Comprehensive utilization rate of general solid waste ³	%	96.89	88.61	100
Discharge intensity of general solid waste	Kg/RMB 10,000	0.90	0.48	0.61

Hazardous Waste ²				
Amount of hazardous waste generated	10,000 tons	2.10	2.74	3.9
Amount of hazardous waste disposed of	10,000 tons	2.35	2.63	4.09
Amount of hazardous waste carried over from previous years disposed of	10,000 tons	0.35	0.37	0.18
Disposal rate of hazardous waste ⁴	%	95.45	82.35	100
Discharge intensity of hazardous waste	Kg/RMB 10,000	0.25	0.29	0.39
Material Use				
Total amount of materials used in production of terminal equipment	Tons	14,521	12,308	12,270
Total amount of non-renewable materials used in production of terminal equipment	Tons	12	11	11
Total amount of renewable materials used in production of terminal equipment	Tons	14,509	12,297	12,259
Total amount of toxic and hazardous materials used in production of terminal equipment	Tons	0	0	0
Proportion of recycled feedstock used in production of terminal equipment	%	43.72	43.72	43.72
Proportion of recycled products and their packaging materials used in production of terminal equipment	%	99.91	99.91	99.91
Amount of packaging materials used per production unit of terminal products	Ton/ production unit	0.00041	0.000408	0.000409

1: In the coming years, China Mobile will make efforts to reduce general waste, electronic waste, and hazardous waste in its office and marketing activities. However, it is currently unable to anticipate specific targets due to the direct correlation between waste generation in network operations, the rapid development of the network, and the continuous iteration of equipment.

2: The solid waste generated by the Company's production and operations mainly consists of three categories: general waste, electronic waste, and hazardous waste. General waste mainly includes household waste, kitchen waste, office and marketing paper waste or packaging, construction waste, etc. Electronic waste mainly refers to electronic components and equipment replaced in base stations and machine rooms, as well as discarded equipment such as printers, copiers, fax machines, and computers in office and business operations. General waste and electronic waste are collectively referred to as general solid waste. Hazardous waste mainly includes exposed circuit boards and batteries discarded from base stations and server rooms, printer toner cartridges, ink cartridges, fluorescent tubes, and damaged or discarded smartphones, smart terminals, batteries, SIM cards, etc. in office locations.

3: The comprehensive utilization rate of general solid waste refers to the ratio of the comprehensive utilization volume of general solid waste in the reporting period minus the volume stored in previous years to the generation volume of general solid waste.

4: The disposal rate of hazardous waste refers to the ratio of the disposal volume of hazardous waste in the reporting period minus the volume stored in previous years to the generation volume of hazardous waste.

※ Green Supply Chain

Management Practices and Main Actions

The Company is committed to green procurement practices, actively working to develop environmentally friendly suppliers. Additionally, the Company has enhanced the use of sustainable packaging and engaged in recycling efforts. Through these actions and technological advancements, the Company aims to lead the supply chain towards more energy-efficient and emission-reducing practices.

Key Performance

Performance Indicator	Unit	2021	2022	2023
E-commerce transaction volume	RMB 100 million	5,717	6,339	7,910
Number of electronic procurement projects implemented	10,000	approx. 3.2	approx. 3.2	approx. 3.5
Amount of paper documents reduced due to the application of fully electronic procurement processes	10,000	approx. 69.9	approx. 69.2	approx. 75.7
Proportion of new main equipment with green packaging	%	> 80	> 80	> 80
Amount of wood saved	10,000 cubic meters	26.2	26.81	27.85

※ Environmental Compliance

Management Practices and Main Actions

The Company carries out the national decision-making and deployment on fighting pollution prevention and control, clarifies the responsible departments and establishes emergency response plans and preventive and control measures for the environmental management of major risk points, such as air, water and soil, solid waste, electromagnetic radiation, noise and so on.

※ Eco-Friendly Products and Services

Management Practices and Main Actions

The Company develops various digital applications and services to meet the information needs of various industries and individual users, improving efficiency in production, daily life, and social governance, and contributing to energy conservation and carbon reduction in the economy and society. Through products such as MIGU Reading, ViLin, Mobile Cloud, Big-Screen Video-on-Demand, MIGU Video, Cloud Games, and And-Education, we not only provide online convenience to users but also reduce the energy and resource consumption associated with traditional reading, meetings, entertainment, and learning methods. The Company seizes the opportunity of the development of new-generation technologies and creates digital application demonstrations for multiple industries, helping them optimize production methods and management models, effectively improve resource utilization efficiency, reduce costs, and actively promote the reduction of greenhouse gas emissions in various sectors.

Governance Performance

※ Corporate Governance

Management Practices and Main Actions

The Company is dedicated to advancing the governance modernization efforts. By the end of 2023, our board of directors is comprised of 8 directors, overseeing various committees such as the Audit, Nomination, Compensation, and Sustainable Development Committees, each playing a crucial role in the governance structure.

Key Performance

Performance indicator	Unit	2021	2022	2023
Number of directors	Number	8	8	8
Number of executive directors	Number	4	4	4
Number of independent directors	Number	4	4	4
Number of female directors	Number	0	1	1
Number of male directors	Number	8	7	7
Proportion of female directors	%	0	12.5	12.5
Average tenure of Board members	Year	5.6	4.8	4.0
Number of Board meetings held within the year	Number	11	12	7
Average attendance rate of Board meetings	%	89.0	85.0	96.5
Number of proposals reviewed by the Board throughout the year	Number	71	50	51

※ Tax Management

Management Practices and Main Actions

The Company is committed to adhering to the tax laws and regulations in China and wherever we operate, upholding principles of integrity and legality in our tax practices. The Company has established a dual-level tax management structure where the headquarters oversees overall tax management activities, and the individual units are tasked with their specific tax responsibilities and supporting tax-related aspects of their operations. Aligning with both our internal and external development realities, the Company has made "compliant taxation to support strategic transformation" our guiding principle in tax affairs. The Company has developed policies like the *China Mobile Tax Management Measures and the China Mobile Invoice Management Measures* to ensure meticulous compliance with tax obligations and the application of tax reduction strategies, alongside tax planning in business management. In 2023, the Company proactively monitored and analyzed significant financial and tax policy impacts, offering yearly updates and training on financial and tax matters to ensure the tax practices meet legal standards. The Company also embarked on a digital electronic invoicing pilot, enhancing the tax calculation and risk management processes and leveraging digital technologies to boost the efficiency of the tax operations.

Key Performance

Performance Indicator	Unit	2021	2022	2023
Taxes paid	RMB 100 million	359	373	386

※ Business Ethics and Anti-Corruption

Management Practices and Main Actions

The Company is committed to upholding the highest standards of business ethics, taking a firm stance against corruption with a zero-tolerance policy for any detected corrupt practices.

Improvement of policies and procedures: The Company has introduced the *China Mobile Integrity Commitment System (Trial)* to widen the integrity commitment's scope, specifically targeting the contract signing process, integrity management for exiting and retired staff, and the procedures for handling breaches of this commitment.

Enhancement of the integrity culture: The Company focuses on critical sectors like marketing, business market, network, and the supply chain, to provide targeted integrity education. The Company has compiled a *Collection of Typical Cases of Misconduct by China Mobile Employees and Their Relatives* to make our cautionary education more relevant and effective. Additionally, the Company recognizes and promotes outstanding integrity culture practices within the company.

Strengthening integrity risk management: The Company has paid special attention to areas prone to integrity issues, integrated risk management strategies across all levels of operation to tackle potential integrity, operational, and management risks. By leveraging digital solutions for risk management and sharing successful case studies, the Company aims to address and prevent various forms of corruption, enhancing our grassroots governance and integrity risk management capabilities.

Opening channels for reporting: Postal mailbox, address: Building A, 29 Financial Street, Xicheng District, Beijing, 100033; onsite receipt of reports during supervision and inspection work; CEO mailbox, for employees and members of the public to report any improprieties.

In line with the regulatory guidelines, information on corruption incidents within the Company is confidential. For details on corruption cases and outcomes that have been made public, please refer to the Central Commission for Discipline Inspection and National Supervisory Commission's website.

Key Performance

Performance Indicator	Unit	2021	2022	2023
Anti-corruption and integrity education events held	Number	11,390	11,524	13,705
Anti-corruption and integrity education employee coverage rate	%	> 90	> 90	> 90
Number of people receiving anti-corruption and integrity education and training	Number	786,085	724,519	833,181

※ Value Chain Management

Management Practices and Main Actions

The Company has implemented a comprehensive suite of 32 supply chain management policies that encompass areas such as procurement, logistics, compliance, risk control, supplier relations, quality assurance, and digital transformation. This framework is underpinned by a closed-loop management approach of planning, execution, assessment, and optimization, aimed at elevating the efficiency, standardization, and detail-oriented management of our supply chain.

Efficiency in procurement: The Company has adopted multiple procurement strategies including batch, consolidated, and centralized procurement, alongside collaborative execution to bolster the intensive management approach. In 2023, the Company achieved a remarkable centralization rate of over 99.9% in the procurement activities, reducing the average time for procurement projects to 40 days, marking a 4-day improvement from the previous year.

Smart procurement initiatives: A centralized supply chain management system is built, forming six core capabilities: e-commerce guidance, full-process structuring, centralized order center, warehousing standard management, centralized unified portal, and quality closed-loop management; a unified electronic procurement and bidding system is constructed to support the digitization of sourcing processes for all procurement methods such as bidding, selection, inquiry, competitive negotiation, and single source.

Strengthening compliance in procurement: Adhering to the principles of "openness, fairness, justice, and honesty", efforts are made to create a fair and healthy business environment and a transparent and standardized procurement environment. In 2023, bid collusion identification rules were first issued in the industry, clarifying the principles and work requirements for directly identifying collusion and suspected collusion, striving to curb improper market competition behaviors such as bid collusion (response); applying smart compliance digital platform, checking procurement documents before procurement, assisting in discovering improper behaviors such as supplier bid-rigging and fraud during procurement, and checking the implementation process after procurement, effectively supervising procurement work; promoting standardized bid evaluation rooms in bidding and selection projects to ensure the review process is transparent.

Quality management: The *China Mobile Centralized Procurement Product Quality Management Measures* and the *China Mobile Implementation Rules for Tier 1 Centralized Procurement Quality and Contract Fulfillment* and other guidelines are formulated to strengthen product quality management of cooperative suppliers. In 2023, factory inspections were carried out for tier 1 centralized procurement products in 6,697 batches, arrival inspections in 8,809 batches, and flight inspections in 25 batches.

Supporting SME growth: Through electronic procurement, the payment cycle is shortened by more than 55%; supporting small and medium-sized enterprises, reducing or waiving bid security deposits by RMB 320 million throughout the year. By the end of 2023, among the suppliers of centralized procurement, more than 85% are private enterprises, and over 90% are small and micro enterprises.

Key Performance

Performance Indicator	Unit	2021	2022	2023
Number of suppliers				
Number of centralized procurement suppliers ¹	Number	20,600	18,798	15,681
Number of suppliers by region				
Number of procurement suppliers in Eastern China	Number	6,074	5,592	4,857
Number of procurement suppliers in Northern China	Number	3,292	2,967	2,899
Number of procurement suppliers in Central China	Number	1,909	1,813	1,468
Number of procurement suppliers in Southern China	Number	2,391	1,746	1,755
Number of procurement suppliers in Southwest China	Number	2,169	1,899	1,496
Number of procurement suppliers in Northwest China	Number	2,286	2,000	1,920
Number of procurement suppliers in Northeast China	Number	2,479	2,781	1,283
Number of overseas centralized procurement suppliers	Number	0	0	3
Number of suppliers by category ²				
Number of Tier 1 centralized procurement suppliers	Number	842	754	671
Number of Tier 2 centralized procurement suppliers	Number	20,432	18,580	15,444
Suppliers localization				
Proportion of local suppliers ³ in Tier 1 centralized procurement suppliers	%	100	100	99.7
Proportion of local suppliers ⁴ in Tier 2 centralized procurement suppliers	%	62.92	67.40	62.6
Information verification of suppliers				
Number of information verifications on Tier 1 centralized procurement suppliers	Number	2,312	1,510	1,371

E-procurement system				
Number of launched projects in the e-procurement and bidding system	Number	/	32,018	35,461
Number of suppliers in the e-procurement and bidding system	Number	/	339,319	371,743
Number of experts in China Mobile procurement evaluation expert pool	Number	50,617	49,901	49,446

1: The 2023 data is for newly contracted suppliers and does not include suppliers who signed contracts before 2023 but whose contracts have not expired.

2: Some companies are both Tier 1 centralized procurement and Tier 2 centralized procurement suppliers, and the number of centralized procurement suppliers is equal to the number of Tier 1 centralized procurement suppliers and the number of Tier 2 centralized procurement suppliers after the removal of weight.

3: Local suppliers in Tier 1 centralized procurement refer to domestic suppliers.

4: Local suppliers in Tier 2 procurement refer to provincial suppliers.