



**Change,  
with You**

**2014**

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**Sustainability Report**  
China Mobile Limited



# Chairman's Statement



Mr. XI Guohua  
Chairman, China Mobile Limited

## Change, with You

On 18 December 2013, China Mobile officially launched the fourth generation (4G) mobile communication service along with a brand new image signified by our new service brand "and!".

In 2014, we created a record by bringing more than 720,000 4G base stations into operation and serving over 90 million 4G customers. Within this year, we set global industry precedents in network scale, construction speed and capital investment with the completion of the largest 4G network in terms of both scale and coverage as well as the offering of international roaming service in multiple countries and regions. We have been leading the development of 4G devices, providing more affordable tariff package choices, introducing featured 4G services for individual, family and corporate customers, and bringing our customers the experience of more convenient digital access. These efforts contributed to the acceleration of the development of the TD-LTE 4G industry, the establishment of a complete ICT industrial system in China with independently innovated technologies, and the leap-forward development of China's chip and device industries. We are pleased to witness that "Mobile Changes Life" has embarked on a fast track in the 4G era as high-speed 4G network is making mobile Internet applications increasingly popular and deeply integrated into society, business, and personal lives.

We started the change by changing ourselves. Entering the 4G era, we accelerated our transformation and development, sped up the construction of smart pipeline, and innovated on mobile Internet services, applications and business models as a response to the decline of traditional telecommunication businesses. We proactively promoted organisational transformation to encourage innovation and entrepreneurship from both our organisation and our employees, which became a strong motivation power to our transformation. Meanwhile, we actively implemented more stringent corporate governance to ensure healthy development, and improved network quality and security to protect our customers from unlawful activities and ensure confident consumption of our products and services.

We are also changing together with our stakeholders. We have been growing together with our employees by deepening labour reform, applying a versatile incentive mechanism, and actively addressing their concerns. We have also been growing together with the industry by collaborating

with our value chain partners to develop new information services for the rural market and a richer variety of applications such as mobile health, transportation, mobile payment, and smart home. We have been sharing our growth with communities through our continuous efforts to provide inclusive telecommunication services, to support poverty alleviation efforts in Xizang, Xinjiang and Qinghai, and to bridge both development gaps and digital divides. For ten consecutive years, we have been devoted to China Mobile Blue Dream Education Aid Plan, supporting the training of principals of rural primary and secondary schools from central and western China and the building of China Mobile Libraries and Multimedia Classrooms. We also provided free congenital heart disease screening for children in poverty areas and assistance to those who needed treatment. We have been growing in harmony with the environment by constantly optimising energy management, improving network energy efficiency, promoting green service, and advocating for the development of green new economy. With all these efforts, our sustainability practices were well recognised and China Mobile was listed in the Dow Jones Sustainability Indices (DJSI) for the seventh consecutive year.

Following our philosophy of sustainable development and our strategic vision of "Mobile Changes Life", we will adapt to the new normal state of economic development, seize new opportunities involved in the development of mobile Internet, and continuously deepen our transformational development and innovation, so as to create sustainable values and achieve inclusive growth hand-in-hand with our stakeholders. It is our belief that there are changes happening everywhere, and "Mobile Changes Life" is becoming so close to reach.

March 2015



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# About China Mobile

## Company Profile

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

### Number of Employees

**241,550**



### Number of Customers

**807 million**



### Incorporation

3 September 1997 in Hong Kong, China

### Operation Regions

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

### Credit Rating

In 2014, the Company had a corporate credit rating of Aa3/Outlook Stable from Moody's Investor Service and AA-/Outlook Stable from Standard & Poor's, equivalent to China's sovereign credit rating respectively.

### Shareholder

As of 31 December 2014, the Company's majority shareholder is China Mobile (Hong Kong) Group Limited, which indirectly held approximately 72.85% of the total number of issued Shares of the Company through a wholly-owned subsidiary, China Mobile Hong Kong (BVI) Limited. The remaining approximately 27.15% was held by public investors.

## Organisational Structure

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

China Mobile Communication Company Limited, China Mobile Guangdong Company Limited, China Mobile Group Zhejiang Company Limited, China Mobile Group Jiangsu Company Limited, China Mobile Group Fujian Company Limited, China Mobile Group Henan Company Limited, China Mobile Group Hainan Company Limited, China Mobile Group Beijing Company Limited, China Mobile Group Shanghai Company Limited, China Mobile Group Tianjin Company Limited, China Mobile Group Hebei Company Limited, China Mobile Group Liaoning Company Limited, China Mobile Group Shandong Company Limited, China Mobile Group Guangxi Company Limited, China Mobile Group Anhui Company Limited, China Mobile Group Jiangxi Company Limited, China Mobile Group Chongqing Company Limited, China Mobile Group Sichuan Company Limited, China Mobile Group Hubei Company Limited, China Mobile Group Hunan Company Limited, China Mobile Group Shaanxi Company Limited, China Mobile Group Shanxi Company Limited, China Mobile Group Neimenggu Company Limited, China Mobile Group Jilin Company Limited, China Mobile Group Heilongjiang Company Limited, China Mobile Group Guizhou Company Limited, China Mobile Group Yunnan Company Limited, China Mobile Group Xizang Company Limited, China Mobile Group Gansu Company Limited, China Mobile Group Qinghai Company Limited, China Mobile Group Ningxia Company Limited, China Mobile Group Xinjiang Company Limited, China Mobile Group Design Institute Company Limited ("Design Institute"), China Mobile Hong Kong Company Limited ("Hong Kong Company"), and China Mobile International Limited ("International Company").

In addition, the Company owns a 100% equity interest in China Mobile M2M Company Limited, China Mobile (Shenzhen) Limited, China Mobile Online Services Company Limited, China Mobile (Suzhou) Software Technology Company Limited, China Mobile (Hangzhou) Information Technology Company Limited and MIGU Company Limited, a 99.97% equity interest in China Mobile Group Device Company Limited, a 92% equity interest in China Mobile Group Finance Company Limited through Beijing Mobile, and a 66.41% equity interest in Aspire Holdings Limited.

## Honours and Recognitions

- Listed in the Dow Jones Sustainability Indices (DJSI) for the seventh consecutive year. Also listed in the Hang Seng Corporate Sustainability Index Series for the fifth consecutive year;
- Ranked 28th in the Global 2000 Leading Companies by Forbes, moving up from 29th last year;
- Ranked 25th in the Financial Times (FT) Global 500;
- The China Mobile brand was named one of the BRANDZ™ Top 100 Most Powerful Brands by Millward Brown and Financial Times for the ninth consecutive year, ranking 15th globally;
- Ranked 2nd in China 300 CSR Development Index (2014) by Chinese Academy of Social Sciences, also ranked 1st of the telecommunication industry;
- Received the 2014 Public Transparent Enterprise Model Award given by the Chinese Institute of Business Administration Social Responsibility Committee and Beijing Rongzhi Corporate Social Responsibility Research Institute.





# About this Report



Scan the QR code for more information

This report is the ninth Sustainability Report about China Mobile's economic, social and environmental performance related to sustainability for the reporting period from 1 January to 31 December 2014.

## Version

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

## Reporting Reference

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

Our 2014 report refers to the following guidelines:

- G4 Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI);
- United Nations Global Compact Ten Principles;
- ISO 26000 issued by the International Organisation for Standardisation;
- Guideline for Environmental, Social and Governance Reporting issued by The Stock Exchange of Hong Kong Limited;
- Chinese Corporate Social Responsibility (CSR) Report Preparation Guide – Telecommunication Service Sector (CASS-CSR 3.0) issued by the Chinese Academy of Social Sciences.

## Content Selection

In accordance with the G4 reporting principles of stakeholder engagement, sustainability context, materiality and completeness, we performed the "Materiality Analysis" to identify the material issues and their boundaries.

## Report Scope

Unless otherwise stated, all cases and data disclosed in this report are collected from China Mobile Limited and its subsidiaries (See page 3 for information about our subsidiaries).

## Data Collection and Disclosure

Data and information contained in the 2014 report were collected primarily through:

- China Mobile's internal data collection system and statistics reports;
- Quarterly provincial CSR best practice reports;
- China Mobile 2014 Best CSR Practices Selection;
- Quantitative and qualitative questionnaires developed based on the reporting framework.

## Currency

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

## Report Assurance

In 2014, we engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP to provide an independent assurance report (page 57 to 59). For more information on our audited financial statements for the year ended 31 December 2014 and financial and operating performance, please refer to our 2014 Annual Report. The 2014 Annual Report is available on our website, [www.chinamobileltd.com](http://www.chinamobileltd.com).

# Sustainability Strategy and Management

## Sustainability Strategy and Management

China Mobile is committed to fulfilling corporate social responsibilities (CSR) by closely cooperating with our stakeholders to integrate our economic, social and environmental responsibilities into our strategy and operation, to manage our own impacts effectively, to maximise shared values for our stakeholders, and to achieve economic, social and environmental sustainability together.

In 2014, the Company stressed on three key sustainability practice clusters, namely "Responsible Business", "Inclusive Growth" and "Sustainable Values". We have been improving the processes and efficiency of our sustainability management on the foundation of a sustainability organisational structure that involves top management, headquarters departments and all subsidiaries, and a strategic sustainability management system with four management modules focusing on strategy, execution, performance and communication management.



### Responsible Business

- Focusing on corporate governance and anti-corruption
- Improving network quality and ensuring customer confidence



### Inclusive Growth

- Protecting workplace rights and supporting employee career development
- Pursuing win-win industry cooperation and partnership for responsibility
- Building stronger communities and promoting a harmonious society



### Sustainable Values

- Optimising business layout and accelerating innovation development
- Offering life-changing information applications
- Promoting industry upgrade with information services
- Ensuring green operation to build ecological civilisation



#### Closed-loop Benchmarking and Management of DJSI

In 2014, China Mobile used DJSI as a benchmark tool for global sustainability standards and best practice. With the closed-loop management process of "benchmark-feedback-improve", we identified gaps in our sustainability management and continuously improved our management and performance regarding key issue areas accordingly. In 2014, China Mobile was listed in the DJSI Emerging Markets Index and scored higher than the previous year. Among all 23 issue areas, we received full score in Corporate Citizenship and Philanthropy and Impact of Telecommunication Services.

#### Stakeholder Engagement and Participating in Standard Setting

In 2014, the Company organised or participated in over 50 stakeholder communication events. We became a global pioneer to adopt the G4 Sustainability Reporting Guidelines issued by GRI for our eighth sustainability report, which was recognised with a five-star rating by the CSR Research Centre of Chinese Academy of Social Sciences (CASS) and the "2014 Golden Bee CSR Reports Award – Evergreen Award". We organised our annual Best CSR Practices Selection event for the seventh consecutive year to promote best sustainability cases among the industry. We partnered with the CSR Research Centre of CASS to co-develop the China CSR Reporting Guideline for Telecommunication Service Sector. We also actively supported the development and distribution of Chinese version of the G4 guidelines in China. We became the only G4 pioneer programme participant from mainland China, and our Community Care case was demonstrated in the GRI Knowledge Share Project Portfolio.



Our annual sustainability training and promotion programmes reached **216,038** person-times of audience



Our seventh Best CSR Practices Selection event attracted over **1,960,000** viewings online and received over **260,000** votes in total



## Stakeholder Engagement

Thorough communication is the cornerstone for China Mobile to comprehensively understand our social impacts and fulfil our social responsibility. In 2014, we actively communicated with our six main stakeholder groups, including customers, employees, shareholders and investors, government and regulators, value chain partners, and communities and the environment. Furthermore, we used new media platforms as communication channels to interact with our stakeholders more effectively. At the end of 2014, we conducted a stakeholder survey to learn both internal and external stakeholders' view on our sustainability issues, their levels of concern and relevance regarding these issues, and their feedback on our sustainability performance.



### CEO Mailbox

Direct Communication with Top Management

In 2014, our CEO Mailbox received a total of **2,378** emails from customers, partners and employees. They were handled appropriately and all suggestions were forwarded to relevant departments for evaluation and research. Practical ones would be piloted and then promoted accordingly. Employee complaints were handled by dedicated departments for investigation. Complaints and suggestions from customers and partners were treated sincerely and responded and handled in a timely manner.

Stakeholders	Key Issues <sup>1</sup>	Engagement Approaches
Customers	 <ul style="list-style-type: none"> <li>② Privacy Protection</li> <li>① Product and Service Quality</li> <li>④ Consumption Transparency</li> <li>⑩ Electromagnetic Fields (EMF) Safety</li> <li>⑪ Environmental Impacts of Products and Services</li> </ul>	<ul style="list-style-type: none"> <li>1. Customer Day</li> <li>2. 10086 Hotline</li> <li>3. Weibo and WeChat Communication</li> <li>4. Online and Mobile Customer Service Platform</li> <li>5. Customer Satisfaction Survey</li> <li>6. Mobile App</li> <li>7. CEO Mailbox</li> </ul>
Employees	 <ul style="list-style-type: none"> <li>⑨ Workplace Health &amp; Safety</li> <li>⑥ Welcoming Workplace</li> <li>⑦ Employee Training &amp; Career Development</li> <li>② Privacy Protection</li> <li>① Product and Service Quality</li> </ul>	<ul style="list-style-type: none"> <li>1. Employee Representative Conference</li> <li>2. Regular Training</li> <li>3. Performance Communication</li> <li>4. MMS Magazine <i>Mobile Weekly</i></li> <li>5. Employee Recognition</li> <li>6. Employee Grievance Mechanism</li> <li>7. CEO Mailbox</li> </ul>
Shareholders and Investors	 <ul style="list-style-type: none"> <li>③ Compliance</li> <li>② Privacy Protection</li> <li>⑯ Financial Performance</li> <li>① Product and Service Quality</li> <li>⑭ Corporate Governance and Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>1. Annual Report, Interim Reports and Announcements</li> <li>2. Shareholder Conferences</li> <li>3. Investor Briefings</li> </ul>
Government and Regulators	 <ul style="list-style-type: none"> <li>⑧ Information Society</li> <li>② Privacy Protection</li> <li>① Product and Service Quality</li> <li>⑤ Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>1. Routine Reports</li> <li>2. Specific Researches and Meetings</li> <li>3. Relevant Forums</li> <li>4. CEO Mailbox</li> </ul>
Value Chain Partners	 <ul style="list-style-type: none"> <li>⑯ Win-win Industry Development</li> <li>① Product and Service Quality</li> <li>③ Compliance</li> <li>② Privacy Protection</li> <li>⑤ Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>1. Procurement Activities</li> <li>2. Suppliers Website, Service Sites and Hotline</li> <li>3. Trainings and Assessments</li> <li>4. Forums and Meetings</li> <li>5. CEO Mailbox</li> </ul>
Communities and Environment	 <ul style="list-style-type: none"> <li>⑯ Corporate Charity</li> <li>① Product and Service Quality</li> <li>⑯ Supply Chain Responsibility</li> <li>⑪ Environmental Impacts of Products and Services</li> <li>⑫ Public Participation and Industry Development</li> </ul>	<ul style="list-style-type: none"> <li>1. Community Development Activities</li> <li>2. Mass Media</li> <li>3. New Media (Weibo, WeChat)</li> <li>4. Charity Platform</li> <li>5. CEO Mailbox</li> </ul>

Note: 1. Key issues refer to the conclusion from the stakeholder survey for the materiality analysis. Please see page 7 of this report.

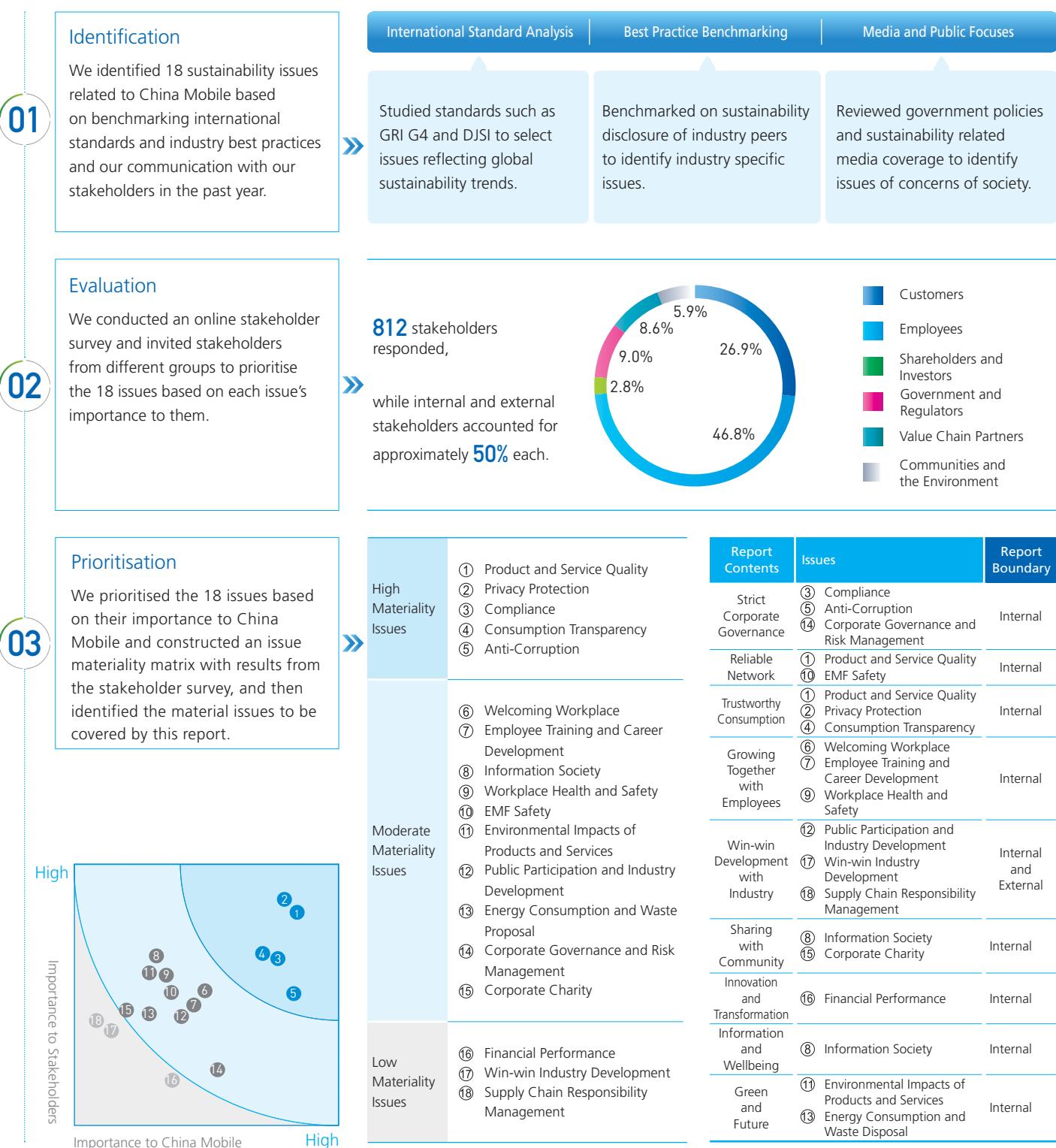
### Embracing the New Media Platforms

In 2014, China Mobile actively embraced new media platforms as an effective communication channel. We carefully managed our Weibo and WeChat accounts, by posting selected topics based on major events, innovating communication methods, voicing our views, responding to public concerns as well as enhancing interaction among viewers.

- Our five official Weibo platforms had over 10 million followers in total, and our official WeChat account had over 1.1 million followers, ranking high among central enterprises in terms of numbers of followers, follower activities, and number of forwards and readings.
- Our official Weibo handled over 57,000 customer complaints and our 10086 Weibo handled over 111,000 customer complaints and enquiries. Among the complaints received, 20% resulted in customer service job orders while the rest 80% were handled directly online.
- We were granted awards such as the Top Ten Most Influential New Media Account of Chinese Enterprises, the Top Ten Best New Media Cases of Chinese Enterprises, and the No. 1 Most Influential New Media Account for Central Enterprises.

## Materiality Analysis

To further enhance the relevance and responsiveness of this report, we applied materiality analysis over our sustainability issues, covering both their impacts on our stakeholders and their importance to China Mobile's development. The analysis resulted in a number of high-relevance issues to be covered in this report.





08

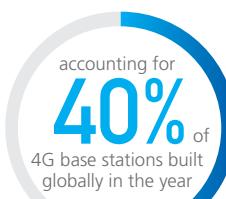
## Feature:

# Here Comes 4G

### Network

**720,000**

4G base stations were in operation in 2014



and equivalent to the number of all 3G base stations built in its first seven years, of 2G base stations built in its first 17 years.



Our 4G network has been deployed in forms of continuous coverage for almost all cities and counties as well as data hotspot coverage in developed rural towns and villages. Over

**1 billion population**

are covered. We are offering international 4G roaming service in

**71**

countries and regions.

52 TD-LTE commercial networks had been deployed in 30 countries. In addition, 83 were in construction. TD-LTE customers reached 100 million globally. The Global TD-LTE Initiative (GTI) was supported by

**116 operators**

### Customer

As of the end of 2014, our 4G customers had reached

**90.06 million**

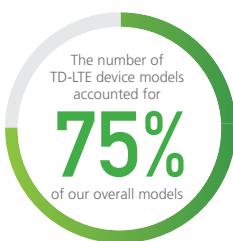
The time we used to reach

**50 million 4G customers**

is equivalent to 1/3 of the time used to attract the same number of 3G customers, and 1/5 for 2G customers.

### Device

In 2014, 4G (TD-LTE) handset sales reached over

**100 million**

Lowest price of TD-LTE handsets had been lowered to 400 yuan.



We achieved the milestone breakthrough of enabling

**8-core 64-bit chips**

for devices priced within the 1,000 yuan range, which could also support TDD/FDD network integration and global roaming.



## Service

We provided customers with

**"no new number,  
no re-registration and  
speedy SIM swap".**

The service was available anywhere, anytime, and under any circumstances.

We sent real-time data usage SMS reminders to customers as their data usage approaches



of the package limit. For 4G customers, we offered a ceiling lock on both data traffic and tariff to avoid unexpected high charges.

## Business

For individual customers, we launched

**HD video, lossless music,  
high speed games,  
online audio books** and many

other featured applications. We had introduced over 10,000 hours of HD videos and 150,000 copies of lossless music. We also established a 4G Experience Centre at our Mobile Market, giving customers a free trial period to experience our 4G services conveniently at a lower entry barrier.

For corporate customers, we launched a number of industry solutions based on 4G technology, such as **remote monitoring** and **live video broadcast**. 4G-based applications were also developed and launched as industry information solutions, such as for **smart transportation, mobile health, urban management, smart tourism, and environmental protection**.

## Tariff

Apart from **monthly data traffic packages**, we introduced **quarterly** and **semi-annual data traffic packages**,

priced from 30 yuan to 280 yuan for customers with different needs. Customers could also share the data traffic package across multiple devices.



Reduced 4G voice service tariff by

**over 20%** 

and removed roaming charge and long-distance charge for domestic customers.

Tariff of entry-level 4G package was lowered.

**88 yuan**



**58 yuan**

Data tariff was lowered by as much as 50%, while tariff of data usage beyond package was lowered by as much as 70%.





# Responsible Business



Zhaotong, Yunnan, is famous for top-quality Sichuan pepper. From July to August, the mountains there would be filled with the unique aroma of fresh Sichuan pepper, and farmers would know that the pepper was ripe and ready for harvest. However, at 16:30 on 3 August 2014, a sudden earthquake turned their happy mood into devastation.

6 August, 70 hours after the earthquake, a China Mobile Yunnan Company Ludian Branch employee, He Linze, quickly ate a few biscuits and continued working on setting up the communication equipment they just brought from Ludian county, "I can't remember how many times I have shuttled between Ludian and Longtoushan."

He was in Longtoushan town, Ludian county, in the epicentre of this 6.5-magnitude earthquake. The earthquake disrupted the communication system in Longtoushan town and nearby areas, including 105 pieces of base station equipment, 1,250 square-metres of communication equipment room area, and 2,176 kilometres of optical cable. He Linze was in Ludian county when the earthquake happened. Still feeling dizzy from the quake, he received a call from China Mobile Ludian Branch Emergency Command Office requesting his immediate report to the office. He rushed to the office and made a hasty call home to check the safety of his family members.

At 16:50, He Linze reported to the office along with five colleagues. They set off to the old town of Longtoushan, the epicentre, with a generator and a few filled fuel tanks. Their mission was to repair the damaged communication cables and base stations. Just a few minutes later, they realised that all roads were damaged and no vehicle could pass through the county. They had to abandon their vehicle and travel by foot, with equipment on their backs.

It was not until 20:00 that He Linze and his team reached the old town. They located the damaged base station and cables and started their repair work. As

telecommunication network was crucial to disaster relief efforts, they did not rest or sleep but continued their work together with the second and third repair teams.

After the roads were cleared, the first China Mobile emergency support vehicle finally arrived at the town. After gobbling down a bowl of instant noodle prepared by colleague, he took several bottles of drinking water with him and left for the villages with their equipment: "Communication has resumed in the town but some of the surrounding villages are still cut off. We get to go there and do our job to bring the communication back on for the entire Longtoushan area."

Within 20 minutes of the earthquake, China Mobile dispatched the first emergency support team and the first emergency support vehicle to the epicentre. Within 30 minutes, we joined forces with government disaster relief efforts and activated the No Service Suspension policy. Within six hours, we started offering ten emergency services such as emergency account activation, on-site service tents, free battery charge, etc., and succeeded in restoring the wireless phone connection rate from 42.6% to 95.8%.

China Mobile set 17 on-site service tents and 10086 service hotline to offer 24-hour service. During the disaster relief operation, we cumulatively sent more than 69 million messages of disaster alert, weather forecast, service broadcast, etc., activated the No Service Suspension policy and real-time tariff waiver for more than 450,000 customers, offered free family calls to more than 6,100 customers and free phone battery charging service to nearly 30,000 customers, received 380 requests for help to locate people's family members and helped 107 people find their loved ones.

Upon completion of the disaster emergency support mission, He Linze and his colleagues kept on contributing to post-disaster reconstruction and disaster preparedness in the region by restoring the communication capability back to the conditions before the disaster.



During the disaster emergency support mission, we had cumulatively sent more than **69 million** messages of disaster alert, weather forecast, service broadcast, etc.



We activated the No Service Suspension policy and offered tariff waivers for more than **450,000** customers



We offered free family calls to more than **6,100** customers

“ It is a primary responsibility of ours to ensure reliable communication after disasters hit. From emergency support crew on-site to business support staff in back office, everyone at China Mobile, including myself, is doing our best to help people in disaster impacted areas feel better. ”

He Linze, Employee, China Mobile Yunnan Company Ludian Branch

This emergency support mission in Ludian was a snapshot of how we fulfilled our operation responsibility in 2014. As a telecommunication operator, China Mobile believes that the only way towards sustainability is to operate our business, network and service responsibly. In 2014, we applied strict requirements for corporate governance, ensured compliance for all operations, and showed zero-tolerance to corruption; we strove to make our network more reliable so customers could access quality and safe connection from anywhere at any time; and we were committed to improving customer confidence and protecting customers from telecommunication frauds and harmful information.





## Engagement

The Company maintained close communication with investors through a variety of channels, such as investment bank meetings, one-on-one meetings, conference calls, etc., providing in-time information regarding our business operation to investment community. In 2014, the Company participated in 17 investor conferences, hosted 246 routine investor meetings, and met with 675 institutional investors and 861 individual investors.

## Strict Corporate Governance

### Operational Compliance

**Board of Directors:** In 2014, the Board convened six meetings. We carried out a training session for directors on Hong Kong Securities and Futures Commission investigations and regulatory requirements to ensure their better understanding of the requirements and performance of their duties.

**Risk Management:** In 2014, we formulated and issued *China Mobile Management Approach for Risk Assessment on Major Projects*, specifying the duties, scope and procedures, contents and methodologies for each department in conducting risk assessment. We also researched on and wrote the risk assessment tools and models to provide approaches and guidance. Pilot assessments were initiated at each provincial subsidiary to provide better reference for preventing decision-making risks.

**Internal Controls:** In 2014, we made substantial improvements in our internal control system:

Completed a company-wide internal control system that was highly integrated with business operations.

Analysed the 2013 COSO framework to strengthen the function of the Board on internal controls and supervision, incorporated requirements for service suppliers into our internal control system, analysed and elaborated fraud risks, and enhanced the balance between quality and access cost of information.

Piloted the transition from business tax to value-added tax and ensured compliance with internal control requirements after the implementation of value-added tax by adjusting business operation and management models, optimising processes, and revising internal control handbook and risk matrix.

Organised the integration of internal controls with IT system to ensure the integration of internal controls into business processes. We also issued guidelines for duties incompatible with internal controls to enhance the cooperation of each department with internal controls and audit.

**Internal Audit:** The Company and its operating subsidiaries have set up internal audit departments to conduct independent audits on our business units. We have established an internal audit framework and carried out annual risk assessments. According to the results of the risk assessments, we made our internal audit work plans on an on-going and annual basis. With our systematic and standardised audit procedure and approach, we carried out independent and objective supervision and assessment and provided consultancy services regarding the appropriateness, compliance and effectiveness of business operations and internal controls, so as to help achieving better corporate governance, risk management and control processes. In 2014, our internal audit department enhanced its audit information system, expanding the depth and scope of audit work with the start-up of its computer-assisted on-going audit. The Company and its subsidiaries continued enforcing audit accountability and carried out disciplinary actions against persons with major problems identified during the audit process.



## Anti-corruption

We studied the *2013-2017 Work Plan on Establishing and Improving an Anti-corruption System*, and formulated detailed implementing opinion aimed at preventing and disciplining corruption incidents with better work style, harsher punishment, more effective prevention, and stronger organisational leadership.

In April 2014, we conducted the Month of Anti-Corruption Education programme to raise awareness over anti-corruption issues with a variety of anti-corruption education, including lectures, seminars, visits to anti-corruption education bases, watching anti-corruption documentaries, and anti-corruption MMS classroom. These activities covered more than 90% of our management staff and over 70% employees.

We launched the Window to Business Ethics webpage, and informed our employees of the requirements and progress of our anti-corruption efforts together with our other internal platforms such as *China Mobile Information* and *China Mobile Disciplinary Information*. In 2014, we organised over 3,000 anti-corruption training sessions with participation of more than 460,000 person-times. In 2014, in order to make our inspection visits more effective, we enhanced the investigation and prevention of corruption risks, established a database for inspection personnel, and organised trainings and seminars on inspection work. We completed the inspections over six business units including our Device Company and Fujian Company to address business ethics and anti-corruption challenges.



The Month of Anti-corruption Education Programme covered more than

**90%** of our management staff and over **70%** employees.



In 2014, we organised over **3,000** anti-corruption training



sessions with participation of more than **460,000** person-times



In 2014, we received a total of **561** cases of whistle-blowing,

among which, **94.65%** were closed and **110** cases

were closed during the first-round of investigation.

We have set up a designated mailbox, email ([jubao@chinamobile.com](mailto:jubao@chinamobile.com)), telephone hotline (010-52616186) and fax to encourage oversight and whistle-blowing from our employees and the public. Whistle-blowers can also use the CEO mailbox to report on any fraud and violations.

We strictly protect the identity and interests of whistle blowers and carefully handle and verify possible leads and solutions. In 2014, we received a total of 561 pieces of whistle-blowing information via hotline, email, face-to-face complaint and mail. Among them, 94.65% were handled and closed, and 110 cases were closed during the first-round of investigation.



In Gansu, we organised employees to visit an anti-corruption exhibition



## Reliable Network

### Network Keeps You Connected

In 2014, a number of disasters happened across China, including earthquakes of magnitude 6 or higher in Yutian in Xinjiang autonomous region, Yingjiang, Ludian and Jinggu in Yunnan province, and Kangding in Sichuan province, Typhoon Rammasun and Typhoon Kalmagui, and a number of mudslides and heavy storms, etc. All these disasters required stronger disaster response from us. In 2014, we completed 3,126 emergency support missions in total, and we were able to detect abnormal telecommunication conditions within five minutes of the occurrence of the disaster and resume communication in disaster areas promptly by activating our emergency plans and dispatching emergency support personnel and vehicles within 30 minutes.

Emergency communication support demonstrated our capability to ensure communication for major events. However, what matters to most people is network quality in where they live and work. We continued improving the coverage and network quality of our 2G and 3G network during the year. The successful connection rates of our 2G and 3G network improved by 0.48% and 0.42% respectively over the 2013 numbers.

Meanwhile, we maximised our efforts to rollout and optimise our 4G network. Since its official launch in December 2013, our 4G network had been growing at a world-record speed and became the largest 4G network in the world just within a year. We had put in use 720,000 4G base stations in 2014, accounting for 40% of all 4G base stations globally during the year. As of the end of 2014, our 4G network has been deployed in forms of continuous coverage for almost all cities and counties as well as data hotspot coverage in developed rural towns and villages, offering download speed as fast as 26.83Mbps, 30 times faster than the 3G network, to more than one billion population living in these areas.

### Key Figures of 2008-2014 Emergency Support

#### Investment



#### Service



## Network with Your Safety in Mind

"If you know more about the base stations around you, you would know that they won't hurt you at all. Instead, they could only serve you."

The word "radiation" triggers the feeling of suspicion and fear. People often became concerned after knowing there were mobile base stations around them. In Hangzhou city of Zhejiang province, residents of Wendingyuan responded strongly after they knew there was a China Mobile base station on their property, and asked for its removal. Negotiation went into a deadlock, so we had to switch off this base station. Consequently, the network quality significantly deteriorated. Some residents had to walk to the property entrance to get better connection in order to make phone calls. Some of them had wireless signal amplifiers installed inside their own apartments.

Actually, the truth is the contrary of what the residents believed. A mobile phone would power up its transmission signal strength to maintain connection when it received weak signals, generating higher radiation compared with the radiation levels associated with normal signal strength. Removal of the base station did not serve their intended purpose. In order to help local residents to understand EMF, we sent them informational MMS messages and handed out 3,000 information booklets. We also hosted a number of EMF knowledge sharing sessions in the neighbourhood, using real-time testing experiments to demonstrate how EMF worked and its impact on human health. Gradually, our continuous efforts convinced the residents of Wendingyuan and the base station was in service again after several months.

"Since the base station was switched off, the quality of phone calls became really bad. After seeing the experiments and testing results, now I know that the radiation is actually worse when signal is weak." As local residents were convinced of this idea, the conflict between them and China Mobile was solved consequently.

China Mobile believes that the best way to communicate on base station EMF is transparency, openness and trust. We believe that as long as we apply strict management to ensure EMF meet national safety standards, and communicate to local residents openly and honestly, it is possible to cast away the distrust of EMF among people.

We developed the *Electromagnetic Fields Management Methods and Assessment Approaches of Electromagnetic Radiation of Base Stations* with requirements higher than national standards to ensure that our base stations are safe. In addition, we request our provincial subsidiaries to contract qualified third-party organisations to assess the environmental impacts of our base stations.

In 2014, we carried out a variety of awareness raising activities on EMF information:

- Invested 3 million yuan to develop the EMF Awareness Raising and Experience Tour Bus as an innovative way to communicate with the public;
- Piloted EMF monitoring systems in Shandong, Henan, Guangxi, and Gansu provinces, which display real-time base station EMF data publicly;

- Launched a featured column on base station EMF knowledge at our official WeChat account, introducing EMF related knowledge to the public by demonstrating the on-site radiation test results and comparing the readings at multiple locations such as near a base station, inside a house or on a sidewalk.

We also released the environmental impact assessment reports of all network construction projects to the public. Assessment report for each project is posted online at our provincial subsidiaries' websites where the project was located for public inquiries and suggestions.





## Engagement

**Online:** We communicated with customers through our website, Weibo and WeChat accounts, 139 mailbox and other channels. In 2014, we released 4,375 pieces of service information, responded to 687,000 customer inquiries (including online instructions), and handled 468,000 online customer complaints.

**Offline:** We communicated with customers through the Customer Day event. In 2014, 6,774 general managers of our city-level branch companies participated in Customer Day events, responded to 101,000 customers complaints and collected 37,000 suggestions from a total of 93,000 person-times of customers.

We contracted an independent third-party survey on customer satisfaction for the 15th consecutive year. Based on feedback from over 300,000 customers sampled nationwide, our 2014 comprehensive customer satisfaction rate was 78.36%.

## Trustworthy Consumption

In 2014, we analysed Internet postings regarding our services from over 12,000 websites, as well as 23 million customer requests collected through our hotlines, sales outlets, electronic channels, and face-to-face customer day events to identify the most important, urgent, and relevant issues for our customers. Based on our findings, we made six service commitments to better serve our customers in the 4G era.

### Optimising Tariff Structure

In 2014, China Mobile adjusted and optimised the tariff structure for our 4G services to provide more mid-priced and low-priced tariff plans for customers. The lowest-priced 4G package now is priced at 58 yuan per month with a 30 yuan reduction. As for the fast growing data traffic services, we reduced both the data rate for existing service packages and the minimum price for Data Pack products. Now our smallest Data Pack was 500MB for 30 yuan, half of its previous rate. Customers were also able to choose from monthly, quarterly and semi-annual Data Pack products based on their actual data needs to avoid paying for unused data traffic.



We also lowered the rate for 2G and 3G customers. The rate for data usage out of plan traffic had dropped from 1 yuan/MB to 0.29 yuan/MB, priced at the same level of 4G services.

In 2014, we launched the 3/6/9 yuan international roaming data packages following our 1/2/3 yuan international voice roaming packages, offering roaming discounts for both voice and data services. As of the end of 2014, our 3/6/9 yuan packages had been supported in 143 countries and regions, where our customers would use roaming data traffic service by 3MB increments, each priced at 3, 6 or 9 yuan depending on where they were. Customers could choose how much data they need, satisfying 99% of their data roaming need abroad. For popular destinations for Chinese tourists such as Hong Kong, Macau, Taiwan, Japan and Korea, we also launched the 30/60/90 yuan daily roaming packages with unlimited data traffic to completely fulfill their data needs.



## Guaranteeing Informed Consumption

In December 2014, the Focus news programme of China Central Television reported such an incident: an employee at China Mobile Heilongjiang Company Mudanjiang Branch activated a value added service for a customer without customer authorisation and billed the customer for the service. After the programme was aired, we conducted a thorough investigation and took disciplinary actions in accordance with company policies. Both the general manager and the vice general manager in-charge were suspended from duty and subject to further investigation. We also required all business units to conduct inspection on similar problems and protect customer rights by eliminating such risks.



We have a zero tolerance policy towards unauthorised service subscription. We not only crack down on malware that subscribed services without customers' knowledge and developed a list of malware and mobile phone viruses on our website to warn customers against such risks, but also continue to strengthen internal control and make sure that all such incidents would be addressed with thorough investigations and proper disciplinary actions.

Regarding billing accuracy, another issue that concerns our customers, we built a two-tier billing data management system featuring single data source, layers of feedback, and synchronised supervision to ensure billing accuracy. Many customers were data traffic service users and it was quite easy for them to exceed their data limits. Regarding this, we provided universal real-time data usage reminder service and sent customers real-time reminders for eight different statuses regarding their data usage, such as close-to-limit reminder, rate-level change reminder, limit-reached reminder, and roaming charge reminder, etc. We also provided Double-Ceiling service to our 4G customers to help them avoid unintended extraordinarily high charges by stopping charging once data charge beyond the package reached 500 yuan in a month, and turning off data traffic once a customer used up 15GB data traffic beyond the package. In addition, we implemented the Refund First policy, providing maximum protection of customer rights by giving refunds to customers who filed complaint on billing issues and asked for refund even when the investigation was pending.

We continued optimising our "0000" subscription inquiry and unsubscription system and billing reminder system. In 2014, we sent 350 million SMS billing reminder messages to customers each month on average, and our "0000" subscription inquiry and unsubscription system was used for 45 million times each month on average.



Our "0000" subscription inquiry and unsubscription system was used by customers



for **45 million times**  
each month on average

We sent



**350 million SMS**  
billing reminder messages  
to customers each month on average



## Protecting Information Security

"Two abnormal GSM cell location activities are detected at Changhong Road and Chunyuan Road!" As Wang Jing and Zhang Zhiqing, both employees of China Mobile Hubei Company Xiangyang Branch, saw this message pop up on the real-time alarm system, they knew that the system scored again and captured another "disguised base station" fraud case.

"Call the police!" They promptly wrote down the location of the disguised base station and rushed on-board a law-enforcement-aid vehicle parked downstairs. Detection was only the first step. A disguised base station used small-sized high-power equipment to disrupt normal connections of a large number of mobile phones. Criminals often placed the equipment in vans and operated from time to time. Therefore, law enforcement officers had to act promptly to catch the criminals.

Wang Jing, Zhang Zhiqing and the law enforcement officers arrived at the location in time and the people operating the disguised base station equipment were caught. Witnessing the equipment being confiscated, they breathed a sigh of relief. Deep down in their hearts, they felt a strong sense of responsibility to protect customer communication security.

Compared with traditional telecom fraud methods such as spam and fraud messages, disguised base station is far more harmful as each disguised base station is able to "hijack" thousands of mobile phones, forcing them to leave the operator's network. China Mobile developed the disguised base station real-time alarm system and deployed it nationwide. The system had already helped solve 2,720 cases of disguised base station, resulting in the confiscation of 3,217 sets of equipment and arrests of 4,059 suspects. In Xiangyang city alone, we were able to stop 600,000 spam messages daily by cracking down on disguised base station. Across the nation, many China Mobile employees, just like Wang Jing and Zhang Zhiqing, were trying their best to protect customer information security.

As mobile Internet became part of our daily life, information related unlawful activities, such as telecom fraud, malware and mobile pornographic information, became rampant. Meanwhile, spam message and harassing phone calls gave mobile customers a bad experience. In response, we improved our management approaches to ensure a safe network environment with prevention, precaution and punishment.

Regarding controlling spam messages, we continued adopting new technologies to improve the blocking efficiency of our spam message control platform. In 2014, we experimented with the automatic detection and disposal of spam and harassment messages based on big data and artificial intelligence technologies. The entire supervision process was automatic. Meanwhile, we analysed consumer behaviours to identify customers with suspicious activities by intensive monitoring, and continued building a list of high-risk users with feedback from face-to-face inspections and customer complaints. Our efforts achieved positive results and effectively reduced the number of spam messages sent from suspicious accounts. In 2014, the number of complaints for spam message dropped by 64.9% compared with 2013.

Regarding the fraud activity involves disguising caller identities with special software, we studied its principles and explored ways to intercept them. We developed a complete system to monitor, identify and intercept disguised calls from abroad. In 2014, we identified nearly 5,600 fraud numbers with an accuracy rate of over 95% and intercepted 153 million unlawful calls. The average number of complaints per week received regarding international disguised phone number frauds was down by more than 90% since the interception system started operating. Meanwhile, China Mobile fully supports international standards development. In August 2014,

we led the development of the first fraud calling management technical document at 3rd Generation Partnership Project (3GPP).

We also carried out the Network Cleaning 2014 campaign to clean up online pornographic content in collaboration with relevant government departments. During the campaign, China Mobile detected and disposed over 2.91 million pieces of online pornographic content handled nearly 49,000 customer complaints, and verified and blocked over 80,000 websites offering pornographic information.

Internally, we strictly implemented the practices of Customer Service "Five Bans", "Vault Mode" and "Customer Information Anonymisation" to prevent internal customer information leakage, protect customer privacy, and ensure customers confidence when they use our telecommunication services. The Vault Mode was selected by International Telecommunication Union Telecommunication Standardisation Sector (ITU-T) as a draft international standard, and were approved to be an industry standard by China Communications Standards Association.

In 2014, the number of complaints for spam message dropped by **64.9%** compared with 2013

In 2014, we identified and dealt with nearly **5,600** fraud numbers



### Stakeholder Expectations

- Strict compliance with laws and regulations, continuously improving corporate governance
- Lower tariff, better network and better service
- Protecting customer information security and smooth network communication

### Our Approaches

- Establishing a sound corporate governance structure
- Improving whistle blowing channels, enhancing business ethics education and preventing corruption risks
- Accelerating network infrastructure construction, covering both urban and suburban areas with 4G network
- Adjusting tariff structure, lowering data and roaming tariffs, and accelerating 4G services development
- Completing information security management system, analysing information security threats to develop appropriate solutions

### Our 2014 Achievements

- Fully optimised our internal control system, applying more strict standards to handle new risks
- Implemented the Month of Anti-Corruption Education programme for over 3,000 times with 460,000 person-times participation
- Brought 720,000 4G base stations into operation in 2014, the number of 4G customer reached 90.06 million
- Comprehensively reduced tariff for 2G and 3G data traffic by 71%, and for 4G by 50%. Launched 3/6/9 yuan package to greatly reduce roaming tariff
- In 2014, the number of complaints for spam message dropped by 64.9%, and the complaint rate per million customers was 30.7, remaining the best in the industry for the fifth consecutive year

### Our 2015 Efforts

- 4G base stations reach 1 million, 4G customers reach 250 million, and 4G handset sales reach 200 million
- To achieve full commercialisation of unified communications
- To maintain the lowest complaint rate per million customers in the industry

# Inclusive Growth

20



"I miss you, Daddy!" Sitting in a special classroom in the No.6 Middle School in Kaili of Guizhou province, a girl with large eyes was having a video chat with her father. She, who used to be a shy girl, now just could not stop talking and laughing, with tears of joy. This was Pan Lanhua, a student of Miao ethnical minority of Guizhou Kaili No. 6 Middle School. Both her parents left their hometown to make a living in cities. Therefore, here was Pan Lanhua, who chose to leave her village to attend a boarding school.

At first, Pan Lanhua felt everything here in the school was quite strange, and living alone away from her family made her feel lonely and timid. For quite a long period, she was afraid of asking or answering questions in class and just sat through each class quietly with a timid look on her face. Pan Lanhua's mindset and behaviour patterns were typical for other "left-behind" children in Guizhou Kaili No. 6 Middle School. Yang Changjun, principal of the school, observed this and became deeply worried. Bearing these worries in mind, Yang Changjun took part in the China Mobile Principal Training programme with a mission and a responsibility to find a way to help these children build their self-confidence.

The China Mobile Principal Training programme inspired Yang Changjun to realise that "a school should be not only where children are educated, but also a warm and welcoming big family for them". Soon the training programme was over and Yang Changjun returned to his work. Upon his return, Yang Changjun immediately set up the Home for Left-behind Children equipped with computers, where they could do video chats with their parents who were thousands of miles away. Chatting with their families helped these children alleviate their longing for their families and the caring and encouragement from their parents played an important role in helping them grow up healthily and positively with self-confidence. There were over 1,700 students out of more than 2,000 students of Guizhou Kaili No.6 Middle School coming from rural areas and many of their parents worked outside. This often left the children the feeling that "my parents only give me money but no love." It was only in this special classroom that their psychological needs were taken care of, allowing more left-behind children like Pan

Lanhua to feel the caring atmosphere of a family, and encouraging them to overcome their fear and uncomfortableness and be brave and confident as they lived and studied together with each other.

"China Mobile Principal Training Plan" is an important component of the China Mobile Blue Dream Education Aid Plan, an educational charity programme launched by China Mobile in cooperation with the Ministry of Education (MOE) and China Education Development Foundation. The programme aims to help schools in poverty areas in central and west China improve their facilities and quality of teaching. In 2014, China Mobile had invested 6 million yuan to train 11,539 principals from central and western China.

Aside from principal training, Blue Dream also builds libraries and multimedia classrooms in these schools. In 2014, China Mobile invested 6 million yuan to donate 200 libraries and 190 multimedia classrooms in rural primary and secondary schools in 12 central and western provinces. In addition, we worked with the Ministry of Education to invite over 100 experts and teachers from Guangxi, Sichuan, Qinghai and other nine provinces to come to Wuhan to participate in the Demonstration of China Mobile Multimedia Teaching Applications where they learned and explored new classroom teaching methods with multimedia devices.

Since the China Mobile Blue Dream Education Aid Plan was launched in 2006, it had already invested over 100 million yuan, trained 70,539 primary and secondary school principals cumulatively, accounting for 21.21% of all primary and secondary school principals in those regions. The cumulative numbers of libraries and multimedia classrooms we donated reached 2,110 and 1,070 respectively. The programme was nominated for "China Charity Award – Most Influential Charity Programme", and awarded "2014 UN Global Compact China Best Practice" and other recognitions.

In 2015, we plan to train another 11,000 principals and build another 200 libraries and 190 multimedia classrooms, continue to promote the Blue Dream plan to benefit teachers and students in central and western China with advanced teaching concepts, improved education quality, and better education facilities.

**“** Upon completion of our ‘shadow training’, I was really impressed with this training method. We had collective trainings, lectures from experts, standardised training management, detailed group study plan, and dedicated training facilities. Group members from different schools, regions, with different work experience and backgrounds were matched together to allow us to better identify weaknesses in ourselves and in the management of our schools and find solutions by learning from each other. What was more important is that our group was trained at a really good school, from which we learned much practical experience that we could use to manage our schools. **”**

– Principal He Changjie, Meixi Secondary School,  
Ziyuan county, Guangxi Zhuang Autonomous Region

It is one of our important responsibilities to help improve education conditions in remote poverty areas. We are committed to addressing social issues, building inclusive communities, and growing together with all stakeholders. In 2014, we continued promoting employment, providing our employees with a welcoming work environment and better career development support, working together with our partners to promote industry growth and responsibility, and supporting poverty community development, vulnerable group care and contributing to reduce regional disparity and digital divide.



In Shaanxi, principals were sitting in a classroom

**100+** million yuan  
invested cumulatively since the Blue Dream  
plan's launch in 2006

**70,539**  
primary and secondary rural  
school principals from central  
and western China trained  
cumulatively

**2,110** libraries and  
**1,070**  
multimedia classrooms built cumulatively

## Engagement

In 2014, we produced 50 issues of internal MMS publication *Mobile Weekly* for all employees with an average reach rate of 90%. We also produced 50 episodes of its video version *Mobile Weekly Images*.

In September 2014, we launched the "Following the Footsteps of the Most Admirable Mobilers into the 4G Era" event company-wide, selecting 100 best teams, 100 key events and 100 best moments of the 4G development, demonstrating the outstanding people and intriguing stories behind our 4G miracle from the following five aspects: technical innovation, network construction and maintenance, sales and service, device support and others.

## Growing Together with Employees

### Promoting Employment

"Hello. This is 10086. How can I help you?" Each morning, soft voices of both men and women speaking such telephone greetings echoed in the training centre of Sichuan Employment Placement (Training) Base for the Physically Challenged. Anyone without witnessing this would have a hard time believing these people handling customer service requests or answering customer inquiries with professional manners were physically challenged people.

Hu Jin was a 26-year-old girl with level-three limb disability. As she tried different job opportunities, all she got were closed doors until she enrolled in China Mobile's Employment Support Programme for the Physically Challenged. For the first time in life, Hu Jin felt that she had met an opportunity that allowed her to truly achieve her potential. As Hu Jin completed her training and started a fulltime position, her talents in sales started attracting attention and soon she was recognised as a star trainee and later promoted to a management trainer. Now, she has passed the qualification test for the adult education programme of Southwestern University of Finance and Economics, and is promoted to supervisor position to help more trainees learn how to create value as well as happiness on their future jobs by passing on her experience.

Another trainee named Xia Mengjie remarked, "I used to be quite shy and did not speak much. Here we got one-on-one training on communication skills from China Mobile customer service trainers. We are a big family, students and teachers alike, and I became happier and happier and more and more out-going during the days I spent here. I owe them a 'Thank You!' from the bottom of my heart."

China Mobile pays close attention to employment issues, so as to fulfil our social responsibility of assisting employment for special groups.

In June 2013, we launched China Mobile's Employment Support Programme for the physically challenged in Sichuan, providing customer service hotline positions for them. We gave them trainings and one-on-one follow-up mentoring from hotline training experts, and helped them meet our qualifications with trainings on Putonghua skills, telephone communication skills and China Mobile business operations allowing them to realise their self-worth. The programme was recognised as a 2014 Outstanding Volunteer Programme of Central Enterprises by State-owned Assets Supervision and Administration Commission (SASAC).

#### Programme Impacts:

Indicators	Data
Total Investments	4 million yuan
Employees trained cumulatively	700
Employees obtained fulltime employment	200
Families with physically challenged members avoided financial crisis	600
Calls were answered by physically challenged employees	856,000 times
Customer satisfaction rate	97%



We also created a mobile Internet entrepreneurship and employment platform. We launched Mobile Market's Youth Business Start-up Plan in August 2010 to build entrepreneurial incubators for young developers. As of the end of 2014, we had been offering mobile Internet trainings and practice opportunities for approximately 2.382 million developers, and built entrepreneurial incubators in 85 colleges and universities in China. In 2014, we launched the 2014-2016 "Dreams with You" Million Youth Entrepreneurship and Employment Programme in cooperation with the government. The programme extended its previous successes and focused on a number of new activities to help youth students realise their dreams, including forging a new platform for student developers, developing 100 entrepreneurship incubation bases, providing 1,000 training sessions, 10,000 pilot projects, one million employment opportunities, and 10 million yuan as entrepreneurship competition awards.

## Developing in Career

We understand that the cultivation of our employees' professional competence and work skills is of vital importance to us as the long-term driver behind our strategic transformation and innovation-driven development. In order to grow together with our employees, we continued innovating and experimenting on providing an open and encouraging career development platform that could address both our employees' career development needs and the needs of our own business development.

### Training and Education

Employee training at China Mobile was becoming increasingly specialised and professional. Our continuous innovation on training and education models not only helped improve the professional competence of our employees, but also played a significant role in powering our business growth.

Our Online University offers a variety of training courses to all employees such as corporate strategy, corporate culture, operation strategy communication, skill certification for certain positions, and personal development. It provides comprehensive learning support for our employees' career development and professional growth with centralised training resources. In 2014, our Online University attracted 321,000 employees to study online with total study time reaching 8.2 million hours, averaging 25 hours per person. Over 140,000 employees started using mobile phones to study, signifying that online learning was an important channel to aid employee career development.

The continuous innovative practice of China Mobile University in employee training was recognised with a number of prominent industry awards, including the top global award for training and education "2014 ATD-Excellence in Practice Award", the "2014 China Best Enterprise University" and the "2014 Engine Award – China Benchmarked Enterprise University".



In Shanghai, we organised training sessions for new employees

### Career Development

We actively encourage and support professional and technical employees to develop their expertise and achieve breakthrough. We established a senior engineer review committee and an expert database covering the entire company. We also organised a company-wide online review of all senior engineers. 300 experts passed the review and were included in the expert database.

We continued enhancing our employee two-way rotation mechanism. In 2014, a total of 16 employees from 13 departments at our headquarters were selected to work on rotation positions at 11 provincial subsidiaries, while 14 employees were rotated from provincial subsidiaries to headquarters. Meanwhile, for the first time we sent 40 newly recruited employees directly from schools to take grassroot level positions in central and western provincial subsidiaries in order to promote their development with richer work experience and better knowledge set.



In Qinghai, we organised team building activities



## Caring for Employees

China Mobile cares about employees' personal health and work-life balance. We conducted surveys on what concerned our employees the most to understand their needs, which would help us better serve our employees both at work and during their personal lives.

### Personal Health

In 2014, we started making preparation for the "Happy 1+1" employee personal health improvement programme, encouraging all subsidiaries to organise innovative group activities to enhance both the physical health and the mental conditions for employees. Now we have completed gathering suggestions from subsidiary trade unions and the programme will be officially launched in 2015.

We care about employees' mental health and are continuously expanding the coverage of Employee Assistance Programme (EAP). By now, both our headquarters and all 31 provincial subsidiaries have implemented EAPs, covering 280,000 person-times in total.



#### Advanced trainings for EAP specialists

In 2014, we further enhanced our internal EAP specialist team and accomplished the goal we set in 2009 of developing 180 advanced EAP specialists.



#### Hosting the Third Annual China Mobile EAP Forum

We invited external experts to explore EAP trends focusing on how to maintain in-depth employee communication during transition period, and the development of Internet enabled EAP applications.



#### Hosting Featured Lectures

We hosted a series of featured lectures on personal health, parent-child education, stress management, etc. We also provided professional counselling service that was customised to individual needs through our EAP WeChat platform.



In Hubei, we organised a team to participate in a dragon boat competition

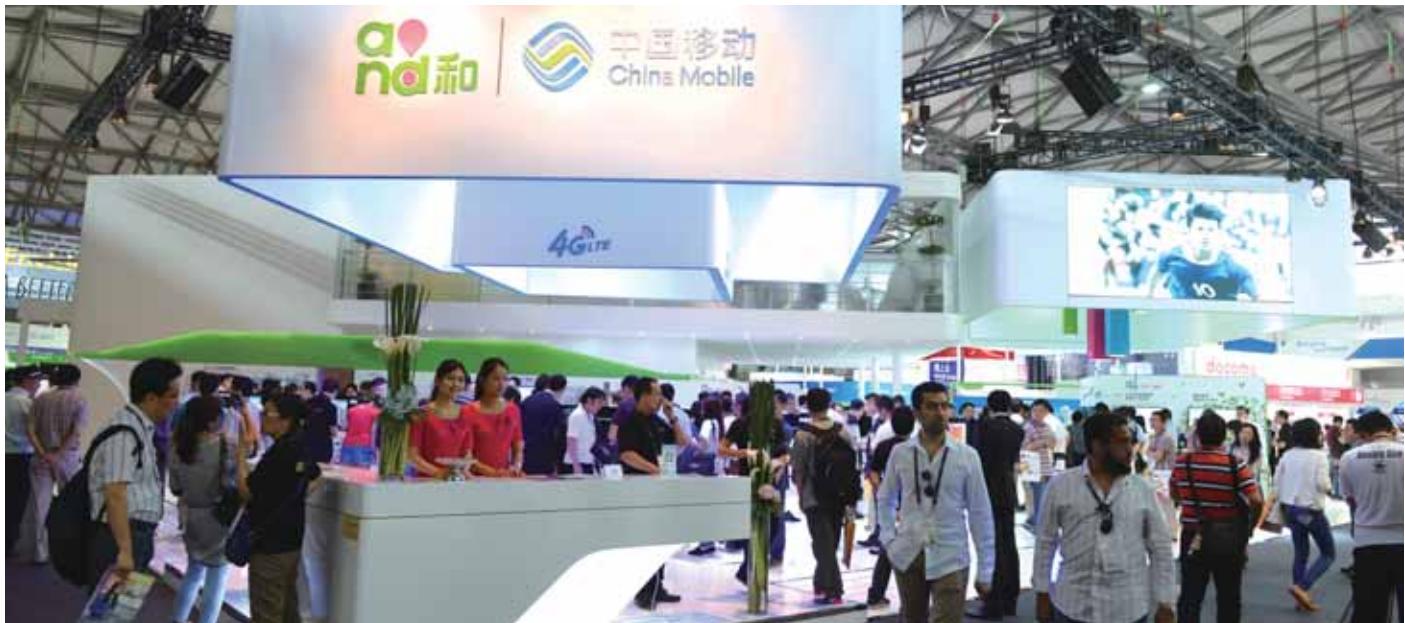
## Work-Life Balance

We encourage our employees to participate in various physical exercises and improve their work-life balance. In 2014, we organised balloon volleyball training and competition internally, and our winning team later competed in the national balloon volleyball tournament of telecommunication employees and achieved an outstanding ranking.

We had been planning for the founding of China Mobile Painting and Calligraphy Association. We collected painting and calligraphy works from our employees to launch the "Mobile Love, China Dream" internal exhibition, and organised communication events with association of SASAC employees. Several departments at our headquarters worked together to develop the China Mobile Photography Collections, providing a new and convenient platform to collect mobile phone photography works to compete in the mobile phone photography contest for telecommunication employees, a special event at the Beijing International Photography Week.

## Win-win Development with Industry

### Shared Growth



As a large enterprise whose annual procurement exceeds hundreds of billions of yuan, China Mobile strove to establish a highly efficient procurement system. In 2014, we made improvement to our centralised procurement system regarding procurement scale, technological standardisation and versatility. We also expanded its scope and issued out 2014 first-level and second-level procurement catalogues including nearly 1,900 products and services of 14 categories. The concentration ratio of first-level procurement increased from 33% in 2013 to 52.5% in 2014, and the concentration ratio for first-level and second-level procurement increased from 88% in 2013 to 93% in 2014.

We attach great importance to promoting procurement model revolution within our industry with IT solutions. Our goal is to contribute to shaping harmonious industry ecology by creating an Internet-based competition environment that is fair, open, transparent, healthy and beneficial to all. In 2014, we launched an electronic procurement and bidding system, ensuring transparency and traceability for all procurement projects along the entire procurement process with functions such as project documentation, procurement information disclosure, real-time and follow-up inspections, and project information archiving. The system specified six procurement approaches, standardised 220 business processes, and developed 65 sets of document templates. The highly efficient collaboration between buyers, suppliers, experts and supervisors not only reduced our transaction cost, but also significantly sped up the paperless process of bidding operations. As of the end of 2014, the system had processed 8,740 procurement projects cumulatively with 17,863 new suppliers and 21,169 experts registered cumulatively.

### Achievements

 Reduces the printing of **204,000 copies** of bidding documents per year

 Equivalent to reducing timber consumption by **772 tonnes**

 Saves **887 tonnes** of paper per year

 Equivalent to CO<sub>2</sub> emission reduction of **2,040 tonnes**

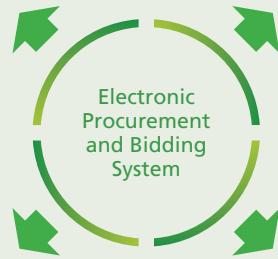
### Promoting Revolution in Industry Procurement Model

**Full Transparency:**  
full procurement process go public, build a fair and open market

**High Efficiency:**  
whole process standardised and electronic, overall efficiency improved for both parties

**Big Data:**  
manage and analyse big data, share and exploit industry procurement information

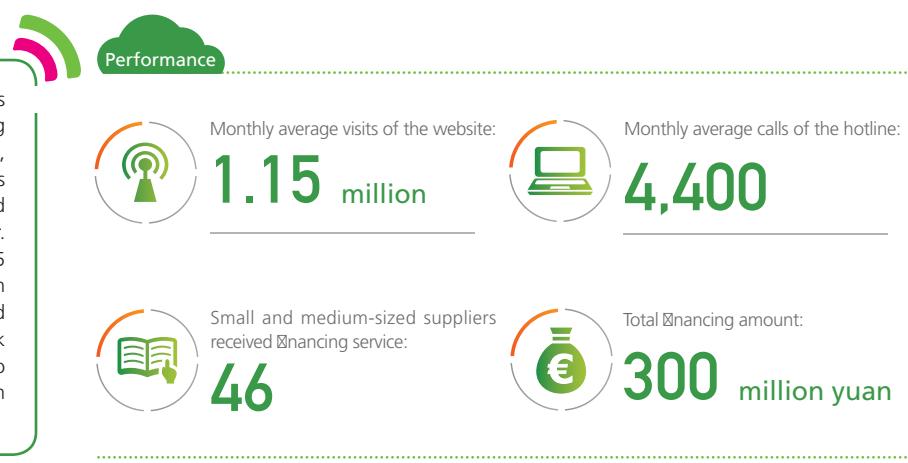
**Low Cost:**  
centralised system construction and operation, reduce costs for both parties



We leverage our expertise in information technology and engage our suppliers to help them bring down cost of cooperation and realise win-win cooperation.

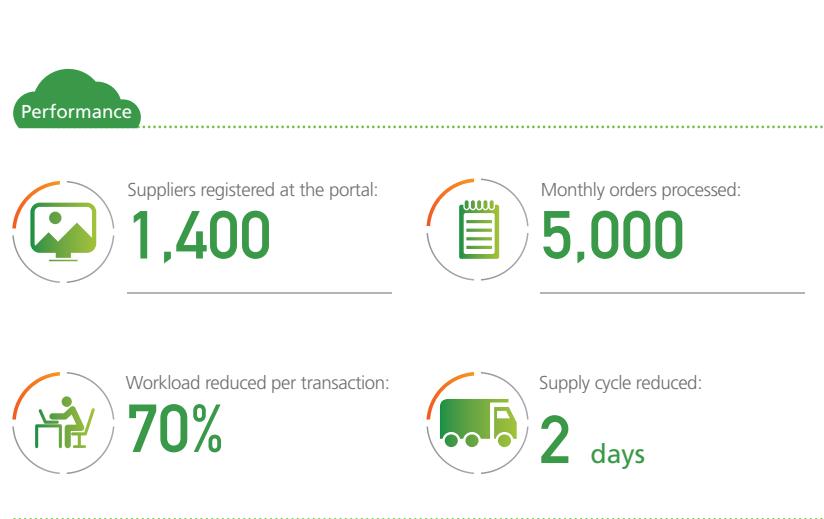
### Launching "1111 Supplier Service" in Guangdong

The "1111 Supplier Service" referred to provides our suppliers with a complete service package ranging from registration, certification, contracting, ordering, payment, and policy consultation with four channels for suppliers: a portal, a hotline, a service website, and a supplier communication conference for each quarter. About 12,000 service suppliers were served with 1.15 million website visits and over 4,400 hotline calls each month. In addition, our Guangzhou Company worked together with Shanghai Pudong Development Bank (SPDB) to provide approximately 300 million yuan to 46 small and medium-sized suppliers to help them reduce cost of capital.



### Establishing WeChat Supplier Portal in Anhui

Suppliers could log in the WeChat Supplier Portal with their mobile phones to carry out a variety of activities, including shipment releasing and receiving, contracting compliance, payment, complaint, and checking notices and performance evaluation result, forging responsive and convenient supply chain operations. This allows suppliers to handle operational business at any time. There were about 1,400 suppliers registered at the portal, which processed over 5,000 orders online each month with real time information sharing between buyers, users and suppliers and the automation of our procurement process, reducing workload per transaction by 70% and supply cycle by 2 days. We also lowered product quality risks by sharing complaint data and quality inspection data.



## Engagement

In December 2014, we hosted the 2014 China Mobile Global Partner Cooperation Conference under the theme of "Converge New Drivers with 4G" in Guangzhou. Over 5,000 device industry partners, application developers and mobile Internet partners around the world joined us to explore the outlook and development for 4G related businesses.

We invited over 180 suppliers to participate in our 2014 supplier reverse assessment as an effort to enhance our communication with suppliers to address their concerns.

## Shared Responsibilities

China Mobile is committed to sharing values with our value chain partners and leading them towards a greener approach, enhancing both the awareness and the capacity of responsibility across the industrial chain.

We integrated strict social responsibility requirements into our procurement management, and compiled 19 supplier certification templates, covering 35 categories of products in first-level centralised procurement. These templates contained sections on Environment, Society and Governance, setting specific requirements for suppliers on energy conservation, emissions reduction, labour management, workplace health and safety management and business ethics. We required ISO 14001 environmental management certification and SA8000 (Social Accountability 8000) certifications for supplier of certain product categories.

In 2014, we made joint efforts together with our partners to promote intellectual property right protection and enhanced the copyright management at business platforms of our Mobile Reading Base, Wireless Music Base and other business bases.

- Mobile Game Base: We established copyright management mechanism covering screening, monitoring and processing at different phases. We screened copyright documents and contents provided by our partners and identified 279 games in violation of copyright management rules, among which those with direct copyright infringement were removed.
- Mobile Reading Base: We implemented approval screening and anti-piracy measures in order to promote the development of Internet literature by refusing books which did not meet copyright requirements. In 2014, we set up a Green Copyright Alliance system at the Base and 23 partners had already joined the alliance. Meanwhile, we conducted an overall copyright screening of online literature, accounting for 20% of content screened.
- Wireless Music Base: We established the most comprehensive copyright protection system in the industry, containing 14 screening standards in four categories in compliance with *China's Copyright Law and Regulations on the Protection of Information Network Transmission Right*. To ensure each song was legally authorised, we required partners to demonstrate proofs of rights of recording producers, performers and song writers among others, and required the authorisation process to be properly done regarding their terms and time frame.

We also advocate a green approach and participate in developing relevant industry standards.

- In 2014, we participated in drafting the *Energy & Resource Efficiency Requirements for Data Centres* national standards, as well as the relevant industry standards in cooperation with China Communications Standards Association (CCSA).
- We played a leading role in the formulation of five energy-saving industry standards for wireless network, core network and transmission network equipment.
- We actively participated in and promoted the GreenTouch international cooperation, and formed a work group with Korea Telecom in the field of smart energy.
- We participated in the 2014 Telecommunication Industry Energy Conservation and Emissions Reduction Innovation Forum and the Seventh China Green Communication Conference and shared our experience in energy conservation and emissions reduction with other participants.





## Sharing with Community

### Narrowing the Digital Divide

#### "6995" Platform Ensures Rural Residents Security



Yan Shiliang was a migrant worker from Baoshan city, Yunnan province. Several years ago, he left his hometown Xinchang Village together with his wife and child to find employment opportunities, leaving his parents behind. One day last year, he received a sudden call from his mother. With a sobbing voice, she told Yan Shiliang that his 83-year-old father had a stroke, half of his body was paralysed and he could not move his limbs. She felt desperate and lost.

As the family's only son, Yan Shiliang worried a great deal for his parents hearing his mother's helpless voice. His hometown was in a remote mountain area and even if he called 120 or 110 for emergency assistance, the help would not make it there in time. Suddenly, it crossed his mind that he could try seeking help from his neighbours by dialling "6995". He did so and asked his neighbours to give his parent urgent help. "I am Shiliang! My dad got ill suddenly! Please help get a doctor for him as soon as possible! Thank you so much!" After a while, a neighbour called back, "Don't worry, Shiliang. All your neighbours are at your home, and your uncle already got a doctor here on his motorcycle. Your dad feels much better now..." Hearing this, Yan Shiliang breathed a sigh of relief.

Compared with the rapid and convenient information transmission in urban areas, it was very difficult for people in some remote rural areas to obtain community assistance. With this situation in mind and considering the government's information strategy for rural areas, China Mobile developed the "6995" service platform. The "6995" service platform connects ten households in one neighbourhood into one caller group, allowing villagers to make calls to their neighbours all together, thus forming a three-tier information service network of "villager-neighbourhood-group". Villagers were able to use this network to help each other, get farming help, organise a neighbourhood watch, and contact the police for help.

#### Performance of the "6995" service platform:

Indicators	Data
Police call	23,000 times
Farming help	130,000 messages
Disaster relief	4,000+ times
Post-disaster assistance (disaster notification, epidemic prevention, relief goods distribution, information broadcast, etc.)	5,000+ times
Medical assistance	490 times

In 2014, we continued implementing the "Village Connected Project" to speed up the development of network coverage in remote regions. As of the end of 2014, we had brought broadband service to 7,451 administrative villages and 400 rural schools, and mobile phone service to 3,007 natural villages. In the past ten years, we had provided mobile phone access to 121,243 remote villages and broadband access to 27,995 administrative villages in total.

During our 4G rollout, we developed the enhanced coverage plan for 4G network in rural areas to better fit local conditions. In July 2014, we conducted a pilot project of enhanced coverage in Xinyang, Henan province, achieving 90% continuous coverage of local rural areas and providing high quality data service to local villagers. We will promote this technology under different rural conditions in order to build a premium rural 4G network.



In Guizhou, we activated free family calls for some minority schools

**“**I used to have to visit their homes or call them one by one to notify them of something. If I was away from the village, it would be even more difficult. With the "6995" service platform, I could either talk to many villagers all at once or broadcast my message over the loud-speaker system in the village just using my mobile phone, even if I were away in Beijing. It allows me to save a lot of time and money, and it is really handy!

— Li Yong, Village Director, Mingyue village of Dianjiang county in Chongqing municipality

We implemented the Five Ones project for rural market, featuring "One Township, One Village, One Sales Outlet, One Staff, and One Network", to ensure the coverage of each village with sales outlets and staff so that customers could purchase or make inquiries of our services conveniently. At the end of 2014, we had developed 602,000 rural sales outlets while the Device Company had established 1,094 after-sales service outlets, covering 91% of cities in China.

## Service at Doorsteps Helps Elderly Use Mobile Phone



"Grandma, I come to see you again. How are you? Can you remember how to use the one touch dial function on your mobile phone?"

Zhao Min is an after-sales service representative of China Mobile. Each week, she schedules a visit to the 65-year-old Grandma Zhou to answer her questions on how to use her mobile phone. This heart-warming service stemmed from the requirements of the after-sales service management mechanism China Mobile developed in Jiangsu province. Grandma Zhou is an "empty-nest" elderly lady. Zhao Min formed a one-on-one service relationship with her and showed her how to use the basic functions of her mobile phone with face-to-face demonstration. The use of a mobile phone was easy for a young person, but it took Grandma Zhou times after times of repetition and practice. During the whole process, Zhao Min was very professional and gradually taught her how to use her phone with great patience.

Starting from January 2014, we organised a rural service team in Jiangsu to pay regular service visits to rural

areas. They helped villagers clean their phones and attach protective covers, answer their inquiries, and repair their phones for free. They also gave lectures on how to use mobile phones and provided skill training to rural repair shops. Regarding the difficulties for empty-nest elderly people using their mobile phone or getting service, our repair staffs at the city level were required to pay them regular visits and form one-on-one service relationships.

So far, we have allocated 96 after-sales service representatives cumulatively and established an effective service network covering 8 cities and over 100 townships in Jiangsu province. This network has 3 tiers, including a management platform at the provincial level, 7 service centres at city level, and 21 service drop-off outlets. With the help of our after-sales service representatives, our elderly customers had learned how to better use their mobile phones, such as setting one touch dial, saving contact numbers, taking pictures, etc. We are committed to helping the vast numbers of customers in rural areas keep up with the development of information society.

### Performance of Jiangsu After-sales Service Network:

Indicators	Data
Lectures on mobile phone use for elderly in townships	30 times
Cumulative number of customers served	1,100 person-times
Number of elderly customers to whom we provide in-home service	150 households
Number of skill trainings for local service outlets	35 times



In Jiangsu, our after-sale representatives were visiting a resident



## Supporting Poverty Alleviation

### China Mobile is with You on Poverty Alleviation



"Look! There are really good edible fungus growing on the cultivation sticks 20 days after the sticks were planted. In the past, we had to gather them from the mountains. It had never crossed my mind that we can grow it right here in the village. Science is awesome!" This exciting remark on edible fungus cultivation came from a village girl from Hari Chulu Gazha in Neimenggu.

Hari Chulu Gazha is in the southeast of Jalaide Banner of Neimenggu. This area had a population of 1,650 people, among which 42% were in poverty. The annual per capita income was only around 2,600 yuan. To better help them out of poverty, we dispatched a support team. They studied local conditions and identified a number of problems of the local population who mainly did farming for a living, including lack of variety and low unit yield. After consulting agricultural experts, we concluded that edible fungus cultivation was a feasible agricultural poverty alleviation project.

We selected ten households with appropriate conditions from the local poverty population and granted 10,000 yuan to each household as seed capital. We also brought in edible fungus experts to teach them the technology. We set up a workshop locally to produce cultivation stick to reduce cost. Besides these, we launched product promotions at national agricultural products trade fairs and achieved good results. This project was expected to be expanded to cover 30 poverty households in 2015, and help our poverty alleviation target households increase their per capita net income by 130%, reaching 6,000 yuan per year in 2017.

We have implemented many other related assistance work there. Regarding the backward information development, we teamed up with a third-party network equipment vendor and provided broadband equipment and access to this village. Villages could access this service by paying only 300 yuan. To help the villagers learn agricultural news and gain farming and cultivation skills, we also provided a number of agricultural information for free, such as the Golden Speaker project, free update of the Rural Information Network service, and rural weather services, etc.

We also paid attention to helping local university students with their education and employment. China Mobile Neimenggu Company Xing'an Branch and Jalaide Branch offered preferential consideration to college graduates from local families stricken by poverty. We also established a college poverty student employment and internship centre at Xing'an Branch.



In Gaize county, Ali district, Xizang, we carried out poverty alleviation activities

It is an important social responsibility for us to support poverty alleviation and regional development. In 2014, our parent company provided 40.43 million yuan as targeted aid and poverty relief support.

### Supporting "Water Cellar for Love" project in Yunnan province

Severe droughts happened repeatedly in Yunnan in the last several years, causing severe water shortage. China Mobile Charity Foundation participated in the Water Cellar for Love project in Yunnan, where water cellars played an important role in helping people living in mountainous areas to store water for use. We planned to construct 5,333 water cellars in Yunnan during the 2014-2015 period. At the end of 2014, we had completed the construction of 2,666 water cellars.



In Guizhou, our volunteers carried out the "and You" events for primary school students

### "Stay with You" One-on-One Assistance programme

We continuously support our parent company to carry out targeted aid and poverty alleviation activities. In 2014, we chose two branch companies to implement our targeted aid programme, one in Qinma County in Luozhou State, Qinghai, the other in Gaize County in Ali District, Xizang. We encouraged our employees to participate in one-on-one support activities for Tibetan students from families in poverty. We raised more than 140,000 yuan, which was distributed to these students at 1,200 yuan per person per year. We also raised over 10,000 winter coats, 350 blankets, and more than 500 books, valued at close to one million yuan in total, to take care of both the needs of school children in remote areas, and the need for education resources.



Our volunteers donated clothes and books to primary school students in poverty in Gaize county, Ali district, Xizang

## Supporting Social Philanthropy

China Mobile Charity Foundation is a private foundation solely owned by China Mobile starting from 2009. It has launched a series of long-time philanthropic programmes in promoting educational equality and assisting vulnerable groups. In 2014, China Mobile Charity Foundation donated 38.3 million yuan and its cumulative charity donation reached 157.35 million yuan. The donation was mainly used to support the "Blue Dream" Education Aid Plan, Heart Caring Campaign and other strategic philanthropic programmes.

**Donations of China Mobile Charity Foundation (Unit: 10,000 Yuan)**



In Heilongjiang, we carried out philanthropy activities for the elderly



In 2014, China Mobile Charity Foundation donated

**38.3** million yuan



Its cumulative charity donation reached

**157.35** million yuan



### China Mobile Heart Caring Campaign – Aid for Children in Poverty with Congenital Heart Disease Programme

Mingbo was a three-year-old girl. After a round of energetic playing, she rested in the arms of her father with a sweet smile on her lovely face. This cherisable moment did not come easily for them, as Mingbo was diagnosed with congenital heart disease soon after her birth. Her parents were farmers with a mediocre income. Her disease was a heavy blow to the family. Happiness disappeared from the faces of her parents as they tried all means to raise money so Mingbo could have treatment.

In 2012, China Mobile launched the Heart Caring Campaign in Liaoning Province. The programme rekindled the hope of Mingbo's family for her treatment. When Mingbo was ten-month-old, China Mobile sponsored her surgery and it was successful. Now Mingbo has fully recovered. Her mother expressed their gratitude in an excited speech, "The kid is in kindergarten now. She can play around just like any other kid. We give our sincere thanks to China Mobile Charity Foundation for the help. There are smiles on our faces all the time."

In 2014, China Mobile "Heart Caring Campaign" Aid for Children in Poverty with Congenital Heart Disease Programme invested 22.5 million yuan in total. We continued existing programmes in Henan, Shanxi and Liaoning, launched a new programme in Qinghai, provided free screening to 6,052 children in poverty and sponsored free surgeries for 919 children diagnosed with congenital heart disease in total. Since 2011, China Mobile Heart Caring Campaign has cumulatively provided free screening to 23,840 children in poverty from Neimenggu, Liaoning, Henan, Shanxi and Qinghai and cumulatively sponsored the treatment of 2,260 children diagnosed with congenital heart disease. In addition, our employee volunteers contributed over 3,600 hours of work cumulatively.

**“** Congenital heart disease is the most serious one among all the congenital diseases and its occurrence rate is high in China. China Mobile Charity Foundation played a complementary role for government in helping address societal needs where traditional government resources have difficulty reaching. The Heart Caring Campaign not only reduced the burden on the families of these children, brought hope to their lives, but also helped to bring down crime rate and prevent infant abandoning, making contributions to a harmonious society. **”**

– Cheng Yifeng, Section Chief of Research Department, Network News Communication Bureau of the State Internet Information Office



## 23,840

children in poverty received free screening of congenital heart disease cumulatively



## 2,260

children diagnosed with congenital heart disease received free surgery treatment cumulatively



## 3,600+

cumulative hours of employee volunteer work



## China Mobile 2014 Employee Philanthropy Stars

Starting from 2012, we added a category, Philanthropy Star, to our annual CSR Best Practices Selection practice as a special dedication to China Mobile employees who dedicated their time to philanthropic activities and serving society. In 2014, the following Philanthropy Stars were selected based on over 260,000 online votes from the public.



In 2014, the number of registered China Mobile employee volunteers reached

**115,200**



Our volunteers served more than

**460,000**

hours



### Zhu Ming: Standing behind These Children

Zhu Ming is the party secretary of China Mobile Sichuan Company Hongya Branch. For a decade, he has been providing continuous support to children who dropped out of school because of poverty with over 160,000 yuan personal donations as well as 20 rounds of in-kind donations. In 2004, when Zhu Ming was the general manager of the county branch, he learned that some students with good academic performance in Liujiang Township had to drop out of school due to poverty. He went to the school and donated 500 yuan to each of the six students after verifying their situation. Zhu Ming never stopped supporting students in poverty and left-behind children ever since. His persistence and devotion moved many others such as family, friends, colleagues, and our business partners, and he was accompanied by more and more people to share their love and care. As his story became known to more people, this brought him recognitions such as Sichuan Labour Model and Hongya Love Ambassador. Zhu Ming still maintains his belief and carries on doing these good deeds.



### Yue Lei: Passing on Unselfish Love

Yue Lei is an account manager at China Mobile Henan Company Zhengzhou Branch. On 28 April 2014, Yue Lei became China's 4,131st volunteer donor of hematopoietic stem cell. She underwent a four-hour procedure to donate stem cells to help a three-year-old child regain the hope of life. Yue Lei was 33 years old and a mother of a 4-year-old child. Other than being a hard worker and a loving mom, Yue Lei became an active blood donor since 1999. Over the last 15 years, she had donated over 5,400 millimetres blood. As the first employee donating stem cells in Henan Company, Yue Lei's story encouraged more people around her to pass on their love and contribute to society.



### Wang Xuan: Paying back to Community

Wang Xuan is a hotline supervisor of the Jiaodong customer service sub-centre of China Mobile Shandong Company, and she also acts as the union chairman of the centre. In April 2012, she formed a Red Cross volunteer team at the centre, organising employee volunteers to participate in various community services, such as emergency aid, blood drive, and caring for the elderly and children. In December 2013, Wang Xuan initiated and organised the Warm Winter Action, which raised over 170 pieces of winter clothes and blankets for children in remote mountain areas. Wang Xuan held the belief that "what one person can do is limited, but what a group of persons can do is unlimited." Under her leadership, their volunteer team kept on growing and their volunteer activities have won widespread recognition.



### Stakeholder Expectations

- Creating employment to solve social issues
- Offering career development platform and a harmonious work environment
- Open and transparent competition environment, mutually beneficial and win-win cooperation
- Supporting social philanthropy, assisting disadvantaged groups and achieving inclusive growth

### Our Approaches

- Creating employments for special groups
- Enhancing workplace health and safety management
- Innovating trainings, expanding EAP coverage, and improving work-life balance
- Developing the electronic procurement and bidding system to achieve win-win cooperation
- Continuously carrying out strategic philanthropy programmes and encouraging employee volunteering

### Our 2014 Achievements

- EAP programmes fully launched company-wide, covered 280,000 person-times
- 92% employees received health checkups
- Electronic procurement and bidding system handled 8,740 projects cumulatively, with contract amount adding up to 153 billion yuan.
- Cumulatively connected 121,243 remote villages with mobile phone access and 27,995 administrative villages with broadband access
- “Blue Dream” Education Aid Plan cumulatively trained 70,539 primary and secondary rural school principals from central and western China, donated 2,110 libraries and 1,070 multimedia classrooms
- Cumulatively screened 23,840 children in poverty for free and sponsored surgery treatment for 2,260 children diagnosed with congenital heart disease

### Our 2015 Efforts

- Continue to implement EAP, launch the “Happy 1+1” programme for all employees to help them keep healthy
- To expand electronic procurement and bidding system to cover all city level subsidiaries
- To train 11,000 primary and secondary rural school principals from central or western China, donate 200 libraries and 190 multimedia classrooms
- To expand Heart Caring Campaign to Ningxia, Guangxi and Xinjiang, and sponsor the treatment of 850 poor children with congenital heart disease

# Sustainable Values



"Yes! We have found Grandpa Yu. Please don't worry!" After telling the other side of the phone these words, Wang Lianbo heard "thanks" in a sobbing voice. Looking at the old man standing beside him who did not react to the phone call, he sighed in relief.

Wang Lianbo is a subway police officer of Yuhong Police Station in Shenyang. One day afternoon, someone saw an old man wandering around the subway entrance with a confused look on his face. He tried to help but the old man could not tell who he was, where he wanted to go or where he lived. So he had to ask Wang Lianbo for help.

The first thing Wang Lianbo noticed was a yellow wristband the old man was wearing. He brought the old man back to the police station and entered the number on the wristband into computer. The system showed that his name was Yu, he was 75 years old and he lived in Bajing Street in Heping District. Wang Lianbo called the emergency contact number immediately and got in touch with the old man's wife, Grandma Wang. When he escorted the old man to his

home, Wang Lianbo was told that this was already the fourth time he got lost over the last six months. Grandma Wang mentioned that she came across a promotional activity in the neighbourhood of this yellow wristband. After being told that the wristband was intended to prevent elderly people from getting lost, she immediately registered and got one for her husband. She remarked, "I'm surprised that it would be of use in such a short time."

In 2012, China Mobile launched the "Yellow Wristband" charity programme with the government in Liaoning and provided those who were suffering from Alzheimer's disease or severe mental illness with yellow wristbands with unique numbers and positioning chips inside free of charge. With the wristband, people could get the position of lost elderly people, or search for their information to find their home addresses on the database once some lost elderly people were found. As of the end of 2014, we had distributed over 200,000 yellow wristbands to elderly people or people with special needs.

**“**We often came across the incident of elderly people got lost. Sometimes when we located the people, they were just several hundred metres away from their homes. Even so, it was really dangerous for them in winter when outdoor temperature dropped to ten or twenty degrees sub-zero. Now, as many of them wear the yellow wristbands, it is much easier for us to help send them home. **”**

– Wang Lianbo, Police Officer, Yuhong Police Station, Shenyang Public Security Bureau

As population aging accelerated in China, issues such as elderly care and elderly safety became pressing challenges hindering China's social development. Focusing on what the people and society need, we were committed to leveraging information technology to offer more efficient and convenient services for the elderly population.

In Sichuan, we launched the Elderly Care at Home information service, offering seven categories of services, including medical care, emotional companion, community activities, daily care, information service, health management, and emergency assistance. Elderly customers could access our services at any time and from any location through our 12349 hotline, text message, mobile APP or website. We continued carrying out the "China Dream, Mobile Heart – 12349 Elderly Care" programme, distributing free mobile phones with one-touch positioning function to elderly people over 60 years old. As of the end of 2014, we had invested 15 million yuan cumulatively, distributed 10,076 one-touch positioning mobile phones, covering nearly 20,000 households of elderly people with our Elderly Care at Home service system, and provided one-on-one elderly care activities to 115,000 person-times of elderly people.

With the development of 4G and mobile Internet, information applications started playing increasingly important roles in changing people's lives and transforming our society. The telecommunication industry is facing the same rapid change. China Mobile actively promotes sustainable creation of shared value, welcomes the change, develops suitable organisation and capacity for the mobile Internet development, and creates more possibilities for "Mobile Changes Life". We are committed to pushing forward our strategic transformation and making adjustment to the way we operate and create value, developing a rich variety of innovative information applications to enrich people's lives, strictly managing our environmental impact and aiming at enabling a green future with information technological solutions.



**10,076**

one-touch positioning  
mobile phones distributed  
for free to the elderly



Our Elderly Care at Home service  
system covered close to

**20,000**

households of elderly people



One-on-one elderly care  
activities participated by

**115,000**

person-times of elderly people





## Innovation and Transformation

In 2014, while the Chinese economy entered the new normal stage, the development of the telecommunication industry enjoyed a beneficial macroeconomic and policy environment as the Chinese government formulated the “Internet+” action plan and listed information consumption as the first priority among the six major consumption areas. Meanwhile, China Mobile was experiencing more severe competition from both industry peers and the Internet. Under these circumstances, we actively strengthened our three key drivers, accelerated the adjustment of our strategic focuses, and promoted innovation-driven development.

**641.4** billion yuan as operating

revenue, an increase of **1.8%** over 2013

**150.6** billion yuan as

mobile data traffic revenue, an increase of

**42.9%** over 2013

**1,293** patent applications were

submitted in 2014 and **579** patents were granted

International transmission bandwidth

increased to **1,579G**, an increase of

**21.46%** over 2013

### Accelerating Adjustment of Strategic Focuses

#### Development of Specialised Companies

**China Mobile Communication Group Device Company Limited:** Developed own-brand five-modes smart phone models M811 and M812 priced around 1,000 yuan. They were sold to countries including France, Spain, Pakistan and Thailand and their cumulative sales volume reached 1.1 million units.

**China Mobile Communication Corporation Government and Enterprise Service Company:** Launched a number of new products such as Mobile Cloud, 4G vehicle-mounted smart device and OBD device, and established a service quality monitoring platform for corporate customers.

**China Mobile International Limited:** Reduced international roaming tariffs and introduced the innovative 3/6/9 yuan data traffic packages and 30/60/90 yuan unlimited data traffic packages for data roaming.

**China Mobile M2M Company Limited:** Focused on the development and operation of a dedicated Internet of Things (IoT) and an open IoT platform, as well as researched and promoted smart home systems and Internet of Vehicles (IoV) applications.

**China Mobile Online Services Company Limited:** To focus on helping customers solve problems they came across when using mobile Internet as a key platform for our centralised service management.

**MIGU Co., Ltd.:** To focus on businesses related to the provision, operation and service of digital contents. This specialised subsidiary was established by consolidating together our five service bases for music, video, reading, games and animation.

#### New Infrastructure Construction

**China Mobile (Suzhou) Software Technology Company Limited (Suzhou R&D Center):** To provide industry-leading R&D and operation support for cloud computing, big data and advanced IT supporting system.

**China Mobile (Hangzhou) Information Technology Company Limited (Hangzhou R&D Center):** To become a professional supplier of mobile Internet solutions.

**China Mobile International Information Port:** To develop a world-class environmentally friendly information park with advanced technology and information service, focusing on four key functions: international operation support, research and innovation, information service, and exchange and demonstration.

**China Mobile Communication Group Southern Base:** To form a comprehensive platform for industry collaboration that focuses on six areas for innovation: e-commerce, device innovation, mobile Internet, mobile mail, APP download, and Internet of Things.

#### International Business Expansion

We actively explore the overseas markets to enlarge our overseas business layout. We completed the international network layout in the Asia Pacific region, and built international connections across the Pacific Ocean and to the Middle East and Europe.

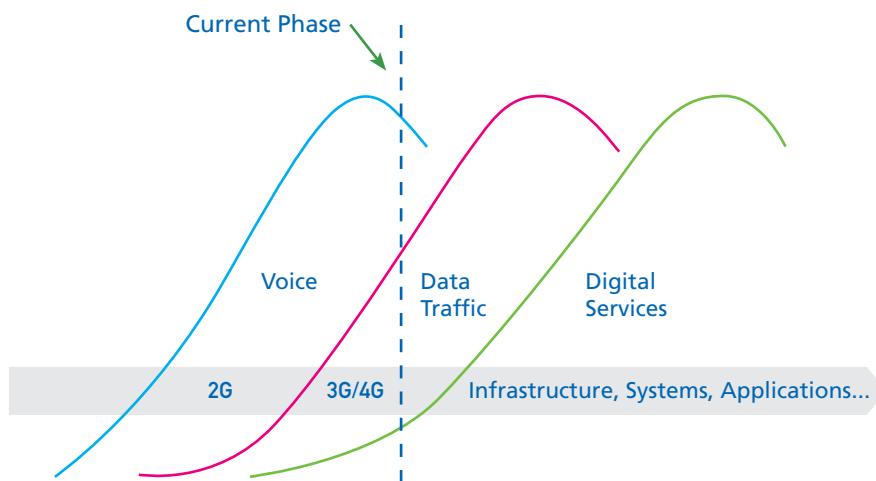
- In Thailand, we made our breakthrough in Southeast Asia with the successful equity participation in True Corporation.
- In Hong Kong, our China Mobile Global Network Centre in Tseung Kwan O was officially in use. As the first overseas submarine cable landing station for all Chinese telecom operators, it would function as a network hub for our international expansion.

## Promoting Transformational Development

To cope with the technology evolution of mobile Internet, cater to changing consumption trends and adjust to industry development, China Mobile was committed to pursuing sustainable value growth by actively adapting to the development of mobile Internet, changing our traditional operation models, and exploring emerging business opportunities.

### Cultivating "the Third Curve"

In 2014, We actively cultivated growth along "the Third Curve". Following the principles of "smart pipeline, open platform, featured business, and friendly interface", we adjusted our industry layout regarding mobile Internet and Internet of Things and launched a series of new products such as "and-Communication", "and-Life" and "and-Entertainment" to accelerate the development of digital services for further sustainable value creation.



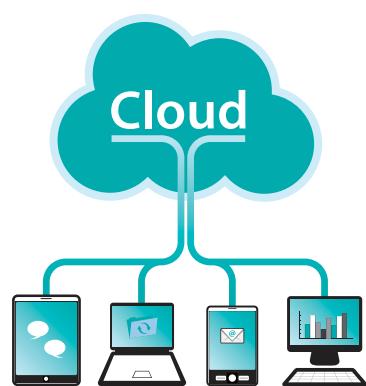
Three Curves: First curve — Traditional mobile telecom services such as voice calls, SMS and MMS; Second Curve — Data traffic services; Third Curve — Digital services such as contents and applications.

**Wireless Broadband:** We actively implemented the Broadband China strategy and invested in 4G based network resources such as wireless transmission network and public Internet, ensuring the speed and performance requirements for all types of applications and services.

**Smart Devices:** Smart devices are important carriers for Internet applications as well as the gateway for consumers to use mobile Internet services. We launched our own-brand smart devices and supported the development of TD-LTE 4G devices with the scale of our procurement. In 2014, we sold over 100 million 4G handsets, which further accelerated the development of 4G applications.

**Cloud Computing:** As the platform for other businesses and services in the mobile Internet era, cloud computing provided centralised, smart and accessible infrastructure resources for enterprises, customers and developers. We continued investing in cloud computing infrastructure. By June 2014, we had already deployed over 15,000 servers and 50,000 virtual machines nationwide. We planned to accelerate its commercialisation and provide cloud computing services to enterprise, government and individual customers.

**Unified Communications:** Unified communications business defined the three core functions for mobile devices, i.e. "New Communications, New Messages, and New Contacts". We focused our integrated business designing around unified communications, and extended the designing into the fields of daily life, entertainment, business and family life, etc. Meanwhile, we focused on the R&D and commercialisation of unified communications, having completed the testing of multiple VoLTE devices and developed new unified communications devices and solutions, meeting the requirements of "New Communications, New Messages, and New Contacts" in cooperation with a number of device and chip suppliers.





## Information and Wellbeing

### Enhancing Personal Wellbeing

#### An Information-Connected Home – Fostering Youth Growth



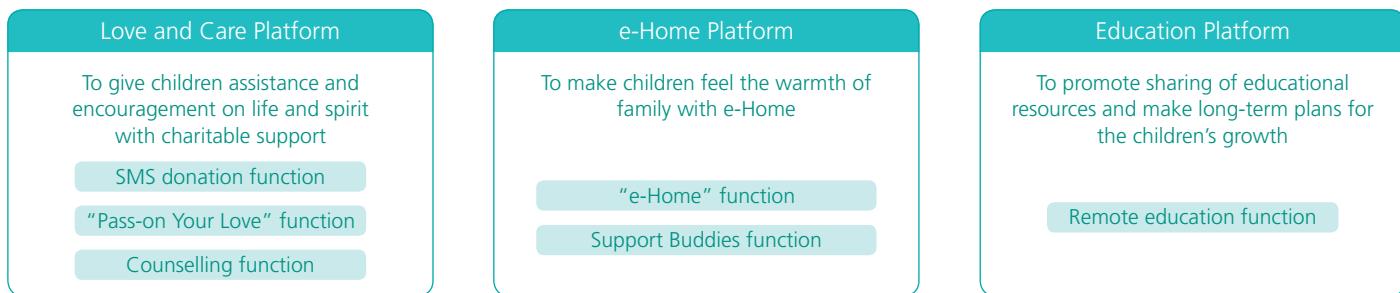
Liu Chunyan, a 13-year-old girl, was a sixth grade class monitor in Hansi Primary School in Lankao county of Kaifeng city. Her mother was often ill and her father worked away from home, so she had to live with her grandparents from a very early age. Hardship in childhood made her more mature than girls of her age. She longed for knowledge and hoped that she could get in a prestigious college so she would be able to bring a better life for her family. However, her school was located in a remote mountain area with relatively poor conditions compared to the schools in cities.

In 2014, we installed the Information Platform for Left-behind Children Care to Chunyan's school, including the remote video education platform built on our Cloud Video Service technology. On the platform, Liu Chunyan was able to watch teaching videos from top schools in the cities, and enjoyed the same high-quality education resources as in urban areas. Now, as Liu Chunyan took remote classes each day to learn the knowledge that she had been longing for, she felt that her college dream had never been closer.

According to the statistics of All-China Women's Federation, China has over 60 million left-behind children, mostly in remote areas in poverty. The lack of care and affection from their parents and society often damage their psychological health as they grow up. Many of them have to give up their "college dreams" because of backward education infrastructures.

Partnering with China Working Committee for Caring for the Next Generation, the Ministry of Education and other government agencies and relevant parties, China Mobile developed the Comprehensive Information Platform for Left-behind Children Care in Beijing to connect parents, teachers and society together to ensure these children could grow up healthily.

#### China Mobile Information Platform for Left-behind Children Care



The China Mobile Information Platform for Left-behind Children Care includes three sub-platforms: Love and Care, e-Home and Education. The platform can perform six major functions including SMS donation, "Pass-on Your Love", counselling, e-home, support buddies and remote education, which help the left-behind children in everyday life, emotion, education and security.

**SMS donation:** donors can send text messages to assigned number to make direct donation;

**"Pass-on Your Love":** the left-behind children can publish their own wishes through text or voice messages on the platform. The platform would forward the wishes to volunteers and help matching volunteers and children to make the wishes come true;

**Counselling:** sending regular psychological counselling messages to the children through texts, pictures or voice messages;

**e-Home:** the children and their parents can communicate through the online platform;

**Support Buddies:** allowing the children to make friends with each other and form support groups through the platform to study together and help each other;

**Remote education:** it hosts electronic courses and study guide videos from selective schools around the nation, giving the left-behind children the access to quality education resources.

## "and-Life" – Information-Enabled Medical Care

Ms. Xu was a resident of Chaoyang District in Beijing. She was pregnant and needed regular medical checkups at Beijing Obstetrics and Gynecology Hospital. She used to think it should be very convenient as the hospital was only steps away from her home. But to the contrary, it was so difficult to book a doctor appointment that her husband had to get up early, sometimes in midnight, to wait in line for doctor appointment registration. Even if she got the appointment, she had to wait in long lines in hospital hallways instead of at her home nearby as she did not know how long she had to wait.

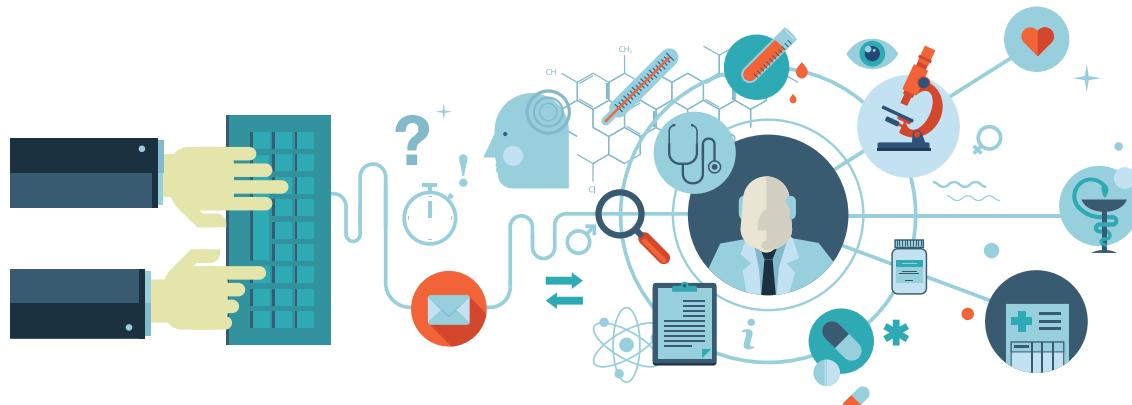
Later, Ms. Xu downloaded "and-Life" medical application at the recommendation of a friend by chance. With this application, she was able to check and make appointment on her mobile phone, and wait at home to take a rest before the phone told her that it was her turn for checkup. She could even download and read her examination results on her phone, saving her husband a trip to the hospital. Ms. Xu found that this medical mobile application was so useful with the time and trouble it helped save.

In 2014, China Mobile launched the "and-Life" medical application for local residents, consolidating five major medical functions of real-time doctor availability check, ultrasound and fetal heart rate check, ultrasound exam waiting time check, hospital navigation and examination result inquiry into an innovative application in the field of mobile healthcare.

In the future, we will continue improving the "and-Life" medical care service and expand its coverage to include over ten hospitals in Beijing that offer gynaecology and obstetrics services. We also plan to significantly increase the functions of this service such as access to information of multiple hospitals, mobile payment, medical history inquiry, universal inquiry platform for first-class gynaecology and obstetrics hospitals, accommodation facilities near hospitals and their customer reviews, pharmaceutical information inquiry, and forum for expecting mothers, etc.



In Xinjiang, we promoted the smart medical programme



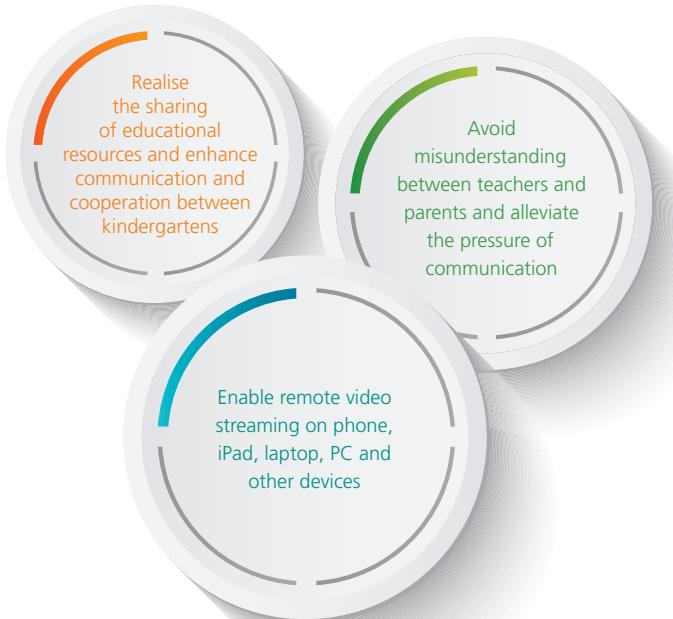


## Kindergarten Information Service – Caring and Communication Platform for Children

"We have a four-year-old boy. When we dropped him off in the kindergarten each morning, we knew that it would be in evening to see him again. It would be a lie to say we don't miss him during daytime. And it made us even more concerned over our son's conditions at his kindergarten as scandals related to kindergarten frequently appeared in media." Ms. Liu worked at a shopping mall. Usually when she returned home in the evening, her baby already fell asleep. She complained that "Our kid was too young, and it would be impolite for us to directly ask his teachers about what happened during daytime at the kindergarten".

"Later, the kindergarten teacher recommended a mobile APP to us. With this APP, now we can check our kid's condition in kindergarten at any time on our mobile phone. That is fantastic." Ms. Liu opened the APP and live video of her child playing with other children appeared on the screen. Now she frequently turned on this APP to check on her child. "A picture with him makes me energetic!"

China Mobile developed the Kindergarten Information Service to address the various problems with kindergarten education based on the needs of parents and early childhood education, building an effective communication channel between teachers and parents through cooperation with kindergartens.



As of the end of 2014, we had installed equipment in 19 kindergartens in Shandong and built a digital platform with real-time stream video function, helping parents and kindergartens communicate more effectively.

## "Vehicle Guardian" – Contributing to Safety

In November 2011, Ms. Zhao purchased an Internet of Things enabled electric bicycle at a Yadi Electric Bicycle dealer in Wujiang city, Jiangsu province. It was a product co-developed by China Mobile and the bicycle producer. The sales person activated the Vehicle Guardian service for Ms. Zhao, then she rode the bicycle to visit her sister-in-law who was expecting a baby in hospital. After spending an hour in the hospital, Ms. Zhao came out and found that her new bicycle was stolen. She called the police immediately and started talking with the nationwide service hotline of Vehicle Guardian through the bicycle dealer with the hope of finding the stolen bicycle. The bicycle was found to be moving along the way to Jiaxing city, Zhejiang province. Police followed the positioning signal and apprehended the suspect near Qinghe Road in Xiuzhou District of Jiaxing city.

Vehicle Guardian is a new product based on the Internet of Things with system consisted with GPS module, mobile telecommunication network, the service platform and built-in devices mounted on bicycles. The device receives positioning signals from GPS satellites or base stations and forwards them to our platform. Users could log in their accounts to check the location and trace of their electric bicycles. A user could also receive alarm messages via SMS or WeChat messages, as well as sending instruction remotely to track stolen bicycles. Vehicle Guardian service had been adopted in several provinces such as Jiangsu, Fujian and Chongqing. We had been working together with over ten electric bicycle manufacturers to develop Internet of Things enabled electric bicycle products.

## and-Wallet (NFC) – Swiping New Wireless Experience

Xue Li was a white-collar office worker who worked in the commercial district of West Nanjing Road in Shanghai. "Before arriving at my office, I usually buy my breakfast at the FamilyMart convenience store. I just need to swipe my mobile phone in front of the POS device with the QuickPass logo to make a quick payment for my purchase."

The mobile phone Xue Li used was an NFC-enabled China Mobile contracted mobile phone. In addition to making payment, it could also be used as subway tickets by simply waving it in front of the turnstiles with the China Mobile-SPDB Mobile Pay logo.

With its convenience, compatibility, versatile designs, and environmentally friendliness, NFC mobile wallet brings people rich experience of the "smart" life that is easier, richer and more efficient. By adding bank cards, bus passes and membership cards into NFC-enabled mobile phone applications, people could use their mobile phones just as using their cards.

We founded the China Mobile E-Commerce Company in Hunan. As of the end of 2014, China Mobile "and-Wallet (NFC)" had already been used by 1.503 million mobile phone owners and supported by 91 applications under four major service categories, including finance, public transit, school and business all-in-one card, and merchant memberships.

## Promoting Industry Upgrading

### "Double-Hundred Project" Aiding the Development of Private Businesses

Ding Shuibo, President of the sportswear manufacturer XTEP (China), had witnessed the taking off of the local economy of Quanzhou city as a private business owner who grew up in here. However, local private businesses had entered a stage of profound adjustment due to a number of challenges such as overcapacity and the lack of opportunities for industry upgrades. Close to 200,000 workers left the city, making labour shortage a big headache for Ding Shuibo. "It has become more and more difficult for businesses to recruit and retain workers. And our recruiting cost keeps increasing." Ding Shuibo lamented.

However, a remote recruitment event in 2014 enabled Ding Shuibo's company to hire many workers from outside the province almost at zero cost. His recruiting team communicated with candidates "face-to-face" and made hiring decisions from their office through our 4G Remote Recruitment Platform. Existing workers could download the Hiring Assistant application, with which they could easily share employment information with their friends back home to get air time bonus in return.

Ding Shuibo and his management team did not worry about the hiring problem anymore. By the end of 2014, XTEP had already hired over 100 employees on the Remote Recruitment Platform. Ding Shuibo said that now he would make more efforts to take care of his employees and give them a welcoming work environment.



As local economic growth slowed down, private businesses in Quanzhou often faced a series of challenges such as slow cash flow, outdated sales models, high recruiting cost, insufficient employee care, etc. At the end of 2013, we launched the Double-Hundred Project in cooperation with local government with the theme of "Benefiting Enterprises with Information" in order to help local private businesses with sales support, information support, 4G remote recruitment, etc.

Challenges for Private Businesses	Assistance from China Mobile
Reducing inventory	Provided an e-commerce platform with our channels. We helped Fuguniao, Lilanz, Sanqiang and other over 100 local private businesses in Quanzhou sell their products valued at 300 million yuan in total.
Difficulties in management improvement	Developed China's first "Cloud Industry Platform" for the textile and apparel industry in cooperation with local government and Oracle, now serving over 200 businesses with functions such as basic business support, information management and contact management.
Recruiting difficulties	Developed the 4G remote recruitment platform and the Hiring Assistant mobile APP that was installed by over 6,000 private business employees. Around 200 employees were hired through our free service.
Insufficient employee care	Provided a variety of employee care programmes for over 200 private businesses in Quanzhou, such as Safety Plan, Hometown Plan, Care Plan and Study Plan, for more than 500,000 immigrant workers living in the city to serve their communication, safety, child education and travel needs.

**“**The 'Double-Hundred Project' brings our employees with the benefits they really need. For example, the special trainings for immigrant workers helped them visit their family back home before the Chinese New Year, and the free insurance coverage offered them an extra protection. We do hope that the project would be lasting. **”**

– Ding Shuibo, President of XTEP Corporation



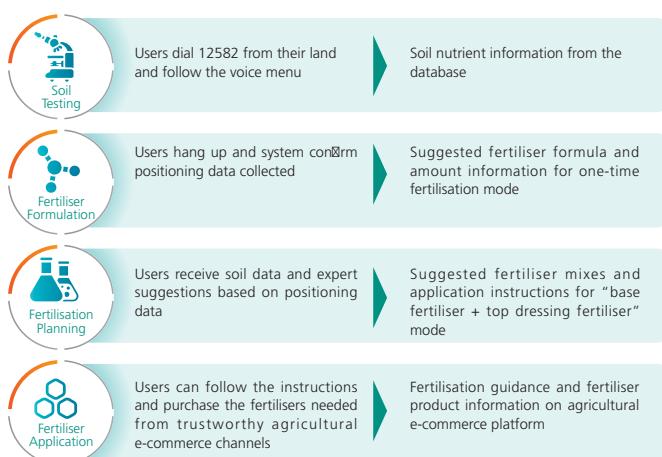


## Agricultural Information Solutions

Shi Changsheng was an agricultural technician of the Agricultural Technology Promotion Station in Anshi township of Dongliao county, Jilin province. In April 2014, he participated in a local agricultural technology promotion event. They learned something different about mobile phones this time – how to make “phone calls” to obtain fertilisation information. It was so easy and Shi Changsheng learned how to do it just by trying twice. Excited about what they had just learned, Shi Changsheng and his fellow technicians went on field trips to teach farmers the same thing. “We will bring what we have learned to the farmers. Each of us will cover ten technology demonstration households and two technology villages. Let’s go!” Shi Changsheng, still in his excitement, went to Zhongzhi village. He gathered the farmers and started his demonstration. “Today we will learn about the mobile phone positioning service. First, you dial 12582 on your phone, which is the number for the provincial-level expert platform. Now you can try to follow me...”

Right by the side of her land, Ma Guirong immediately learned how to make the call. Moments later, she received an SMS message answering what she just asked about: the customised fertilisation information for her land. Ma Guirong browsed through the message and felt relieved as her problem was solved. “Now I can know what kind of fertilisers to use just by pushing a few buttons on my phone while standing right here. I love it”, she said.

Since 2013, China Mobile started collaborating with Jilin Agricultural Information Centre and Jilin Soil and Fertilisation Station on providing soil testing and formulated fertilisation support in Jilin province. We established a soil testing and formulated fertilisation support platform to give remote fertilisation guidance to farmers, connecting the farmers with the database of Jilin Provincial Soil Testing and Formulated Fertilisation Station and experienced agricultural experts with our mobile positioning service and information service.



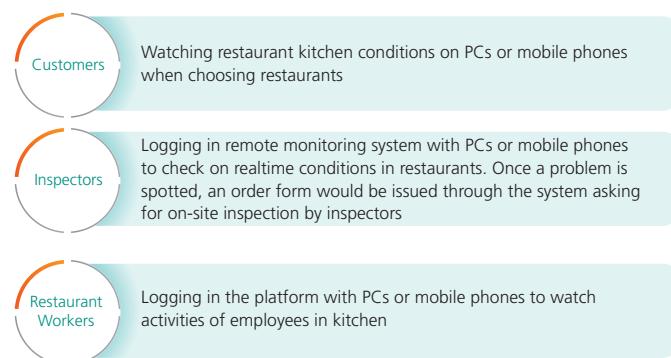
In 2014, the Soil Testing and Fertilisation Formulation Information Service was launched in 13 counties, cities and districts in Jilin province such as Yushu, Changling, Shuangyang, Dongliao, Tongyu counties and Lvyuan and Erdao districts in Changchun city. It was well received and there were already over 80,000 farmers for this service in Jilin province by the end of 2014. By calculation, with our service, the farmers could reduce their fertiliser usage by 38.6 kg per hectare and increase the per hectare yield by 62.1 kg on average, which was a saving of 75.12 yuan and an increased income of 193.15 yuan respectively per hectare.

## Transparent Kitchen – Ensuring Food Safety in Restaurants

Wang Xiaohui was the chef of the Yantonglou restaurant, which was located in the food street of Taiyuan city, Shanxi province. He became so excited over the issue of food safety that frequently became news headlines in recent years. On one hand, he hoped that his customers would know and trust the sanitary conditions in his restaurant. On the other hand, he was afraid of some picky customers making a scene and affecting his business. In April 2014, a 42-inch LCD screen was installed in the dining area, allowing his customers to watch what was going on back in the kitchen. This move attracted the customers' attention. Whether when they enjoyed their food or waited to be seated, they were intrigued to learn how their food were prepared and served.

“After we installed the live monitoring cameras, our cooks became so nervous and they would take extra care to do anything in case that any mistake they made would be seen by our customers. Previously, they were not so careful. Now under the live monitoring cameras, we have to put a high standard upon ourselves. It actually helps our business grow as more customers trust us.”

In Taiyuan, Shanxi, we developed a Transparent Kitchen monitoring system in cooperation with the local food safety authority. The system platform was built on our mobile network. With high-definition video cameras and high-speed large-capacity storage device, we were able to show live videos of restaurant kitchens to customers, inspectors and restaurant managers, so that restaurant workers would pay more attention to sanitary conditions and ensure food safety. We also developed the Longcheng Restaurants application for customers, which could be used to find restaurants information and check food safety ratings to ensure food safety.



As of the end of 2014, there were 35 restaurants and 40 schools and kindergartens that installed the Transparent Kitchen system. In the future, we will continue to promote this system among restaurants, schools, kindergartens and canteens to ensure more people can enjoy their food without worries.



## Engagement

During the 2014 Energy Conservation Week campaign, the event homepage on Fetion had recorded over 360,000 clicks, while the event mobile APP had more than 100,000 downloads. The 2014 China Mobile 100 Energy Conservation Champions received nearly 480,000 votes and almost 130,000 people participated in the Energy Conservation Knowledge Contest.

## Green and Future

As China grows rapidly into an information society and new technologies and services such as the Internet, cloud computing and mobile Internet keep evolving, both the customer base and data traffic have undergone tremendous growth, which has led to the rapid expansion of telecommunication network scale. Consequently, the telecommunication industry faces a daunting challenge of energy conservation and emissions reduction. Meanwhile, the Chinese government made a commitment in 2014 to cap the carbon dioxide emissions before 2030. Energy conservation and emissions reduction will be an obligation for all enterprises and individuals. It is our belief that sustainable development has to be green, and a better future arises from greener operation. We are not only making continuous improvement on environmental management to reduce our environmental impact, but also actively leveraging the enabling effect of information technology in the field of environmental management and energy conservation to achieve a greener manufacture process for industries and a greener life for everyone.

### Reducing Environmental Impact

#### Environmental Management System

In accordance with international and national standards on Energy Management System, we keep optimising the "Plan-Do-Check-Action" closed-loop environmental management system (EMS) by focusing on energy management and have achieved transformation from objective to process.

Plan	<ul style="list-style-type: none"> <li>Formulated <i>Guidelines on 2014 Green Action Plan</i>, laying out the overall objectives and specific targets for the year.</li> <li>Compiled the <i>2015-2017 Energy Conservation and Emissions Reduction Plan</i>, laying out the goals, plans and measures for the next three years.</li> </ul>
Do	<ul style="list-style-type: none"> <li>Held "Green Action Plan" trainings, inviting experts lecturing on national and industrial macro-policies, power-saving practices with communications equipment, air conditioning and power supplies, and new technology pilots, etc.</li> <li>Initial issue of <i>China Mobile Compilation on Energy Conservation and Emissions Reduction</i>, which compiled 135 copies of the latest national and industrial regulations and standards, and our own policies, guidelines, standards and protocols regarding energy conservation and emissions reduction.</li> <li>Established our communication platform for one issue every other month and promoted the best practices of our provincial subsidiaries on energy conservation and emissions reduction using video conferencing for sharing.</li> </ul>
Check	<ul style="list-style-type: none"> <li>Incorporated indicators for energy conservation and emissions reduction into our operation KPI and developed the detailed 2014 appraisal method covering five quantitative indicators and multiple key measures. Different targets were set for provincial subsidiaries depending on their respective conditions.</li> <li>Completed inspections in 31 provincial subsidiaries and on-site check of 310 base stations and 124 equipment rooms in 91 cities.</li> <li>Recognised provincial subsidiaries with outstanding performance in energy conservation and emissions reduction.</li> </ul>
Action	<ul style="list-style-type: none"> <li>Optimised the monthly indicators system to benchmark on monthly data on energy consumption and conservation measures, increases in energy consumption and target completion status; published a monthly bulletin company-wide to report the above data of each provincial subsidiary to ensure the implementation of energy-saving measures and that they meet their performance targets.</li> </ul>

We encourage qualified provincial subsidiaries to conduct EMS certification. By the end of 2014, Zhejiang Company, Shanghai Company and Guangdong Company had completed their ISO 14001 certifications. Beijing Company is expected to acquire the certification in 2015.

### Energy Management System

**Energy Consumption Monitoring:** We promoted the installment of intelligent electricity metres in our provincial subsidiaries. By the end of 2014, we had installed the remote power monitoring system in 391,000 base stations, allowing us to collect real-time energy consumption data remotely.

**Energy Audit:** We engaged TÜV SÜD, a third-party auditor, to audit on our energy conservation and emissions reduction results in 2014. Based on a comprehensive assessment to the Company, they focused on auditing our Beijing Company, Zhejiang Company and Hubei Company and conducted document review on a total of 8,500 base stations and thorough examinations on 85 base stations, 15 equipment buildings, 15 office buildings and 30 sales outlets.



**310 million**

yuan invested in 2014 for Green Action Plan



**391,000**

base stations equipped with remote power monitoring system



**13.7%**

decrease in overall energy consumption per unit of information flow compared with 2013



## Green Operation

### Network

- Energy-saving Technology:** Deployed over 11.66 million intelligent power-saving frequency carriers over the entire 2G/3G network, and added 47,000 no-room base stations;
- Energy-saving Transformation:** Deployed nearly 140,000 sets of natural cooling equipment for base stations, adjusted the upper limit of base station ambient temperature to 30 and 35 degrees Celsius, and completed energy-saving transformation of nearly 230,000 base station air conditioners;
- Alternative Energy Base Station:** We utilised alternative energies in resource-rich areas. By the end of 2014, we had constructed 13,000 alternative energy base stations in total, among which over 9,200 base stations were using solar energy, equivalent to annual power saving of 56 million kWh.

### Services

We promoted e-bills which could save nearly 190 million sheets of A4-sized paper each month, and green package which reduced timber use by over 100,000 cubic metres, equivalent to reducing the cut of 500,000-600,000 trees.

### Devices

We implemented a mobile device trade-in programme. Customers could come to our sales outlets and apply for device trade-in. After they have completed the value assessment at our Device Trade-in Platform, the amount would be deducted from the price of the new devices they bought.

### Office Buildings

To enhance the management of daily energy and water uses in office facilities, we formulated the *Staff Energy Conservation Code for Office Facilities* and implemented strict temperature settings for air-conditioning and heating systems; advocated for green workplace habits to reduce waste, such as conserving water, turning off office lights before leaving, and printing and photocopying on two sides; set the target of zero growth in average water consumption for management facilities, and took measures including rainwater recycle and reclaimed water reuse to reduce water consumption.

In Hong Kong, we implemented a Green Partner Programme in cooperation with Ricoh, donating funds equal to our office paper consumption to Friends of Earth for tree planting events. We also launched a Print Less competition for three months, which resulted in a 16.4% reduction in the printing expense during the period.

### Building Green Data Centre



With the rapid development of mobile Internet, cloud computing and big data, the data centre industry entered into a stage of massive constructions. Our Design Institute had carried out a series of technological researches, pilot testing, planning and construction practises. During the construction of data centres, we strictly followed the requirements of "large scale, low cost, and green technology" and had established a mature model for green data centre construction.

In Harbin, we piloted on new equipment room designs. By utilising our independently developed technologies such as direct fresh air conditioning and heating pipe air conditioning, direct or indirect utilisation of natural cooling sources, dust removal and desulfidation, 336V DC power supply, and lithium batteries, our average annual PUE (Power Use Efficiency) fell to the range of 1.25~1.35 for our data centres, far below the national average 1.73 for newly constructed data centres. We also reduced our energy consumption per kW communication load and our carbon emissions both by 30%~40%.



The first phase of data centre for China Mobile International Information Port



## Contributing to Green Life

### Providing Green Information Solutions

We actively promote the application of innovative 4G, mobile Internet and IoT technologies in environmental areas. On one hand, we promote informatisation to push the reform of traditional industries to save energy. On the other hand, we innovate on information applications for environmental protection such as environment monitoring and management.

### Remote Indoor Temperature Control

In most areas in North China, centralised heating in winter is a basic social service. Due to different pipelines and heating devices, the indoor temperatures are often either too high or too low. To avoid complaints, heating companies often choose to power up the heating source, which led to excessive carbon emission and energy waste as well as air pollution.

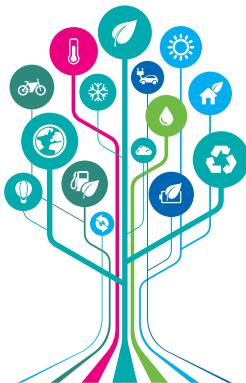
In Heilongjiang, we developed a remote indoor temperature control system for heating industry. Wireless temperature metres transmit real-time indoor temperature readings to the heating company for monitoring, which provides an important indicator for the efficient operation of boilers and heat exchange stations. Abnormal temperatures will also be dealt with promptly, allowing the heating company to achieve on-demand heat distribution. By the end of 2014, there were already 30,000 households in the province which installed the system. Based on the energy saving estimate of 5%, this system could help saving heating cost equal to 4.26 million yuan and reducing carbon emission by 16,000 tonnes per year.

### Comprehensive Water Management Information System

Water is essential for life and health. We applied information technologies such as mobile Internet, IoT and cloud computing to develop new water management solutions to cope with water related challenges such as water shortage, water pollution and deterioration of water ecology.

In Zhejiang, we had invested 350 million yuan cumulatively in a comprehensive water management information system with multiple approaches to control water pollution, flood, draining waterlogging, ensuring water supply and conservation.

- 
- Flood Alarm System: Sent over eight million alert messages to residents in mountain areas
  - Rainfall Collection Platform: Providing data support for flood forecast
  - Urban Waterlogging Emergency Response System was deployed in coastal cities prone to be affected by extreme weather conditions such as Ningbo and Taizhou
  - Urban Overpass Intersection Water Level Monitor System: Innovating on new ways to prevent waterlogging
  - Helping the government to set up Automatic Inspection Stations in 66 counties and cities to monitor water quality in source area for drinking water supply
  - Drinking water quality indicators of nearly 90% of the cities monitored met the standards
  - Online Pollution Monitoring System monitors the pollution sources of 1,500 enterprises in the province
  - River Inspector Information Service started serving 200 river inspectors with its first round of deployment, and completed integration with the comprehensive management system
  - Campus Intelligent Water Conservation System: Deployed in seven universities and achieved a 16% reduction in water consumption
  - IoT Platform for Intelligent Agricultural Machinery: Serving 1,300 agricultural cooperatives



In 2014, our M2M Company developed an Energy Management Platform for Public Buildings including various energy saving sub-systems to control central air conditioning, data centre Free Cooling and lighting, to provide energy saving services to different buildings, such as tall buildings, equipment rooms and base stations, and scientific measuring methods and data for contracted energy management projects to evaluate energy saving effects accurately. In 2014, the platform was first piloted in base stations in Xinjiang with an average energy saving ratio of 36.34%.

### Environmental Advocacy Activities

Faced with the increasingly severe environmental challenges, China Mobile launched the "Green Boxes" campaign in 2005, putting green recycle boxes in our sales outlets to recollect mobile phones, batteries and other accessories. All items collected went to qualified disposal companies for reuse or safe disposal. In 2014, we continued organising young volunteers to carry out community and campus events to raise the awareness of hazardous e-waste, and recycle mobile phone batteries and components for effective disposal. Our provincial subsidiaries carried out such activities to engage more people, so as to raise the environmental awareness among volunteers and the public.

During the Energy Conservation Week event, we launched a comprehensive public awareness raising campaign under the theme of "Fulfilling Green Dreams with You". All of our digital and information channels, such as Fetion, company Weibo, official 10086 website, 139 mailbox, Mobile Markets, internal OA system and China Mobile Labs, were used to engage the public. We also combined the online campaigns with an offline campaign, "Green Box by Your Side", in communities and universities to promote the concept of green communication.

We also developed a mobile APP for the Energy Conservation Week campaign, through which we engaged our employees with a variety of interactive events such as the Energy Saver contest, energy conservation and emissions reduction knowledge contest, and the "Green and Action" event.



In Tianjin, Hebei, Shanghai, Henan, Hainan, Chongqing, etc., we organised various Green Box activities



### Stakeholder Expectations

- Innovating and achieving third-wave growth by tapping the mobile Internet opportunity
- Offering innovative information applications to enable better and more convenient lives for individuals and faster information transformation for traditional industries
- Green operation to reduce negative impacts on environment
- Offering green products and services to help customers and the public protect environment and eco-system

### Our Approaches

- Applying strategic and organisational transformation, enhancing business specialisation and infrastructure for value creation ability
- Innovating on expanding digital services, offering on-demand applications for social development and industry upgrading
- Intensifying EMS certification, energy management system audit and energy audit
- Exploring environmental friendly green solutions to encourage the public to protect the environment

### Our 2014 Achievements

- Mobile data traffic revenue accounted for 25.9% of the revenue from telecommunications services, revealing an obvious driver impact on data services
- Official launch of the MIGU Company, the Online Services Company for specialisation operation
- Promoted on "Mobile Changes Life" by providing innovative services in alignment with social demands such as elderly caring, mobile health and food safety
- The overall energy consumption per unit of information flow for 2014 dropped by 13.7% over 2013
- Awarded by the international carbon emission organisation authority, CDP (China), for one of four Sustainability Leadership Enterprise Models in mainland China

### Our 2015 Efforts

- Focusing on "paying attention to best products, serving merchants, developing new customers", to build "and-Life" as the influential brand serving local living areas with 120 million customers
- To continuously implement Green Action Plan and reduce overall energy consumption per unit of information flow by 5%
- To fully deploy the energy management information platform



# Sustainability Performance Summary

## Economic Performance

### Corporate Governance

China Mobile has established a sound corporate governance structure and practice following principles of integrity, transparency, openness and efficiency. We have improved various policies, internal control systems and other management mechanisms and procedures over the past years. At the end of 2014, the Board comprised of ten directors, namely Mr. XI Guohua (Chairman), Mr. LI Yue (Chief Executive Officer), Mr. XUE Taohai, Madam HUANG Wenlin, Mr. SHA Yuejia and Mr. LIU Aili as executive directors, and Dr. LO Ka Shui, Mr. Frank WONG Kwong Shing, Dr. Moses CHENG Mo Chi and Mr. Paul CHOW Man Yiu as independent non-executive directors (INEDs). The Board operates in accordance with established practices (including those related to reporting and supervision). The Board currently has three principal board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, all of which are comprised solely of INEDs. Each of the board committees operates under its respective written terms of reference. (For more information on corporate governance, please refer to our 2014 Annual Report or our website [www.chinamobileltd.com](http://www.chinamobileltd.com))

**Risk Management:** With linkage to business features, we continuously optimise our comprehensive risk management framework by tracking risk management trends both in China and abroad. We established the principles of hierarchical risk assessment and classified risk management and control. We specified roadmap and plans for risk management evolution to provide guidance for all business lines and units company wide.

**Internal Control:** In compliance with Section 404 of the U.S. SOX Act of 2002, we established a systematic and standard internal control system. This system is led by risk management and integrated with our business, and explicitly defines the responsibilities of each business unit.

### Financial Performance

Indicators	2012	2013	2014
Operating revenue (billion yuan)	581.8	630.2	641.4
Mobile data traffic revenue (billion yuan)	66.5	105.4	150.6
Taxes paid (billion yuan)	41.9	36.8	33.2

Please refer to our 2014 Annual Report for operating costs, employee compensations and welfare, payments to providers of capital and other financial performance data.

### Market Presence

We abide by relevant labour laws and regulations, and our employees' wages are above minimum wages of locations where we operate.

### Indirect Economic Impacts

#### Promoting Employment and Entrepreneurship

In 2014, we generated more than 2.6 million job opportunities with our operations.

We launched Mobile Market (MM) in August 2009, aiming to foster an open, collaborative and win-win mobile Internet value chain for developers and service providers. Based on the MM platform, we launched Mobile Market's Youth Business Start-up Plan in August 2010 to provide entrepreneurship incubators for young developers.

Indicators	2012	2013	2014
Cumulative funding for entrepreneurship support (10,000 yuan)	853	1,308	4,207
Number of registered developers in MM (10,000)	378.2	384.5	391.0
Cumulative application distribution in MM (100 million)	10.73	41.97	93.07

### Infrastructure Construction

In 2014, we continued carrying out the Village Connect Project to provide communication and information services to remote rural areas and bridge the digital divide.

Indicators	2012	2013	2014
Cumulative number of remote villages covered	111,107	118,236	121,243
Cumulative number of administrative villages with broadband service	11,213	20,544	27,995
Cumulative number of natural villages with mobile phone service	65,530	72,659	75,666
Cumulative number of rural schools with broadband service	-	1,767	2,167
Number of sales channels in rural areas (10,000)	69.5	65.4	60.2
Number of Rural Information Service users (10,000)	4,300	6,029	6,266
Cumulative number of rural information sent via Rural Information Network (100 million)	103.4	217.4	350.2

We actively supported the poverty alleviation and development support efforts of our parent company, carrying out assistance and alleviation projects in Xizang, Qinghai, Xinjiang, Heilongjiang and other provinces. In 2014, our parent company invested 40.43 million yuan into these projects.

### Information Society

Indicators	2012	2013	2014
Number of M2M (machine to machine) devices (million)	19.94	32.00	44.00
Number of 12580 Medical Appointment dialings (10,000)	1,100	1,200	1,300



## Procurement Practices

We apply strict qualification pre-assessment and after-assessment to verify qualification of potential suppliers. Regarding issues that have been identified, we would evaluate how serious they were, then ask for clarification, rectification or cancellation of qualification accordingly.

Indicators	2013	2014
Number of suppliers	7,037	6,751
Number of first-level suppliers	455	500
Percentage of first-level local suppliers <sup>1</sup>	100	100
Number of second-level suppliers	6,829	6,605
Percentage of second-level local suppliers <sup>2</sup>	47.65	44.8
Number of assessments on first-level suppliers <sup>3</sup>	814	1,502
Percentage of assessed suppliers in all confirmed first-level suppliers	100	100
Number of suppliers been discontinued cooperation because of quality problems found during on-site assessments	0	0

Note:

1. Percentage of first-level local suppliers means proportion of domestic suppliers (registered in mainland China) in all suppliers for the first-level procurements. We did not conduct any international bidding projects in 2014, thus did not have any international suppliers.
2. Percentage of second-level local suppliers means proportion of suppliers registered in a province for the second-level procurement of that particular China Mobile provincial subsidiary.
3. Number of assessments on first-level suppliers refers to the number of supplier assessments carried out by our Procurement Shared Service Centre, covering both suppliers that won their bids and those that did not. This number does not cover second-level procurements.

Indicators	2013	2014
Number of contracted service providers	227	120
Percentage of outstanding level SMS partners	11.8	11.7
Percentage of outstanding level MMS partners	10.4	13.3

## Environmental Performance

### Overall Performance

We have been implementing the "Green Action Plan" since 2007, which emphasised on energy conservation and emissions reduction. In 2014, we invested a total of 310 million yuan into the "Green Action Plan".

## Energy

In 2014, we released the *Inspection Approach for Energy Conservation and Emissions Reduction* and instructed our provincial subsidiaries to conduct self-inspections annually. We also conducted special inspections for 31 provincial subsidiaries, and on-site inspections for 310 base stations and 124 equipment rooms in 91 cities. Problems found during inspections were disclosed company-wide. We also suggested corrective measures to ensure the smooth implementation of our various energy saving initiatives. Our electricity consumption per unit of business volume decreased by 31%, and our overall energy consumption per unit of information flow decreased by 13.7% compared to 2013.

### Energy Consumption

Indicators	2012	2013	2014
Total electricity consumption (100 GWhs)	143.0	150.6	171.8
Natural gas consumption (million m <sup>3</sup> )	8.5	6.5	6.9
LPG consumption (100 tonnes)	5.7	5.5	5.3
Coal gas consumption (million m <sup>3</sup> )	1.5	1.2	1.1
Coal consumption (10,000 tonnes)	2.2	1.6	0.9
Gasoline consumption (million litres)	131.3	128.5	117.1
Diesel fuel consumption (million litres)	22.1	21.5	19.4
Purchased heating costs (million yuan)	133.45	134.32	131.38

### Alternative Energy Consumption

Indicators	2012	2013	2014
Alternative energy base stations – total	9,699	11,863	12,776
Solar energy	7,627	8,501	9,219
Wind energy	600	589	604
Solar and wind energy	1,366	1,765	1,931
Others	106	1,008	1,022
CO <sub>2</sub> emissions reduction from alternative energy base stations (10,000 tonnes)	3.2	3.9	4.3

### Water

We encouraged the use of recycled water in our operations, and arranged property engineers to inspect water supply system and equipment regularly to prevent leakage. During the construction of our data centre, we reduced the consumption of 100,000 tonnes of municipal water per month by reusing reclaimed water and used underground water. Our total water usage only increased by 1.7% comparing with 2013 even with large increases in the numbers of our base stations, data centres and office buildings.

Indicators	2012	2013	2014
Total amount of water used (million tonnes)	30.23	30.62	31.13

During the reporting period, we did not find any event which had significantly influenced water source areas.



## Biodiversity

We strictly conduct project evaluation and approval according to relevant provisions regarding base stations located in nature reserves. In 2014, we did not find any species which were materially affected by our operating activities.

## Emissions

In 2014, we continued optimising our energy conservation and emission reduction management, and set up a rudimentary carbon emissions management system. Our efforts in energy conservation, emissions reduction and responding to climate change had won us the title of "Sustainability Leadership Enterprise Model" by the international carbon emission organisation authority CDP (China) as one of the only four companies in China.

Indicators	2012	2013	2014
CO <sub>2</sub> emissions (million tonnes)	11.11	11.67	13.11 <sup>1</sup>
Carbon emission intensity ( tCO <sub>2</sub> e/10,000 yuan )	0.191	0.185	0.204

Note:

1. Emission factor for electricity consumption drew reference from *2014 Baseline Emission Factors for Regional Power Grids in China* published by the National Development and Reform Commission of China. The other emission factors drew reference from IPCC.

## Effluents and Waste

In 2014, 100% of the waste water generated in our operation entered into sewer system, and no non-compliance was found regarding effluents.

We comprehensively conducted the "Green Boxes" environmental protection programme to raise environmental awareness. We had promoted used mobile devices and accessories recycle through our Old Phone Trade-in programme.

Indicators	2012	2013	2014
Discarded lead acid batteries (10,000 Ahs)	12,808	8,698	16,370
Lead acid batteries recycled through professional channels (10,000 Ahs)	12,808	8,698	16,370

## Waste Recycled by Qualified Third-party

Indicators	Weight (Tonnes) (2013)	Value (10,000 yuan) (2013)	Weight (Tonnes) (2014)	Value (10,000 yuan) (2014)
Network Wastes	31,528	16,322	32,499	15,992
Acid batteries	16,462	5,998	19,916	9,674
Communication equipment	11,264	7,929	6,797	3,950
Cables	1,645	1,169	2,153	1,158
Others	2,157	1,226	3,633	1,210
Office Wastes	842	1,401	1,631	976
Electronic equipment	641	692	1,036	743
Other wastes	201	709	595	233
Devices	13	55	50	53
Total	32,383	17,778	34,180	17,021

## Green Office

We encourage our employees to use IT solutions such as video conference equipment and our Integrated Information Network to avoid unnecessary business travels and reduce our carbon footprint.

Indicators	2012	2013	2014
Video conference usage at group level (times)	988	942	851
Integrated Information Network visits (10,000 person-times)	2.0	1.8	1.2
Daily call duration on Integrated Information Network (10,000 minutes)	60	49	24
Daily instant message sent on Integrated Information Network (10,000)	6.7	6.0	4.8

## Supplier Environmental Assessment

We compiled supplier certification templates for 19 product supplier categories, covering 35 categories of products in first-level centralised procurement. These templates give specific requirements on our suppliers' environmental performance, and encourage suppliers to pass ISO 14001 certification.

## Environmental Compliance

In 2014, we had no incident of non-compliance with regulations concerning the environment.

## Social Performance

### Employment

#### Employee Age Structure

Indicators	2012	2013	2014
Total number of employees	182,487	197,030	241,550
Percentage of employees under 30-year-old	25.52	25.12	35.24
Percentage of employees between 30- and 50-year-old	67.34	67.36	59.94
Percentage of employees above 50-year-old	7.14	7.52	4.82

We provide employees with insurance and welfare coverages in accordance with labour laws and regulations.



## Employee Turnover

Indicators	2012	2013	2014
Total number of newly hired employees	8,581	7,555	16,913
Number of newly hired female employees	3,586	3,026	8,286
Number of newly hired male employees	4,995	4,529	8,627
Total number of resigned employees	2,873	2,322	5,524
Number of resigned female employees	1,246	867	2,105
Number of resigned male employees	1,627	1,455	3,419
Total number of dismissed employees	76	65	375
Number of dismissed female employees	50	31	141
Number of dismissed male employees	26	34	234

We attach great importance to protecting the reproductive rights of female employees, fully respecting their rights to take maternity leave. In 2014, 100% of our female employees at our headquarters returned to work after taking maternity leave.

## Workplace Health and Safety

In 2014, we organised a series of workplace safety inspections company-wide and issued three safety management regulations covering our equipment rooms, base stations and sales outlets. We carried out 1,130 safety emergency drills that were participated by 86% of our employees. We developed and piloted centralised safety monitoring and management system in our Shanxi and Tianjin Subsidiaries. Meanwhile, we provided our employees with regular health checkups and 92% of our employees conducted the checkups in 2014.

There was no incident of workplace safety or death in line of duty in 2014.

## Training and Education

We attach great importance to employee training to help our employees improve their capabilities.

### Training Expense

Indicators	2012	2013	2014
Training expense per employee (yuan)	2,564	2,632	2,429

### Employees Trained

Indicators	2012	2013	2014
Number of persons trained (10,000 person-times)	98.3	98.9	116.8
Number of senior management trained (person-times)	438	686	734
Number of mid-level management trained (person-times)	9,306	15,126	12,327
Number of general employees trained (10,000 person-times)	97.3	97.9	115.5
Percentage of employees who have attended diploma courses	5.24	4.13	0.85

## Training Hours

Indicators	2012	2013	2014
Average training time per employee (hours)	59.1	61.2	57.5
Average training time per senior management (hours)	58.5	60.1	68.4
Average training time per mid-level management (hours)	62	61.7	56.6
Average training time per general employee (hours)	56.7	61.8	57.5

## Diversity and Equal Opportunity

### Gender Composition

Indicators	2012	2013	2014
Percentage of female employees	40.08	40.92	47.05
Percentage of female employees at senior management level <sup>1</sup>	17.92	18.17	17.60

Note:

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

### Ethnic Proportion

Indicators	2012	2013	2014
Ethnic minorities as a percentage of total employees	6.33	6.92	6.86

We actively support local employment in all operating locations. For example, the local employee rate of our Hong Kong Company was about 96.7% and 99.5% for all employees and management staff respectively in 2014.

## Supplier Labour Practice Assessment

Our supplier certification templates contain specific requirements on labour management and health and safety management for suppliers and encourage all suppliers to pass SA8000 certification.



## Human Rights

We are a member of the United Nations Global Compact and we support the UNGC Ten Principles. We fully respect and protect human rights and forbid any involvement with human rights abuses and violations.

We actively protect the rights of employees to participate in corporate affairs and express themselves. We organise labour unions and employee representative conferences and keep on improving their procedures. For the employee representative conferences, major issues concerning the interests of employees or major company activities need to be presented to employee representatives and voted on. Our union participation rate was 100% for all regular employees and 98% for all contracted workers, who were either a union member of their direct employers or of China Mobile. Moreover, employee grievances, suggestions and feedback are collected through channels such as CEO Mailbox, the Office of Letters and Calls, labour union, etc. and handled timely and properly.

Both our headquarters and all of our subsidiaries signed collective agreements with employees. We forbid the hiring of child labour or forced labour, as well as any discrimination against age, ethnic background, gender, etc.

Besides protecting employee rights, we also take efforts to encourage our suppliers to protect their employee rights. We revised the *Supplier Management Methods* and developed the supplier certification template to require human right certification from our suppliers. We also conducted labour practice assessment during first-level centralised procurement process.

We did not receive any human right complaint report in 2014.

## Local Communities

### Emergency Communication Support

Indicators	2012	2013	2014
Number of emergency support	5,167	4,005	3,126
Major political or economic events support	4,218	3,416	2,728
Significant natural disasters support	706	491	350
Significant accidents or catastrophic events support	205	85	31
Public health incidents support	8	2	3
Public safety incidents support	30	11	14
Number of emergency support vehicles deployed	6,860	5,127	6,135
Number of emergency support equipment installed	47,544	50,741	33,421
Persons involved in emergency support (person-times)	330,515	465,443	314,212

## Philanthropy and Volunteering

China Mobile Charity Foundation donated 38.3 million yuan in 2014. Our subsidiaries also conducted philanthropy and volunteering activities taking into account their local community needs.

Indicators	2012	2013	2014
Number of registered employee volunteers (10,000 person)	9.00	9.85	11.52
Hours of employee volunteer services (10,000 hours)	33.0	52.2	46.05
Cumulative number of children received free congenital heart disease screenings	12,547	17,788	23,840
Cumulative number of assisted children in poverty who suffered from congenital heart disease	593	1,341	2,260
Cumulative number of China Mobile Libraries built	1,694	1,910	2,110
Cumulative number of multimedia classrooms built	674	880	1,070
Cumulative number of principals of rural primary and middle schools trained	48,205	59,000	70,539

## Anti-corruption

In 2014, we carried out inspections over our Device Company, Fujian Company and other four business units, enhanced our supervision of management staff, and implemented 357 projects of efficiency supervision.

Indicators	2012	2013	2014
Anti-Corruption Education programme organised (times)	-	3,908	3,071
Attendance of anti-corruption education and trainings (person-times)	471,200	428,146	461,137
Number of confirmed and disciplined corruption cases	16	16	54
Number of employees dismissed and disciplined for corruption	17	16	87

## Anti-competitive Behaviours

We regulate our marketing approaches during special promotions, such as campus promotions and holiday promotions, when irregular competitive behaviours were liable to happen. For example, we set up mechanisms to effectively regulate campus marketing and ensure our provincial subsidiaries stick with rational competitive behaviours. As a result, there was no major incident during last year.

In 2014, we were not charged with any lawsuit for anti-competitive behaviours.



## Providing Diversified Services

Indicators	2012	2013	2014
Number of customers (million)	710	767	807
Number of countries and regions covered by GSM roaming service	237	242	248
Number of countries and regions covered by data roaming service	188	197	208
Number of countries and regions covered by 4G roaming service	-	-	71

## Network Quality and Reliability

In 2014, the Company implemented a comprehensive quality guarantee system, especially for 4G (TD-LTE) network, to promote network upgrade and optimisation. Our 2G and 3G network quality remains well, 68.87% of sample TD-LTE sites achieved a download speed higher than 10Mbps, successful connection rate of CSFB was 97.65%, the end-to-end 4G customer perception was improved greatly.

Indicators	2012	2013	2014
Successful connection rate of GSM network <sup>1</sup> ( % )	99.26	99.12	98.57
Successful connection rate of 3G network ( % )	98.90	98.53	97.49
Call drop rate of GSM network <sup>2</sup> ( % )	0.48	0.43	0.46
Call drop rate of 3G network ( % )	0.29	0.21	0.22

Note:

1. The successful connection rate is test data;
2. The call drop rate is annual average data derived from the network management system.

## Customer Privacy Protection

In 2014, we fully promoted the Vault Mode to realise strict control of sensitive customer data following the principles of "multiple authorisation and double checking for key operations". Moreover, we anonymise customer identification data and implement third-party monitoring to form closed-loop protection of customer identity information. We provided about 400,000 person-times of employee trainings related to customer data security and privacy protection.

In 2014, we did not have any major incidents of customer data leakage.

## Customer Satisfaction

We conduct company-wide customer satisfaction survey, collecting over 300,000 samples nationwide each year and using the survey data to evaluate the business performance of provincial subsidiaries as well as improve our customer satisfaction. In 2014, our comprehensive customer satisfaction ratio was 78.36%.

Indicators	2012	2013	2014
Complaint rate per million customers (cases)	31.2	32.3	30.7
Number of reported spam messages handled (10,000 times)	344	435	195

## Compliance

We formulate strict administrative provisions and require all operations to abide by laws and regulations. In 2014, our Mudanjiang Branch Company was fined 100,000 yuan by Heilongjiang Communications Authority for unauthorised offering of free services to customers, and for some of its agents offering value-added services and billing customers without customer consent. We have fully cooperated with the investigation and adopted appropriate disciplinary measures to the responsible persons to prevent similar incidents from happening again.



# Stakeholder Commentary

## Change for the Changes, Ready for the New Normal



The year of 2014 has been marked as the beginning of "The New Normal" of Chinese economy. Corporate social responsibility in China has been transforming into a "new normal" way as well after years of efforts from the government, enterprises and organisations. The CSR new normal means that sustainability would become a core concept for social responsibility practices; CSR would play an important role in corporate transformation; CSR would be transformed from a recommendation to a legal requirement and its scope would be expanded from domestic to global; CSR communication would develop diversely and transparently in a web-based form; public demands and expectations for CSR would be increasing constantly.

How does a central enterprise, which is essentially the backbone of Chinese economy development by definition, adjust itself for the CSR new normal? China Mobile presented its answer in this 2014 sustainability report: change.

Economic growth patterns have changed. As we see in this report, China Mobile created a 4G miracle at year one of 4G operation that it put in use 720,000 base stations and served more than 90 million 4G customers. The company revealed its resolution on change by actively responding to industry traditional value decline, turning to data-oriented operation, and extending the blue ocean of digital services through specialisation. These changes have been helping the company to create value. In 2014, China Mobile was listed in the Dow Jones Sustainability Indices for the seventh consecutive year.

Social service patterns have changed. In 2014, China Mobile has been focusing not only on strategic transformation and innovation, but also on stakeholder demands and key social issues, and making "changes" on inclusive development for both stakeholder and society under the framework of sustainability. This report reveals the way China Mobile had been creating value to serve the society through strict anti-corruption and compliance management, targeted customer rights protection, shared growth and responsibility with value chain, efforts on closing development and digital divide for remote areas and special groups, and investments on environmental protection and philanthropy. China Mobile proved that corporates are cells to the society, corporates have the same interests as stakeholders and they must work together to achieve the real sustainability. With the rising of digital services, China Mobile has explored many practices in fields including mobile health, remote education, smart home and smart elderly-nursing, which brought convenience, efficiency and security to stakeholders, and created new opportunities for its services and markets.

Communication patterns have changed. China Mobile has been perfecting its management tools and processes as integrating CSR into corporate management and transformation. The company established a comprehensive and systematic stakeholder communication/feedback mechanism to accept supervision, respond questions, implement operation changes, and examine social innovation solutions consistently. Although what China Mobile has achieved is not perfect, sustainability and transparent communication would be the key for the company to "change for the changes, and ready for the new normal".

All of these are exactly what SASAC has been expecting to see as we encouraged and promoted CSR in central enterprises since 2008: strategically implementing CSR to create greater economic value while meeting social demands; maximizing integrated value for economy, society and environment to reinforce competitiveness and influence for Chinese enterprises.

I sincerely hope that China Mobile and more central enterprises would lead such a revolution and become CSR models. SASAC will continue to work with all parties for continuous guidance of CSR for state-owned enterprises, and facilitation of the new normal.

Hou Jie

Deputy Director, Research Bureau

State-owned Assets Supervision and Administration Commission of the State Council

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# Independent Assurance Report



## To the Board of Directors of China Mobile Limited ("the Board of Directors"):

We have been engaged by the Board of Directors of China Mobile Limited ("China Mobile") to perform a limited assurance engagement on the information of key social responsibility indicators and China Mobile's compliance with the principles of materiality and inclusiveness required in the G4 Sustainability Reporting Guidelines ("G4") issued by the Global Reporting Initiative ("GRI") disclosed in its 2014 Sustainability Report ("the Report") for the financial period from 1<sup>st</sup> January 2014 to 31<sup>st</sup> December 2014.

## Responsibilities of the Board of Directors

The Board of Directors is responsible for the compilation and presentation of the key social responsibility indicators in accordance with the Report compilation principles and compilation basis of key indicators ("the basis of compilation"), and also in accordance with G4 issued by GRI. The responsibility includes identifying stakeholders and the relevant material issues, establishing and maintaining the sustainability development performance management system and internal control system to generate the key social responsibility indicators in the Report, and maintaining adequate records.

## Our Responsibilities

In accordance with our agreed terms of engagement with China Mobile, it is our responsibility to express a conclusion on the selected key social responsibility indicators and China Mobile's compliance with the principles of materiality and inclusiveness required in the G4 issued by the GRI, based on our work performed. We report our conclusion solely to the Board of Directors, and for no other purpose. We do not assume responsibility towards or accept liability to any third parties for the contents of this Independent Assurance Report.

## Basis of Our Work

We conducted our work in accordance with International Standard on Assurance Engagements 3000: "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Federation of Accountants. We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to form conclusions.

## Scope, Process and Limitation of Our Work

We performed our procedure on the selected key indicators of China Mobile within the 2014 Report, which are presented as following:

### Economic Indicators

- Number of first-level suppliers
- Number of second-level suppliers
- Percentage of first-level local suppliers
- Percentage of second-level local suppliers
- Number of assessments on first-level suppliers
- Number of remote villages covered via Village Connected Project newly added
- Number of administrative villages with broadband connection via Village Connected Project newly added
- Number of Rural Information Service users
- Number of sales channels in rural areas

### Environmental indicators

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

### Social Indicators

- Number of principals of rural primary and middle schools trained newly added
- Number of children in poverty who suffered from congenital heart disease assisted newly added



- Number of reported spam messages handled
- Number of emergency support
- Number of emergency support vehicles deployed
- Number of emergency support equipment installed
- Number of person-times involved in emergency support
- Total number of person-times trained
- Percentage of female employees
- Ethnic minorities as a percentage of total employees
- Total number of newly hired employees
- Total number of resigned employees
- Total number of dismissed employees
- Total number of anti-corruption trainings
- Total number of person-times attended anti-corruption trainings

Our procedures performed included interviewing with China Mobile's personnel responsible for collecting, compiling and reporting the information, analyzing the information obtained, and other procedures relevant to the collection of the appropriate audit evidence. Specifically we:

- Interviewed China Mobile's management and personnel responsible for collecting, preparing and disclosing information and business centralized management department in the headquarter;
- Understood the current procedures for identifying stakeholders and the relevant material issues, and the relevant controls over the compilation of the Report; performed enquiries and inspected related supporting documents to understand the expectations and needs of the stakeholders and how China Mobile responded to these expectations and needs;
- Analyzed, recalculated and tested on a sample basis of the selected key social responsibility indicators disclosed in the Report;

- On the basis of risk analysis, visited Zhejiang Company, Hubei Company and Beijing Company on-site.

Process conducted in the limited assurance aims to ensure the reliability of the information, and the scope of this process will be less than that of reasonable assurance. Our assurance work and report will not express an opinion on the effectiveness and performance of China Mobile's management system and procedure.

Other than China Mobile's Headquarters, China Mobile Group Zhejiang Company Limited, China Mobile Group Hubei Company Limited, and China Mobile Group Beijing Company Limited, we did not product assurance procedure on any other branches or subsidiaries. Moreover, historical comparative data is not within the scope of our work.

## Our Conclusions

- Subject to the limitation of our work, and the work performed and described in the Independent Assurance Report, nothing has come to our attention that causes us to believe that there were any errors that would have a material impact on the selected key social responsibility indicators disclosed in the Report; and
- Subject to the limitation of our work, and the work performed and described in the Independent Assurance Report, nothing has come to our attention that causes us to believe that the Report was not prepared in compliance with the principles of materiality and inclusiveness required in G4 issued by GRI.

*Deloitte Touche Tohmatsu Certified Public Accountants LLP.*

Deloitte Touche Tohmatsu Certified Public Accountants LLP



## Appendix: The Basis of Reporting

### Economic Indicators

**Number of first-level suppliers:** the number of suppliers signed through centralized procurement process in 2014 by the Procurement Shared Service Centre of China Mobile at the Headquarter level.

**Number of second-level suppliers:** the number of suppliers signed through centralized procurement process in 2014 by the Procurement Department of China Mobile at provincial, autonomous region and municipality level.

**Percentage of first-level local suppliers:** local first-level suppliers (registered in mainland China) as percentage of the first-level suppliers signed in 2014.

**Percentage of second-level local suppliers:** local second-level suppliers (registered in the province) as percentage of the second-level suppliers signed in 2014.

**Number of assessments on first-level suppliers:** total number of verification pertained to all the first-level suppliers responded to bidding.

**Number of remote villages covered via Village Connected Project newly added:** total number of administrative villages and natural villages that covered by mobile phone services through Village Connected Project of China Mobile Limited newly added in 2014.

**Number of administrative villages with broadband connection via Village Connected Project newly added:** total number of administrative villages provided with broadband connection through Village Connected Project of China Mobile Limited Newly added in 2014.

**Number of Rural Information Service users:** total number of 12582 multimedia and text message users, 12582 hotline services and WEB services users.

**Number of sales channels in rural areas:** total number of sales outlets and channels owned by China Mobile Limited and the third-party in villages and county.

### Environmental indicators

**Total electricity consumption:** all the electricity consumed by the business operations of China Mobile Limited, including office building, base stations, telecommunication equipment room, support system room and channel occupancy.

**Natural gas consumption:** total gas consumption related to production, operation and management incurred by China Mobile Limited.

**LPG consumption:** total LPG consumption related to production, operation and management incurred by China Mobile Limited.

**Coal gas consumption:** total coal gas consumption related to production, operation and management incurred by China Mobile Limited.

**Coal consumption:** total coal consumption related to production, operation and management incurred by China Mobile Limited.

**Gasoline consumption:** total gasoline consumption related to production, operation and management incurred by China Mobile Limited.

**Diesel fuel consumption:** total diesel fuel consumption related to production, operation and management incurred by China Mobile Limited.

**Total CO<sub>2</sub> emissions:** total CO<sub>2</sub> emissions calculated based on the national publication of CO<sub>2</sub> coefficient factor (including electricity, natural gas, LPG, coal gas, coal, gasoline and diesel fuel)

**Number of alternative energy base stations:** total number of alternative energy base stations powered by wind, light, water and fuel cell owned by China Mobile Limited.

**Number of video conferences held at group level:** total number of provincial video conference initiated by the Headquarter. The data is obtained through the Booking System of High definition Video Conference and the meeting memos.

### Social Indicators

**Number of principals of rural primary and middle schools trained newly added:** total number of principals of Midwest elementary and middle schools joining the training programs sponsored by the "China Mobile Education Aid Project".

**Number of children in poverty who suffered from congenital heart disease assisted newly added:** refers to the addition, in 2014, of the impoverished children with congenital heart disease, who have recovered after surgery operations sponsored by the China Mobile "Heart Caring Campaign".

**Number of reported spam messages handled:** the data is obtained through the records of reported spam messages in the first-level customer service system.

**Number of emergency support:** in response to emergency caused by nature or human beings which leads to an increasing telecommunication demand in local network (such as natural disaster, important holidays and conference), the number of emergency support by activated emergency support employees and other mobile telecommunication resources.

**Number of emergency support vehicles deployed:** during 2014 emergency telecommunication support activity, the total number of emergency support vehicles deployed.

**Number of emergency support equipment installed:** during 2014 emergency telecommunication support activity, the total number of emergency telecommunication equipment installed.

**Number of person-times involved in emergency support:** during 2014 emergency telecommunication support activity, the total number of person-times involved in emergency support.

**Total number of person-times trained:** the training includes off-the-job training, on-line training, overseas training and all the other types of trainings received by its employees. The total number of person-times trained is gathered from all of the provincial subsidiaries of China Mobile Limited.

**Percentage of female employees:** female employees as percentage of total employees of China Mobile Limited in 2014.

**Ethnic minorities as a percentage of total employees:** ethnic minorities as a percentage of total employees of China Mobile Limited in 2014.

**Total number of newly hired employees:** the number of contracted employees recruited by China Mobile Limited in 2014.

**Total number of resigned employees:** the number of contracted employees voluntarily resigned from China Mobile Limited in 2014.

**Total number of dismissed employees:** the number of contracted employees dismissed by China Mobile Limited in 2014.

**Total number of anti-corruption trainings:** the number of anti-corruption training conducted by China Mobile Limited in 2014.

**Total number of person-times attended anti-corruption trainings:** the number in person-times of employees attending the anti-corruption trainings conducted by China Mobile Limited in 2014.



# Feedback

Dear reader,

Thank you for reading China Mobile Limited 2014 Sustainability Report. In order to further improve our sustainability performance and report quality, your comments and suggestions are very much appreciated and we hope you could help us continuously improve our work.

China Mobile Report Team

March 2015

Please score from 1 to 5 (1 being the lowest and 5 being the highest) for the following questions:

1. Your overall opinion on China Mobile Sustainability Report	
2. Your opinion on whether this report reflects significant economic, social and environmental impacts of China Mobile	
3. Your overall opinion on our communication with stakeholders	
4. Your overall opinion on information disclosure in this report	
5. Your overall opinion on the format and design of this report	

You are welcome to make more comments:

(Large empty box for comments)

Your Contact Information:

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email: \_\_\_\_\_

You may send an email to China Mobile 2014 Sustainability Report Team at CR@chinamobile.com, or fax the form to +86-10-52616167. We will take your comments seriously and promise not to disclose your information to third-party.



# Report Disclosure Indexes

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