

---

# A Digital Future Achieved Together

---

- 36 Cementing Leadership in Innovation and Accelerating Transformation and Development
- 43 Committing to Green Development and Environmental Protection
- 48 Facilitating Employee Growth and Fostering Innovative Talents

# 06

## Cementing Leadership in Innovation and Accelerating Transformation and Development



### Leading 5G Innovations

As 5G technologies continue to mature, the 5G era, an era of intelligent Internet of Everything, is just around the corner. China Mobile continues to drive up 5G technology R&D, explore the forms of 5G products, and extend 5G application scenarios to areas such as smart factory, new media and smart transportation. The Company joins forces with business partners to boost the Internet-based, digital and intelligent development of all sectors and jointly deliver a beautiful 5G lifestyle.

#### Successfully Building the First 5G Smart Power Plant

In January 2019, China Mobile completed the first 5G-based multi-scenario smart power plant end-to-end business verification exercise in China at Jiangxi Photovoltaic Power Plant in collaboration with industry partners. Based on China Mobile's 5G networks, the power plant successfully materialized a number of smart energy application scenarios, delivering significant breakthroughs in the application of 5G technologies in the smart energy sector.

- Drone patrol inspection and robot patrol inspection scenario: Based on the platform, the Centralized Control Center in Nanchang remotely controls drones and robots at the Gongqing Photovoltaic Power Plant to perform patrol inspections. The HD inspection footages are then transmitted back to the control center in Nanchang in real time, realizing the transition of the mode of equipment control from local to remote.
- Intelligent security protection scenario: Realizing real-time monitoring and integrated environmental surveillance at the power plant through panoramic HD cameras.
- Personnel operations scenario: Audio & video and location functions enabled by intelligent wearables allow experts in Nanchang to provide remote guidance for on-site maintenance and repair personnel at the power plant.

#### Helping China Media Group Deliver Its First "5G+4K" Spring Festival Gala Live Broadcast

In 2019, the Spring Festival Gala was successfully live-streamed over 5G networks in 4K ultra high-definition through a concerted effort among China Mobile, China Media Group and relevant partners, the first time since the program debuted. The broadcast is not only a 5G application demonstration that has received the largest viewership in history but also an integration between the traditional Chinese New Year and state-of-the-art 5G technologies.

With the support of China Mobile's 5G networks, 4K ultra high-definition footages of the Spring Festival Gala Shenzhen parallel session were transmitted to the China Media Group Studio in Beijing in real time without lag and presented to the audience. This is a perfect demonstration of the characteristics of 5G such as high speed and low latency and lays the foundation for the large-scale application of ultra-high-definition video technologies in the era of 5G.

## Building the Wuxi Internet of Vehicles City-level Demonstration Application Project

The Wuxi Internet of Vehicles City-level Demonstration Application Project led by China Mobile is a joint effort between China Mobile and nearly 30 partners and currently the world's largest city-level Internet of Vehicles. The project opens up over 40 traffic control data items, materializing more than 30 application scenarios including push notifications for traffic light information as well as warnings for vehicle front collisions and pedestrians crossing the street. The project has played an effective role in improving the public's mobility experience and enhanced the smart traffic management of cities.

In 2018, we comprehensively advanced the maturity of 5G technologies with a view to realizing 5G pre-commercial use in 2019 and large-scale 5G commercial use in 2020.

### Actively applying new technologies

- Led the setting of 5G network framework international standards and played a primary role in advancing 5G terminal testing and certification standards at the 3GPP (3rd Generation Partnership Project) and GCF (Global Certification Forum).
- Launched the 5G Terminal Pioneers Plan and rolled out large-scale 5G pilot network construction in full.
- Core thesis on large-scale 5G antenna won the Fred W. Ellersick Prize 2018 Best Paper Award presented by IEEE (Institute of Electrical and Electronics Engineers), the first time the prize has been independently received by a Chinese industry sector/R&D organization.

### Striking out in new directions

- Announced plans for the first batch of 5G terminal products in collaboration with industry players, introduced China Mobile's first self-owned brand 5G terminal, and published the White Book on 5G Universal Modules showcasing its achievements.
- Set up industry research institutes in Xiong'an New Area, Chengdu and Shanghai, and incubated realizable and scalable 5G demonstration applications with a focus on industry, agriculture, healthcare, education, transportation, finance, smart cities and other verticals to promote the integration between digital economy and real economy.

### Building a new ecosystem in concerted efforts

- Initiated the O-RAN Alliance for wireless network architecture geared to building "open", "open-source" and "intelligent" wireless networks with high flexibility and low cost.
- Reinforced communication and cooperation with international telecommunications enterprises in new technology R&D, new application expansion, new model exploration and other areas to push towards coordinated innovation and shared growth in the 5G era.
- Upgraded the China Mobile 5G Innovation Center to an innovation incubator with 260 partners and 20 open laboratories set up worldwide, representing a concerted effort to accelerate the innovative application of 5G.



## Deepening Industry Transformation

Drawing on its continuously improving independent R&D capabilities, China Mobile actively explores the new "Internet + digital content" operating model and delivers new experiences and new scenarios made possible by technological innovations, thereby actively preparing itself for the new competitive landscape.

### Enhancing Independent Innovation Capabilities

The Company continues to strengthen its R&D organizational system to improve its R&D capabilities in frontier technologies. In 2018, we set up second-tier R&D institutes in 10 specialized services companies and directly affiliated units. We also established an intelligent hardware innovation center to undertake all work related to the Company's proprietary branded intelligent hardware such as frontier technology research, product design and R&D as well as manufacturing and supply chain management. The center equips us with the core capability to independently develop full-lifecycle intelligent hardware and develop an intelligent hardware ecosystem, thus propelling the large-scale and innovative development of intelligent hardware in China.

The Company works to improve its core capabilities for R&D on proprietary branded products on all fronts by comprehensively sorting out its technological capabilities, constructing its R&D capability map and deepening its R&D mechanism reform. In 2018, we completed the first phase of the construction of scientific and technological achievements sharing platform and hosted nine "Scientific and Technological Achievements Day" events, facilitating the promotion of scientific and technological achievements that takes various forms, spans different points in time, and covers multiple fields.

In terms of proprietary intellectual property rights, the Company actively fosters a culture where independent innovations are valued and protected. In 2018, we filed 2,222 patent applications and 1,040 patents were newly granted. We also held week-long proprietary property awareness activities, improved our mass entrepreneurship and innovation IP management, and continued to explore IP operations.



### Innovative applications

- Our customer service intelligent answering system “Yiwa” is currently the world’s biggest intelligent customer service system.
- Our products, including Business Converged Gateway, With Seedlings children’s watch, and Find Him/Her Locator, won a number of awards such as Red Dot, METIS, and IDEA.
- We launched a range of new AI products such as Witness Comparison All-In-One, intelligent loudspeaker, And-MU camera, and Penetrating Eyes, based on the application of new AI technologies such as intelligent voice and machine vision.



### Proprietary brands

- Introduced proprietary branded intelligent hardware products across the four major areas of households, individuals, industries and chip modules.
- Accelerated deployment in the area of new retail and launched a new independent terminal pilot, effectively enhancing the efficiency of existing channels.
- Completed the preliminary development of image recognition, voice recognition, user portrait, big data analysis and other functions, with services like face recognition and intelligent app recommendation already applied in the end products N5 and N5 pro, our self-owned brand cell phones.

## Operating Digital Content Ecosystem

The increasingly enriched technological means have provided people with a brand-new content consumption experience. With a focus on digital content upgrading, and taking the live broadcast of the 2018 FIFA World Cup as an opportunity, China Mobile thoroughly implements our “Internet + digital content” operations model, providing users with a full-scale immersive experience.

### Management innovations

- The triangle management model has enabled digital content-focused collaboration among our headquarters, specialized services companies and provincial subsidiaries, building the coordination matrix encompassing marketing, contact points and content.
- Became the first telecom operator to deliver networks that spanned broadcasting and TV companies, Internet companies and telecom operators, and obtained the IPTV transmission license plate, starting a new era of China Mobile IPTV.



### Business innovations

- Created content IP and originally developed diversified content formats.
- Developed big data-based targeted marketing.

### Service innovations

- Enhanced product experience based on a number of innovative technologies such as cloud editing, split screen and multiple angles.
- Created a full-scale immersive experience.

## Operating Big Sports IP – World Cup

In 2018, Our MIGU brand was selected to be the official partner for CCTV live stream new media and telecommunications transmission of the FIFA World Cup held in Russia. This is the first time that a Chinese telecommunications operator has been given the live streaming rights for a major international competition. We delivered the live broadcast of all 64 matches to 4.3 billion viewers (person-times), utilizing new services and functions to enable a brand-new, high-definition and smooth viewing experience.

### “Three-dimensional” presentation of the World Cup in true colors

We achieved live broadcast of original images at 50 frames per second on small screens (handsets); as for big screens (TV), the real 4K image quality boasted a resolution four times higher than 1080P; the application of HDR technologies allowed viewers to capture the smallest detail on the field.

### “Interactive” experience for a fun World Cup

Features such as split screen and multiple angles fully satisfied viewers’ personalized needs for watching the World Cup; content and activities such as World Cup theme music, audio live streaming and virtual run-to-Russia initiatives offered users the opportunity to be fully “engaged” in the matches.

### AI Live Stream Editor

The Editor tools can accurately capture important scenes such as shots, fouls and penalties before editing and slicing the footages in real time using AI technologies to immediately bring the wonderful clips to viewers.



## Reinforcing Compliance Management

Honesty and compliance are the cornerstones of a business and the lifeline of its sustainable development. China Mobile commits firmly to honesty in all its operations, operationalizes a culture of rule of law, and complies with relevant laws and regulations. The Company continuously improves its compliance system as well as its management of risks, anti-corruption compliance and supply chains in all respects and makes an all-out effort to progress its culture of compliance, thereby ensuring healthy development.

### Complying with Laws and Regulations

The Company adheres to the governance value and philosophy of “compliance with laws and respect for rules”. Internally, we reinforce all employees’ identification with and faith in rule of law, instill the spirit of integrity and commitment in our employees, and guide our employees to strictly comply with rules, thereby providing rule-based safeguards for the Company’s healthy development. Externally, the Company fulfills its part as a corporate citizen by running law awareness public welfare campaigns.

We continued to implement our Compliance Escort Plan in 2018, striving for all-round enhancements in our ability to implement the rule of law and compliance management and ensuring lawful operations and proper management.



China Mobile issued ten compliance guidelines regarding market competition, anti-bribery in commerce, cooperation with law enforcement, information security, bidding and procurement, project construction, labor and employment, network security, conflict minerals, and export control, further reinforcing close-loop compliance risk management.

With respect to overseas investment, the Company always begins with an in-depth analysis of the macro environment and industry trends of target markets and fully considers the economic, social and environmental impact or value of the projects as a key determinant of investment decisions at all stages such as investment planning, opportunity selection, project implementation and investment decision-making.

We live the core corporate value of “Responsibility Makes Perfection”, comply strictly with laws and regulations on human rights protection, and play an active role in protecting the interests of vulnerable groups. Since becoming a member of the UN Global Compact in 2007, we have supported and actively implemented the UNGC Ten Principles, respecting and protecting internationally recognized human rights.

For information on our corporate governance and specific financial performance, please refer to our annual report or website [www.chinamobileltd.com](http://www.chinamobileltd.com).

### Risk Control

Our risk evaluation follows a three-tiered management structure comprising the Audit Committee, the departments responsible for functional management, business as well as supervision and evaluation, and the Internal Control and Risk Management Expert Bank at the functional position level, with which we achieve specialized management over planning, decision-making, execution and implementation, thereby ensuring the continuous improvement and effective implementation of our internal control system. Having established regular risk assessment mechanisms and procedures, we conduct major annual risk assessment to evaluate our risk exposures and levels in areas such as strategy, market, finance, operations, legal and compliance as well as information technology, and gradually implement risk control measures and requirements.

By further refining our risk prevention and control measures, we continued to strengthen monitoring over all kinds of risks in 2018. For each type of risks, we have developed a task breakdown template setting out specific countermeasures and work plans, embedding requirements for risk management into our daily work. We organized training on internal control and risk management and set up a tiered and categorized training system to enhance the risk management awareness of all employees.

In terms of internal audit, an Internal Audit Department is set up both at the Company's headquarters and its operating subsidiaries. They undertake financial audit, internal control audit, information system audit, risk evaluation and related work to deliver independent internal audit at each affiliated unit and improve the Company's risk prevention and management capabilities. In 2018, we intensified audit supervision over areas such as Internet channels, information security and asset management to improve risk prevention and control, and also pushed forward information-based audit based on an in-depth application of technologies such as big data and cloud computing, remarkably enhancing the efficiency and effectiveness of our audit.

## Anti-corruption

China Mobile's domestic operating units comply strictly with relevant laws and regulations such as the Supervision Law of the People's Republic of China, and our overseas operating units all act in full compliance with local anti-corruption and anti-bribery laws and regulations. We gradually improve our four-in-one anti-corruption work system of "education, prevention and control, punishment, and accountability" to build a corruption free company.

 <p>Improving anti-corruption mechanism system</p>	<p>In 2018, China Mobile formulated 15 regulations and regulatory documents including the "Guideline on Continuously Deepening Construction of Embedded Integrity Risk Prevention and Control Mechanism" and the "Provisions on Implementing the Eight-point Regulation of the Centre and Further Deepening Conduct Construction" to further solidify our anti-corruption mechanism system construction.</p>
 <p>Strengthening integrity risk prevention and control</p>	<p>We improved integrity risk prevention and control by conducting bottom-up checks and establishing an integrity risk assessment system, exploring a maturity rate evaluation model for embedded prevention and control and compiling an evaluation manual, and setting up an important node normalized reminder and supervision mechanism.</p>
 <p>Improving supervision and accountability mechanism</p>	<p>We listed "micro corruptions" that harm customer and employee interest as one of our priorities for internal supervision and inspection. We conducted an investigation at our grassroots units and clarified corrective measures for prominent issues to drive effective rectification.</p> <p>We compiled the "Work Guideline on Patrol Inspections 2018" and the related work manual to specify rules on patrol inspections. We established and deepened the embedded integrity risk prevention and control mechanism for the patrol inspection work stream to further standardize the work of patrol inspection at all levels.</p> <p>We established robust internal and external supervision mechanisms through reporting channels such as email, dedicated phone number, CEO mailbox and on-site reporting during supervision and inspection. In 2018, the Company received 1,263 reports in the form of letters/visits, 85% of which have been handled and concluded.</p>
 <p>Improving anti-corruption education on all fronts</p>	<p>We actively organized employee anti-corruption education and training programs and gave equal importance to concentrated education and daily education to develop an all-round, three-dimensional anti-corruption and integrity education structure.</p> <p>We held the anti-corruption and integrity awareness month for the eighth consecutive year and provided innovative anti-corruption and integrity trainings complementary to face-to-face lectures with online education platforms such as a dedicated learning area in our Online University, MMS classrooms, video conferences and intranet live broadcasts to drive stronger employee engagement.</p> <p>In 2018, the Company held 3,717 anti-corruption and integrity education activities, covering over 90% employees.</p>

## Reinforcing Product Responsibility

China Mobile pays close attention to end product quality management and ensures product quality through measures such as continuously improving our end product quality evaluation system and standardizing our product labeling and advertising information communication.

For our proprietary branded products, we adopt a comprehensive quality management approach and develop corresponding guidance documents targeting product establishment, R&D, production and sales. We conduct product quality checks in four aspects, namely project quality review, company stock entry quality audit, national or industry test and certification, and post-launching spot checks. Pursuant to the guidance documents, we have measures in place to address products that do not pass quality checks, which include upgrade or repair, recall, rework, and the imposition of fines, depending on the severity of the problems. In 2018, we continued to reinforce special testing and evaluation of our personal, home and IoT end products to detect and resolve various problems in a timely manner and implement stringent quality control.

We act in strict compliance with the Advertising Law of the People's Republic of China and the Trademark Law of the People's Republic of China. We have formulated regulations including the China Mobile Management Measures on Advertising and Publicity, clearly requiring all types of information published for advertising purposes to be true and accurate, forbidding the use of unregulated pictures, terms or texts, and strictly prohibiting the unauthorized use of other people's portraits, registered trademarks, or works, etc., to ensure that our product information and labeling are faithfully communicated and that we engage in transparent and effective communication with our customers. Pursuant to the requirements of the Ministry of Industry and Information Technology of China, we further regulated tariff marketing management to ensure that our tariff plans are simple, clear, explained in standard terminology, and free from ambiguity.

## Supply Chain Management

China Mobile endorses win-win partnerships with suppliers and works actively to create an open, fair, trustworthy and honest value chain. In 2018, we continued to clearly stipulate our supplier cooperation requirements and improve our test and assessment processes, thus gradually enhancing our responsible procurement management capabilities, with 100% of our partnering first-level centralized procurement suppliers having received our assessment.

### Operational guidance to suppliers

- We publicly published the China Mobile Suppliers Cooperation Guidelines, explicitly requiring our suppliers to fulfill their tax obligations, actively pay for social security and obey legal and regulatory rules for legal employment, labor protection, occupational well-being and safety, social responsibility, environmental protection, etc.
- We devised the China Mobile Supply Chain Policy on Conflict Minerals and China Mobile Guidelines on Supply Chain Due Diligence Procedures for Conflict Minerals, demanding suppliers to investigate into and report the use of conflict minerals in the supply chain.
- We formulated the China Mobile Code of Conduct on Professional Integrity for Purchasing Personnel, requiring supplier managers to sign a Business Integrity Pledge, thereby guaranteeing that the procurement activities are standardized and fair.

### Supplier risk management

- We regard supplier risk management as part of the Company's overall risk assessment and perform comprehensive assessments on the economic, environmental and social risks of our suppliers by means of on-site inspections, questionnaires, external sustainability agencies, stakeholder information, external database, public opinion supervision, etc.
- We use certificates for SA 8000 (Social Accountability), OHSAS 18001 (Occupational Health and Safety Assessment Series) and ISO 14000 (environmental management standards) as criteria for assessing suppliers' overall capabilities, and perform on-site inspections; we require suppliers without such certificates to provide supplementary explanation as regards employee safety and well-being, environmental protection, social contributions and other aspects.
- We formulated the China Mobile Management Measures on Negative Acts of Tier-1 Centralized Suppliers, specifying punishment standards and work procedures, and helping suppliers rectify negative actions and enhance their integrity.



## China Mobile and SDGs

### Our Sustainable Development Rationale

The arrival of the 5G era has presented telecommunications operators with new opportunities for developing the next generation of ICT infrastructure and extending their digital service offerings as well as new possibilities for building sustainable cities and communities. In response, China Mobile actively leads the development of 5G technologies and industries, enhances the construction of innovative systems, and strives to facilitate the realization of the SDGs by comprehensively improving its independent innovation capabilities, building an industry cooperation innovation mechanism, and collaborating with stakeholders in the R&D and promotion of 5G intelligent applications and solutions. At the same time, the Company continuously improves its compliance management and endeavors to establish an all-encompassing integrity risk prevention and control mechanism to continuously reinforce product responsibility and drive stronger sustainability management in the supply chain so as to promote its own healthy development as well as that of the entire industry.

### Key Performance Indicators

Indicator	2016	2017	2018
<b>Financial Performance</b>			
Operating revenue <sup>1</sup> (RMB100 million)	7,084	7,405	7,368
Taxation (RMB100 million)	356	337	359
<b>R&amp;D and Innovation</b>			
Number of patent applications (pieces)	1,684	2,006	2,222
Number of newly registered patents (pieces)	684	753	1,040
<b>Compliance and Anti-corruption</b>			
Number of Board Meetings in the year	4	4	4
Number of anti-corruption education activities in the year	3,951	3,580	3,717
Participation of anti-corruption education and training (person-times)	696,106	722,720	759,810
Number of corruption cases disciplined in the year	232	275	321
Number of employees dismissed and disciplined for corruption in the year	302	414	433
<b>Supply Chain Management</b>			
Number of suppliers	7,243	8,039	7,216
Number of first-level suppliers	553	571	480
Percentage of first-level local suppliers <sup>2</sup> (%)	100	100	100
Number of second-level suppliers	7,148	7,468	6,736
Percentage of second-level local suppliers <sup>3</sup> (%)	44.29	55.69	80.35
Number of assessments on first-level suppliers <sup>4</sup>	2,393	2,417	2,194

Note:

1. The Company has applied the new revenue standard (IFRS/HKFRS 15) since January 1st, 2018.
2. Percentage of first-level local suppliers means the proportion of domestic suppliers (registered in Mainland China) in all suppliers for the first-level procurement. We did not conduct any international tendering projects in 2018, thus did not have any international supplier.
3. Percentage of second-level local suppliers means the proportion of suppliers registered in a province for the second-level procurement of that particular China Mobile provincial subsidiary.
4. The number of supplier assessments carried out by our Procurement Shared Service Center, covering both winning and non-winning suppliers for the first-level procurement.

### Our Achievements in 2018

- Extended 5G service applications to various fields such as intelligent life and smart transportation, accelerated the maturity of 5G technologies on all fronts, and contributed to an intelligent, beautiful lifestyle in collaboration with partners
- Established industry research institutes and second-tier R&D research agencies in Xiong'an New Area, Chengdu and Shanghai and set up smart hardware innovation centers, thereby deepening R&D mechanism reform, enhancing comprehensive independent R&D capabilities, and advancing the Company's digital transformation and development
- Enhanced our compliance institutional system, continued to promote the Compliance Escort Plan, and further intensified risk prevention and control as well as anti-corruption education

### Our Goals for 2019

- Accelerate 5G scale experimentation and application innovation with a view to realizing 5G pre-commercial use in 2019 and 5G commercial use in 2020 so as to jointly advance the maturity of the 5G industry
- Work with business partners to develop 5G innovation demonstration projects to provide novel infrastructure and intelligent applications that support the construction of sustainable cities and communities
- Further optimize compliance and anti-corruption management, solidify the construction of a culture of integrity, and leverage our leading position in the industry to realize healthy development with higher standards





## Committing to Green Development and Environmental Protection

### Combating Climate Change

Greenhouse gas emissions are a major contributor to climate change. Pursuing green, low-carbon development and coping with climate change have become the global consensus. China Mobile has developed a climate strategy centered on energy conservation and emission reduction and has made a positive contribution to showing down global warming by continuously promoting the Green Action Plan since 2007 and enhancing its environmental management capabilities.

In 2018, we formulated the “Guideline on China Mobile Green Action Plan 2018”, reinforcing management at source, promoting “whole-process, full-stage, all-employee” energy conservation and emission reduction and making sure that our operations complied with the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People’s Republic of China on Conserving Energy, and other relevant laws and regulations.

### Improving Environmental Management System

- Building a comprehensive risk management system whereby the issue of climate change is incorporated into various stages including the identification, screening, integration, ranking and management of risks and opportunities, and formulating and improving the Environmental Management System.
- Identifying the departments responsible for energy conservation and emission reduction management, and including indicators such as total energy consumption per unit of telecom business and power usage effectiveness (PUE) into the employee performance appraisal system of subsidiaries, and forming energy conservation and emission reduction working groups to oversee the management of climate change and energy related issues in business, networks and office activities.
- Improving the Carbon Emissions Management System, demonstrating our climate change strategy, management system, risks and opportunities as well as carbon emissions management performance from the dimensions of disclosure, awareness, management and leadership, and promoting the fulfillment of carbon trading commitments at China Mobile’s headquarters, China Mobile Beijing Company, and CM Tietong’s headquarters and Beijing branch.
- Creating an energy management system that covers 31 provincial subsidiaries and hiring third-party organizations to perform energy audit and authentication, in order to implement overall monitoring of the Company’s daily energy consumption indicators.
- Pushing forward ISO 14001/50001 environmental/energy management system certification efforts, with our provincial subsidiaries in Beijing, Guangdong, Zhejiang, Fujian and Shaanxi (as well as their city-level subsidiaries) certified to have demonstrated compliance with international standards for environmental/energy management.
- Strengthening environmental information disclosure and management and continuously improving environmental management measures through participation in CDP (Carbon Disclosure Project) and other relevant industry evaluation surveys.



## Reducing Resource Consumption

China Mobile attaches great importance to the reasonable utilization of resources and fulfills its commitment to building a sound ecosystem and environment by intensifying technological innovations, promoting green operations and management both within the Company and in the value chain, and enhancing the environmental awareness of employees and the wider public.

### Intensifying Energy Reduction Renovations

Since 2008, China Mobile earmarks a special budget for energy conservation and emission reduction every year to be used for energy-efficient renovations at base stations, data centers, office buildings and stores. In 2018, we further reinforced energy conservation management at our data centers to minimize costs and enhance efficiency. In terms of management approach, we gradually improved the energy efficiency monitoring and management and control system at our data centers, increasing the ambient temperature in machinery rooms and implementing an intelligent air conditioner group control mechanism. On the technology front, we encouraged the use of more energy-efficient integrated rack servers and multi-node servers and recommended putting servers on dynamic energy-efficient operations mode. We also adopted a range of technological renovations in the machinery room facilities, including airflow organization optimization, natural cold source application, air conditioner cold source transformation, waste heat recycling, etc. to continuously improve the energy efficiency at our data centers.

In 2018, China Mobile International Information Port Phase-I Data Center, Southern Base Cloud Data Center, Shanghai Ningqiao Data Center, Guizhou Data Center were included in the first batch of national green data centers. Compared with the previous year, the Company's overall energy consumption per unit of information flow decreased by 57% and the overall energy consumption per unit of telecom business decreased by 53%.

### Innovating Environmental Protection Applications

China Mobile is actively involved in developing and applying energy-efficient technologies such as 4G base station sleep technology and multi-network coordination energy-saving system as well as innovating and exploiting low-carbon information-based applications and products. At the same time, the Company strives to enhance the proportion of renewable energy sources in areas rich in clean sources of energy such as solar, wind, water and hydrogen but lacking traditional electrical power to drive energy conservation and emission reduction in the whole society.

In 2018, we further promoted low-carbon applications such as intelligent charging points and smart meter reading. Income from our low-carbon information-based applications accounted for approximately 7.3% of the Company's annual revenue. Meanwhile, we intensified R&D of 5G energy-efficient technologies and launched environmental protection guardian products based on frontier "IoT + AI + big data" technologies, realizing 24/7 real-time monitoring over air quality and facilitating the construction of a complete, regionally integrated air pollution monitoring network boasting enhanced effectiveness in environmental protection.

### Promoting Green Operations

China Mobile actively implements green operations by promoting the use of online office software such as Cloud Video System and Conference Assistant as well as paperless office systems such as OA, mail, supply chain management, and the electronic procurement and bidding system. Meanwhile, the Company cultivates its employees' low-carbon habits by advocating green, healthy and energy-efficient lifestyles. In 2018, 35,774 projects were posted in our electronic procurement and bidding system, and the wholly electronic procurement process resulted in the reduction of about 141,000 paper-based bidding documents.

#### Energy Conservation Awareness Week Featuring Green Connectivity

Our Energy Conservation Awareness Week, themed "Green intelligent connectivity; a future created together", continued in 2018. Through offline activities such as "Low-Carbon Life Hacks" and "Count Me in Environmental Protection" and the online annual "Carbon Emissions Test", the Company promoted energy conservation and environmental protection measures among its employees and the wider public based on its own business platform and channels like new media.



Scan to watch  
China Mobile Energy  
Conservation  
Awareness Week  
Proposal video.

### Water Resource Management

In strict compliance with related 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, China Mobile continues to intensify management over daily water use, strictly controls the emission of waste water, advocates water conversation, and encourages the recycling and reuse of rainwater and reclaimed water, thereby reducing the consumption of water resources.

In 2018, we further reinforced the management of water use in our machinery rooms, management rooms and stores, realizing zero growth in the average water use per person in management rooms. A rainwater collection and utilization system was built in China Mobile (Xixian New Area, Shaanxi) mobile data center phase I. The system collected, processed and stored rainwater, which was then used as a supplementary water source for watering greens and washing roads, thus enhancing the efficiency of water resources use.

## Waste Management

China Mobile constantly explores and improves the standardized management of waste classification and recycling. Pursuant to the requirements of the Law of The People's Republic of China on Prevention of Environmental Pollution by Solid Wastes, the Catalogue of Waste Electrical and Electronic Products for Disposal (2014) and other relevant laws and regulations, the Company classifies waste into general waste, electronic waste and hazardous waste. Hazardous waste is processed by technological means or handed over to specialized agencies for treatment, while non-hazardous waste is recycled and reused or disposed of according to relevant laws and regulations.

We encourage customers involvement to participate in environmentally friendly recycling initiatives. We organized the Green Box Environmental Protection Campaign in combination with our And Machine Swap service, recycling electronic waste such as scrap mobile phones and mobile phone accessories and offering smart terminal refurbishment services in a number of provinces. In 2018, a total of 39,909 electronic items were recycled via the Company's Green Box volunteer initiative.

### Hazardous Waste Management Platform

In 2018, China Mobile Zhejiang Company set up an information-based hazardous waste management platform in Huzhou. By electronically recording all stages of waste management encompassing collection, storage, utilization and disposal, the platform ensures the standardization and traceability of hazardous waste management, timeliness of its entry and exit, legality of transfer, and compliance with waste disposal agency qualifications. At present, three types of hazardous waste have been included in the platform.

## Green Supply Chain

China Mobile actively propels suppliers' full-lifecycle energy conservation and emission reduction encompassing R&D, manufacturing, transportation and recycling of products. By setting energy conservation standards for the telecommunications industry chain, the Company drives suppliers to adopt green designs. By renewing energy efficiency grading standards and procuring energy-efficient products, we are fueling the green transformation of the industry chain.

### Green Packaging

In 2018, we continued to promote the use of green packaging. We replaced the traditional wood packaging with environmentally friendly or recyclable materials such as metal trays, metal circulation racks and environmentally friend cartons. We demanded our suppliers to fulfill their commitment to centralized procurement, ensuring that the green packaging usage ratio of newly added main equipment reached 67%, equivalent to 168,000 m<sup>3</sup> of wood saved. We promoted green packaging recycling among our suppliers, achieving effective material recycling and reuse and energy consumption reduction. We also started adopting customized delivery bags for our SIM cards.

### Green Warehousing

With a view to building energy-efficient and environmentally friendly warehouses, we renovated the mode and intensity of lighting in some of our warehouses in 2018. By changing to LED lights, using voice-control switches and enforcing rules on "one-hour lights off during lunchtime", we reduced warehouse electricity use by 50%.

### Green Transportation

Since June 2017, our pilot zero-emissions "new energy vehicles" have been put into operation in Shanghai, Guangxi and other provinces/regions to carry out green transportation. As of December 2018, 14 such vehicles had been put in use.

## Electromagnetic Radiation Management

We have formulated the China Mobile Electromagnetic Fields Management Methods, combining random inspections by experts with daily monitoring at provincial subsidiaries to safeguard continuous monitoring of our base stations, keeping electromagnetic radiation within regulatory limits and protecting the health and safety of residents. We customized our publicity vans by equipping them with in-vehicle electromagnetic radiation dynamic monitoring systems, professional testing devices and technical personnel and raised the awareness of residents through educational activities such as expert Q&A, educational videos and on-site electromagnetic radiation tests on household appliances, thereby facilitating deep engagement with the community and dispelling public concerns.



## China Mobile and SDGs



### Our Achievements in 2018

- Continued to improve our environmental management system and realized the reduction of our overall energy consumption per unit of information flow by 57% compared to last year through measures like energy-saving renovations, environmentally friendly applications and green operations
- 100% of our bidding projects were handled via our electronic procurement and bidding system, realizing fully electronic procurement
- Gradually explored and improved our waste management and promoted the use of lightweight and green packaging materials, achieving a percentage of 67% in the use of green packaging for newly purchased equipment
- Reduced our annual energy consumption by 2,660 GWhs, equivalent to a reduction of GHG emission by 1.706 million tonnes

### Our Goals for 2019

- Reduce our overall energy consumption per unit of information flow by 15% compared with 2018 and our overall energy consumption per unit of telecom business by 10%
- Continue to promote the use of green packaging, urge suppliers to fulfill their centralized procurement commitment, and keep the percentage of newly purchased equipment that uses green packaging at no lower than 60%

### Our Sustainable Development Rationale

"Lucid waters and lush mountains are invaluable assets." Economic development and business activities should not be pursued at the expense of a sustainable ecosystem. China Mobile pays attention to the continued rise in the energy consumption as a result of its extensive network construction and implements energy conservation and emission reduction and cost optimization by improving its environmental management system, promoting energy efficient renovations, innovating energy efficient technologies, introducing renewable energy sources, and optimizing waste management. The Company takes areas such as smart cities, smart delivery and intelligent transportation as key scenarios for 5G application innovation and actively develops energy efficient and environmentally friendly solutions to contribute to the construction of ecological civilization.

### Key Performance Indicators

Indicators	2016	2017	2018
<b>Energy Consumption</b>			
Total electricity consumption (100 GWhs)	197.1	223.3	244.7
Natural gas consumption (million m <sup>3</sup> )	9.1	7.9	11.2
LPG consumption (100 tonnes)	3.7	3.1	2.7
Coal gas consumption (million m <sup>3</sup> )	0.20	0.10	0.05
Coal consumption (10,000 tonnes)	0.5	0.1	0.2
Total gasoline consumption (million liters)	126.9	121.5	112.4
Total diesel fuel consumption (million liters)	17.6	19.4	14.8
Purchased heating costs (RMB million)	150.4	160.9	123.4

Indicators	2016	2017	2018
<b>Emissions</b>			
CO <sub>2</sub> emissions (million tonnes)	14.38	15.98	16.17
Direct GHG emissions (Scope 1) (million tonnes)	0.35	0.33	0.31
Indirect GHG emissions (Scope 2) (million tonnes)	14.03	15.65	15.86
Carbon emission intensity (tCO <sub>2</sub> e/ RMB10,000)	0.203	0.216	0.219
SO <sub>2</sub> emissions (tonnes)	95.22	23.59	35.93
NO <sub>x</sub> emissions (tonnes)	0	0	0
CH <sub>4</sub> emissions (tonnes)	0	0	0
Carbon emissions from commute (10,000 tonnes)	59.87	37.79	39.45
Carbon emissions from business travels (10,000 tonnes)	9.25	29.44	7.10

Indicators	2016	2017	2018
<b>Energy Savings</b>			
Total electricity savings (100 GWhs) in the year	3.8	21.4	26.6
Equivalent cost savings (RMB100 million) in the year	5.2	28.9	37.7
Equivalent GHG emission reduction (10,000 tonnes) in the year	26.4	148.5	170.6

Indicators	2016	2017	2018
<b>Green Operations</b>			
Number of cross-provincial videoconferences at headquarters	800	882	970
Online sales volume (RMB100 million)	3,934	4,648	4,785
Reduction in overall energy consumption per unit of information flow (%)	36	40	57
Investment in Green Action Plan (RMB100 million)	1.9	1.4	1.9
Total amount of resources used for producing terminal devices (tonnes)	3,171	8,847	9,394

Indicators	2016	2017	2018
<b>Water Use</b>			
Total amount of water consumption (million tonnes)	41.25	42.24	35.12
Average amount of water consumption per employee (tonnes)	90	91	76

Indicators	2016	2017	2018
<b>Waste Management</b>			
Hazardous waste (tonnes)	22,742	35,035	10,165
Non-hazardous waste (tonnes)	-	-	29,594
Hazardous waste emission intensity (kg/RMB10,000)	-	-	0.14
Non-hazardous waste emission intensity (kg/RMB10,000)	-	-	0.40

Indicators	2016	2017	2018
<b>Weight of Waste Recycled by Certified Third Parties</b>			
Network waste (tonnes)	21,046	32,531	35,559
Acid batteries (tonnes)	13,997	20,219	19,458
Communication equipment (tonnes)	3,366	6,869	10,743
Cables (tonnes)	1,088	2,136	2,203
Other waste (tonnes)	2,595	3,307	3,155
Office waste (tonnes)	1,512	2,367	4,102
Electronic equipment (tonnes)	1,234	1,895	2,941
Other waste (tonnes)	278	472	1,161
Devices (tonnes)	184	137	98
Total (tonnes)	22,742	35,035	39,759

Indicators	2016	2017	2018
<b>Value of Waste Recycled by Certified Third Parties</b>			
Network waste (RMB10,000)	10,574	21,255	22,898
Acid batteries (RMB10,000)	7,942	13,220	13,103
Communication equipment (RMB10,000)	1,513	3,727	6,886
Cables (RMB10,000)	386	3,313	1,684
Other waste (RMB10,000)	733	995	1,225
Office waste (RMB10,000)	712	892	1,717
Electronic equipment (RMB10,000)	612	798	1,336
Other waste (RMB10,000)	100	94	381
Devices (RMB10,000)	140	122	297
Total (RMB10,000)	11,426	22,269	24,912

Note: In 2018, the Company classified its waste more finely and disclosed weight and intensity of hazardous/non-hazardous waste emission recycled by certified third parties.







## Facilitating Employee Growth and Fostering Innovative Talents

### Supporting Employee Development

Drawing on continuous improvement to its training system and innovation in its incentive mechanism, China Mobile strives to cultivate the next generation of multi-talented workforce in network, IT system, digital services and other key areas. The Company fosters innovation among all employees, and shares with them the value of sustainable development.

#### Improving Effectiveness of Training

China Mobile has formulated and strictly abides by the Training Management Methods and implements the annual training plan in an orderly fashion. The Company develops the caliber of capabilities needed for transformation and development based on its key groups, key capabilities and position characteristics.

In 2018, we strengthened the full-process closed-loop management of our training projects, continued to carry out annual training project evaluation, and constantly enhanced the effectiveness of various lines of professional training work. Meanwhile, we worked to enhance our training and teaching abilities on all fronts by actively improving our integrated Group-wide internal trainer development system, organizing a rich variety of teaching and research activities such as course teaching and development and course delivery to grassroots employees, and engaging in a concerted effort to develop and share excellent internal teaching resources.

We continuously explored and applied a variety of employee training methods, and designed training programs that matched the subject matter of trainings and characteristics of participants. In 2018, we adopted online and offline community-based learning, guided discussion, online learning, experience distillation, outreach training and other learning methods to improve the pertinence and effectiveness of our trainings. In 2018, we provided training for 1.821 million person-times in total, and the average training time per employee reached 100.8 hours.



##### New employees

We held the Mobile Voyage New Employee Growth Camp, where participants received learning resources on a themed basis and had their personalized and varied learning needs met through a number of interactive means of learning.



##### Management

We strengthened leadership training for top management in the transformation phase to improve their team management strategic thinking and ability to discharge work responsibilities, and provided targeted training modules for middle management to improve their strategy execution capabilities.



##### Business elite

We reinforced systematic training for our backbone personnel by promoting our network marketing course system, deepening the implementation of group client manager learning roadmap and launching centralized audit capability enhancement programs for audit management personnel.



##### Technological personnel

We formulated the New Drivers Capability Enhancement Plan, completed the development of skill maps and learning roadmaps, and conducted intermediate and advanced network training as well as business support expert advanced IT training to further reshape the core competencies of our technical personnel.



## Online Learning Program

Based on our new Online University platform, we provide low-cost, expansive, universal and convenient training programs for employees on a Group-wide basis, featuring an organic combination of online training on PC and mobile phone and offline training. Our online learning program focuses on the 10 major projects under our Big Connectivity strategy. In 2018, the program offered nearly 40 themed learning modules such as intelligent IoT and AI with a viewership of over 1 million person-times, and held 510 job post skills certification exams with a candidature of over 240,000 person-times.



- In 2018, China Mobile was awarded the “Most Socially Responsible Employer Award” under the China Best Employer Awards.
- China Mobile University was awarded the “Outstanding Contribution Award” under China’s Best Enterprise University Rankings 2018, the “Excellent Enterprise University Award” and “Enterprise Universities Top 50” under the China Talent Development Elite Awards, as well as the “Advanced Enterprise University Award” and “Advanced Network Academy (Online Platform) Award” by the China Association for Executives Development.
- China Mobile Hong Kong Company was awarded the “Best Employer Award 2018” by Job Market.

## Innovation Incentive Mechanism

In 2018, we made an all-out effort to establish a technological innovation reward system. We reformed our rewards for technological advancements as well as business and service innovations and formulated the China Mobile Technological Innovation Management Measures, further complementing our innovation incentive mechanism. We rewarded major technological innovations, on-the-job technological innovations, and fruition of technological endeavors. We continued to increase our rewards to incubation-oriented innovation and entrepreneurship efforts and make sure that our employees are incentivized.

We provide our employees with an internal mass entrepreneurship and innovation incubation service platform and host the China Mobile Independent Development Competition to unleash our employees’ innovative potential. In 2018, ten teams from nine provincial subsidiaries were shortlisted for the finals of our 4th Independent Development Competition.

## Smart “Wukong” and Its Penetrating Eyes

“Wukong”, a smart image converter developed by a team from China Mobile Chongqing Company, entered the finals of the China Mobile 2018 Independent Development Competition and won an award. Not only can the product be used by the general public to perform such image processing functions as old photo renovation and shake reduction but it can help image processing professionals improve their user interface (UI) design efficiency as well. During its participation in the competition, the team was provided with resource support by China Mobile such as R&D cloud and AI platform. The process of working hard together to solve one tough problem after another helped the team hone their technological competencies and motivated them to undertake more innovation R&D to help solve real-life problems.



▲ “Wukong” team road show at the finals of the Independent Development Competition

*“The competition has helped us establish a technological basis in a new field. In overcoming difficulties along the way, we have achieved progress and growth. We are greatly thankful to the Company for providing us with a platform for self-realization.”*

—Cao Xu, Team Leader

*“With the help of the Company and my team, I have overcome my fear of public speaking. It took me a lot of courage and also gave me a strong sense of fulfillment. It has made me realize that with passion and dreams, one’s possibilities are limitless.”*

—Wang Feng, Team Member

Since 2013, we have held “The Most Beautiful Mobiler” event every year to recognize the individual value of our employees and develop a role model for growth. In 2018, 21 of our employees (group) were each named “The Most Beautiful Mobiler”.

### “Gold Digger” in the Big Data Era – Yang Weimin



A veteran in mobile telecommunications operations and R&D, Yang Weimin initiated the establishment of the Fujian Mobile Network Maintenance Innovation Studio. He has led his team to overcome technological barriers in 35 fields and successfully implemented their products in more than ten provinces/cities, generating a comprehensive economic return of over RMB450 million and helping save RMB33 million in annual cost. Moreover, Yang Weimin has spent all his bonuses received over the years, totaling hundreds of thousands of RMB, on talent cultivation in an effort to build a strong caliber of technological talents.

### The “Pathfinder” that Delivers the Mobile Speed – Cen Shuwei



As a technological pioneer, Cen Shuwei has led his team to break innumerable barriers to achieve groundbreaking success in large-scale 4G pilot networks and support Hangzhou City in its launch of China’s first 4G-covered bus line. He delivered a multitude of innovations in new technologies, connected cars, Internet of Things and other areas during the G20 Hangzhou Summit, achieving new heights of performance in the network quality and perception of Hangzhou city. Now, Cen Shuwei is leading his team to explore 5G networking models and standards and actively participate in the construction project of the “5G Demonstration Area” thereby making preparations for the imminent arrival of the 5G era.

## Protecting Employee Rights and Interests

China Mobile strictly complies with the laws and regulations on employee rights protection, including the Labor Law and Labor Contract Law of the People’s Republic of China, the Special Provisions on Labor Protection of Female Employees, and the Law of the People’s Republic of China on the Protection of Rights and Interests of Women, as well as those of overseas jurisdictions where it operates, in order to protect the legitimate rights of its employees by various means.



#### Recruitment and promotion

- We formulated and strictly abide by the Management Approach on Employee Recruitment and ensure that our hiring process is open, fair and transparent by establishing a scientific, standard and systematic recruitment system. We do not use discriminating recruitment requirements and strictly forbid the use of child labor and forced labor. We optimized our employee career development system and relevant guidance to advance the construction of employee promotion and career development channels.



#### Remuneration and benefits

- We revised and distributed the Labor Management Regulations to further implement standardized labor management as regards job classification, forms of labor, labor contract, work time, rest and vacation, and other aspects. We protect employees’ legitimate rights to remuneration, work time, rest and vacation, insurance and benefits, and other aspects. The average salary of our employees is higher than local minimum wage.
- We formulated the China Mobile Implementation Plan for Incentive Annuities and built a comprehensive employee benefits insurance system. We formulated targeted special incentive and dedicated incentive plans to improve our employees’ sense of gain.
- We prioritized and strengthened “four-period protection” (covering menstrual period, pregnancy period, delivery period and breastfeeding period) to cater to female employees’ special needs.

We respect and protect our employees’ rights to information and expression and enable robust employee feedback mechanisms by establishing the CEO mailbox, hotlines, employee forums, employee representative conferences and other channels. Moreover, we collect written feedback, hold employee conversation and conduct field surveys to comprehensively review outstanding practices, typical cases and employee demands as regards employee rights protection. We compile those findings into themed research reports and focal problem summaries, which are important tools for improving our ability to protect employee rights and interests.

## Female Employee Rights Protection Training

In 2018, China Mobile invited professional lawyers to offer lectures to our female employees on the Law of the People's Republic of China on the Protection of Rights and Interests of Women, the Special Provisions on Labor Protection of Female Employees, and relevant laws and regulations. We held one-to-one and one-to-many face-to-face communication sessions to collect suggestions and opinions from our female employees, thereby delivering timely solutions to frequently raised issues and improving their ability to safeguard their own legitimate rights and interests.

## Promoting Employee Well-being

China Mobile strictly abides by relevant laws and regulations such as the Labor Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases in providing a safe work environment and safeguarding employees against occupational hazards.

We continued to provide all of our employees with medical examination and health lectures, with a medical examination rate of 97% in 2018. We provide essential assistance to alleviate the pressing needs of sick and troubled employees by offering poverty aid fund, major illness assist fund, medical insurance, employee mutual help fund, etc..

We promoted the physical and mental well-being of our employees and helped them balance their work and life demands by implementing initiatives such as the Employee Assistance Program (EAP), "Five Smalls" (small canteens, small lounges, small bathrooms, small activity rooms and small libraries) project, and "Happiness 1+1" (engaging in 1 sports activity and developing 1 hobby) program.

## Employee Assistance Program (EAP)

China Mobile continued to fully implement the Employee Assistance Program (EAP). Through the program, we provide an all-year-round psychological consultation hotline and managers' hotline and work with professional units to offer an array of services that cover all our employees including face-to-face psychological consultations, themed sharing sessions, psychological health tests, high depression tendency screening, psychological crisis identification and prevention, etc. to contribute to our employees' psychological well-being. In 2018, Our EAP activities covered over 320,000 employees from 31 provincial subsidiaries and specialized services companies and directly affiliated units. So far, we have trained 3,093 EAP specialists and set up 120 stress relief rooms and care rooms.

## "Five Smalls" Employee Care Project

In 2018, we continued to promote our "Five Smalls" project (small canteens, small lounges, small bathrooms, small activity rooms and small libraries). We invested RMB557 million and prioritized areas with harsh natural conditions and backward infrastructure, satisfying the basic needs of our grassroots employees for food, water and access to the bathroom and improving their work conditions.

## "Happiness 1+1"

The China Mobile "Happiness 1+1" program started in 2015 and calls on employees to participate in 1 sports activity and develop 1 hobby. The program is designed to improve employees' physical and spiritual well-being by encouraging them to take part in activities such as brisk walking, yoga, basketball, mountain climbing, calligraphy and photography. Our "Happiness 1+1" events in 2018 included China Mobile Employee Ping Pong Competition, Happiness 1+1 Parent-child Talent Show, public welfare tree planting and many more, attracting the participation of 332,000 employees.



▲ Happiness 1+1 Employees' Arts Show

In terms of employee safety, we revised the China Mobile Responsibility System for Safe Production and compiled publicity materials such as the China Mobile Electrical Safety Manual, the Elevator Safety Management, and the Personal Safety Instructions for Women. Additionally, we organized a variety of training and education activities to raise employees' safety awareness, including the Safe Production Month, the Fire Control Awareness Month, as well as safety management personnel capability enhancement training and new employee safety orientation.

As regards emergency preparedness, we formulated the China Mobile Emergency Response Plan and actively organized emergency drills and improved our emergency preparedness procedures, thereby continuously enhancing our ability to handle emergencies and engage in safe production. By doing so, we strove to prevent emergencies and reduce their negative impact on our operations and to ensure employee safety during production.

# SUSTAINABLE DEVELOPMENT GOALS



## China Mobile and SDGs

### Our Achievements in 2018

- Improved the incentive mechanism, innovated training methods and strengthened innovative talent cultivation, providing 1.821 million person-times of training to our employees
- Provided a well-run employee complaint mechanism and intensified protection of employee rights and interests, with 100% of our headquarters, provincial subsidiaries, with and specialized services companies signing collective bargaining contract with employees, and 100% of our female employees returning to work after maternity leave at headquarters level
- Implemented activities such as the Employee Assistance Program (EAP), Five Smalls project and Happiness 1+1 to promote the physical and mental well-being, covering over 320,000 employees

### Our Goals for 2019

- Promote implementation of the New Drivers Capacity Enhancement Plan and further reshape the core competencies of the workforce at the stage of transformation to gradually enhance the comprehensive capabilities of technical personnel
- Further innovate incentive mechanism and establish more diversified and categorized employee incentives
- Fully respond to diverse employee demands, continue to improve employee rights protection and strive for harmonious labor relations

### Our Sustainable Development Rationale

Against the development backdrop of the imminent arrival of an era of intelligent IoT accelerated by the 5G technology, it is vitally important for telecom operators to attract and retain cornerstone talents and boost the technological transformation of their employees. In light of the critical demand for transformational development in order to achieve sustainable development, China Mobile endeavours to promote the cultivation of innovative talents by further increasing investment in its innovation incentives and training resources. Meanwhile, the Company is intent on sharing the value of sustainable development with the employees by providing more robust career advancement channels, better opportunities for innovation and entrepreneurship, more complete benefits plans, and a more accommodating work environment.

### Key Performance Indicators

Indicators	2016	2017	2018
Total number of employees	460,647	464,656	459,152
<b>Human Resource Composition</b>			
Percentage of technical personnel (%)	-	23.34	25.18
Percentage of marketing personnel (%)	-	56.56	55.17
Percentage of management personnel (%)	-	7.25	7.29
Percentage of general affairs personnel (%)	-	10.09	10.50
Other personnel (%)	-	2.76	1.86

Indicators	2016	2017	2018
<b>Diversity</b>			
Percentage of employees under 30 years of age (%)	35.15	29.62	24.35
Percentage of employees between 30 and 50 years of age (%)	61.25	65.95	71.13
Percentage of employees over 50 years of age (%)	3.60	4.43	4.52
Percentage of female employees (%)	55.54	55.11	53.17
Percentage of female employees at senior management level (%)	18.00	13.18	16.45
Percentage of ethnic minority employees (%)	7.16	6.83	7.03
Percentage of local employees in Hong Kong Company (%)	91.9	89.4	89.5
Percentage of local employees at management level in Hong Kong Company (%)	70.7	75.0	71.2
<b>Employee Turnover</b>			
Total number of employees newly hired in the year	16,842	27,011	20,259
Number of female employees newly hired	9,040	14,194	8,397
Number of male employees newly hired	7,802	12,817	11,862
Total number of employees resigned in the year	10,404	14,831	18,217
Number of resigned female employees	5,950	8,242	9,411
Number of resigned male employees	4,454	6,589	8,806
Total number of employees dismissed in the year	636	925	1,317
Number of female employees dismissed	347	589	888
Number of male employees dismissed	289	336	429
Percentage of employees resigned and dismissed among employees under 30 years of age (%)	1.94	2.24	1.55
Percentage of employees resigned and dismissed among employees between 30 and 50 years of age (%)	0.95	1.59	2.56
Percentage of employees resigned and dismissed among employees over 50 years of age (%)	0.02	0.21	0.15
Female employee turnover (%)	-	-	2.05
Male employee turnover (%)	-	-	1.92

Note: The indicators under Diversity and Employee Turnover are based on the number of on-post employees at the end of 2018.

Indicators	2016	2017	2018
<b>Employee Training</b>			
Training expense per employee (RMB)	1,646	1,717	1,892
Total number of employees trained (10,000 person-times)	154.9	183.9	182.1
Number of senior management trained (person-times)	867	986	1,047
Number of middle-level management trained (person-times)	15,546	28,669	18,744
Number of general employees trained (10,000 person-times)	153.2	181.0	180.1
Average training time per employee (hours)	64.4	88.5	100.8
Average training time per senior management (hours)	99.8	106.9	106
Average training time per middle-level management (hours)	79.8	88.1	109.5
Average training time per general employee (hours)	64.2	88.6	100.7
Number of Online University users (10,000 persons)	39.5	40.5	41.6
Average Online University study time per employee (hours)	38.2	50	53.6
Number of Online University users via mobile phone (10,000 persons)	27.8	29.1	34.5

Indicators	2016	2017	2018
<b>Respecting and Protecting Human Rights</b>			
Number of jobs created (10,000)	268	260	288
Percentage of contracted employees who are labor union members (%)	100	100	100
Percentage of dispatched employees who are labor union members (%)	98	98	98

Indicators	2016	2017	2018
<b>Health and Safety Management</b>			
Number of safety emergency drills	1,214	1,250	1,225
Participation rate in safety emergency drills (%)	86	86	86
Accident fatality rate per 1,000 employees (%)	0.0065	0.004	0.004
Number of fatalities caused by production safety incidents	—	—	2

