

Corporate Social Responsibility
Report China Unicom 2013

Smart Life Driven by Mobile Internet



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Report Instruction

Time frame:

Time frame of the report is from January 1st to December 31st of 2013. Some parts may go beyond the above mentioned time frame.

Release cycle:

The Social Responsibility Report of China United Network Communications Group Co., Ltd. is an annual report.

Coverage:

The report covers China United Network Communications Group Co., Ltd. and its subsidiaries. For the convenience of expression, "China Unicom", "the Group", "the Company" and "We" are used respectively in proper position in the report.

Reference:

- Program to the State-owned Enterprises Directly under the Central Government on Implementing the Harmonious Development Strategies during the Twelfth Five-Year Plan Period by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) of the People's Republic of China;
- Compilation Guide to the Report on Corporate Social Responsibility by the Shanghai Stock Exchange (SSE);
- Compilation Guide to the Corporate Social Responsibility (CSR) Report for Chinese Enterprises (CASS-CSR 3.0) by the Chinese Academy of Social Sciences (CASS);
- Sustainability Reporting Guidelines (G3 edition) by Global Reporting Initiative (GRI).

Data:

The 2013 data cited in the report is the final statistical data, and in case there is a difference between the financial data and the annual report, the annual report shall prevail.

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The board and all directors of the board assure that all information disclosed are real, complete and correct.

Language and availability:

Both Chinese and English versions are provided, available both in print and online at the websites below:

Online Chinese version: www.chinaunicom.com

Online English version: <http://unglobalcompact.org>

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From the Chairman



The year of 2013 witnessed fast development of new technologies such as mobile Internet, big data and cloud computing. People's demands for information services surged up and became increasingly diversified. In order to meet such demands, we stepped up to adjust the business structure, improve service quality, strengthen the supporting systems and increase business vitality. We believed that innovations can change the world, and we made active efforts to contribute to the national economic and social development.

At present, the international community is paying higher attention to corporate social responsibilities (CSR), and CSR is becoming a standard and hard requirement that companies should meet. In China, the related government agencies, industry associations and the capital market are putting forward stricter CSR requirements, and CSR has become an important indicator in the evaluation of enterprises. We are now facing new challenges in social responsibility management and practices. As a member of the UN Global Compact, we follow the ten global compact principles, live up to expectations of stakeholders and integrate social responsibilities into daily operation of the company to become an outstanding corporate citizen.

In 2013, we deepened the total risk management, abided by laws and regulations, cracked down on corruptions, strengthened internal audit, helped with maintenance of the market competition order and pursued sustainable and healthy development. We continued to build a ubiquitous and user-oriented network with advanced technologies. In urban areas, ports above 20M accounted for 63%; in rural area, ports above 4M accounted for 76%. We continued to make innovations, completed several urgent, difficult, dangerous and arduous communications tasks during key events and natural disasters. We strengthened network security protection, stroke a hard blow at spam SMSs to clean the network environment. We completed the Village Connection Program which enabled telephone connections in 400 natural villages and broadband connections in 2551 administrative villages, developed a variety of information applications related to the rural areas, agriculture and farmers, and set up nearly 300,000 information service channels in rural, remote and poor areas. We optimized package plans, priced products transparently and kept customer information confidential so that customers can enjoy service without worries. We promoted construction of smart cities and made strategic cooperation with 175 cities. We added on an e-commerce model for all services, continued to build on-line channels and improve services in business stores in order to provide customers with faster and better services. We increased compensation competitiveness, explored dual-path career development, created a new mechanism for selecting and engaging persons, and satisfied requests concerning the core interest of employees. We greatly

trained employees with vocational skills for their sustainable development. We promoted work safety, improved living conditions of employees and helped disadvantaged employees so that they would feel warm in the company. We believed in the win-win philosophy and collaborated with key parties of the ecosystem for common development of all links of the industry chain. We established a fair and transparent mechanism for vendor selection and made centralized and E-procurement. We put forward higher requirements on partners in terms of energy saving and environment protection, credibility, safety and healthy operation and legal compliance so as to guarantee healthy and sustainable development of the whole supply chain. We made efforts to save energy and promoted use of energy-saving technologies in productions and operations, further increased material recycling, promoted sharing of telecom infrastructure, and built a culture of ecological protection. We cared for people's life and gave back to the society. We assisted 8 programs in Tibet for three years, carried out poverty relief projects in targeted poor counties, actively participated in public service activities and volunteer work, and contributed to community development.

The year of 2014 ushers in the 4G era, and the mobile Internet will drive changes in all walks of life with an unprecedented power of innovation. Facing opportunities and challenges in the new era, we will keep us aware of the social expectations on China Unicom, communicate and collaborate with other forces to promote innovations and the national economic transformation, provide more smart-life applications and chart a green and low-carbon era of mobile Internet!

Chairman of the China United Network Communications Group Co.,Ltd

Chang Xiaobing
February, 2014

Corporate Profile



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Corporate Profile

China United Network Communications Group Co., Ltd. (hereinafter referred to as "China Unicom") was officially established in 2008 on the basis of the merger of former China Netcom and former China Unicom. It has subsidiaries in 31 provinces (autonomous regions and municipalities) across China and many countries and regions around the world. It is the only Chinese telecom operator listed on the stock exchanges in New York, Hong Kong and Shanghai. In 2013, China Unicom ranked 258 in Fortune Top 500, an increase of 75 positions over the previous year; and ranked 14 among all telecom operators around the world, an increase of 3 positions over the previous year.

With the second largest fixed and mobile telephone networks and the Internet in the world, China Unicom mainly operates the fixed and mobile communications service, domestic and international communications facilities, satellite IPLC service, data communications service, network access service, value-added telecom services and the system integration service related to information and communications businesses. China Unicom launched a full-service brand "WO" on April 28 of year 2009, which is a brand with completely new service ideas and innovation spirits. By the end of 2012, China Unicom had 430million subscribers in total, with corporate assets reaching RMB 574.6 billion yuan.

China Unicom has a modern communications network characterized by its nationwide coverage and global reach, and its new-generation mobile communications network WCDMA is also the largest in the world. Aiming at providing full-scale and high-quality information and communications services to customers, China Unicom has been promoting broadband-based fixed and mobile networks, expanding the international coverage and improving the layout of sales outlets. By the end of 2012, the number of 3G base stations reached 407 thousand, 119070 thousand broadband access interfaces were put in place, and the international roaming service covered 574 operators in 250 countries and regions. In 2013, China Unicom got the 4G license. In the 4G era, China Unicom will expand its leading 3G advantages to provide customers with faster and better mobile broadband experience.

Corporate Governance

Considering actual conditions of the Company, China Unicom strictly abides by the laws and regulations of the mainland China, Hong Kong and the United States, learns advanced corporate governance experience at home and abroad, constantly improves the corporate governance structure and the internal management system, builds effective internal control and risk control system, regulates corporate operations and improve corporate governance level. The convening, holding, voting procedures of the meeting of shareholders, of the board of directors and of the supervisory board are strictly under the provisions of related laws and regulations as well as the internal rules of the Company to ensure fair treatment towards all shareholders, especially minority shareholders, and the enjoyment and enforcement of their corresponding rights based on the shares they hold. Listed companies, through the organization of extensive Board of Directors and the establishment of the Audit Committee, Compensation Committee and other affiliated committees to the Board, effectively regulate the internal control system related to financial statements and bring the specialties of board directors into full play to enhance the duty-performing capability of the Board and scientific decision making. Furthermore, under fully compliance with the legal and regulatory requirements for information disclosure at the location where listed companies are regulated, China Unicom amply fulfills its information disclosure obligations and takes the initiative to communicate and make exchanges with investors via meetings, calls, website, email and other forms of communication to provide investors with the opportunity to learn corporate strategies and latest service development in time.

Directors & Senior Management



CHANG Xiaobing
Chairman and
Secretary of Party
Leadership Group



LU Yimin
President,
Vice Chairman
and Deputy Secretary
of Party Leadership
Group



TONG Jilu
Director of the Board,
Vice President and
Member of Party
Leadership Group



LI jianguo
Head of Disciplinary
Inspection Team
of Party Leadership
Group and Member
of Party Leadership
Group



LI Fushen
Director of the Board,
Vice President,
Chief Accountant and
Member of the Party
Leadership Group



LI Gang
Vice President and
Member of Party
Leadership Group



ZHANG Jun'an
Vice President and
Member of Party
Leadership Group



JIANG Zhengxin
Vice President and
Member of Party
Leadership Group



SHAO Guanglu
Vice President and
Member of Party
Leadership Group

Brand Profile

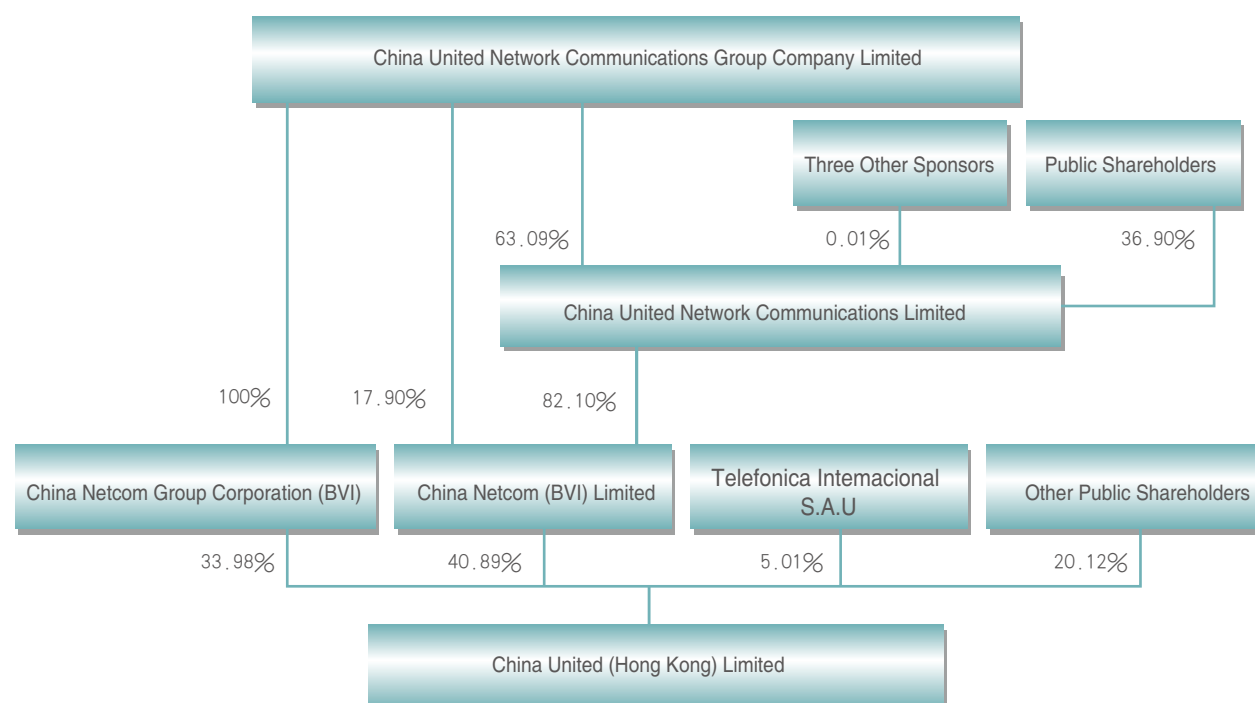
In 2009, China Unicom launched a full-service brand “WO” at the time of the 3G business entering into the market. “WO” provides WO 3G, WO Family, WO Pai and WO Business to individuals, households, teenagers and enterprises as well as WO Service to all customers. In 2013, in order to effectively accomplish resource integration and focus on the promotion of core advantages, the Company, taking the occasion of the upcoming 4G era, optimized the brand structure by eliminating “WO 3G” and “WO Family” and further incorporating the “WO” brand as a whole to lead the promotion of mobile and broadband services.

In 2013, China Unicom's brand value was increasingly promoted. On the basis of Global Brands 500 issued by Brand Finance, China Unicom's brand is worth USD 9.5 billion, ranking 11 among all telecom operators in the world, up by 19.7 percentage points over the previous year, and 16% higher than the average growth rate of Top 10 operators. According to the research, China Unicom's brand equity index grew 44% over the previous year; and the "WO" brand is widely recognized with the recognition up by 11% while the "WO" brand equity index is up by 67%. The market sees "WO" a modern, innovative, vigorous and enthusiastic brand.



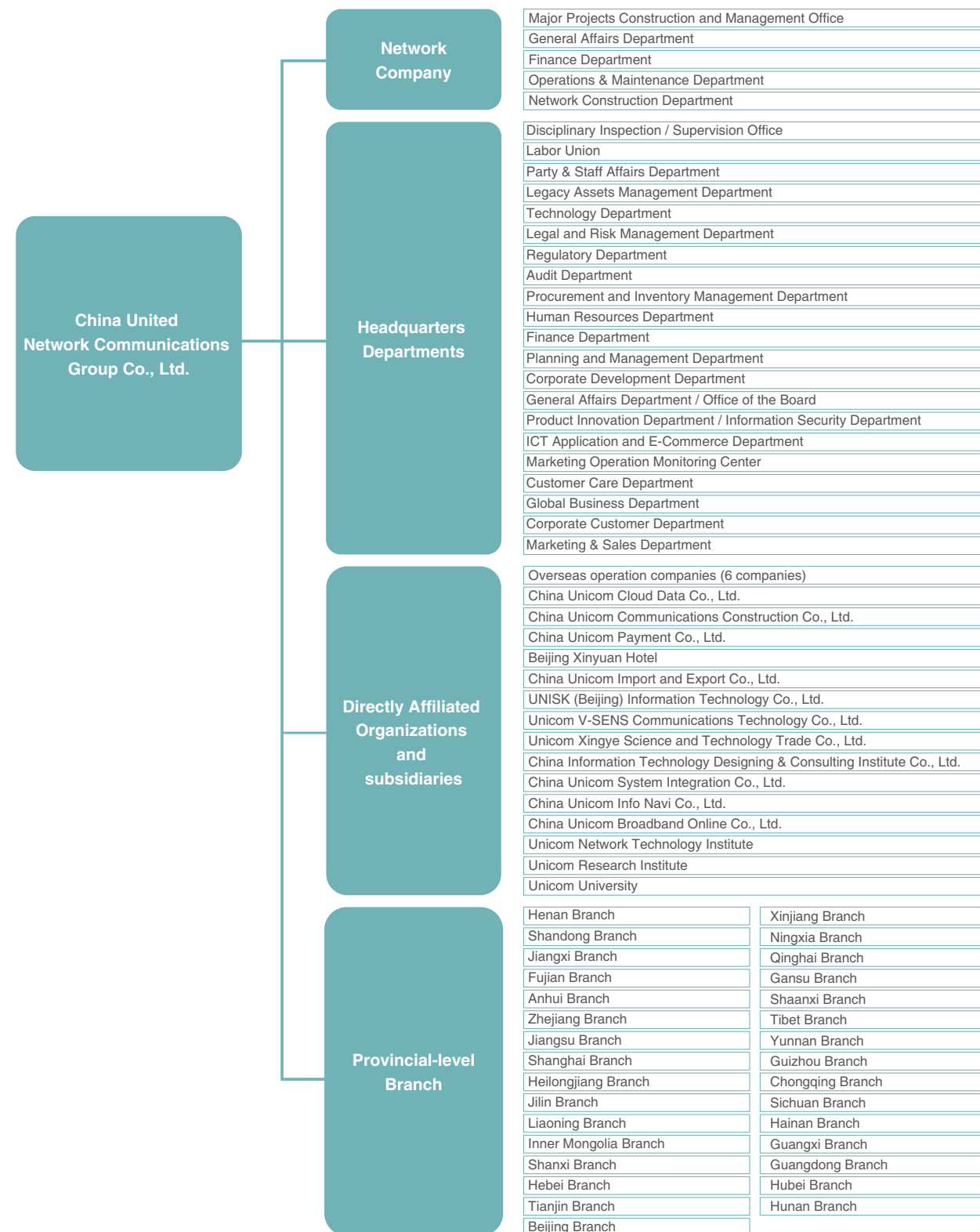
Shareholding Structure

For the purpose of prevention of stock price volatility and based on the confidence in the sustainability of China United Network Communications Company Limited (hereinafter referred to as the “Company Limited”), the Company increases the holding of the Company Limited’s shares in due course. From 3 May to 31 December of 2013, the Company increased 184,518,024 shares, accounting for 0.87% of total equity. Now the Company holds 63.09% of the Company Limited’s equity and has made a commitment to maintain the holding during the period of implementation of the holding increasing plan and within legal time limit.



Organizational Structure

Aiming for the mobile Internet era, China Unicom established a cloud data company to further push forward the development of the cloud technology as well as the big data. China Unicom set up a network technology institute to enhance network technology research and improve the capability of network service. In order to adapt to the rapid pace of mobile Internet development and speed up IT system integration and full-service e-commerce, China Unicom incorporated the former Information Service Department and the E-commerce Department into the Information and E-commerce Department; and in order to further streamline the functional departments, China Unicom incorporated the former Strategic Investment Department into the Corporate Development Department.





Management of Social Responsibility



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Management of Social Responsibility

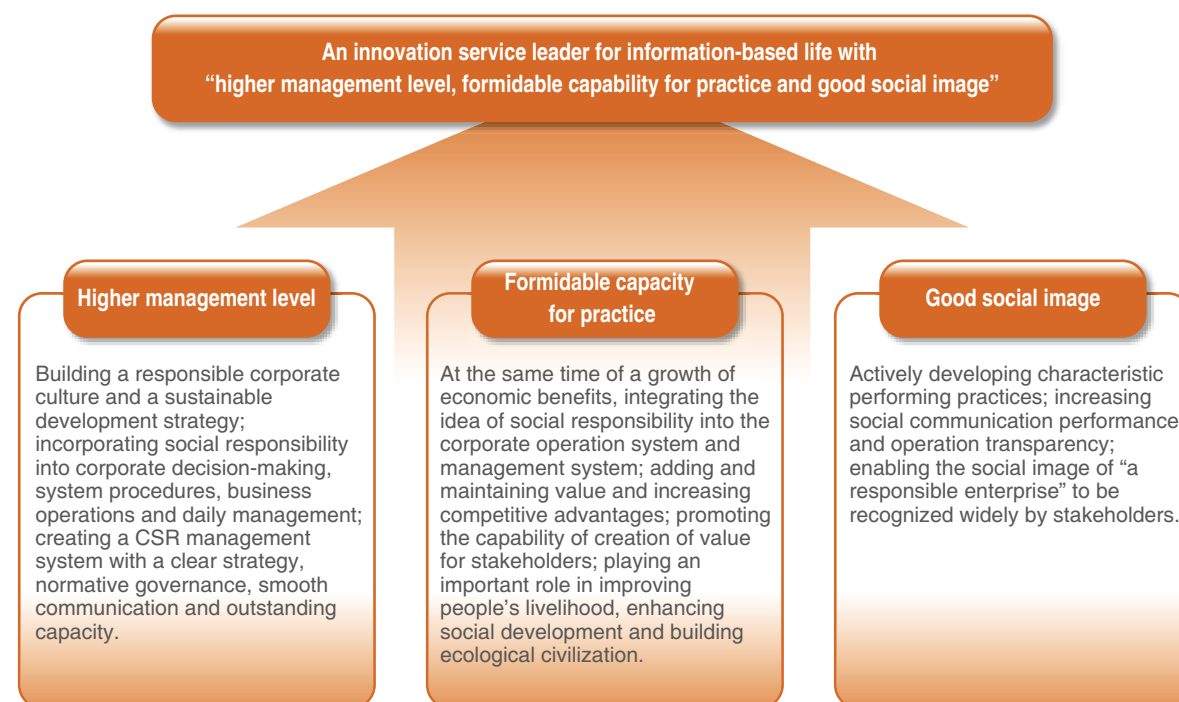
In 2013, China Unicom conducted some special promotion activities for CSR management. Under the guidance of international and domestic social responsibility standards and seeing domestic and global leading enterprises as a model, China Unicom conducted internal inspections seriously and found out the following aspects that could be further improved in the future: the need to well planning CSR work, the need to build a sound CSR governance body, the need to further deepen the communication for responsibility, the need to intensify the research on CSR and the need to make clear of the responsibility boundary. Aiming for the above-mentioned deficiencies, the Company took the measures below for improvement and promotion.

(I) Planning of Social Responsibility

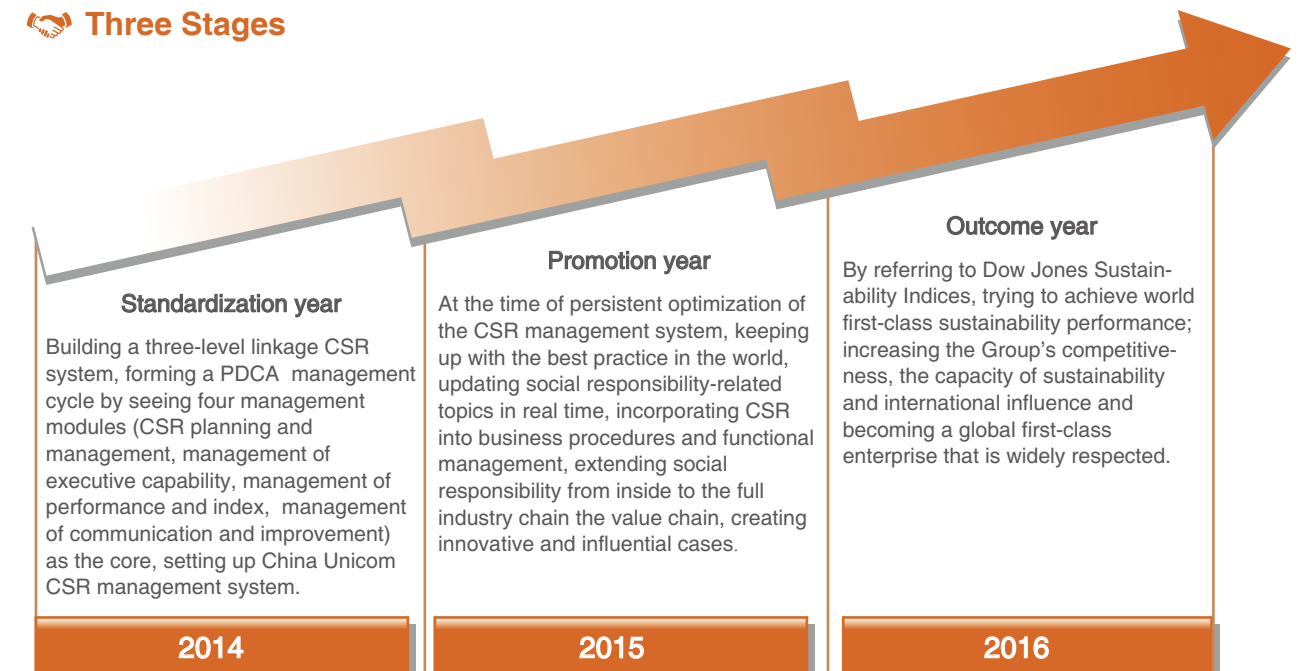
For the purpose to lead a systematic CSR work, China Unicom compiled the China Unicom CSR Planning (2014-2016) to make clear of the goal and the way to achieve the goal, and well prepare the ultimate blue print for future work and implementation. As for the CSR management, China Unicom confirmed six key points to be improved for the next three years and seven key topics.

Goal of CSR

The goal is, within three years and through three stages, to become an innovation service leader for information-based life with “higher management level, formidable capability for practice and good social image”.



Three Stages



(II) Promotion of Responsibility Governance

On the basis of the Social Responsibility Steering Committee established at the beginning of year 2011, China Unicom further defined the departments in charge of CSR management and corresponding contacts in the headquarters, provincial branches and the subsidiaries to make clear of the obligations of each CSR management department.



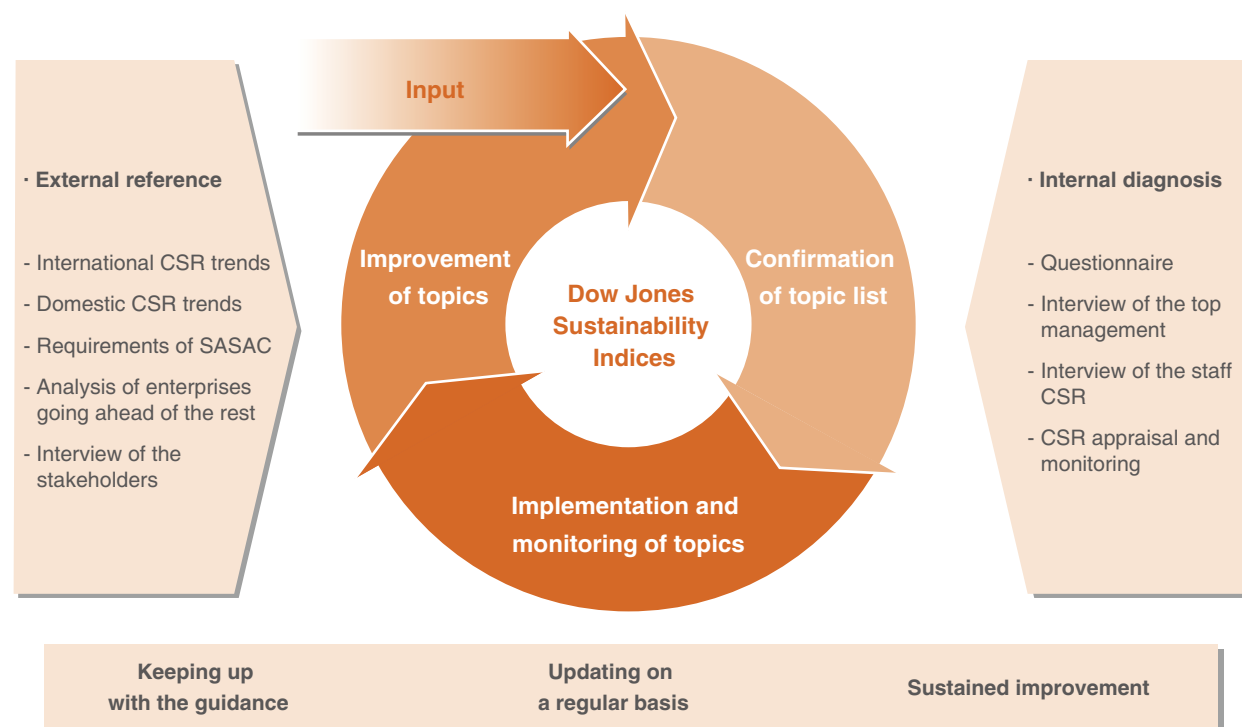
Organizational structure of China Unicom social responsibility

Full Lifecycle Management of CSR Report

China Unicom started the work of compilation of the social responsibility report in Oct 2013. The Group's Corporate Development Department is the center of the report working group and is responsible for topic selection based on stakeholders' daily communication and for the confirmation of the framework. The conciliation panel is comprised of the Group's relevant 21 departments, 31 provincial branches (including prefecture-level cities) and 16 subsidiaries, responsible for the provision of report materials and suggestions. The Group's Corporate Development Department puts forward necessary contents and detailed requirements for compilation of the social responsibility report and works together with the conciliation panel to collect the materials required. Once finished, the report will be reviewed by the Company's top management and be issued publicly via the capital market, website, email and delivery and some other ways. The social responsibility report contains the information feedback board, and the feedback information from stakeholders will be collected and sorted out with great care and be replied, as a key point, in the social responsibility report of the next year.

(III) Confirmation of CSR Topics

China Unicom has established a topic selection procedure under the principle of "keeping up with the guidance, updating on a regular basis and boosting sustained improvement". After confirmation of the topics and the goal, China Unicom conducts dynamic management to these topics by closely following domestic and international trends as well as referring to the advanced enterprises. China Unicom updates the topics constantly to ensure scientific CSR practices and to achieve effective, high-level and influential practices.



Selection of social responsibility-related topics

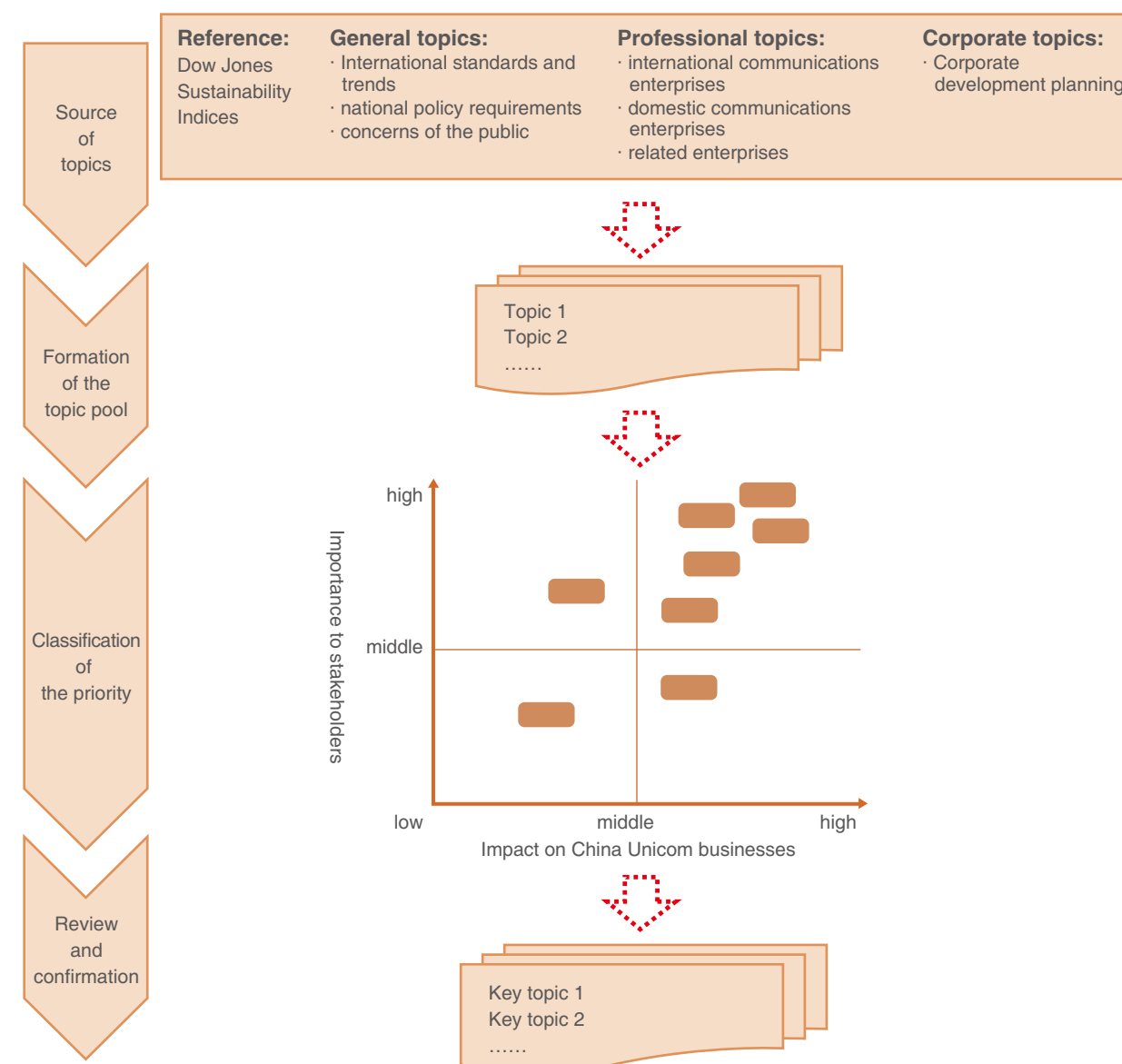
Selection Procedure of CSR Topics

Identification of the source: Taking the Dow Jones Sustainability Indices as a principal benchmark, taking into account of the international standards, national policy requirements, concerns of the public, trends of topics of domestic and international communications enterprises and the CSR topics selected by the Corporate Development Department.

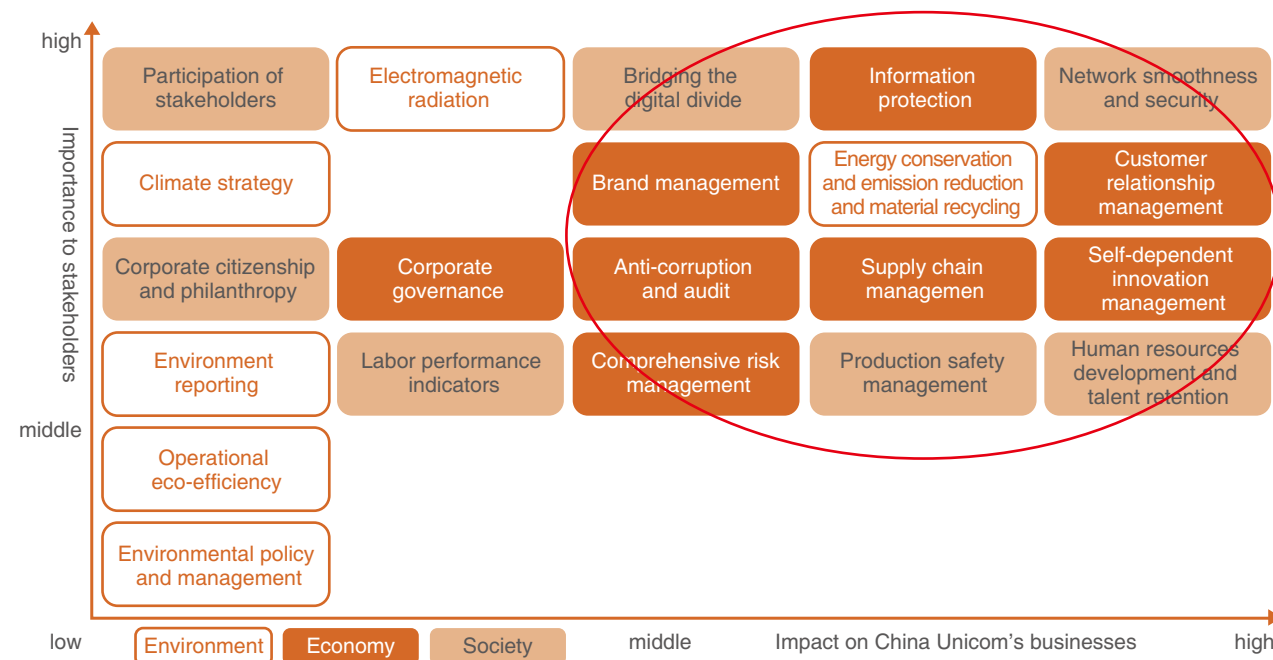
Formation of the topic pool: Firstly, establishing general topics by referring to the Dow Jones Sustainability Indices, international standards and trends, national policy requirements and the concerns of the public; secondly, coming into being professional topics through the analysis of communications enterprises at home and abroad; finally, shaping China Unicom's CSR topics in line with the Company's development planning and operating practices.

Classification of the priority: Building a topic selection matrix based on the "impact on China Unicom businesses" and the "importance to stakeholders" to give priority ranking to the topics in the pool.

Review and confirmation: Reviewing the social responsibility topics selected and making a final decision on these topics.



China Unicom CSR Core Topics



- Topic one:** Reinforcing compliance management to achieve the Company's sustainable development.
- Topic two:** Consolidating the foundation for CSR implementation to build a green, safe and smooth network.
- Topic three:** Bridging the digital divide to enable all people to enjoy the convenience brought by the information technology.
- Topic four:** Improving service capability to create reliable and satisfactory services.
- Topic five:** Enhancing partnership management to build a cooperative win-win supply chain for CSR.
- Topic six:** Encouraging green and low-carbon development to make contributions to the harmony and coexistence of ecological civilization.
- Topic seven:** Insisting on the people-oriented idea to construct the best platform for work and life.

(IV) Promotion of CSR Performance

CSR Evaluation System

On the basis of the 2012 CSR evaluation system, China Unicom further optimized the system with 3 levels, 5 items, 14 aspects and 44 indicators.



Performance of CSR Practices

China Unicom has established a system for collection of the best CSR practices, through which the Group's top management and experts sort out the best cases and recommend them to SASAC and Global Compact. The case winning an award will be posted in China Unicom's official website and the internal office network. Furthermore, the provincial branch winning an award will thus be awarded in their performance evaluation. In 2013, China Unicom's provincial branches and subsidiaries reported 131 CSR practices in total, of which 3 cases were recommended to participate in the selection of "Outstanding CSR Practice of State-owned Enterprises directly under the Central Government" initiated by SASAC and 6 cases were recommended to participate in the selection of Global Compact Best Practice.

In the collection of "2013 Outstanding CSR Practice of State-owned Enterprises directly under the Central Government" organized by SASAC, state-owned enterprises directly under the central government reported totally 157 cases, of which 50 cases were awarded the "Outstanding CSR Practice" and 10 were awarded the "Best CSR Practice". Construction of a Safe School Bus System and a Protective Screen for Children by Chuzhou Branch of Anhui Unicom recommended by China Unicom was simultaneously selected as the "2013 Outstanding CSR Practice" and the "2013 Best Practice". In the selection of the "2013 Best Practice" launched by Global Compact Network China, Construction of an Inspection and Supervision Mechanism to Ensure the Compliance of Corporate Operations recommended by China Unicom was selected as the "Global Compact China Best Practice".

(V) CSR Research

China Unicom's strategic partner Telefonica is a global leading enterprise for social responsibility. Telefonica has been selected by Dow Jones Sustainability Indices for many times and has ever been selected by "Fortune" as the "2011 World's Most Respected Telecommunication Company". In 2013, China Unicom and Telefonica had a series of deep discussions on the risk management, supply chain management and the sustainability index via forum, video conferencing, email and some other ways, which achieved valuable results.

China Unicom continuously pays attention to the development of the industry; actively participates in various exchanges organized by non-government organizations, academic institutions and the media; closely follows the trends of domestic and international social responsibility development; positively boosts the implementation of social responsibility-related guides and standards into Chinese enterprises and makes contributions to the development of social responsibility.

Exchanges and seminars participated by China Unicom in 2013

Date	Sponsor	Topic
Jan	Research Center for Corporate Social Responsibility, CASS	Annual summary on China CSR report and evaluation, i.e. Seminar on Compilation Guide to the Corporate Social Responsibility (CSR) Report for Chinese Enterprises (CASS-CSR 3.0)
Apr	Global Compact, Responsible Investment Principles, Global Enterprises and Human Rights Initiative, Global Compact Network China, Tsinghua University	Sustainable business and investment rights, risks and obligations in the global context
Jun	Global Compact	CEO R&D on sustainability
Jul	Southern Weekly	Annual CSR meeting of Chinese enterprises
Aug	KPMG	Seminar on "Social Responsibility Report in a new era"
Oct	Global Reporting Initiative (GRI)	The 4 th China GRI Reporting conference
Nov	Global Compact	Global Compact 2013 survey
Nov	Research Center for Corporate Social Responsibility, CASS	R&D of "CSR Reporting Information Platform System"
Dec	Global Reporting Initiative (GRI)	Annual CSR meeting of China's capital market of 2013

(VI) Intensification of Communication

In 2013, China Unicom intensified the communication with the stakeholders with open-minded attitudes, for which China Unicom's social image and influence further expanded.

Communication with the Management for CSR

The Initiative on Chinese Enterprises Tackling Climate Change co-sponsored by China Enterprise Confederation, China Federation of Industry Economics and China Association for Public Companies and signed by the Company's Chairman CHANG Xiaobing shows that China Unicom is willing to make efforts to tackle the climate change. In the high-level roundtable forum of "Chinese Enterprises Overseas Sustainable Development" held by UNDP, the Company's President LU Yimin pointed out that by virtue of the "Chinese Enterprises Overseas Sustainable Development" project, China Unicom would like to build a new bridge of international cooperation, form a new channel of information obtaining and build a new mechanism for experience sharing so as to help Chinese enterprises to "go out".

Expanding the Role of the CSR Report

Since 2013, China Unicom has designed and printed the CSR report and took the initiative to send it to the stakeholders including the government, Global Compact, the media, VIP customers and provincial branches; and meantime, China Unicom opened a special column on its official Weibo to release information upon the implementation of CSR. China Unicom has made full use of its information platform to post the report on the internal office network to help all the staff understand the Group's CSR performance and deepen the understanding of incorporating CSR into daily work.

Reinforcing the Communication with Internal Stakeholders

To help the staff learn more about CSR, China Unicom launched the "China Unicom CSR Questionnaire" in the whole system, including the headquarters, provincial branches and subsidiaries, based on the grass-roots employees' understanding to CSR and the evaluation to CRS performance. The questionnaire contained 73 questions, involving background information, CSR consciousness, CSR contents, CSR practices and CSR performance and implementation. The Group's 50,000 employees participated in the survey voluntarily and filled in the questionnaire online.

Reinforcing the Communication with External Stakeholders

The Company created a transparent and responsible image via its self-owned media. The Company reinforced the construction of China Unicom's official blog to build a good corporate image, answer questions, settle disputes, enhance communication with customers and spread excellent models. China Unicom has had nearly 3 million fans with the articles in the blog being read 1 billion times, which effectively disseminates the Company's positive energy.

The Company actively listened to customers' voice on the network media and took full advantage of the social media for timely response. In the IWOM monitoring in Nov 2013, it was found that customers' positive feedback to China Unicom's customer service exceeded 80 percentage points, the positive feedback to China Unicom's 3G exceeded 68 percentage points, the positive feedback to speed of the broadband exceeded 84 percentage points and the positive feedback to the speed of broadband installation exceeded 94 percentage points.

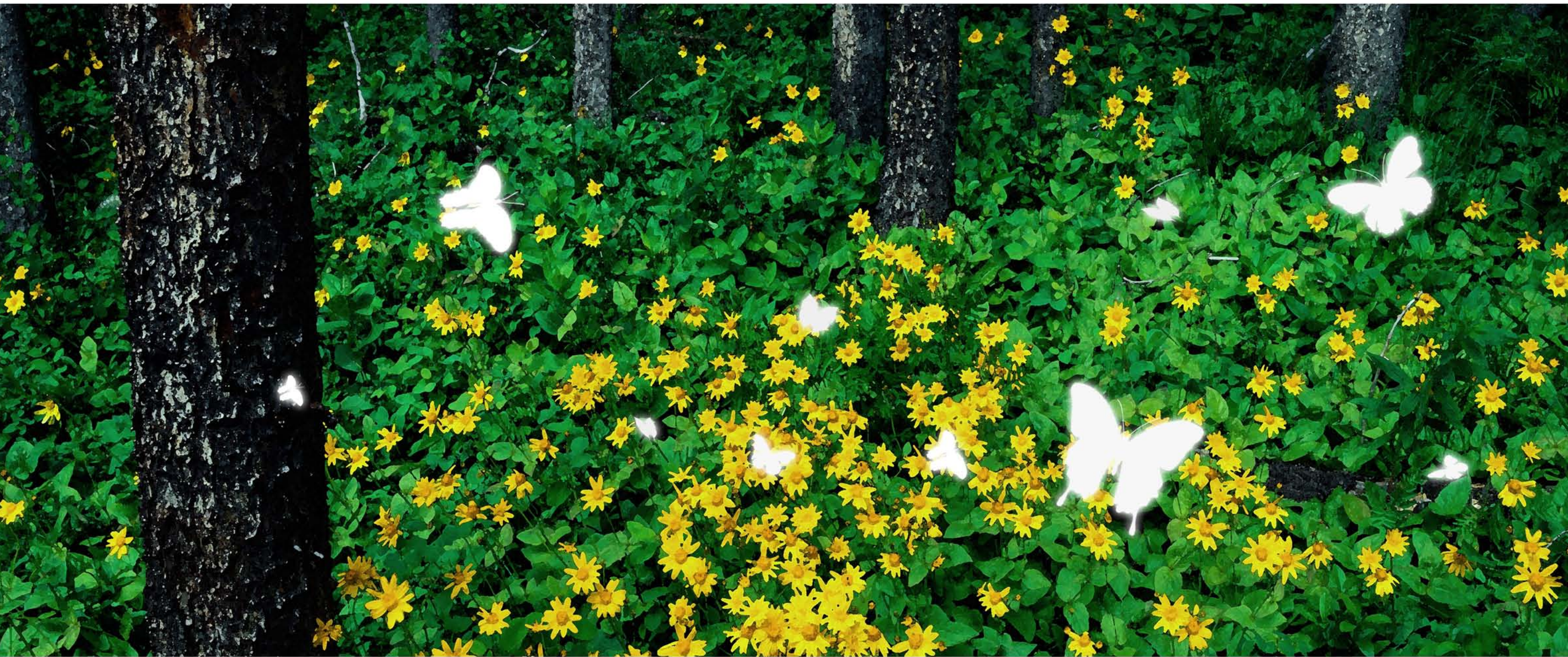
External Communication and Cooperation

In order to lead the Company's CSR work into a new stage, China Unicom has introduced experts from outside and invited the Research Center for Corporate Social Responsibility of CASS to help making CSR policies and provide expertise and instructions in the area of CSR planning and system construction.

Expectations of Stakeholders and Response of China Unicom

Stakeholders	Ways of Communication	Expectations	Response of China Unicom
Investors	<ul style="list-style-type: none"> ★ Disclosure of information ★ Provision of materials ★ Face-to-face communication 	<ul style="list-style-type: none"> ◆ Maintaining and adding the value of assets ◆ Standardization of corporate governance ◆ Prevention of business risks 	<ul style="list-style-type: none"> ● Disclosing the results of operations based on the information disclosure requirements and ensuring that all shareholder have equal access to the information ● Continuing to regulate the governance structure and keeping on improving relevant decision-making procedures and the institutional system ● Establishing a internal control and risk management system and carrying out in-depth risk assessments
Customers	<ul style="list-style-type: none"> ★ Seminar ★ Customer activity ★ Satisfaction survey ★ Members club 	<ul style="list-style-type: none"> ◆ High-quality network ◆ Inexpensive and high-quality information service ◆ Convenient service ◆ Healthy network environment 	<ul style="list-style-type: none"> ● Increasing the construction of mobile and broadband networks and continuing to optimize the networks ● Simplifying packages, making tariffs transparent and accelerating the introduction of IT applications ● Improving the business and the hotline service and putting the commitments for mobile and broadband services in place ● Carrying out comprehensive management of spam messages
Staff	<ul style="list-style-type: none"> ★ Employees survey ★ Discussion with the management ★ The workers' congress ★ Training 	<ul style="list-style-type: none"> ◆ Participation in the management work ◆ Salaries increased steadily ◆ Career planning ◆ Staff care 	<ul style="list-style-type: none"> ● Enabling employees to participate in the democratic management ● Salary distribution tilting to the frontline staff ● Expanding the career development path of professional staff ● Improving working conditions, carrying out arts and sports activities and helping poor employees
Government and supervision institutions	<ul style="list-style-type: none"> ★ Meeting ★ Reporting ★ Exchanging and visiting 	<ul style="list-style-type: none"> ◆ Following relevant rules and regulatory requirements ◆ Enhancing the development of social information 	<ul style="list-style-type: none"> ● Managing the enterprise by law and strengthening internal auditing ● Vigorously promoting the construction of an information-based society
Partners	<ul style="list-style-type: none"> ★ Discussion ★ Business training ★ Satisfaction survey 	<ul style="list-style-type: none"> ◆ Win-win cooperation ◆ Wide cooperation ◆ Driving the development of the industrial chain 	<ul style="list-style-type: none"> ● Adhering to the "openness, innovation, cooperation, win-win" concept of cooperation ● Expanding cooperation areas and creating more synergy value ● Opening up the upstream and downstream of the industrial chain and working together with our partners to create value
Players in the industry	<ul style="list-style-type: none"> ★ Forum and meeting ★ Visiting 	<ul style="list-style-type: none"> ◆ Sharing advanced experience ◆ Fair competition ◆ Cooperation 	<ul style="list-style-type: none"> ● Sharing experience at different levels ● Good interoperability ● Co-construction and sharing
Communities	<ul style="list-style-type: none"> ★ Communication with communities ★ Communication with the media ★ Social welfare activity 	<ul style="list-style-type: none"> ◆ Green operation ◆ Learning corporate information ◆ Bridging the digital divide ◆ Ensuring emergency communications ◆ Boosting the development in backward areas 	<ul style="list-style-type: none"> ● Carrying out energy conservation and emission reduction and ensuring green construction and green operation ● Inviting the media to report the Company and releasing information via the website, Weibo and the monthly magazine ● Further enhancing the "Village Connected Project" and increasing the coverage of communication networks in rural areas ● Ensuring smooth communications in natural disasters and major events ● Actively making contributions to the philanthropy and public welfare

Social Responsibility Practice



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Social Responsibility Practice

Strengthening Compliance Management to Achieve Sustainable Development of the Company

In 2013, the Company focused on the implementation of “3G-led Integrated Innovation Strategies” and strived to improve its capabilities in sales, network, service and management. As a result, the Company achieved rapid growth in core service customer base and revenue. Meanwhile, the Company spared no effort in expanding the economies of scale. The aggregate profit of the Company increased by 54.9% compared to the same period of last year, effectively improving the growth rate of the industry’s additional profit and making great contributions to boosting consumption of the information industry, stimulating domestic demands and GDP growth, accelerating the national economy development and structural adjustment and advancing the in-depth integration of industrialization and informatization. The Company’s capital expenditure for the year totaled 72.26 billion yuan. This achievement contributed to growth of the whole industry chain, where the enterprises and companies could all share the development results.

2013 Operating Results of China Unicom

Indexes	2011	2012	2013
Revenue from 3G business(yuan in 100 millions)	336.8	615.2	927.2
Year-on-year increase of revenue from 3G business (%)	173.8	82.7	50.2
3G subscribers(In 10,000)	4001.9	7645.6	12260.0
Penetration rate of 3G subscribers (%)	31.4	32.8	29.4
Revenue from broadband Internet(yuan in 100 millions)	380.9	430.5	476.0
Year-on-year increase of revenue from broadband Internet (%)	19.3	13.0	10.7
Broadband subscribers(In 10,000)	5068.5	5854.0	6464.7
Penetration rate of broadband subscribers (%)	35.6	34.5	34.2

Computation basis of broadband subscribers was adjusted as follows: including Internet leased line users and not applying LAN user account conversion. Accordingly, service revenue from broadband business included service revenue from the Internet leased line users. The Company’s revenue has nearly doubled in the recent five years while the profit has increased by 3 times. As the comprehensive strength keeps improving, the Company has become one of the fastest growing telecom operators in the world and continued to steadily perform its economic responsibilities.

Operation Results of China's Major Telecom Operators

Operators	Mobile subscribers		Service revenue from main telecom business		Total profit	
	As of the end of the month (10,000)	Growth compared to last year end (10,000)	From beginning of the year to the month (yuan in 100 millions)		As of the end of the month (10,000)	Growth compared to last year end (10,000)
China Telecom	16693.4	1858.7	2990.9	11.2	210.1	22.7
China Mobile	78119.7	5670.0	6242.5	5.7	1441.6	-6.1
China Unicom	28098.3	4167.1	2455.8	13.7	117.9	54.9

Note: Statistics are from the monthly report for the period ended December 2013 which is published by the Ministry of Industry and Information Technology

1. Conducting in-depth enterprise-wide risk management to ensure steady development of the Company

■ Strengthening enterprise-wide risk management

China Unicom has continuously improved its internal control and risk management system, cultivated the risk management culture and promoted the effective integration of risk management and routine operation management. In 2013, China Unicom won the award for DIB•Top 100 Chinese Listed Companies in Internal Control, and Chairman Chang Xiaobing was granted the title of DIB •Internal Control Leader of Chinese Listed Companies.

Measures taken are as follows:

Firstly, to update and optimize the internal control standards by taking into consideration of the management requirements and updates and the risk assessment results.

Secondly, to conduct enterprise-wide risk management by applying the “multi-level description and stratified control” model that is based on risk catalogue and key risk index (KRI).

Thirdly, to identify enterprise-wide risks and conduct internal control assessment. In particular, to conduct special risk assessment in key service areas.

■ Effectively controlling marketing and operation risks

In 2013, the Company further improved the operation monitoring system by focusing on two key services, mobile service and broadband service, for the purpose of ensuring dynamic operation monitoring and risk prevention.

Measures taken are as follows:

Firstly, to set up an operation monitoring system in which the monitoring staffs are listed specifically, issues are resolved with a corresponding work order, monitoring and analysis are conducted in a certain pattern, and early warning is implemented by a tool.

Secondly, to specify 298 operation monitoring indexes, and to indicate the probe points on the monitoring platform so as to enable dynamic monitoring.

Thirdly, to set up an assessment model to conduct benchmarking assessment and issue report on local network operation status. As of the end of October, 2013, irregular voice traffic detected totaled 1.96 million minutes, and the related expenses involved were 9.72 million yuan. Besides, 3 system flaws were corrected.

2. Following through the principle of administering an enterprise in accordance with law so as to ensure law-abiding operation

China Unicom has put up efforts in administering the enterprise in accordance with law and persisted in integrating legal system education, practice of ruling by law and legal affair management with operation management, so as to achieve operation with integrity and scientific development. The Company scored A in the assessment conducted by SASAC on first-year progress of enterprises directly under the central government in achieving the third three-year objectives of legal work.

Measures taken are as follows:

Firstly, to further improve the legal risk prevention system that focuses on the general law consultant mechanism and covers the whole process of prevention in advance, control in process and relief afterwards. Material legal conflicts caused by breaching activities of the Company nearly extinguished, and there was no legal actions involving anti-competitive and anti-monopoly behaviors.

Secondly, to avoid violation of the other party’s intellectual property rights by beforehand searching, legal examination and tracking & early warning, while to pay attention to the registration and protection of independent intellectual results.

Thirdly, to appoint general law consultant in 36 key subsidiaries and to conduct training programs for law consultant as well as law consultant qualification evaluation.

Fourthly, to initiate thematic campaigns to disseminate law related information, and conduct related seminars, trainings, contests and other publicity activities. To disseminate and follow through the risk control requirements with a focus on employees at key job posts so as to raise the awareness of fair competition and deepen the thoughts of operation in compliance with laws and regulations.

Compliance Trainings

Indexes	2011	2012	2013
Number of compliance training programs	1023	1437	1536
Number of training participants	185633	204050	222941

3. Pushing forward the work of combating corruption and upholding integrity so as to ensure compliance operation of the Company

In 2013, the Company put up efforts in construction of punishment and prevention system, work-style building and discipline development, for the purpose of promoting incorruptible employment and work-style transformation, and thus supporting the sound and sustainable development of the Company.

Measures taken are as follows:

Firstly, to enter into the Responsibility Agreement on Party's Work-style Building and Anti-corruption Construction with the head of each department and affiliate so as to follow through the principle of "one position with two responsibilities".

Secondly, to carry out anti-corruption education campaign with a theme of improving work-style and developing close relationship with the public; in particular, to conduct related training programs for the management and staffs at key posts.

Thirdly, to draw up inspection standards and related administrative measures and conduct inspections on four provincial branches.

Fourthly, to improve the decision-making mechanism in relation to decisions on major issues, appointments for key positions, arrangements for key projects and deployment of large-amount capitals, and supervise the performance results of key operations.

Fifthly, to draft the Mechanism for Conversation on Issues Related to Integrity of the China United Network Communications Co., Ltd. so as to strengthen the management of key posts and take special actions to resolve the prominent issues in relation to incorruptible employment.

4. Intensifying internal audit and supervision to prevent and control operation risk

In 2013, aiming at supporting development, creating benefits and controlling risks, the Company further implemented audit transformation for the purpose of guaranteeing economies of scale as well as innovation of system structure and mechanisms.

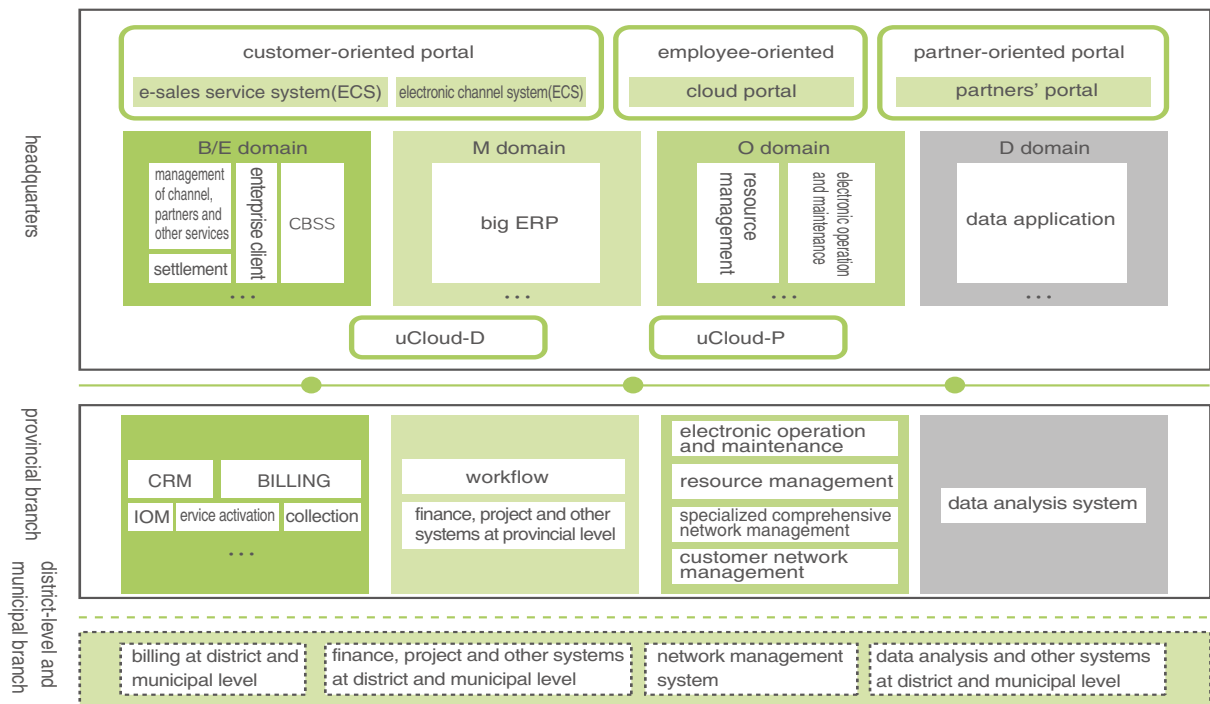
Measures taken are as follows:

Firstly, to build up a networked audit information system featuring early warning, online supervision model and ERP audit tool to expand the coverage of audit and supervision and accelerate the transition from periodic, on-site audit to real-time online early warning & supervision + on-site audit on key processes.

Secondly, to conduct special audit on internal control considering the potential risks of key services and the prominent issues that hinder profit growth, and promote the system and process improvement and standardization of operation and management behaviors.

5. Providing information-based support for operation and management by pushing forward IT integration

In the recent years, China Unicom, aiming at upgrading fundamental management and providing effective support for business operation and focusing on the principle of consistent image for the whole company, has invested an aggregate amount of 18.252 billion yuan to IT system construction. Geared to the needs of the era of mobile Internet, e-commerce, big data and cloud computing, the IT system is designed to improve customer perception and user experience, support the full-service e-commerce offering in an all-around way, and build up a major channel of Internet sales service, so as to promote the transformation of corporate governance, operation, marketing and service model. In 2013, bill payment, expense inquiry, itemized bill inquiry and 3G service activation could be fulfilled in a much shorter time and time for expenditure presentation was further reduced.



Structure of China Unicom's IT system

6. Safeguarding the market competition order to facilitate balanced development of telecom market

China Unicom has consistently safeguard the competition order of telecom market by carrying out operation activities according to laws and regulations, following high standards of self-discipline, and never engaging in price wars, so as to promote the sustainable development of telecom industry.

Measures taken are as follows:

Firstly, to practically implement the regulatory policies of telecom market and set up a three-level (the headquarters, the provincial branches and the district-level and municipal branches) supervision mechanism to monitor the enforcement of regulatory policies.

Secondly, to carry out operation activities in compliance with the laws, regulations and rules formulated by the central and local government and follow high standards of self-discipline.

Thirdly, to combat unfair competition and proactively prevent and repress irregular competing behaviors so as to safeguard the Company's benefits and promote the sound and orderly development of telecom market.

Laying a Solid Foundation for Obligation Fulfillment by Establishing a Green, Secure and Highly-connected Leading Network

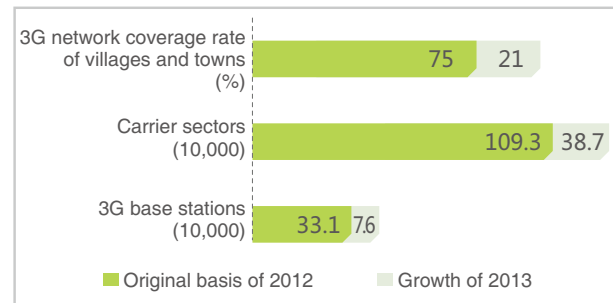
1. Establishing an advanced, ubiquitous underlying network to improve customer experience

China Unicom, with the focus on customer perception, rapidly improve the network capabilities and quality, especially the mobile network and broadband network, so as to provide rapid, flexible and effective network support for customers.

Establishing a ubiquitous mobile network with high perception

In 2013, as the rapid growth of mobile Internet and continuously accelerated progress with LTE, China Unicom attached great importance to its 3G network while pushed forward the LTE network development as appropriate.

3G network constructions aimed at improving 3G customer experience and meeting the rigid demands for capacity. The total investment amount for the year was 24.4 billion yuan. Emphasis was laid on the improvement of 3G network coverage in the urban areas above county level. Meanwhile, efforts were also made to rapidly expand the coverage in the villages. In 2013, the Company's 3G base stations reached 407 thousand, increased by 76 thousand; and the carrier sectors reached 1480 thousand with an addition of 387 thousand. The Company drew up overall planning for the development of outdoor and indoor network coverage. The newly added buildings with indoor network coverage exceeded 10,000; over 20,000 buildings in residential communities were provided with in-depth coverage this year. Coverage rate of villages and towns reached to 96% from 75% at the year beginning.



3G network construction

In accordance with the principle of unified planning, deployment with focuses and rolling development, 4G network was deployed based on the needs of network and service development. In the process of steadily pushing forward the construction of TD-LET network, the Company made full use of the existing network resources, underlined the joint construction and sharing of resources with other operators and committed to the model of utilizing both self-built and leased resources.

Establishing a highly connected broadband network that covers both urban and rural areas

The Company carried out the Broadband China Special Campaign 2013 thoroughly and accelerated the construction of fiber optic access network. In northern China, China Unicom sped up the conversion to fiber optic broadband network while expanded coverage of broadband network in major commercial buildings and urban communities in southern China. Compared to 2012, the number of Internet broadband access ports increased by 12610 thousand to 119070 thousand, of which, FTTH/B ports accounted for 71%. The access ports with the bandwidth higher than 20M took up 63% of all access ports in urban areas; the access ports with the bandwidth higher than 4M took up 76 % of all access ports in rural areas.



Access ports installed in the broadband coverage expansion & speed raising project

Establishing an international network with global reach

In order to improve the capacity of providing end-to-end international communication services and better satisfy customers' ever increasing demands for international communication, China Unicom continuously expanded its international service offering. As a result, 5 operating subsidiaries were successively set up abroad, to provide a wide range of international services including international fixed-line voice service, international fixed-line data service and international mobile roaming service. As of the end of the year, China Unicom established direct routes with over 100 operators globally, and was capable of offering international voice services that reached over 240 countries and regions. The Company entered into the international mobile roaming agreements with 574 operators in 250 countries and regions, and supported high-speed data international roaming service with 339 operators in 133 countries and regions.

2. Pushing through independent innovation management to offer sustainable technical support

Aiming at meeting customer demands and focusing on improving independent innovation capabilities, China Unicom has developed innovative systems and mechanisms, integrated its technical resources, intensified scientific and technical management and optimized the innovation environment, so as to enable innovation-driven development.

Results of technical innovation

In 213, China Unicom undertook 7 key national programs including the industrialization project of National Development and Reform Commission, the technical support program of the Ministry of Science and Technology, and the programs in relation to new-generation mobile wireless broadband communication network and Internet of Things of the Ministry of Industry and Information Technology. The service data platform and analysis & monitoring system of mobile Internet independently developed by the Company was granted the second-grade award of National Prize for Progress in Science and Technology, and China Unicom was the only telecom operator that was awarded the prize.

Progress in research of next-generation communication technology

The Company conducted studies on market strategies, network, supporting system, and terminals and SIM card of LTE, and coordinated the inner field and outfield testing as well as related enterprise standard development for the purpose of technology reserve. During the implementation of the project of upgrade of next-generation Internet operators' public network to IPv6 and large-scale commercialization, China Unicom launched IPv6 commercialization pilot program in 10 cities (Beijing, Shanghai, Guangzhou, Shenzhen, Shenyang, Dalian, Jinan, Qingdao, Zhengzhou and Wuhan) in 7 provinces. Besides, the Company also carried out research programs on development strategies in relation to smart pipe of mobile network and cloud computing and on related technologies.

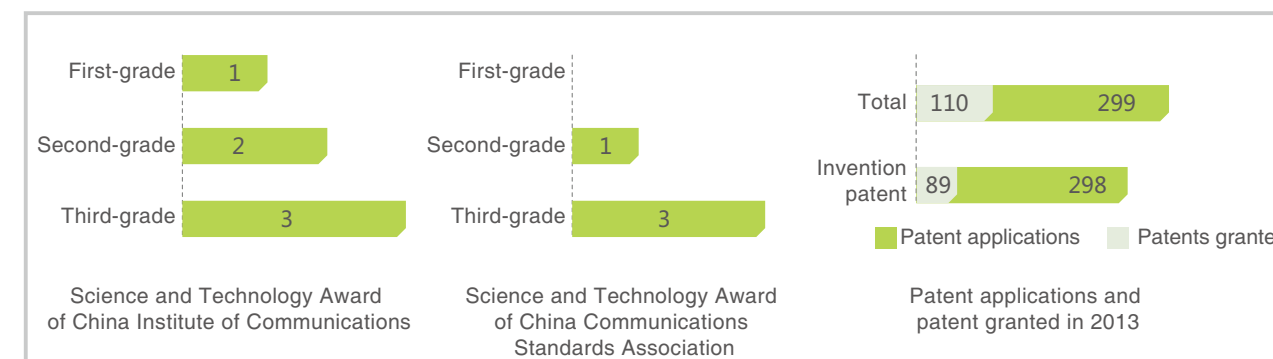
Engaging in development of international industry standards

China Unicom led the development of 9 international standards which were published by the international organizations, of which, 3 standards were published by the International Telecommunication Union (ITU). Moreover, 601 contributions on international standards were submitted. More than 10 specialists working at the Company held the posts of editor and working group chairman/vice chairman/group head/deputy group head in international organizations, leaving impact on the international standard development organizations to some extent.

The "eHealth – Curing the Complexity" Catalyst project jointly initiated by China Unicom and Orange awarded "Most Significant Contribution to Framework" of the TM Forum.

China Unicom developed the ITU-T Recommendation, "Cloud Computing Framework and High-level Requirements", which was the first international standard on cloud computing. As an important milestone in standardization on cloud computing, this standard marked a breakthrough progress of China in cloud computing standardization.

Besides, China Unicom also led and engaged in the development of 225 industry standards. 4 specialists of the Company held the posts of TC Chairman/Vice Chairman at China Communications Standards Association (CCSA), and 18 assumed the office of group head/deputy group head, making great contributions to the development of communication standards.



3. Stepping up construction of emergency communication system to ensure network connection in emergency rescues and disaster relief

China Unicom, in accordance with the principle of integration of peacetime and wartime purposes, and centering on the emergency response plan, established an emergency communication system with a complementary nature of resources in northern and southern China based on its emergency communication teams and facilities, laying a solid foundation for the successful fulfillment of emergency communication tasks.

Emergency communication in 2013

Total number of emergency communication offering	374	Emergency communication equipments put into use (10,000 sets)	11.2
Emergency communication vehicles dispatched (10,000 vehicle trips)	10.4	Personnel mobilized (10,000 person time)	31.8



Communication support for the launch of Shenzhou-10

The Shenzhou-10 manned spaceflight was successfully launched on June 13, 2013. In order to provide communication support for the launch, China Unicom offered patrolling services along the cables which totaled 1.577 million kilometers, and dispatched maintenance personnel (69,300 person times) and emergency communication vehicles (19,800 vehicle trips), which guaranteed complete success with no risk at all. The PLA General Armaments Department and China Aerospace Science and Technology Corporation gave high appraisal to the successful practice of China Unicom.

Communication support for the Third Plenary Session of the 18th Central Committee of the CPC

The Third Plenary Session of the 18th Central Committee of the Communist Party of China was held from November 9 to 12, 2013. Persisting in the spirit of providing comprehensive excellent services in a meticulous way, the Company successfully fulfilled the communication support task for the Third Plenary Session of the 18th Central Committee of CPC. The Company set up 30 fixed-line telephones at the venue and guaranteed communication services of the 395 leased lines (digital circuit, ATM/DDN, fiber optic, DID, etc.) for 12 customers including the First Bureau under the General Office of CPC Central Committee, National Committee of the Chinese People's Political Consultative Conference and the State Council Information Office. Maintenance personnel and emergency communication vehicles dispatched for the event totaled respectively 6,168 person times and 1,002 vehicle trips.



Communication support for Ya'an earthquake disaster relief

On April 20, 2013, the 7.0-magnitude earthquake struck Lushan county of Ya'an city in Sichuan Province, which disabled China Unicom's base stations and damaged the fiber optic cables and pole lines in the majority area of Ya'an. Confronted with the disaster, China Unicom overcame a wide range of difficulties and successfully provided communication support for earthquake rescue and disaster relief with a strong sense of social responsibility. In particular, employees of the Sichuan Provincial Branch "sacrificed the little family for the big family", and strived passionately to guarantee the connected communication services for the government and military agencies, the disaster relief commanding centers and general customers. During the earthquake rescue and disaster relief operations, the Sichuan Provincial Branch dispatched an emergency maintenance crew (totaling over 4,000 person times) with 7 emergency communication vehicles, over 100 emergency recovery vehicles, 204 diesel generators and a large amount of relief materials such as maritime satellite telephones. Upon the earthquake, the 10010 customer service hotline of Sichuan Branch immediately increased its agencies to 210, providing services such as disaster information inquiry, sending message of safety and family search. The disaster information inquiry messages totaled 28,651 pieces, and family search and safety reporting messages were 393 pieces, helping 123 customers get in touch with their families. Meanwhile, in order to provide assistance to the Sichuan Branch, Beijing, Hebei, Chongqing and Guizhou Branches called up an emergency assistance team, who endangered their own lives and entered into the earthquake-hit area by overcoming a series of difficulties such as frequent aftershocks, landslide, uneven paths and rainy nights, and jointly offered communication support for the earthquake rescue and disaster relief work.



Communication support for the control center of Chang'e-3 satellite

On December 2, 2013, lunar probe Chang'e -3 was launched into space, worrying the on-duty personnel at the Long-distance Communication Transmission Bureau of China Unicom's Hebei Branch, who was responsible for the precision transmission of monitoring data of Chang'e-3. All of the employees here have committed themselves to provide communication support since the first day they took the job. "I felt highly honored to safeguard the communication network for the Capital," they wrote in their diaries, "I shall commit myself to long-distance communication and cherish every inch of trunk cables." It is the group of lovable and great workers of strong sense of responsibility and commitment who ensured the success of communication support for the launch of Chang'e-3 satellite.

Communication support for flood prevention

In 2013, some regions in China were struck by disasters like flash flood, mudslide and landslide, and Typhoon Fitow and Haiyan hit the mainland in succession. 27 provincial branches of China Unicom suffered a direct economic loss of around 800 million

yuan due to the disasters. Confronted with the disasters, China Unicom immediately initiated the emergency response plan and sent employees to the scenes of incidents to safeguard the communication systems during flood season. In the flood season of 2013, China Unicom put in an accumulated investment of 252.33 million yuan in disaster relief, and contributed 175,698 person-time disaster relief personnel, 75,169 vehicle-time emergency vehicles, 11,199 set-time emergency equipment and 100,794 set-time emergency diesel generators.



Employees of China Unicom's Shaanxi Branch engaged in urgent repair during the flood disaster



Employees of China Unicom's Inner Mongolia Branch made urgent repair on damaged fiber optic cable



Employees of China Unicom's Guangxi Branch engaged in urgent repair in a heavy rain

4. Ensuring information network security to provide reliable green services

On October 20, 2013, a report titled “Why is it hard to put an end to spam SMS” was broadcast at the Weekly Quality Report of CCTV, pressing the operators to set up a nationwide spam SMS blocking system so as to enhance the capabilities in screening and blocking spam SMS. China Unicom attached great importance to it and immediately instructed the related departments to conduct special examination in the Company. On October 22, China Unicom held a nationwide video conference to make overall arrangements on self-examination and special rectification. On October 23, China Unicom posted via its official microblog an announcement on implementation of three measures including intensifying management of SMS sent via interfaces, improving the blocking capability and maintaining effective user report channels to combat the proliferation of spam SMS, rectification of management loopholes, and investigation and punishment of breaching activities.

China Unicom has consistently attached great importance to combating spam SMS. In the recent years, by continuously improving related technical methods, the Company deployed the spam SMS blocking system at 31 provincial branches, followed up the development trend and customer complaint on spam SMS and optimized the blocking strategies. Various report channels including telephone, SMS, microblog and mobile client were put into place, facilitating the timely, effective and closed-loop processing of spam SMS reported. In 2013, the number of spam SMS reported were reduced to 194 pieces/10 million customers from 600 pieces/10 million customers in 2011 with a decrease rate of 67.7%. The Company intensified management of the SMS sent via interfaces by removing the illegal SMS interfaces, tightening up punishment against breaching activities and thoroughly implementing dial test on SMS interfaces and information monitoring. As of the end of November, 5,300 industrial interfaces in violation of rules and regulations were shut down. Besides, the Company called off the low-tariff service plans to eliminate the profit potential of point-to-point spam SMS at the source, and intensified management of social channels by sternly disposing of the agent channels in breach. In December, the Company launched the “network purifying campaign” to combat spam SMS. Measures taken included immediately suspending the SMS sent via interfaces to conduct centralized rectification, cancelling the low-tariff point-to-point SMS and strengthening real-name registration system, and pursuing liabilities against the organizations failing to control spam SMS.

As the SMS sent via interfaces became more standardized, effective technical measures to completely eliminate the point-to-point spam SMS with the origin mobile phone number yet lacked. At present, the nature of spam SMS could only be determined based on the key words and the number of bulk SMS. However, once applying strict standards, some regular SMS might be blocked as spam while loose standards may prevent some spam SMS from being detected. Moreover, the spam SMS filtering system was obsessed by some loopholes in service and legal aspect, which might incur complaint by SMS customers. Therefore, there's still a long way to go to thoroughly solve the issue of spam SMS.

In the future, China Unicom will unswervingly follow through the related regulatory requirements on combating spam SMS, take into consideration the social benefit and public interest and suppress the dissemination of spam SMS so as to create a civilized, sound, harmonious and orderly consumption environment of information technology.

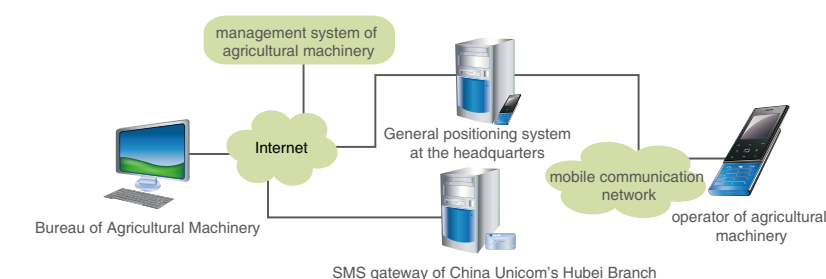


Bridging Digital Divide to Ensure That Various Groups All Benefit from the Convenience of Information Technology

1. Stepping up communication development in remote areas to provide ubiquitous network coverage

China Unicom stepped up efforts in implementation of the Village Access Project, in which the Company invested an amount of 710 million yuan in 2013, of which, 200 million was put in the project of extending telephone service to unincorporated villages, 500 million yuan was for the extension of broadband service to incorporated villages and 4.25 million yuan was invested in bringing broadband access to schools. As of the end of the year, 9 provincial branches of China Unicom including Hebei Branch, Shanxi Branch and Inner Mongolia Branch provided broadband access to 2,551 incorporated villages, telephone service to 400 unincorporated villages and broadband access to 770 schools, effectively promoting the economic development of rural areas and improving the local IT development.

In 2013, China Unicom provided WCDMA 3G wireless network coverage along the Qinghai-Tibet route, which offered not only strong information support for the economic development of Qinghai and Tibet, but also the most advanced communication network for the maintenance personnel of Qinghai-Tibet railway and Qinghai-Tibet highway, the military depots along the Qinghai-Tibet route and tourists in these areas. In the project construction process which lasted over two years, China Unicom's staff, in the spirits of striving arduously and unyieldingly for top-notch deliverables, acquitted themselves splendidly in fulfilling all construction tasks with zero casualties by overcoming numerous difficulties in construction at plateau areas, and finally delivered full-course coverage of 3G network along the snow-covered route.



Hubei Province's remote control system of agricultural machinery

Agricultural-related ICT applications developed by the provincial branches



China Unicom's Anhui Branch and Chinese Academy of Science jointly introduced an agricultural mobile application, "Wo Agriculture", which integrated various technical applications on pests prevention and control, soil fertilization, source-tracing of agricultural materials and greenhouse monitoring.



The milk source tracing and monitoring project of China Unicom's Xinjiang Branch covers the processes of administrative operation, production, feeding, slaughtering, processing, transportation and sales.



China Unicom's Yunnan Honghezhou Branch built up an intelligent mobile phone-based agricultural ICT platform for Honghezhou Heyuan Agricultural Development Co., Ltd. to provide services including information on agricultural production & circulation, scientific planting, expert diagnosis, monitoring of agricultural product growth information, and transportation, storage & logistics.



China Unicom's Inner Mongolia Branch cooperated with the UnionPay Merchant Services Co., Ltd. in establishing a financial payment platform, which enables instant payment by integrating the payment programs into China Unicom's mini service outlet terminals in rural areas so as to fill in the gap of financial services in remote towns and villages.



China Unicom's Hainan Branch cooperated with the Hainan Provincial Department of Agriculture in constructing the quality and safety tracking system of agricultural products supplied by Luoniushan Co., Ltd.



China Unicom's Liaoning Branch and the local agriculture economic commission jointly developed the agricultural information collection and monitoring platform to enable wireless collection of data on agricultural product price as well as point-to-point guidance of agricultural specialists to farmers.



China Unicom's Heilongjiang Branch and the local agriculture economic commission conducted extensive cooperation in construction of the agricultural information network platform for the province.



Demonstration base for the application of agriculture Internet of Things developed by China Unicom's Tianjin Branch



In order to resolve "last mile" problem of information service access in rural areas, China Unicom's Henan Branch accelerated the expansion of network coverage in rural areas, conducted affordable terminal research and development, and constructed the interaction platform for TV set, computer and mobile phone which directly pushed the farmers' required information on policies, agriculture, market, education and health care to various terminals such as computer, mobile phone and TV set. At present, the platform attracted 188,000 users.

"Prime party organizations in rural areas are usually of small size and the members scatter throughout a large area. Therefore it's rather inconvenient to get together. However, thanks to the 3G remote education service for party members, we could study the papers, emerging technologies and management knowledge at any time anywhere."

Zhang, a farmer Party member in Yingtaogou Village, Houzhai Township of Zhengzhou City

3. Continuously expanding the range of ethnic application products to benefit the ethnic minority customers



In the recent years, China Unicom's Xinjiang Branch made full use of the network advantages and expanded the range of ethnic application products by unveiling the Zhula Cloud Platform. In 2013, Xinjiang Branch and China Unicom's Wo Store jointly launched the campaign of providing technical assistance to the mobile application sector of Xinjiang, and allied with dozens of mobile Internet enterprises to introduce hundreds of Uyghur applications at the Zhula App Store. By converting the applications to Uyghur version and developing localized products for Uyghur customers, the Zhula App Store delivered the mobile Internet application products to 20 million Uyghur users who were benefited from the extensive and convenient services in the field of culture, livelihood and entertainment. Moreover, Xinjiang Branch will develop ethnic application platforms in Kazakh and Mongolian to improve its ethnic language-based communication service system and bringing splendid 3G service experiences to ethnic minority customers.

4. Diversifying information service channels in rural areas to deliver convenience

With the target of setting up retail store in every village and service outlet in every neighborhood, China Unicom has gradually expanded its network coverage in rural areas and provided high-quality services for the farmers by relying on its independent service outlets while actively expanding the social channels. In 2013, the number of service channels in rural and remote poverty-stricken areas reached nearly 300,000. The Company improved its capabilities in supporting the centralized full-service processing of all service channels and provided great support for the agent services in rural areas. As a result, a majority of farmer customers benefited from the one-stop convenient services of China Unicom.

Improving Capabilities to Deliver Diversified, Economical, Reliable and Satisfactory Services

1. Strengthening tariff management to reassure customers

Plan tariff optimization

China Unicom took the initiative in implementing nationwide uniform marketing policies in the telecom industry. It simplified the tariff structure by calling off the long-distance and roaming charges of 3G service and imposing one single tariff in the whole domestic market. As the simplified tariff structure was easily understood, the initiative was highly recognized by customers. In 2013, the Company further sorted out the low-efficiency 2G and fixed-line service plans. As of the end of September 2013, the tariff structure was significantly streamlined, with 136 zero-subscription plans and 35,000 low-efficiency plans were withdrawn.

Besides, the Company continued to lower the tariff of data services by introducing the integrated 2G/3G service plan and extra 3G data service plan and narrowing the price gap for data traffic included in and exceeding the allowances. Various domestic and intra-province 3G data traffic packages (10 yuan for 10M, 20 yuan for 300M, 30 yuan for 500M) were introduced to subscribers of integrated 2G/3G service plan and students. Large-amount data traffic packages (50 yuan for 1GB, 100 yuan for 2.5GB) were unveiled to increase the margin of price preference. In July 2013, the Company lowered the tariff rate for international roaming services in 39 countries and regions, with an average decline of 40%. Meanwhile, considering the demands for overseas data roaming service, economical service plans with more favorable tariff, higher quality and more conveniences were launched. Besides, free SMS alertss were provided to inform customers of the overseas roaming data traffic.

Introduction of featured products that benefit special groups

China Unicom took fully into account the economic conditions of the special groups such as farmers, elders, and the disabled and low-income, and introduced featured service plans with favorable tariff, so as to ensure that the special groups could all benefit from the conveniences brought by technology progress.

In order to meet the communication demands of migrant works in their workplaces and hometown, China Unicom introduced various home-returning service plans and integrated 2G/3G service plan, enabling the consumer groups to benefit from the high-speed 3G Internet services at a relatively low cost.

For the purpose of lowering access threshold of 3G services for the elders and low-incomes, China Unicom launched a series of preferential services including low-rent Ruyitong service, service plans with no monthly rent but shared allowances, and Wo Family integrated service plans.

Besides, China Unicom rolled out a wide range of preferential campaigns for the disabled persons, including deduction and exemption of one-off charges, free gifts, annual flat-rate broadband plan, and broadband expert services.

To deliver convenience and preferences to disabled customers, several provincial branches launched caring charity service plans, to provide favorable voice and SMS services for customers with vision, hearing or speech disabilities. In particular, the physically disabled customers with inadequate financial capabilities were exempt from upfront fees and provided with door-to-door service processing.



China Unicom's Hubei Ezhou Branch and the local Disabled Person's Federation jointly launched a caring charity campaign to hand out to disabled persons 8,000 SIM cards with a prepayment of 250,000 yuan.

Uniform and transparent tariff

China Unicom set up a special tariff column at all 10010 portals to showcase the tariff rate of all services and the billing principles and applicable time intervals of various tariff structures in a uniform pattern, and facilitated the customers to get a clear understanding of the tariff rates conveniently.

The Company further regulated its full-service SMS alert service, which was designed to notify the subscribers in real time when 90% of the allowances or a certain allowance limit were reached, or notify the subscribers of the consumed mobile data traffic included and exceeding the allowances of the service plan. Meanwhile, the Company continued to optimize the itemized bill of mobile data traffic, billing standards and SMS alert service, and enabled the subscribers to customize the SMS alert of data traffic.

The Company independently developed a mobile Internet history record inquiry system, which supported information inquiry at the self-help service channels such as online service hall and mobile service hall, and enabled the customers to get a clear understanding of the detailed data traffic consumption. As of November, customer complaint on billing and supporting services of the 31 provincial branches decreased by 44.4% compared to the same period of last year.



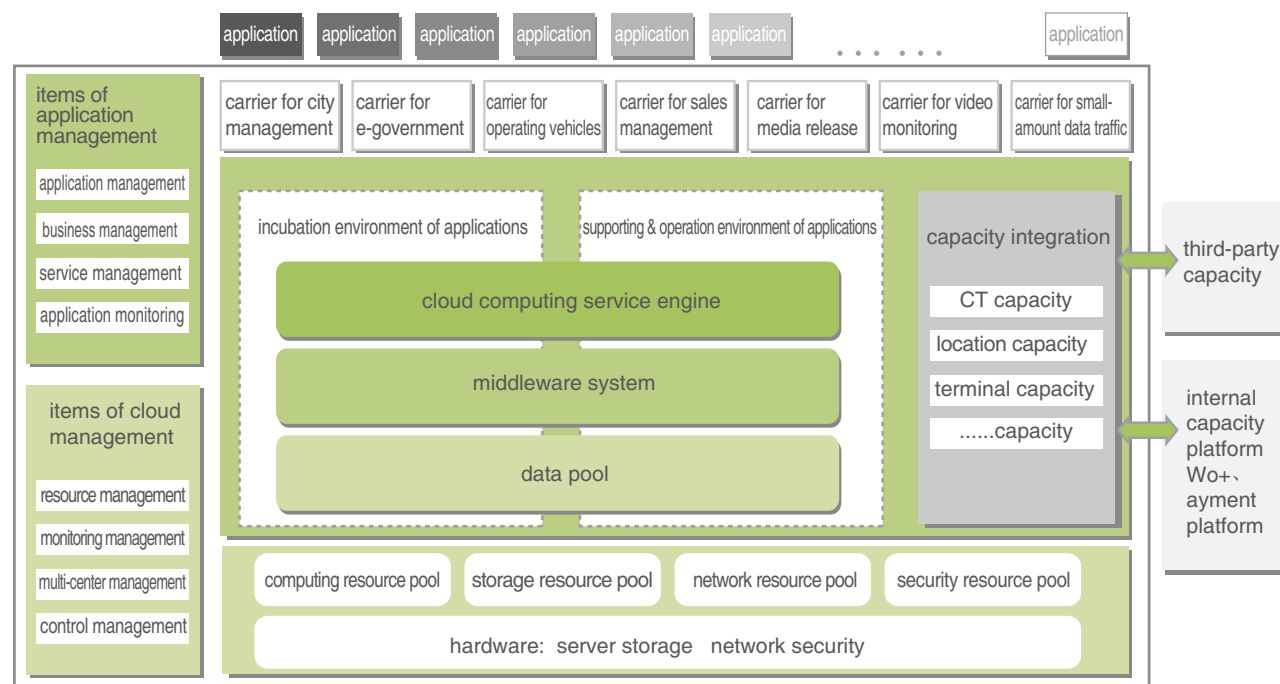
The mobile client software developed by China Unicom's Chongqing Branch (Wo Assistance) and Tianjin Branch (Wo Service Plan Management) was designed to support bill inquiry, data traffic alert, service transaction, speed test and broadband speed-up, enabling more transparent and reliable information service consumption. The subscribers could be informed of the data traffic consumption and itemized bill at anytime.

2. Diversifying industrial ICT applications to promote the development of smart city

Construction of smart city

In 2013, China Unicom stepped up efforts in the construction of Smart City Cloud Platform, which was an integrated platform to support, operate and incubate various industrial application systems and plan out 7 clustering services including city management, sales management, local e-government, video monitoring, media release and monitoring of operating vehicles and small-volume data. Due to centralized planning as well as the one-tier architecture, uniform standard and the construction model of unified development by the headquarters and separate access by provincial branches, it effectively prevented redundant system construction, facilitated flexible deployment of fundamental resources, and cut down the lead time. As of the end of the year, China Unicom entered into strategic partnership agreement with 175 cities, and showcased the innovative results of smart city in Shenyang, Harbin, Wuhan, Guangzhou, Chengdu and Xining so as to promote the in-depth development of smart city. In the near future, led by the government planning and relying on openness and cooperation, China Unicom will continue to strive for a win-win business model and sustainable operation model so as to contribute to the splendid future of smart city which enables intelligent management and benefits the livelihood of the public.

Uniform system structure of China Unicom's Smart City Cloud Platform



Diversified ICT applications

Based on the new generation ICT technologies such as mobile Internet, cloud computing and Internet of Things as well as its strengths in ICT planning, construction, operation and service offering, China Unicom and the industrial chain partners jointly promoted the development of smart city for the purpose of strengthening governance, rejuvenating industrial development and benefiting the livelihood. The Company has set up an industrial application system covering three sectors (mobile Internet, Internet of Things, and e-commerce) and eight industries (government, finance, logistics, aviation, automobile, energy, health care and public utilities), with 9.40 million mobile office applications, 1.65 million mobile enforcement applications, 3.10 million automobile ICT applications, 4.80 million monitoring applications and dozens of industrial ICT applications in the field of city management, digital industry & commerce administration, virtual invoice, custom inspection, mobile exhibition, vehicle survey, environment protection monitoring, remote meter reading and power line inspection. As of the end of the year, industrial customers of China Unicom exceeded 3900.



In order to enhance the standard of ICT-based education and narrow the urban-rural gap of education, China Unicom launched an educational application, “Banbantong”, which was composed of terminals at the classroom, cloud computing platform of educational resources and Internet broadband. By applying the application “Banbantong”, primary and middle schools in remote areas may access to the same educational resources with the schools in urban areas. Moreover, students could get a more visualized understanding of the knowledge thanks to the diversified multimedia educational resources. As of October 2013, China Unicom has entered into partnership agreement with more than 90,000 classes and 35,000 class deployed the education service product.

“The educational application ‘Banbantong’ helped narrow the urban-rural gap of education and delivered the same educational resources to the pupils in rural areas who could thus ‘share the same blue sky’. Besides, ‘Banbantong’ greatly improved the teaching efficiency and effectiveness, enabled more diversified educational resources and enhanced students’ interest in learning.”

Han Xiaoqin, Chinese teacher of Qinlin Primary School in Longyan City, Fujian Province



China Unicom's Henan Branch actively engaged in the Special Campaign of Supporting Small and Micro Businesses initiated by the Ministry of Industry and Information Technology and established an integrated ICT service platform for small and medium-sized enterprises. This platform took into account the enterprises' demands and introduced over 20 applications in management, marketing, service and publicity. Apart from that, Henan Branch launched an initiative, Innovation China – Promotion of SME Informatization, to provide preferences and support for SMEs, such as human resource development, exemption of platform charges, and free-of-charge offering of mobile office systems. In 2013, Henan Branch assisted in setting up over 40 modeling enterprises and supported the ICT development of 650 enterprises. The registered users of the integrated platform totaled approximately 30,000.

China Unicom's Zhejiang Shaoxing Branch and the local Commission for Discipline Inspection jointly developed an integrated multimedia information interaction platform, “Mirco-group on People's Status”, which created a microblog and WeChat-based new service model integrating information collection, civil affair transaction and evaluation of public opinion survey, posted online the “diary of people's status”, and intensified the relationship between government and the public.

编号	标题	内容摘要	发布时间	回复数	处理情况
T00	政策咨询	外来务工人员子女上学问题	2013/1/15 10:11:34	0	已处理
T01	政策咨询	村医医保卡查询	2013/10/17 9:53:40	0	已处理
T02	政策咨询	村医医保卡查询	2013/10/17 9:53:41	0	已处理
T03	政策咨询	产检费用报销问题	2013/10/18 13:06:40	0	已处理
T04	政策咨询	老年医保缴费	2013/10/18 13:05:58	0	已处理
T05	政策咨询	上户口	2013/10/18 13:17:14	0	已处理
T06	政策咨询	办证难问题	2013/10/18 13:03:14	0	已处理



China Unicom's Taiyuan Branch introduced an intelligent railway patrol inspection application, which applied video monitoring, personnel positioning, interphone system and 3G mobile communication in railway patrol inspection and ensured secure railway travels of the public.

China Unicom's Henan Zhengzhou Branch applied cloud platform technology and mobile communication technology in ensuring food safety and set up a communication channel among regulatory authorities, restaurants and consumers as well as an all-around food safety regulation model by developing the "Transparent Kitchen" system. In 2013, Zhengzhou Branch outfitted 600 sets of enforcement terminals and 3G Internet data card for the local drug administration, and 3G intelligent terminals for 2,000 restaurants.



Customers could watch every move in the kitchen via the monitoring camera.



China Unicom's Shandong Branch launched a public welfare platform, "Safe Campus", to provide campus safety and information communication solutions for the primary and middle schools. The platform was designed to send the messages on entry and exit of students to the parents' mobile phones, enabled free-of-charge voice services between family numbers and provided an exchange channel for the teachers and parents on students' homework, scores and performance.



Architecture of Hebei Branch's digital environment protection system

China Unicom's Hebei Branch applied ICT technologies in environment improvement and set up a digital environment protection system, which integrated several applications including dynamic management system of key pollution sources, 12369 complaint reporting system, online monitoring system, automatic office system as well as the statistics and monitoring system of environment development and database of environment-related laws and regulations. By collecting the real-time information on pollution sources, environment quality, ecological conditions and environmental risks, an all-around ecological environment monitoring system with multiple levels and wide-range coverage was built up. At present, 1,400 pollution discharge monitoring sites, 26 water resources monitoring sites and 62 atmospheric monitoring sites were deployed, 80 mobile enforcement terminals were equipped, and over 10,000 pieces of complaints and service consulting messages were accepted.

Awards granted to the ICT applications developed by China Unicom

Awards	Granted by
Outstanding Internet of Vehicle Solutions in China of 2012-2013	China High-tech Industrialization Association/ Expert Working Committee on Brand Strategy
Outstanding Provider for Informatization Promotion of China's Public Transportation Industry of the Year 2013	Chinese Public Traffic Informatization to Advance Industrial Alliance

3. Pushing forward full-service e-commerce offering to meet customers' demands

China Unicom vigorously pushed forward the full-service e-commerce offering geared to the demands of the Internet era by establishing a nationwide e-commerce platform of one-tier architecture. As a preliminary open platform, it could support third-party vendor entry and logistics partnering. The comprehensive safeguarding capacity of information security was granted the highest-level security certificate by China Information Technology Security Evaluation Center.

In 2013, China Unicom's sales volume of e-commerce reached 55.1 billion yuan, increased by 53.8% compared to the same period of last year; and the number of customized service was 87597 thousand, up by 44.5% year-on-year.

E-commerce applications of China Unicom



Online mobile phone store: The first online mobile phone store in the telecom industry, supporting number selection & subscription, sale of contract phones and Internet data card, new product reservation and trial, and customer feedback.



Electronic Wo Store: Designed to provide one-to-one sales service for enterprise customers, and covering approximately 200,000 employees of 19 enterprises.



Alipay public service platform: Used for marketing message push, marketing & publicity and product sales, and supporting service inquiry.

Free trial of new terminals: The campaign of new iPhone5s trial which lasted 9 days received overwhelming response and 310,000 users submitted online applications.

B2B supply and service platform: Designed to provide services including purchase of terminal, number and SIM card, electronic transaction and payment & settlement for channel partners.

Electronic service hall of China Unicom



Online service hall (www.10010.com): The principal e-commerce portal of China Unicom, designed to provide services for PC Internet users.



Mobile service hall: A mobile terminal-based integrated sale service platform with an average customer base per month of over 30 million.



SMS service hall: Based on SMS platform and providing service through menu operations or code sending.



Wechat service hall: The first nationwide uniform marketing service platform in the telecom industry with approximately 400,000 followers.



Mini service hall: The flat management & sale supporting platform provided for end agent channels.



Self-service terminal: Deployed in over 20,000 service halls, enabling self-service of customers.

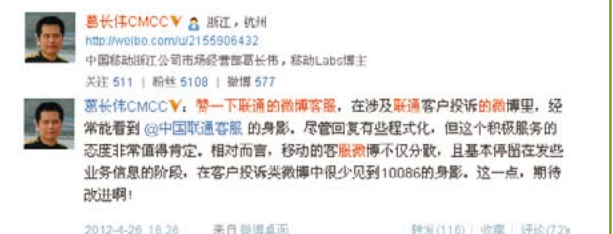
4. Enhancing customer service capacities to improve customer perception in an all-around way

By making full use of its advantages in mobile Internet public service platform, further improving the microblog-based customer services and launching Wechat-based customer services, China Unicom met the all-around demands of customers for interactive services and delivered more convenient and efficient services. Meanwhile, China Unicom continued to strengthen its service capacities of customer service hotline and service halls so as to improve the customer satisfaction.

Enhancing service capabilities of electronic channels

[Microblog-based customer service] China Unicom further improved the operation mechanism (three-tier operation with specialized support) of its microblog-based customer service and enabled immediate response to Internet customers' demands. In 2013, the messages monitored by the Company's microblog customer service center reached over 3 million pieces per month on average and the alert messages posted were 700 pieces per month on average. In addition, the microblog customer service center disposed over 1,000 material complaints with billions of microblog users involved. Meanwhile, the microblog customer service team posted original messages every day to deliver positive guidance on public opinions. In 2013, over 100 original messages were posted online per month on average, with approximately 20,000 re-posts and reviews, and 2 nationwide online campaigns were initiated with 400,000 re-posts and reviews.

Praises posted by microbloggers



The original micro film on China Unicom's customer service, Sticking to the Post, was granted the third-grade award in the online video contest with a theme of "New State-owned Enterprise • Chinese Dream" organized by the Online News Publicity Department of State Internet Information Office, and the Publicity Bureau and News Center of the State-owned Assets Supervision and Administration Commission.



[Wechat-based customer service] China Unicom established a Wechat-based service hall with the features of uniform brand and platform, centralized access and two-tier operation (the Company and Provincial Branches). Since the application of the "self-service + intelligent agent + operator" service model in August, the daily increase of followers was more than 10,000 and the monthly growth rate of services accepted reached 85%. As of present, the followers exceeded 100 million and aggregate volume of service accepted was over 10 million.

[Online customer service]

China Unicom, in accordance with the principle of serving customers anywhere, launched online customer service to support online service consultation and complaint report in the model of "intelligent agent + operators". In 2013, the service volume exceeded 28 million, accounting for 3.6% of the volume of manually operated 10010 calls for the same period.



[Mobile service hall] China Unicom took the lead in supporting online customer service (applying the service model of "intelligent agent + operator"), spam SMS report (enabling one-click report and automatically connecting to the Company's spam SMS report platform to result in the immediate shutdown of spam SMS interface) and feedback on network glitches (customers may report to the Company the network glitches at any time) by its mobile service hall. In the period lasting from January to November, 2013, the 3G subscribers of mobile service hall reached 57.85 million, and the visits to 3G mobile service hall in November was 390 million, up by 280% compared to the beginning of the year.

[Open knowledge base]

China Unicom and Baidu jointly established a national one-tier platform, Baidu Knows – China Unicom enterprise platform, to integrate the knowledge on China Unicom's business into Baidu's platform. As of November, the open business knowledge reached 120,000 pieces, which provided services for 34.91 million users with a customer satisfaction rate of 85%. For the purpose of recruiting users for knowledge sharing, a serial campaign, "3G Talent", was conducted. As a result, over 1,000 expert users were recruited, of which, over 600 stationed at the platform, and over 30,000 problems were resolved. Thus, a mutual assistance model was preliminarily put in place.



Improving service standard of customer service hotline

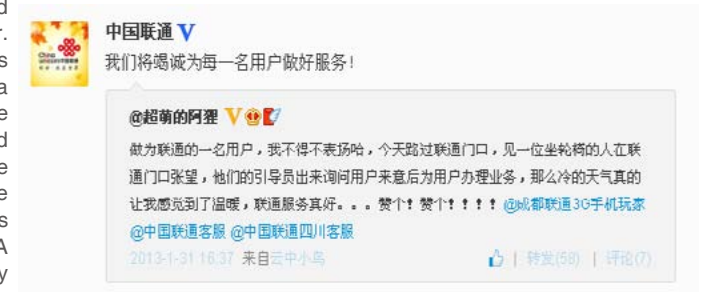
With the target of call answered, well explained and definitely transacted, China Unicom continued to improve the service standard of its customer service hotline by enhancing its capabilities in self-help service and service transaction, launching intelligent customer service, enabling extended services of terminal applications and delivering broadband services via customer service hotline 10010. In 2013, 7 billion incoming calls were accepted by the customer service hotline, with a resolution rate of 90.9% and a customer satisfaction rate of 96.9%.

The customer service center of China Unicom's Shanghai Branch was granted the certification of Applied Level, Contact Center – Capability Maturity Model (CC-CMM) by CC-CMM Certification Institute, indicating that the operation management and customer service of Shanghai Branch's customer service center reached excellence, and the center met the standard of international standardized management.



Enhancing service capabilities of service halls

China Unicom continued to push forward the development of independent service halls, the number of which reached 19,500 in 2013, increased by 1,100 compared to last year. In the in-depth transformation of service halls towards experiential marketing, customers could experience China Unicom's products and network service on the spot while operators no longer sitting behind service desk provided convenient, considerate face-to-face services. Moreover, the service processes were streamlined, resulting in an average waiting period of less than 10 minutes when the customers went through service transactions at service desks. A campaign striving for leaping development was carried out by service halls. As a result, the complaint rate in relation to the service halls accepted by the 31 provincial branches dropped by 29.2% year-on-year as of the end of November.



In order to encourage the customers to experience new services, download applications and take part in popular game contest, China Unicom's Hunan Branch launched an interaction campaign in which customers participated in service experience were rewarded with presents. As a result, customers could personally experience China Unicom's services and their strong interest in mobile Internet services was aroused.





In order to cut down the waiting period of customers at the service halls, China Unicom's Shanghai Branch promoted service diversion by leading customers to electronic channels, which improved both the labor efficiency and customer experience.

"For the elders who cannot operate a smart phone like me, it's kind of a waste of time to wait in a long queue for a simple service transaction. However, the self-service terminals at the service halls saved us from that dilemma. It's as easily operated as an ATM."

Ms. Dong, Customer

Speeding up response to customers' complaints

China Unicom's Fujian Branch made a commitment to deliver limited-time service featuring three 100%, that is, accepting all of the complaints in relation to China Unicom's network, disposing all of the complaints in relation to China Unicom's network in a limited time and replying all of the complaints with the disposing results in relation to China Unicom's network in a limited time.

"Fujian Branch now made much faster response to complaints than the past, and the technical personnel offering door-to-door service was quite skilled and of high service awareness. Fujian Branch did make the service commitments by taking into account the customers' demands."

—Mr. Zhuo from Fuzhou

Strengthening bond with customers

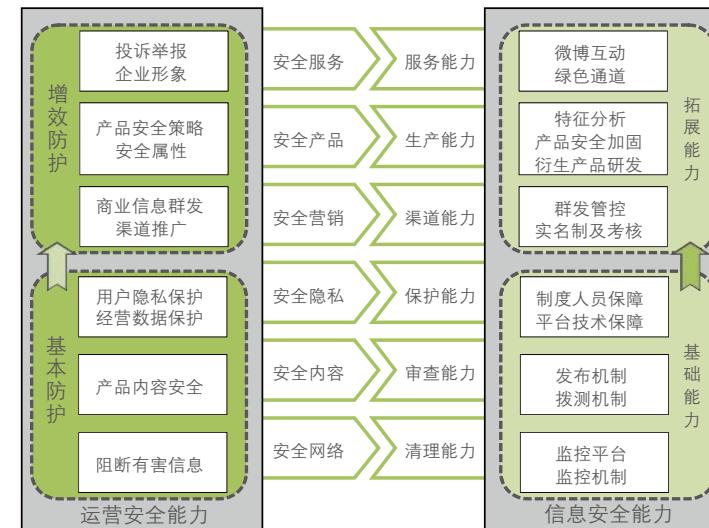
China Unicom launched a customer point redemption program and over 40 billion points were redeemed in 2013. Moreover, China Unicom organized a nationwide table tennis contest with a theme of "Wo – Table Tennis", in which top amateur players across China competed with each other and the world's top-ranked players and champions visited the venue to cheer the participants on. In addition to the table tennis contest, a photography competition and a microblog contest was held, enabling a more interesting, entertaining and involved contest. The table tennis contest was held at the gymnasium of Shenyang Medical College. Not only did the contest deliver China Unicom's positive image in terms of service awareness and social responsibilities to the young consumers, but also promoted and inherited the table tennis culture, and set a model for the promotion of mass sports development.



5. Establishing an information protection mechanism to ensure the privacy of customer information

China Unicom attached great importance to protection of customer information by continuously improving the reliability of its information system and cutting down the occurrence rate of information security incidents.

Firstly, China Unicom further improved the administrative measures on collection and use of customer information in accordance with the principle of legitimacy and essentiality, and published the measures at the service halls and on its website. China Unicom's staff that had access to customer information must enter into a non-disclosure agreement. Secondly, China Unicom strengthened supervision and management of its agents and partnering service outlets by clearly defining the requirements for customer information protection and corresponding responsibilities and strictly prohibiting them from maintaining at discretion customer information or illegally disclosing to others. Thirdly, China Unicom enhanced the protection capabilities of its customer information system. Third-party systems without security assessment shall not access to the system and routine check-ups were conducted to rule out potential vulnerabilities.



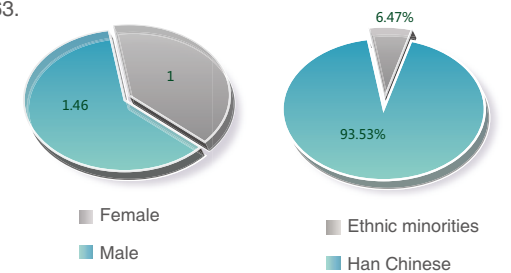
China Unicom's Beijing Branch set up a new network information protection system capable of removing harmful information, scrutinizing product details, protecting customer privacy, and enabling security mechanism-based channel capacity, feature analysis-based production capacity and interactive interface-based service capability. The system guaranteed legitimacy of the marketing and promotion channels of China Unicom's products, and prevented disclosure of customer privacies as well as publicity of harmful information via the Internet.

Persisting in the People-oriented Principle to Create the Best Platform for Human Resource Development

China Unicom has consistently persisted in the people-oriented principle and deemed its employees as the most valuable treasure of enterprise. The Company conducted continuous restructuring by optimizing the organization structure, standardizing corporate governance, adopting flexible distribution solutions and enhancing the employees' qualifications, so as to create substantial benefits and values for its employees, enhance the team vitality and ensure employees' career progress in sync with growth of the Company's business results.

As of the end of 2013, the total number of China Unicom's employment was 288963.

The year 2013 was dubbed the hardest year for job-hunting. Against such backdrop, China Unicom paid great attention to the situation and announced stepped up efforts in campus recruitment. In 2013, 4,901 fresh graduates were recruited, increased by over 1,000 compared to last year. Moreover, China Unicom contributed to social employment by launching a series of initiatives including cooperating with several universities and colleges in cultivation of talents with practical abilities and advance job offering, recruiting college students who worked as village officials, extending preferences to college graduates working at the frontline and following up the growth of new employees to help them integrate into the Company and develop the competence in fulfilling their obligations.



Note: Statistics on employment are from the monthly report of December, 2013.



China Unicom's Guangdong Branch, and the local Communist Youth League Committee and Students Union jointly launched a thematic campaign of "Realizing Dreams with Wo Service" in 8 universities and colleges in Guangdong, including the Star of Wo Dream Challenge which aimed at providing job opportunities for college students in Guangdong. After intense competition, 8 participants got the offer from China Unicom's Guangdong Branch and the provincial champion was rewarded with a free MBA study program.

"I was highly grateful for the opportunity the Star of Wo Dream Challenge provided for us to show our competences and realize our dreams. Not only did it deliver us the job opportunities in the World's top 500 enterprises, but also the expectations for the future."

—Chen Zelun, student from Zhuhai College of Jilin University

"I would like to thank China Unicom's Guangdong Branch for the job offers and for the belief it gave me in my future life."

—Qiao Han, student of Guangzhou University



China Unicom's Guangxi Branch has actively expanded the employment channel for junior college students by cooperating with 4 colleges successively since 2010 to directionally train for call center staff. It organized students to visit the company to learn about the job contents and the working environment, with the best trainers teaching theoretical knowledge and the most experienced staff from the frontline mentoring them hand by hand. During the past three years, the company has received 280 junior college students as interns and provided good social practice and employment opportunities for junior college students.

1. Promoting employees' career development and meeting their core interest demands

Protecting employees' labor rights to create a stable and reassuring working environment

The Company has signed labor contracts with all the employees. Social insurances including pensions, health insurance, work-related injury insurance, maternity insurance and unemployment insurance, are all provided and paid for on time and in full. Employees' occupational health and security are concerned by the Company, and the annual physical examination for all employees has been realized. The paid leave system has been implemented to support employees to make overall arrangements with work and entertainment. Improving remuneration competitiveness to facilitate the continuous increase of employees' life quality

The Company has established a salary system oriented by the post value and personal contribution, which sticks to the allocation principle of "Specialist Line First, Management Line Last; Frontline Units First, Administrative Authority Last; Lower Ranks First, Higher Ranks Last," to build a more harmonious salary distribution system. With the continuous improvement of the long-term incentive mechanism that meets the employees' demands with corporate development, the salary level of the frontline staff of the Company has been increased.

Strengthening the dual-channel construction in career development to expand employees' advancing space

Through establishing a unified key duty library covering all the operation management work and an employees' career development system centered on the post and guided by the value, the Company has further improved the employees' career development system, so as to increase the longitudinal advancement proportion among all the employees from the perspectives of institutional construction and policy implementation.

Innovating the selection mechanism of management talents to enhance the allocation vitality of Human Resources

Guided by the principle of "Talented and Virtuous, Morality First, Results-oriented, and Mass Recognition," the Company, on one hand, comprehensively uses organizational selection, competitive selection, talents introduction and other ways to select talents, and optimizes and simplifies the management teams at all levels on the other hand. It has introduced 2 overseas high-level Distinguished Experts via the "Thousand Talents Program". By implementing the "whole-course recording system" in the management selection and appointment, and innovating the selection and appointment system with "one report, two reviews" along with democratic "reassessment" by the public, the overall level of the Company's management staff at all levels and the public trust for personnel selection and appointment have been improved.

2. Training employees' vocational skills to improving their sustainable development ability

Having always regarded the development of its employees' vocational skills as the most valuable strategic investment, China Unicom has established a unique training and vocational skills improvement system for employees, and actively created learning opportunities for them to guarantee each of them can continuously gain the knowledge and skills needed by the work.

Carrying out multilevel and multidirectional employee training and skills promotion programs

In order to improve the quality and ability of the operation management teams at all levels, the Group headquarters has organized 19 sessions with 25 classes of key leadership training courses, including China Unicom-Telefonica Senior Executives Joint Training (the 4th

session), mobile Internet, transformation of operation and maintenance management, leading service, human resources, and promotion of the development of economies of scale. More than 1,700 person-times of managers at different levels have been trained, and 23 people have been sent to participate in the cadre education training courses organized by the Organization Department of the Central Committee of the CPC and the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).



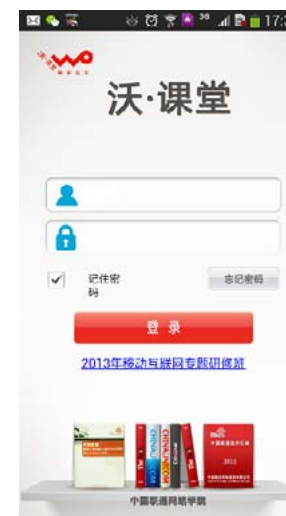
Post Skills Training



Professional Skills Contest

The authentication of frontline staff's job skills and working with certificates have been further normalized. 8 batches of examinations and assessments on the theoretical knowledge and practical operation of professional job skills which cover customer service, business, marketing, lines, communication power machines and others have been organized. Over 33,000 employees took part in the exams, and 25,100 people have obtained the national vocational qualification certificates.

Using contests to promote training, the company has held 5 professional skills contests on industry application marketing, application support of the business support system, analysis and monitoring of market management, rush-repair and maintenance of base station malfunction, and finance during the year. 3 and 9 employees have applied for the national and central enterprises' technical experts respectively. The contests can not only inspire employees to improve their professional skills and occupational qualities, but also create a new way of selecting and training high-skilled talents.



Improving internal training capacity

Centering on completing the development of internal training course system and the construction of the trainer team, the Company aims to realize the transformation from the employees' individual knowledge to enterprise wisdom. In 2013, a leadership model composed of 6 leadership elements was put forward, and a related leadership course system has been established. A mobile study way of "WO Class" has been released, which can provide 230 micro courses with each lasting 5 to 10 minutes. Attempting to strengthen the construction of the internal trainer team, the Company has carried out the evaluation and employment work of Group-level lecturers and specially invited lecturers, and produced the first 35 approved action learning facilitators to constantly raise the value of human resources.



Launching Networking Academy upgrading program

In order to impel all employees taking online study, the Company continues to perfect the functions of Networking Academy by developing online courses, organizing online training courses and setting up a special zone for training. There were 533 newly added online courses in 2013, making the total number reach about 1,900; 2.18 million person-times have studied online; more than 200 online training classes have been organized and 280,000 person-times have taken online exams.



3.Standardizing labor management to make various employments equal

Taking the implementation of Labor Contract Law (Amendment) as an opportunity, the Company strengthened the standard management of non-contractual employment, introducing some new regulations, including Guidance for Employment Optimization and Standard Management, Non-contractual Workers for Core Posts Recruitment Methods, Notice on Related Questions about Strengthening the Standard Management of Labor Dispatching Companies, and Opinions on Handling Well the Outsourcing of Operational Business. It streamlined the non-contractual workers for core posts, and the percentage of dispatched labors among all the employees has met the requirement of the law. Besides, equal pay for the same post has been generally realized. In 2013, the Company's annual labor productivity reached RMB X0,000 yuan per capita, with an increase of X compared with that of 2012.

China Unicom's Inner Mongolia Branch has carried out a system of core dispatched laborers, selecting dispatched laborers who are excellent in both capability and work performance into the core dispatched laborer team, and after further recommendation and selection they can be given preference to be recruited as contractual employees. At present, there are 904 workers who have been selected into the core dispatched laborer team, and 645 have been recruited as contractual employees. At the same time, the dispatched laborers have been included in the unified post and salary system, basically having realized equal pay for equal work between the dispatched laborers and the contractual employees.

4.Completing the safety production management mechanism to safeguard employees' occupational safety

Due to the strengthened safety production management, there was no production accident or major and above criminal cases against public security happening in China Unicom throughout the year, and the safety production situation was stable.

The first was establishing a unified safety production working system and an accountability system between responsibility and power, between responsibility and job duty. The second was carrying out the screening and controlling of safety production hidden dangers covering the Company's production and management, and all links in the working life, into which over RMB 60 million yuan was invested. Many hidden dangers and problems were found out and have been corrected. The third was safeguarding employees' personal safety and health, various labor protection articles having been allocated according to regulations. The fourth was organizing publicity and education activities of "safety production month", in which a special fund of more than RMB 15 million yuan was invested as well as a fund of RMB 23 million yuan for facility renewal, repair and maintenance; over 1,800 sessions of warning and educational films have been organized, watched by around 120,000 people; 400 sessions of various training classes have been held with over 50,000 participants; and more than 300,000 employees have taken part in the knowledge competition of "fighting against and governing illegal production".

China Unicom's Guangdong Branch was awarded as an advanced unit in the "national safety production month" activities, which was the only one winning the award in the communications industry.

2013 Inspection and Supervision Results of Production Environment

Production Environment	Quantity Inspected	Production Environment	Quantity Inspected
Communication center buildings	457	Projects under construction	9880
Office buildings	986	Business hall and customer service seats	2345
Important bureaus, institutions and stations	28900	Iron towers	31880
Important line facilities	420,000 sheath km	Oil engine rooms and battery rooms	2238



5.Conducting humanistic care to constructing harmonious labor relations

Advancing the involvement of employees in democratic management

China Unicom actively advances the involvement of employees in corporate management, sticks to the principle of employee-oriented, and encourages employees to protect their rights initially and scientifically based on the law. The Company has innovatively created a three-level system of workers' congress--"municipal-provincial-Group", and the "General Manager Online Program" has been fully implemented to effectively protect employees' rights of participating in and monitoring the corporate management. In 2013, the Group headquarters held 3 workers' congresses to discuss issues related with employees' immediate interests and a "General Manager Online" application was developed on the Company's intranet, which has two models—holding 500 staffs online simultaneously and being logged into at different time for Q&A. In the same year, 1/3 of the provincial companies and 2/3 of the municipal companies carried out "General Manager Online" activities. A staff who participated in the activity said, "It's much more convenient for us to effectively express our complaints and appeals to leaders without any barrier via the intranet."

Caring for employees' mental health

The Company has implemented the EAP (Employee Assistance Program) program in depth, customizing and sending mental health information to employees, including 20 sessions of "Mind Vision" mobile newspapers, 4 sessions of Mind Sunshine E-magazine as well as 4 sessions of propaganda videos broadcasted in office buildings and 3 sessions of posters/tips throughout the year. After employees' voluntary application and special training, a team of 64 "EAP specialists" and 55 "mental health counselors" has been established, responsible for keeping an eye on employees' emotional fluctuation and psychological counseling. The Company also introduced post-earthquake psychological intervention for the employees of Ya'an company, and opened a 24/7 EAP psychological counseling hotline.



Improving employees' production and living environment

In 2013, RMB 45.87 million yuan was invested to push forward the construction of "Five Small Facilities", which has been used to build 4,776 small canteens, 220 small study rooms, 2,921 small shower rooms, 2,224 small restrooms, 3,411 small activity rooms and 1,714 small vegetable gardens. The "Five Small Facilities" have made the frontline employees feel happier about their work and life, and involved them in the sharing of the Company's development achievements. In addition, the construction of the "Five Small Facilities" took full consideration of the place's utilization efficiency. The Employees' Home is not only a gym and reading room for employees, but also a psychological decompression chamber, as well as a reception room for the General Manager. Therefore, the employees and the leaders live harmoniously in a relaxing environment where they can talk freely just like at home.

Establishing and perfecting a long-term mechanism to help difficult employees

In order to avoid employees getting into poverty due to illness or difficulty, the 31 provincial branch companies of China Unicom have all established employee assistance mechanisms. Of which, Shanghai, Liaoning and Jiangsu companies have purchased Critical Illness and Accidental Injury Group Insurance for their employees, with the payment shared partially by the companies and the individual employees. When a staff suffers serious disease or gets accidental injury, he or she will obtain indemnity. This move is profoundly welcomed by the staff and at the same time increases their satisfaction with and sense of belonging to the Company.

Assistance and Condolence Investment

Index	2011	2012	2013
Investment in assisting difficult employees (Unit: RMB million yuan)	8.1773	11.4201	11.9911
Condolence investment (Unit: RMB million yuan)	23.8844	11.2192	11.7802



Setting up a "Mutual Assistance Fund", China Unicom's Guangxi Branch designates every Oct. 21st as the "Love Donation Day" to raise money to help difficult employees. At present, 15 assistance funds have been issued for death and critical illness etc., with the released aid funds accumulating to RMB 136,600 yuan.



China Unicom's Shandong Branch helps to deal with its employees' problems. It tries to help the children of every difficult employee family to pay for their school fees, and allocated RMB 24,000 yuan for 8 exceptional poor employee families to realize their children's university dreams. China Unicom's Shandong Liaocheng Branch provided RMB 190,000 yuan of grants for 173 staff children.

Organizing colorful recreational and sports activities for employees

Giving play to the roles of photography association, clubs, hobby groups and other employee cultural groups, the Company has actively organized various colorful recreational and sports activities taking the forms of industry contest, mass competition and association activity etc., which greatly energized the employees. Throughout the year, the Company held 48 sports activities with the employee participation rate of 86%, including the Staff Balloon Volleyball Game, forming a team to participate in the 4th "Leoch Cup" National Communications Employees' Bridge Game, Table Tennis Game for Staff in Beijing, Enterprise Culture Photography Competition and so on. With the launch of "WO-iRead" activity, the iRead website has been accumulatively visited for 10.025 million times by the staff in 2013, and the reading amount has been added up to 8.989 million times.



China Unicom Staff Balloon Volleyball Game



China Unicom Staff Badminton Game

Promoting Partners Management and Establishing Responsible Supply Chains for Win-Win Cooperation

Taking advantage of its operation service, China Unicom has joined hands with the core enterprises in the upstream and downstream industry chains to build a strategic sharing mechanism and platform for win-win cooperation as well as the realization of collaborative innovation and development of the whole industry chain. In 2013, China Unicom established strategic cooperation with 19 industry leaders, and signed strategic cooperation agreements with Hebei Provincial Government, Potevio, China Construction Bank, the Ministry of Commerce, China Post Group, Shenyang Military Region, Jilin Provincial Government, Duzhe Publication Media Group, and Jiangxi Provincial Government etc. successively, increasing its national strategic cooperators to 131.

China Unicom believes that the relationship between the carrier and OTT companies should not be like water and fire, instead, should be as harmonious as fish and water. Confronting the mobile Internet era, China Unicom accelerates the comprehensive and deep collaboration with high quality Internet enterprises with an innovative and open mind.



On July 30th, China Unicom's Guangdong Branch and Tencent jointly unveiled the "Wechat WO Card", which is the world's first OTT cooperative product heavily customized by a carrier, and this was also the first crossover cooperation between a telecom carrier and an OTT company. Combining and matching the superior resources of China Unicom and Tencent in a deeper way, such cooperation like "Wechat WO Card", being user-value oriented, will create an open and win-win prospect for OTT companies and the carrier, and will bring benefits to all users.

1. Joining hands with equipment suppliers to create an energy-saving and environment-friendly supply chain environment

China Unicom persists in promoting centralized procurement which has improved the close collaboration between the Company and the suppliers as well as the upstream supply chains and has saved a large number of transaction costs, and continues to complete its management system and expand the scope of centralized procurement. After years of centralized purchasing, many suppliers with high quality, good services and sound reputation have become China Unicom's partners.

The Company vigorously promotes e-procurement to electronize the purchasing information, bidding and bid opening as well as the order synergy, making procurement faster and easier, the process more transparent, and the involvement of suppliers more equitable. Currently, 100% of the open tendering information can be inquired on the "China Unicom Procurement and Tendering Website", and 48% of the orders have been electronized by online sending and receiving. Besides, via electronic authentication, online issuing and returning of bidding documents have been realized within the Company. Now, even if the supplier is located far away from China Unicom, it can participate in the Company's various procurement activities easily.





China Unicom implements green purchasing rules deeply. The equipment energy efficiency standard and energy-saving function requirements are stated clearly in the Equipment Procurement Technical Specifications, which takes the equipment's energy consumption, energy-saving product certification, and radiation level etc. as important procurement indexes to assess, and takes the energy consumption index as a key component of the general cost assessment. In 2013, by centralized procurement, the Company purchased a batch of products, such as the carrier frequency and timeslot turn-off energy-saving technology for energy-saving products, heat pipe exchanger, integrated heat pipe air conditioner, and heat reflective and thermal insulation coatings, and introduced many excellent energy-saving suppliers, effectively promoting the development of energy-saving and environment-friendly supply chains.

2013 China Unicom Centralized Procurement and E-procurement Results

Centralized procurement percentage (%)①	93.2%
E-procurement percentage (%)②	48.0%

Notes: ① refers to the sum proportion of centralized procurement of communication projects construction materials implemented at the Group and provincial levels.

② refers to the percentage of orders sent online and received online by suppliers in the total orders.

2.Cooperating with content providers to create a healthy and honest supply chain environment

In 2013, China Unicom cooperated more with content providers with good resource integration capability and credit. The relevance between the authorized content and the service applied for, and the authoritativeness of the authorizer or the professional degree of its technology are evaluated during the product review. If the content provider fails in the assessment, it will not be considered as a cooperation candidate. The Company conducts multi-level examination and verification for the security of the content information, and has established an information security timely processing mechanism. It pays close attention to service application and content update, and tries to guarantee the authority, legality and security of the content resources.

The Company has increased the standard requirements for value added services. For the non-standard customization problems highlighted in the user complaints and appeals, punishment is implemented based on the degree of complaint and appeal. From November, 2012 till now, 1,760 merchant-times of punishment have been carried out. Meanwhile, China Unicom has strengthened the dial testing of value added services that were complained heavily, covering all its cooperators and their services. 781 abnormal services were found, and over 30 providers and 200 services have been required to be rectified. 16 providers, 38 services and the SMS and MMS of 9 providers have been removed and canceled.

China Unicom has raised the requirements for partners' promotion channel responsibility, and established relevant record filing and punishment mechanism to propel the partners into initially standardizing the operation of their industry chains and taking the responsibility for the healthy and standardization of the provided contents.

3.Going side by side with terminal suppliers to create a safe and green supply chain environment

Adhering to the "Open, Cooperative and Win-win" concepts, China Unicom cooperates with the industry chains to realize the overall arrangement of mainstream chips, dominant operating systems, main terminal manufacturers and terminal products. In 2013, iPhone5S/5C, Samsung Galaxy Note 3, HTC One, Nokia 1520, MI 2S and other most influential popular smart terminals were released in succession. The Company took the lead in launching one-thousand-yuan mobile phones equipped with 5-inch/5.5-inch/6-inch screens and 4-core processors. Together with the comprehensive launch of 113 types of 21M customized terminals, China Unicom has popularized the terminals at various prices.

With the purpose of forging responsible supply chains, China Unicom has clarified its selection criteria of suppliers: performing well in abiding by the law and regulations, operating continuously and stably, and boasting a complete after-sales service system and good reputation to ensure that customers will get reliable after-sales service after purchasing the terminals. In order to prevent malicious charge happening that caused by the mobile terminal's applications, the Company will sign Customization Commitment with all the customized-terminal manufacturers and conduct network-accessing tests for all of the customized terminals, and 100% tests of its own services and the third party applications before they go-live. At the same time, the terminals should reach higher security and environmental protection standard, with low energy consumption and radiation of the products' software and hardware configuration.

4.Working together with virtual network operators to create a law-compliant supply chain environment

Taking product and service innovation, resource and capability complementation, long-term win-win cooperation as the principles, inspiring the industry's innovative vitality and promoting the industry's overall value as the goals, the Company actively conducts mobile resale business. It cooperated with 14 virtual network operators covering various industries and fields in 2013. The first is establishing a cooperation model of "business wholesaling + the self-built system based on China Unicom's basic IT competence" to not only provide basic services for the virtual network operators but also various extended services to guarantee they can create more individual and differentiated services for customers through their flexibility, innovation and stable operation. The second is choosing resale partners through strict and fair evaluation mechanism based on the principle of impartial and transparent. In the meantime, the Company has strengthened the assessment of the virtual network operators' performance in after-sales service, user information security, service legality and so on. If the virtual network operators fail the assessment, they will lose the cooperation opportunity so as to lead them to take social responsibility.



Developing in a Green and Low-carbon Way to Make Contribution to Harmonious Co-existing Ecological Civilization

1.Strictly enforcing energy conservation and emission reduction management against major energy consuming links

China Unicom has carried forward energy conservation and emission reduction in depth, strengthened the management of energy-saving measures, intensified the base management, and fully promoted efficient and mature energy-saving technologies. It arranged an amount of RMB 0.76 billion yuan as a special investment in 2013 which has effectively controlled the energy cost and the increase of total amount of energy consumption. By the end of the year, the total energy consumption amount accumulated to 2.1 million tons of standard coal; the comprehensive energy consumption per RMB 10,000 yuan of operating revenue accumulated to 0.0682 tons of standard coal, with a year-on-year reduction of 8.46%; the comprehensive energy consumption per RMB 10,000 yuan of added value accumulated to 0.185 tons of standard coal, reducing 2.58% year on year.All the energy conservation and emission reduction indexes have been improved. The Company was awarded by the SASAC as an Excellent Enterprise in Energy Conservation and Emission Control in 2013.

Promoting the wide application of energy-saving technology

The key point lies in popularizing and applying mature efficient energy-saving technologies with good energy conservation result and quick investment return to base stations and machine rooms. All through the year, 202 energy-saving technical renovation projects have been started up, and the energy-saving technology application rate for base stations and communication machine rooms reached 51% and 49% respectively.



With the vigorously promotion of energy-saving technology, China Unicom's Jiangsu Branch has saved more than RMB 30 million yuan throughout the year. Its energy-saving reform project for the reflective heat-insulation coating of base stations has a power-saving capacity of 1,200 kwh for an individual station in average, and the energy-saving reform project for the machine rooms' air conditioner energy efficiency control has a power-saving rate of 35%. By the end of the year, the energy-saving technology coverage rate for base stations and communication machine rooms reached 85% and 70% in respective.

Reinforcing the management of energy-saving measures

The Company has deepened the comparison of energy consumption indexes with the benchmarks, regularly recorded and analyzed the energy consumption data, improved the ledger management of network equipment's electricity consumption, comprehensively carried forward the environmental temperature management in the base stations and communication machine rooms, sped up the retirement of the old and high energy consumption equipment that are in use to improve the resource utilization efficiency.

Traditionally, the application model of servers is one application for one server. However, by the server virtualization technology, China Unicom's Heilongjiang Branch is able to run several applications in one server, improving the average utilization rate of servers from 15-20% to 80-90%, and can use fewer facilities to finish more jobs. The replaced high energy consumption servers are used as standby that to be started up when necessary. China Unicom's Heilongjiang Branch has replaced 40 high consumption facilities in total, saving 2.1 million kwh and 0.84 million tons of standard coal as well as reducing the emission of 0.59 million tons of CO₂.

Carrying out energy conservation propaganda

The Company held Energy Conservation Week and National Low-carbon Day, and sent short messages about energy conservation to advocate energy-saving and low-carbon life; organized energy-deficient experiencing activities to initiate low-carbon transportation; and spread energy-saving knowledge to raise the staff's energy-saving awareness.

Paying attention to ecological environmental protection

In respect of network construction, the Company takes the harmonious co-existence between the humans and the nature into account. It tries to avoid mineral reserves, forests, grasslands, wildlife, natural and cultural relics, natural reserves and scenic spots when doing field communication route surveys; in order not to change the surrounding environment, when laying optical cables, it uses advanced technology to lay the cables directly under the obstacles.



Pushing ahead with the co-construction and sharing of telecommunications infrastructure

Profoundly pushing forward with the co-construction and sharing of telecommunications infrastructure, China Unicom takes full advantage of the whole industry’s resources to expand its network coverage, and has saved a large number of resources and investment costs.

China Unicom Infrastructure Co-construction and Sharing

Index		2011	2012	2013
Iron tower (%)	Co-construction rate	73.76	70.10	77.87
	Sharing rate	85.68	88.57	91.55
Base station (%)	Co-construction rate	60.92	64.53	68.74
	Sharing rate	86.03	88.30	89.93
Indoor distribution system (%)	Co-construction rate	43.16	53.81	58.60
	Sharing rate	90.79	95.76	96.99
Pole line (%)	Co-construction rate	50.51	50.55	60.62
	Sharing rate	90.55	95.50	88.50
Transmission line (%)	Co-construction rate	49.38	57.95	54.60
	Sharing rate	90.42	94.64	98.35
Channel (%)	Co-construction rate	75.12	82.63	89.08
	Sharing rate	88.94	84.34	83.09
Current investment saved for the enterprise through co-construction and sharing (Unit: RMB 100 million yuan)		41	36	26.5

2.Deepening the recycling use of materials to build a resource-saving enterprise

On one hand, China Unicom strengthens the recycling of idle goods and materials to deeply explore the resource potential, clears the space occupied by materials to improve their utilization efficiency, and reduces the procurement investment to lower the enterprise cost. On the other hand, it protects the environment and reduces pollution with the aim of building a resource-saving enterprise. In 2013, the materials’ scrapping and recycling process has been further regulated by collector management and informatization of the disposition of scrapped materials. The in-stock waste and old materials are checked and evaluated regularly. The scrapped materials that can be reused will be recorded in a memorandum account, and the ones that cannot be reused will be recycled at the current price. All the waste and old materials are disposed by recycling companies that have relevant qualifications so as to reduce the pollution generated during the recycling process of scrapped materials.

China Unicom Recycling Use of Materials

Index	2011	2012	2013
Recovery amount (Unit: RMB 100 million yuan)	5.3	6.5	3.56
Reuse amount (Unit: RMB 100 million yuan)	0.9	1.0	0.74
Scrap recovery amount (Unit: RMB 100 million yuan)	3.4	3.8	1.90

Battery is an important power support for communication equipment while it is also a key source of environmental pollution. Sticking to the green concept, China Unicom’s Tianjin Branch persists in purchasing low consumption and environmental batteries, and strictly controls the recycling of batteries to realize green production. It replaces the lead-acid batteries in the base stations and machine rooms with lithium-iron ones to save energy, land and materials. During the battery recycling process, the collectors’ qualifications are reviewed in a strict way. In order to avoid polluting the environment, only companies having professional operation capabilities and recycling qualifications are entrusted to disassembly and recycle the lead-acid batteries.



Devoting to Philanthropy to Co-build a Beautiful Homeland

Following the donation principles of acting according to one's capability, clear distinction between powers and responsibilities, and honest and faithful, China Unicom continues paying back to society. The Company donated RMB 22079 thousand yuan outward throughout the year, of which RMB 10983 thousand yuan was for public welfare, and RMB 11096 thousand yuan for non-public welfare relief.

2013 China Unicom Outward Donation Statistics

Donation Program	Amount (Unit: RMB 10 thousand yuan)
Disaster areas	812.7
Designated areas for poverty alleviation	801.5
Tibet	318.9
Other designated areas for assistance	20.6
The disabled cause	0.1
Education	50.0
Medical and health services	0.9
Culture and sports cause	10.5
Social public facility construction	25.3
Other public relief and public welfare services	94.4
Enterprise philanthropic foundation	0.3
Other donations	93.3

1.Paying attention to people’s livelihood in poor areas and assisting in the economic development of less-developed regions

Aiding Tibet

On the principle of “Orienting to the grassroots and giving prominence to people’s livelihood”, China Unicom prepared 8 aid-Tibet projects and planned to invest RMB 23500 thousand yuan in 2011. By June, 2013, all of the 8 projects had been finished with an actual investment of RMB 24250 thousand yuan. The Company continued its assistance to Gegyai County of Ngari Prefecture, Tibet, investing RMB 3190 thousand yuan to help the county implement programs like safe drinking water, construction of tourism development facilities and efficient greenhouse to improve people’s livelihood and assist its economic development. Moreover, RMB 2080 thousand yuan was donated to the designated areas for poverty alleviation in Tibet, such as Shigatse, Qamdo, Shannan, and Nyingchi, for projects of strengthening the bases and benefiting the people there.

One-to-one poverty alleviation

2013 China Unicom One-to-one Poverty Alleviation Projects

Assisted County	Project Name
Kangbao County	Agricultural science and technology remote video training system construction project
Guyuan County	Intelligent nursery greenhouse construction project
Guyuan County	Practical technology training project for poor villages
Raohe County	Xiao Jia He Primary School plastic runway construction project

Assisting people in poor areas



China Unicom's Nanjing Branch launched a clothes donation activity of "Donating clothes with WO" to help the poor people living in Butuo County of Liangshan in Sichuan Province.



China Unicom's Anhui Branch started a "Warm 2013--winter clothes donation" activity which donated 172 pieces of cotton coats for Hefei Relief Station.



China Unicom's Xinjiang Turpan Branch has established a "Dream-building love team", which has funded a 10-year-old little girl named Yang Yingting, who lost her parents and lives on the money earned by her grandma through collecting recycled materials, for 7 years.

"Thank you for letting us still feel love and hope."
--- Grandma of Yang Tingting



China Unicom's Jiangxi Branch invested RMB 2.3 million yuan to Erdu Village of Yihuang County for countryside reform, new rural construction, environmental reform and village road construction. In addition, the company organized "one-to-one" service between young volunteers and the poor students of Erdu Village, helping 28 poor families. During the Spring Festival, the company visited 28 poor families and released RMB 14,000 yuan poverty alleviation and condolence money.

In August, 2013, influenced by the typhoon "Ute", the Luoxiang township of Guangxi was hit by heavy rain and flood, and suffered serious losses. China Unicom's Guangxi Branch instantly organized its cadres and employees to raise money for Luoxiang, and all the donation of RMB 24,430 yuan was used for the disaster-hit poor villagers' lives, living subsidies and house repair.

2.Caring for the safety of people in the disaster areas and strongly supporting the post-disaster reconstruction

On April 20th, 2013, a 7.0-magnitude earthquake hit Lushan county of Ya'an city in Sichuan province. After the earthquake, China Unicom announced that the telecommunication services such as voice communication, SMS, roaming were free of charge in the disaster area. It also opened a service hotline for tracing relatives, provided disaster situation information inquiry for the public, reported safeness on behalf of the customers, collected rescue information, and provided relatives-tracing service. Relatives-tracing hotline spots were set up in Lushan, Baoxing and other places. Meanwhile, China Unicom donated RMB 8 million yuan to Sichuan Charity Federation to support the earthquake relief work and post-disaster reconstruction in Ya'an.



On July 9, Jintang county of Chengdu suffered the worst flood in 20 years and many houses in the old county were flooded. Carrying kayaks, life jackets and sandbags, 8 maintainers of China Unicom's Chengdu Branch rushed to Jintang to repair the machine room. In the stormy weather, they found a father and his daughter. Without any hesitance, they rescued them and retrieved to a safe place. "We haven't seen such heavy flood for years. Thank you, China Unicom...", the still shocked father thanked again and again, and the little girl shed moved tears. A friend in need is a friend indeed. The 8 maintainers spontaneously lent a hand while trying to keep the network working. They showed the big love of the Unicomers.

China Unicom's Tianjin Branch held a theme donation activity—"Light the Hope with Love, Rebuild the Home with Heart"—and raised a total amount of RMB 14,912.5 yuan. All of the money was remitted to Tianjin Youth Development Foundation in the name of "special League membership dues" to send good wishes to the Ya'an people.

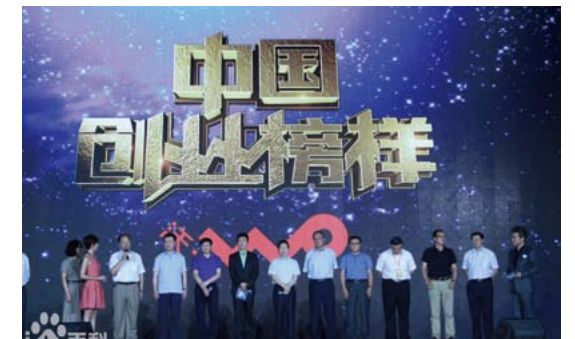


3.Enthusiastic in volunteer activities for public welfare to contribute to the construction of beautiful and harmonious communities

Supporting the young to start a business

China Unicom together with CCTV Finance and Economics Channel started a public service activity "China Business-starting Models", building a stage for young people to light their dreams and make them come true. The General Manager of the Company Mr. Lu Yimin said, "Paying attention to employment, supporting entrepreneurship, and helping young people to realize their life value so as to promote the development of economy and society, is the obligatory social responsibility of China Unicom." During the activity, playing its advantages in network technology, information service, business starting platform and industry chains, China Unicom provides a good entreprenuring environment and platform for the young people who are determined to start a business.

China Business-starting Models



Cooperating with the provincial Communist Youth League Committee and Education Department, China Unicom's Hebei Branch launched a poor student assistance activity—"WO Poor Student Assistance" program, establishing a social practice base for the university, college and secondary technical school students in Hebei province. Through the program, China Unicom's Hebei Branch has provided over 50,000 work-study posts in total, invited famous scholars and experts to give lectures on employment and business starting for 32 times, and organized more than 700 training, internships and visiting activities, with 21,000 student participants.

China Unicom's Jiangsu Jiangyin Branch started a "WO Business Starting" program with the municipal Communist Youth League Committee of Jiangyin. The stores under the "WO Business Starting" program are run by China Unicom's Jiangsu Jiangyin Branch and the entrepreneurs, and the former is responsible for a series of support and assistance, including the store site selection, renting, decorating and the day-to-day operations.



Promoting healthy culture and civilized behavior



China Unicom's Jiangsu Suzhou Branch carried out a series of activities named "Live in Suzhou, Unicom You and Me" to fulfill the corporates' social responsibilities with Suzhou Industrial Park. Aiming to shape civilized new Suzhou people, some activities like learning from the moral models and listening to lectures on civilized traffic behaviors were conducted within the enterprises. 12 members of the Corporate Social Responsibility Alliance participated in these activities. 13 sessions of activities, and more than 30 training and lectures were organized, and the number of staff attendance on the spot reaching 5,000 with the coverage of 50,000 person-times.

China Unicom's Heilongjiang Branch used its information hub to lead the public opinions in a right way and promote advanced cyber culture. It published more than 70 special topics like "Practicing Lei Feng Spirit, Carrying Forward Civilized New Trend", and posted over 70,000 promotion messages. The website has been visited for 280,000 person-times. Besides, it developed "Internet Parent" and other green web-surfing applications to keep teenagers from bad influences on the Internet. Heilongjiang information hub has been widely recognized by the net citizens, and was awarded as a "Civilized Website" by the provincial Internet Information Office.



China Unicom's Hebei Xingtai Branch calls on its young staff to assist the traffic police voluntarily by carrying out the "Red Hat" activity on their spare time. From 7:30 to 8:30 am on every Friday morning, the volunteers will persuade people not to perform uncivilized traffic behaviors.

Helping poor students



In 2004, 15 Party branches of China Unicom's Jilin Branch established one-to-one helping relationships with 15 poor students. Every branch persists in accompanying the children through economic aid, passing love, emotion communication, and enlightenment. They offer warmth and sunshine to these children who have suffered a lot. In August, 2013, Chi Junpeng, the youngest boy of the 15 children was admitted by a university in Beijing. By then, all the 15 students either have a job or studies in universities, becoming a pride of China Unicom's Jilin Branch.



China Unicom's Ningxia Helan Branch offered help to students who were poor but excellent in character and learning of the No. 3 Middle School of Helan county.



China Unicom's Shaanxi Xianyang Branch launched a love donation activity for poor students. All the money raised was handed over to the Hope Project and has helped 3 students realize their university dreams.



China Unicom's Xinjiang Branch started a book house public service activity--"Point by point to co-build a WO future". The company established a donation platform and called on its users to show their love by donating their reward points to build "China Unicom Love Book Houses" for schools located in remote areas of Sinkiang with worse teaching conditions. In total, there were 70,000 clients participating in the activity, donating 47.74 million points, which was equivalent to RMB 460,000 yuan. Adding the donation of RMB 180,000 yuan from China Unicom's Xinjiang Branch's staff and the enterprise, the activity raised RMB 640,000 yuan accumulatively. At present, 56 Love Book Houses have been established in Xinjiang, containing 56,246 books in Uyghur, Chinese and Kazakh.



China Unicom's Hainan Haikou Branch organized a book donation activity "WO Love Action", receiving 3,683 donated books in total.



The navigation center of China Unicom's Hubei Branch started "Books Light Childhood"--a book donation activity for poor mountainous areas, receiving nearly 600 extracurricular reading materials for primary and secondary schools.

Protecting the ecological environment



China Unicom's Gansu Branch carried out a large public welfare activity of "Protecting the Mother River, Unicom Volunteers in Action". More than 400 environmental protection volunteers came to the Waterside Square on the Yellow River Scenic Route of Lanzhou to collect the rubbish, advocated environmental protection to the citizens and called on people to take care of the "mother river".

"The Yellow River is the mother river of the Chinese nation. It's our obligatory duty to protect her and build a beautiful Gansu! We will continue gathering and passing on the green positive power to make our mother river glorious and splendid forever."

— A Young Volunteer from China Unicom's Gansu Branch



Over 30 young volunteers from China Unicom's Jiangsu Branch participated in the "Taking Care of the Mother River" activity, collecting the rubbish along the Qinhuai River.



Volunteers from China Unicom's Hunan Branch carried out a large tree planting activity, with more than 30,000 saplings planted.



League members from China Unicom's Inner Mongolia Wuhai Branch took part in the "To Co-build a Beautiful Wuhai with Youth" activity, planting trees to protect the mother river.

Organizing voluntary blood donation



From 2009-2013, China Unicom's Hunan Branch has organized volunteers to donate blood and contribute their love for 5 consecutive years, to practice the spirit of Lei Feng and support the public welfare service. This action shows the noble characters of Unicomers which are selfless dedication, willing to help others and actively fulfill their social responsibilities. Just as what a blood-donation volunteer said, "Donating blood is the citizen's obligation as well as passing on our love..."



China Unicom's Inner Mongolia Hohhot Branch carried out a "Voluntarily Donating Blood for Emergency Support and Repaying Society" activity. There were more than 160 employees actively participated, of which, 78 donated 23,200 ml blood.

Caring for the growth of children



China Unicom's Anhui Fuyang Branch cares for the growth of the leftover children. It subscribed newspapers and magazines for the rural leftover children, gave them schoolbags, pencil-boxes, dictionaries and other school supplies as gifts, and started a "twinning" program with the rural leftover children of Jieshou No. 2 Primary School, donating 50 "Family Phones" and providing RMB 1,200 yuan telephone charges every year.



China Unicom's Liaoning Branch carried out a volunteer service activity of sending warmth and love to orphans and disabled children. During the Christmas time, the company's volunteers brought living goods and festival gifts to the orphans and disabled children in the Children Welfare Home. The volunteers also spent a happy Christmas with these children, playing, singing with them and telling stories. They made the children feel the world's warmth and gave them confidence and hope about future.



China Unicom's Hebei Luancheng Branch held a "For the Future—Caring for the Minor Children of Prisoners in Jail Activity", signing "Hand in Hand" a long-term one-to-one assistance agreement with the minor children of 13 prisoners in jail. The volunteers from China Unicom's Hebei Luancheng Branch bought gifts for the children. They talked with them, and encouraged them to establish good outlook on life and good values, and to face life with positive attitude, to keep their minds on study and grow happily.

Showing solicitude for the elderly



China Unicom's Shandong Branch has organized a voluntary service team to help the empty-nesters. They provide daily care voluntary service for those who are unable to take care of themselves, and have organized charitable donations to improve the living conditions of the empty-nesters.

Feature: Living up to Social Responsibilities in Both Local Communities and Overseas Markets

All the overseas companies of China Unicom have been strictly following the laws and regulations in the host country and local area. They also provide law and cultural training for employees sent from China, and ensure legal and faithful operation overseas.

Localization of Resource Purchase

China Unicom Americas adopted a priority policy for local purchase, and has purchased local services worth over 10 million dollars, accounting for over 90% of relevant cost.

Localization of Employment

All overseas companies of China Unicom have increased the ratio of local employees, and as a result, local employees now account for the majority in all these companies. The rights and interests of local employees are protected in accordance with local laws and regulations. The salary system for local employees has also been established in light of payment practice in local market.

Local Green Operation

In 2013, China Unicom Hong Kong initiated a local IDC Room Project. The Project was aimed to build green data rooms whose PUE should be under 1.8 and adopt international standards for safety and environmental protection in energy efficiency measures including building energy efficiency, water supply and drainage system energy efficiency, electrical energy saving, air-conditioning system energy efficiency and power distribution system energy efficiency. (Note: PUE (Power Usage Effectiveness) is the major indicator for measuring energy consumption of the data room. $PUE = \text{energy consumption of all equipment in the data room} / \text{energy consumption of IT equipment}$. The base value is 2. The more it approaches 1, the better energy efficiency the data room has.)

Respect and Promote Local Culture

All the overseas companies of China Unicom have elevated China Unicom's charisma and popularity in the communications sector by endeavoring to blend into the local society and actively engaging in local organizations and activities.

In order to strengthen the mutually reciprocal coordination between various units and members of the IT sector, as well as to promote the economic and IT development in Hong Kong, Hong Kong China Enterprise Association IT Industry Committee was established by Hong Kong China Enterprise Association at the joint proposal by China Unicom Hong Kong and relevant units. China Unicom Hong Kong became the first president and secretary-general of the committee.

China Unicom Americas is a member of the Chinese General Chamber of Commerce (council member), China Enterprise Council in Los Angeles (council member) and China Enterprise Association in San Francisco (president).



In August, 2013, China Unicom Hong Kong won the title of "Hong Kong Famous Computers and Communications Brand 2013" under the communications category (Premier Roaming Pre-paid Card) with the highest vote in public appraisal, expert panel review and Metro-info reviewing committee evaluation.



Employees of China Unicom Hong Kong volunteered to participate in the largest hiking and fundraising activity "OXFAM Trailwalker" in Hong Kong. Many employees donated and a group of four employees completed the 100-kilometer walk. They are not professional athletes, nor do they have amazing physical power or explosive power. Yet with faith, persistence and commitment, they accomplished the mission and demonstrated the loving heart and care of China Unicom's employees to the fullest.

Responsible Investment Overseas

In 2013, China Unicom signed a CMI cooperation agreement with Myanmar Post and Telecommunications Company (PTC). The CMI project is an optical cable system that starts from Ruili in China, runs southwards across the Myanmar country including Lashio, Mandalay, Naypyidaw and Rangoon, and reaches Weishuang by the Indian Ocean, where a new submarine cable landing station is scheduled to be built. The project sprawls nearly 1,500 kilometers, and adopts the advanced 10G DWDM technology which can be smoothly upgraded to 40G. The project, after completion, will become the biggest information transmission channel between China and Myanmar. It will greatly improve the communications network infrastructure in Myanmar and the quality of communications service between China and Myanmar, which will be inductive to elevating the level of communications service between China and all the ASEAN countries. In the R&D and implementation process of the CMI project, China Unicom has been strictly following local laws and regulations, asking the construction team to maintain a good relationship with local areas, and hiring local residents for the construction. In terms of residents and properties affected by the project construction, China Unicom compensated them in accordance with international and local norms, and relevant standards set forth in the agreement.

2014 Outlook



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Key Topics	Plans for 2014
Enhance CSR management	Set CSR management measures, carry out CSR training programs, establish CSR indicator releasing mechanism and improve evaluation indicator system, launch CSR case appraisal contest, improve CSR report and better CSR-related communication.
Enhance compliance management so as to realize sustainable development of the company	Improve risk directory and risk assessment model, and integrate risk early warning into the management system.
	Conscientiously establish a corruption punishment and prevention system and a group decision-making system for major policy decisions, major personnel decisions, major project arrangements and large-sum capital operations, carry out inspection tours of leading Party members and strengthen efficiency supervision.
	Improve audit information system, and carry out audit investigation centered on key business operations.
Ensure CSR fulfillment and build a cutting-edge network that is green, secure and fast	Continue to expand 3G network and broadband network construction, increase the coverage of 20M broadband in urban areas and the coverage of 4M broadband in rural areas.
	Step up R&D in LTE, future network, cloud computing, the Internet of Things, new materials, etc.
	Establish an emergency communications support system that can provide both usual services and timely emergency support. Emergency communications support equipment is allocated in accordance with different emergency scenarios, and the emergency support needs, environment as well as differences between southern areas and northern areas are taken into consideration in the allocation.
Eliminate the digital gap to enable various social groups to enjoy the convenience brought by information technology	Identify key points in addressing spam SMSs, and strengthen the capability of the system to intercept spam SMSs.
	Constantly expand the coverage of 3G network in towns and villages, and the broadband coverage in administrative villages in ten Northern administrative provinces.
	Continue to provide agricultural services including typical ones like “12316” integrated information service related to agriculture, farmers and rural areas, and agricultural machinery information service.
Enhance service capability and provide various affordable services in a satisfactory manner	Intensify efforts in building channels in rural areas and remote poverty-stricken areas.
	Come up with various billing methods for disadvantaged groups and 4G service, reduce international calling and roaming rates, and introduce packages with different billing periods.
	Continue to invest in building the smart city cloud platform, focus on the application of information technology in 10 major aspects in the future.
	Continue to improve the service capability of online stores and physical stores, enhance customer maintenance and improve customer satisfaction.
	Focus on strengthening the capability to protect user information, increase information system operational reliability, reduce security incident rate, and try the best to ensure user information security.
	Constantly externalize brand value. Communicate with consumers and the media so as to achieve publicity and increased brand awareness, reputation and brand value.

Key Topics	Plans for 2014
Insist on “People First” and build an ideal platform for work, life and personal development	Enhance the competitiveness of payment, improve career development standards, and build innovative management talents selection mechanism.
	In order to improve the educational background of employees, the Group will offer 15 to 20 leadership training courses and plenty of professional skill training classes.
	Employ dispatched workers in accordance with the law and ensure that the ratio of dispatched workers reaches national standard. Include dispatched workers into a uniform position and salary system, strengthen the management of labor dispatching companies and standardize business outsourcing.
	Improve safety management system, adopt quantitative evaluation of management of production safety, and establish a safety management information platform.
Advance partner management so as to build a responsible supply chain for win-win cooperation	Push forward with the “General Manager Online” Program, conscientiously implement the employee assistance program, establish and improve the long-term mechanism for helping employees in need, and actively launch mass-based recreational and sports activities.
	Include equipment energy consumption, energy efficient product certification into overall procurement cost calculation, strengthen cooperation with suppliers of energy efficient and environmental-friendly equipment, ask suppliers to focus on reducing energy consumption of communication devices in the production process, and promote large-scale application of energy efficient products.
	Cooperate more with content providers with better credit status, pursue more standard business operations, help business partners to advance the standardized operation of their industrial chain, and further improve service dial testing and complaint handling mechanism.
	Put more emphasis on sustained operational performance, excellent after-sales service and good market reputation of mobile terminal suppliers, and encourage terminal suppliers to constantly optimize the hardware and software of their products with lower power dissipation and radiation.
Stick to green and low-carbon development path and contribute to ecological civilization featuring harmonious coexistence	Step up efforts in evaluating virtual network operators’ performance in terms of their after-sales service, user information security, business legitimacy, etc. and set the evaluation results as one of the conditions for cooperation.
	Reinforce energy-efficient technology reformation, strengthen energy efficiency management, and further bring down the energy consumption per unit information flow.
	Establish an information system for waste material recycling companies and scrapped material disposing companies, and step up examination and verification of the qualification of waste material recycling and disposing companies to control the pollution resulted from waste materials.

Appendix

Key Performance



Type	Indicator	Unit	2011	2012	2013
Operation and development	Total assets	100 million RMB	5237.5	5760.7	5745.6
	No. of mobile users reached	10,000 households	19966.0	23931.2	28098.3
	No. of 3G users reached	10,000 households	4001.9	7645.6	12260.0
	No. of local telephone users	10,000 households	9285.1	9195.7	8764.3
	No. of broadband access users (refer to Note)	10,000 households	5068.5	5854.0	6464.7
	Labor productivity	10,000RMB/person · year	63.1	72.9	84.98
Network capacity	No. of 3G base stations built	10,000 units	23.9	33.1	40.7
	3G network coverage rate of towns and villages	%	33	75	96
	Fixed line broadband access port	10,000	8592.3	10646	11907
	Broadband coverage rate of administrative villages in ten Northern provinces mainly managed by China Unicom	%	93	93	93
	Broadband coverage rate in urban areas with bandwidth over 20M	%	--	53	63
	Broadband coverage rate in rural areas with bandwidth over 4M	%	--	65	76
	WCDMA connection rate	%	98.23	98.12	98.15
	Switched telecom network connection rate	%	98.61	98.66	98.70
Priority support efforts	3G mobile network call drop rate	%	0.26	0.17	0.28
	Times of emergency communication support	times	342	329	374
	Number of emergency communication vehicles dispatched	10,000 vehicle-time	9.7	13.5	10.4
	Number of emergency communication devices utilized	10,000 set-time	10.6	14.8	11.2
Indigenous innovation	Number of staff deployed	10,000 persontime	30.2	43.1	31.8
	R&D investment	100 million RMB	17.1	28.1	28.3
	No. of R&D staff	Person	3169	3224	3366
	International standard essays	Article	495	600	601
	Industrial standards	Item	211	208	225
	Patents	Item	252	380	409
	Authorized patents	Item	77	68	110

Type	Indicator	Unit	2011	2012	2013
Elimination of the digital gap	Number of natural villages with fixed-line telephones under the "Universal Communication Coverage in Rural Areas Project"	1	1619	305	400
	Number of administrative villages covered by broadband under the "Universal Communication Coverage in Rural Areas Project"	1	4244	4247	2551
	Number of channels in rural areas and remote and poverty-ridden areas	10,000	--	--	30
E-commerce	E-commerce turnover	100 million RMB	230.7	358.5	551.4
Customer service	Annualized complaint rate per month	Complaint/one million users	5.76	6.48	5.58
	Waiting time by the counter at the business lobby	minutes	28	18	10
	Queuing time at the business lobby	minutes	27	20	15
People-first practice	Proportion of male and female employees	Male against. Female	1.39:1	1.42:1	1.46:1
	Proportion of minority employees	%	6.37	6.49	6.47
	Proportion of female in senior management	%	12.9	11.8	11.3
	Employee training investment	10,000 RMB	23497	26400	28385
	Online University visitors	10,000 person-time	67	85	218
	Total duration of online study	10,000 credit hours	21	41	107
	Investment to help employees in need	10,000 RMB	817.73	1142.01	1199.11
	Consolation fund invested	10,000 RMB	2388.44	1121.92	1178.02
Low-carbon development	Special fund for energy conservation and emission reduction	10,000 RMB	5.6	7.8	7.6
	Energy consumption per unit information flow	1 kg standard coal/TB	65.0	45.4	26.28
	Gasoline consumption	10,000 tons	7.37	7.34	6.71
	Diesel fuel consumption	10,000 tons	2.44	2.38	2.44
	Natural gas consumption	10,000 cubic meters	1031.6	1167.9	1162.2
	Electricity consumption	100 million KWH	107.35	117.2	130.33
	Water consumption	10,000 tons	2639	2474	2575.5
Cyclic utilization	Proceeds from material recycling	100 million RMB	5.3	6.5	3.56
	Proceeds from material reutilization	100 million RMB	0.9	1.0	0.74
	Proceeds from scrapped materials	100 million RMB	3.4	3.8	1.90
Compliance management	Times of compliance training	times	1023	1437	1536
	Number of compliance training participants	person	185633	204050	222941
Community responsibility	Credit rating	level	AAA	AAA	AAA
	Total tax payment	100 million RMB	100.9	118.6	158.2
	Number of jobs created	person	16637	20780	14445
	Total amount of donations	10,000 RMB	2491.3	1977.5	2207.9

Note: Individual line subscribers are included when calculating the number of broadband users, whereas individual LAN subscribers are not.
2013 financial data is Monthly report

Awards



-  Mr. Chang Xiaobing, Chairman of China Unicom, was awarded the title of “Excellent Leader” at 2013 DIB China’s Listed Companies Internal Control Data Release Conference & Summit.
-  Mr. Lu Yimin, General Manager of China Unicom, was elected as China’s Economic Figure of the Year at the 14th Contest.
-  China Unicom was selected as one of the Top 100 State-owned Listed Companies with Excellent CSR Performance in 2012.
-  China Unicom was selected as one of the Top 100 Listed Companies in China with Excellent Internal Control by DIB in 2013.
-  China Unicom was awarded the honor of Excellent Enterprise for Energy Conservation and Emission Reduction by SASAC in 2013.
-  China Unicom was awarded the honorary title of “First-choice Service Provider” for China SMEs in 2012.
-  China Unicom won the first prize in the 2nd Communication Network Security Knowledge and Skills Contest.
-  China Unicom was awarded the title of “Best Exhibitor” at the 15th China High-tech Fair.
-  www.10010.com and www.chinaunicom.com have been certified for the highest level of information security.
-  China Unicom’s enterprise platform on Baidu Knows was awarded the title of “Best Customer Service of the Year” by Baidu Knows.
-  China Unicom’s WO stores were awarded “Most Influential Operator Channel Award” in 2012.
-  29 front-line workers and 6 grass-root teams of China Unicom won the title of “Telecom Service Star with National Customer Satisfaction”.

Organizations

Organization	Post in the organization
UN Global Compact	Full member
China Enterprise Confederation i.e. China Entrepreneur Association	Mr. Chang Xiaobing, China Unicom’s Chairman, serves as the Vice Chairman.
China Enterprise Reform and Development Society	Mr. Chang Xiaobing, China Unicom’s Chairman, serves as the Vice President.
China Federation of Industrial Economics	Mr. Chang Xiaobing, China Unicom’s Chairman, serves as the President of the Presidium.
China Institute of Internal Audit	Tong Jilu, China Unicom’s Deputy General Manager, serves as the Vice President.
China Association of Work Safety	Council member
China Group Companies Association	Executive member of the Council
China Center for International Economic Exchanges	Council member
China Mobile Communications Association	Council member
China Cloud Computing Technology and Industry Alliance	Vice President unit
Internet Society of China	Council member
Association of Communications Across the Taiwan Strait	Vice President unit
China Communications Standards Association	Corporate member
China Institute of Communications	Corporate member
International Telecommunication Union(ITU)	Corporate member
Global System for Mobile Communications Alliance(GSMA)	Corporate member
Open Data Center Alliance(ODCA)	Corporate member
The Green Grid	Corporate member
Tele Management Forum(TMF)	Corporate member
World Wide Web Consortium(W3C)	Corporate member
Cloud Security Alliance(CSA)	Corporate member
ONEM2M	Corporate member
Global Certification Forum(GCF)	Corporate member
Cooperative Organization for the Banking Industry IT Outsourcing	One of the founders
China Tendering and Bidding Association	Council member

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CASS-CSR3.0 Index

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Note: “●” means the information is included in this report or fully released; “○” means there is no detailed explanation due to weak relevance caused by the features of telecom operator, or data unavailability due to statistical reasons, or that data have been released in the annual report of the listed company.

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Address: Corporate Development Department, China United Network Communications Co. Ltd.
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Options	Very good	Good	So-so	Poor	Very poor
1. Does this report reflect China Unicom’s great impact on the economy, society and environment in a comprehensive and accurate manner?					
2. Does this report answer the questions and release the information of great concern to stakeholders?					
3. Are the information, indicators and data released in this report clear, accurate and complete?					
4. Is this report with high readability in terms of logic line, content design, wording and format design?					

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2. Is there any information that you want to know but is not included in this report?
3. What is your advice on our future social responsible report?