

正德厚生 臻于至善

With perfect sincerity and integrity, we will strive to fulfill our triple-sided responsibilities: our economic responsibility, our social responsibility and our environmental responsibility

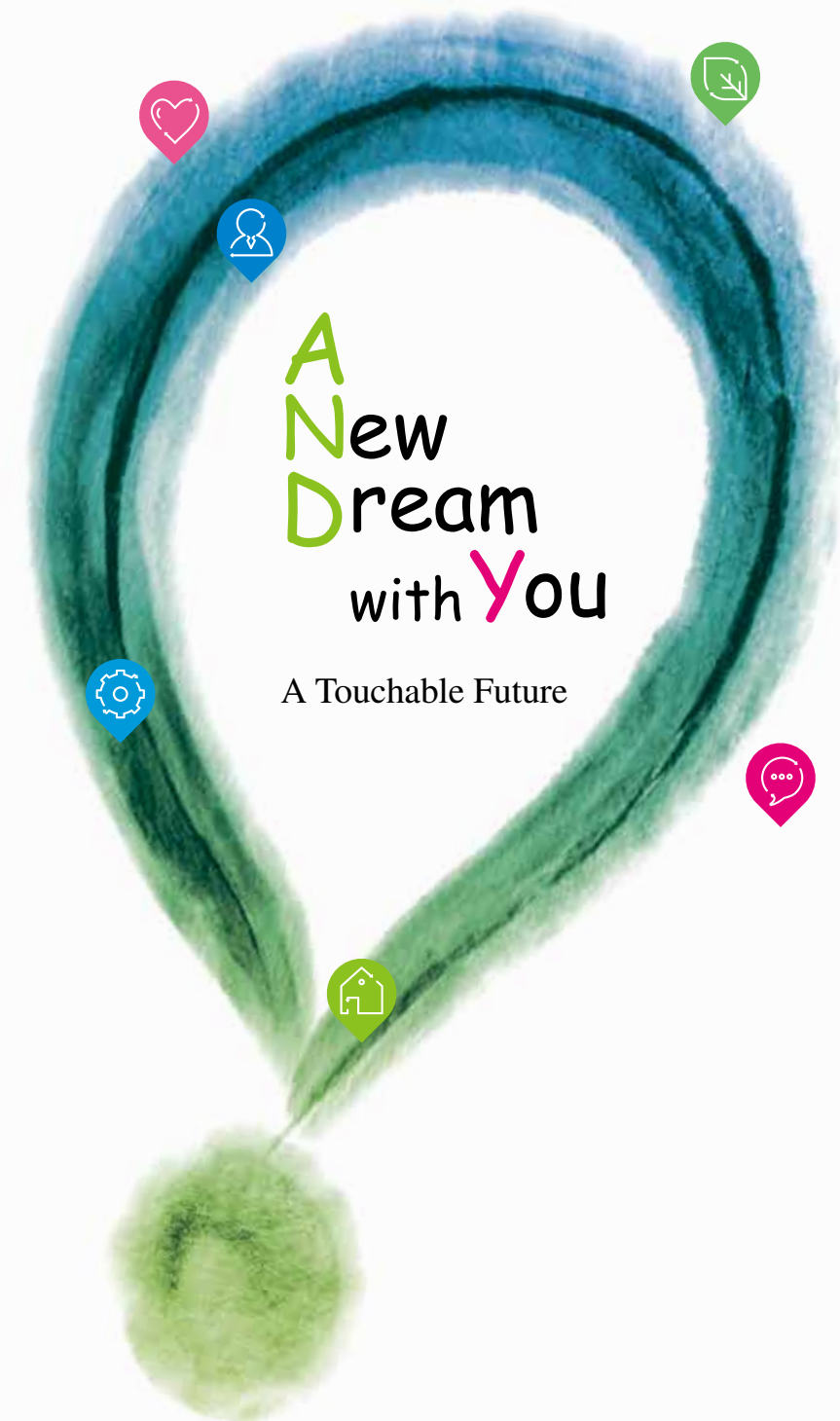


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2013 China Mobile Communications Corporation Sustainability Report



Chairman's Statement

You AND China Mobile, Creating the Future Together

From Broadband China, information consumption, to the issuance of 4G operating license, we have witnessed the burgeoning of Mobile Internet during 2013. Ground-breaking changes and scenes only existing in our dreams just a few years ago, have started to unfold right in front of our eyes. Our mobile phones are playing more roles in our lives, from communication tools to cameras, books, maps, and even wallets, enabling us to not only extend our capabilities, but also to make changes happen.

In the era of Mobile Internet, traditional ways of consumption, service and production are continuously being disrupted and reshaped. "Adapt or Perish" has become an issue of vital significance for businesses in telecommunications, financial, service, industrial, and commercial sectors. As the world's largest mobile operator both in network scale and customer base, China Mobile cannot afford to ignore this trend. The development of Mobile Internet has brought enormous challenges for telecommunication operators. Growth of traditional services such as text message, multimedia message, and voice has stagnated or even fallen. Our profit declined in Q3 2013 for the first time in history, due to these challenges, and because of our increasing investments in 4G infrastructure and in other necessary resources we require for the future. Facing the inevitable evolution trends of technology and industry, we have chosen to embrace this new era with strategic restructuring and innovative reforms.

On December 4, 2013, we were issued the 4G (TD-LTE standard) license. On December 18, we launched our new service brand for the 4G era – "and!".

"and!" symbolizes our commitment to enabling people to connect and communicate with each other ever more closely with our world-leading mobile telecommunication technology, superior network quality, rich product choices, and customized services. "and!" also symbolizes the proactive attitude, equal communication, and open mind of China Mobile in working together with our stakeholders, to fulfill our long-term commitment to creating and sharing values in a sustainable way.

"A New Dream with You" symbolizes that we strive to serve our customers with seamless services, to create beautiful lives for them, and to realize their digital dreams together. "A New Dream with You" also symbolizes a new harmonious and win-win industry ecosystem that we wish to create with our value chain partners, where we shoulder responsibilities and share values together in a sustainable way. Finally, "A New Dream with You", symbolizes that we are committed to making the "China Dream" come true by building better communities, caring for the environment, and supporting charitable causes.

Throughout 2013, China Mobile has been building "A New Dream with You".

Following our strategic vision of "Mobile Changes Life" and focusing on our stakeholders' needs, we implemented a sustainability strategy and created shared values for our stakeholders. For our shareholders and investors, we continuously created value for them by pursuing an ethical and healthy way to develop, accelerating the transformation and restructuring of our business, innovating on 4G technologies and promoting 4G commercialization. For our partners, we worked together to promote sustainable development of the telecommunications industry, by spearheading the development of the TD value chain and building a responsible supply chain. For our customers, we were committed to winning their trust with optimized services that addressed customer concerns about network quality, information security, privacy protection, and tariff. For our employees, we were dedicated to helping them realize their values, by focusing on their needs during the time of change, and providing them with care, respect, and career development support. In particular, we selected and recognized employee role models as the "Most Admirable Mobilers" for the first time. For our communities, we responded to their needs, supported community development, and extended our helps to vulnerable groups. To protect the environment, we strictly managed our environmental impact, and developed ICT solutions to address climate change. Based on our efforts, China Mobile was listed in the Dow Jones Sustainability Indices (DJSI) for the sixth consecutive year. Our sustainability practice was recognized by the UN Global Compact as a Best Practice in China.

The year of 2014 is a crucial year for our 4G deployment. China Mobile will continue to fulfill our responsibilities with the utmost sincerity, as we implement our strategic restructuring to overcome challenges, and as we create a bright information-enhanced future together with you!



Mr. Xi Guohua

Committee Secretary & Chairman,
China Mobile Communications Corporation

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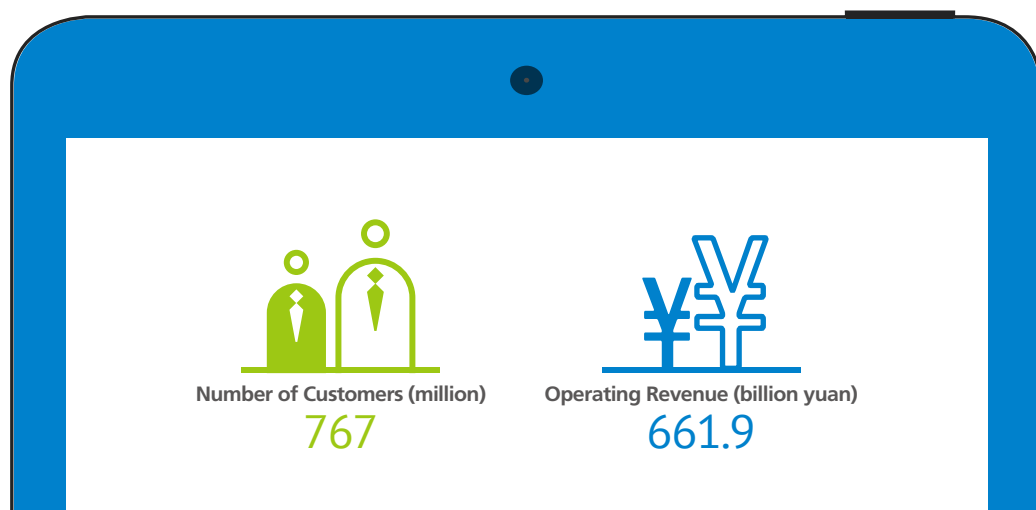
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About China Mobile

China Mobile Communications Corporation ("China Mobile", "the Group" or "we" for short) was established on April 20, 2000. With registered capital of 300 billion yuan and assets exceeding 1 trillion yuan, China Mobile is the largest mobile operator in the world by network scale and subscriber base.

Company Profile

China Mobile wholly owns China Mobile (Hong Kong) Group Limited. China Mobile Limited (the "Listed Company" for short), which is under China Mobile (Hong Kong) Group Limited, has set up wholly owned subsidiaries in 31 provinces (autonomous regions and municipalities directly under the Central Government) and Hong Kong Special Administrative Region, and got listed in Hong Kong and New York stock exchanges. With mobile telephony, data, IP telephony and multimedia services as major lines of business, we also have the right to operate Internet services and international communications access services. In recent years, through advancing strategic transformation, promoting reform and innovation, as well as accelerating working pattern and structure adjustment, we maintained favorable momentum and stable operation performance, and released new business brand "and" in 2013. For years, we stick to the ideologies that "Quality is the lifeline of a communications company" and "Customers, Our Priority; Quality Service, Our Principle", and continuously improve quality and services. As a result, we lead the industry in customer satisfaction and have the lowest complaint rate per million customers throughout the whole industry for several years.



Sustainability Commitment

By upholding our core value of "Responsibility Makes Perfection" and insisting on our corporate responsibility value of "With perfect sincerity and integrity, we will strive to fulfill our triple-side responsibilities: our economic responsibility, our social responsibility and our environmental responsibility", we focus on achieving economic, social and environmental sustainability and strike a balance between ourselves and our stakeholders.

We are an official member of the UN Global Compact, recognizing and striving to comply with its 10 universally accepted principles. As one of the first group of Chinese companies being selected as Global Reporting Initiative (GRI) Organizational Stakeholders, we participate in GRI knowledge share program as an enterprise representative, and join G4 Pioneer Program as the only participant from Mainland China.

Honors and Recognitions (2013)

- Received Grade "A" for nine consecutive years on the State-owned Assets Supervision and Administration Commission (SASAC) operating performance assessment for executives of state-owned enterprises
- Listed in the Dow Jones Sustainability Indices (DJSI) for the sixth consecutive year, also listed in the Hang Seng Corporate Sustainability Index Series for the fourth consecutive year
- Granted "China Charity Award", the top government prize in charity field, for the fifth consecutive year
- Ranked 71st in the Fortune 500, ten ranks higher than 2012
- Ranked 29th in the Global 2000 Leading Companies by Forbes, moving from 31st last year
- Ranked 14th in the Financial Times (FT) Global 500
- Ranked tenth in the BrandZ TOP100 by Millward Brown and Financial Times, which is the eighth consecutive year to be listed, as the top one in China
- Granted the "Sustainability Management Model" for 2013 Management Improvement Initiative of State-owned Enterprises by the SASAC
- Ranked fifth in the "Chinese Enterprises TOP 100 Sustainability Development Index" by Chinese Academy of Social Sciences (CASS), and ranked the first in telecom industry



Sustainability Strategy and Management

China Mobile understands that sustainability means we need to cooperate closely with our stakeholders to integrate our economic, social and environmental responsibilities into our strategy and operation, to manage our own impacts effectively, to maximize shared values for our stakeholders and us, and to achieve economic, social and environmental sustainability together.

Sustainability Strategy

Sustainability has been coherently integrated into our strategy. From 2011 to 2015, we have been and will be fully committed to following our strategic vision of “Mobile Changes Life” and pursuing our sustainability strategy with the goal of “becoming a global industry leader both in business and sustainability” by meeting expectations upon us from shareholders and investors, government and regulators, employees, value chain partners, customers, communities and the environment. In order to create and share a sustainable future, we mainly focus on three sustainability priorities: “A Healthier and More Stable China Mobile”, “More Satisfied Stakeholders” and “An Information-Enhanced Future”.



Sustainability Management

Since 2007, we have made a variety of efforts to integrate strategic sustainability management into our business strategy, which means following global corporate social responsibility (CSR) standards and best practices, developing sustainability indicator system, and benchmarking on DJSI sustainability leaders. Our efforts led us to achieve good sustainability performances.

Organizational Structure

It takes both leadership and organization-wide participation to manage an organization’s social responsibility effectively. Since the establishment of CSR Steering Committee in 2008, we have founded a well-organized CSR management system that effectively involves top management, headquarters departments and all subsidiaries.



Management Module	Overview	Progress in 2013
Strategy Management	Set CSR goals, priorities and implementation methods according to corporate CSR strategy, to guide all business units to fulfill social responsibility	<ul style="list-style-type: none"> Improved CSR management in five key issue aspects, and our provincial subsidiaries implemented 148 improvement measures Optimized CSR management system and process, and formulated <i>China Mobile Corporate Social Responsibility Managing Policy (2013 version)</i> Conducted researches on key CSR issues and innovated on CSR practices of these issues
Execution Management	Increase CSR awareness, improve key issue management, and integrate CSR into our operations through CSR trainings, CSR benchmarking, and CSR information collection and monitoring	<ul style="list-style-type: none"> Conducted trainings for CSR managers from provincial subsidiaries. 131,350 person-times attended in 2013 Analyzed 22 issues, 114 topics and 546 questions of 2013 DJSI questionnaire, improved our performance based on benchmarking results, and continued to be listed in DJSI
Performance Management	Assess our sustainability efforts and CSR practices internally and externally, advocate best practices and improve CSR performance accordingly	<ul style="list-style-type: none"> Completed 2012 Sustainability Capability Evaluation, evaluated four sustainability criteria for all business units, and used them as guidance to improve management weaknesses. The third-party survey included in the evaluation covered 50,340 samples Held 2013 CSR Practices Competition with expanded stakeholder participation, including 1.89 million Internet hits significantly higher over 2012 Published <i>Selection of China Mobile Best CSR Practices</i> to promote best CSR practices
Communication Management	Publish sustainability report regularly based on Chinese and international standards to increase transparency; develop interactive stakeholder communication mechanism and organize key stakeholder engagement events	<ul style="list-style-type: none"> Corporate top management hosted the launch event of sustainability report for seven years consecutively. Our 2012 report was awarded 2013 UN Global Compact China Best Practice, Golden Bee 2013 Excellent CSR Report Leading Enterprise Award, and 2013 Public Transparent Enterprise Model Award among others Became one of the first group of Chinese companies being selected as Global Reporting Initiative (GRI) Organizational Stakeholders, participated in GRI knowledge share program as an enterprise representative, and joined G4 Pioneer Program as the only participant from Mainland China

Stakeholder Engagement

Thorough communication is the cornerstone for China Mobile to comprehensively understand our impacts and fulfill our social responsibility. In 2013, we conducted regular and thorough communication with our six main stakeholder groups, including employees, shareholders and investors, government and regulators, customers, value chain partners, and communities and the environment. Furthermore, we use new media as a platform to communicate and interact with our stakeholders more effectively.

CEO Mailbox: Direct Communication with Top Management

CEO Mailbox (CEO@chinamobile.com) was launched in November 2010. It was further opened to customers and partners in May 2011. In 2013, the CEO Mailbox received 2,194 emails with suggestions and complaints about corporate management, business development, network construction, employee development, customer rights, etc. All of them were handled appropriately and responded timely in accordance with a standard procedure.

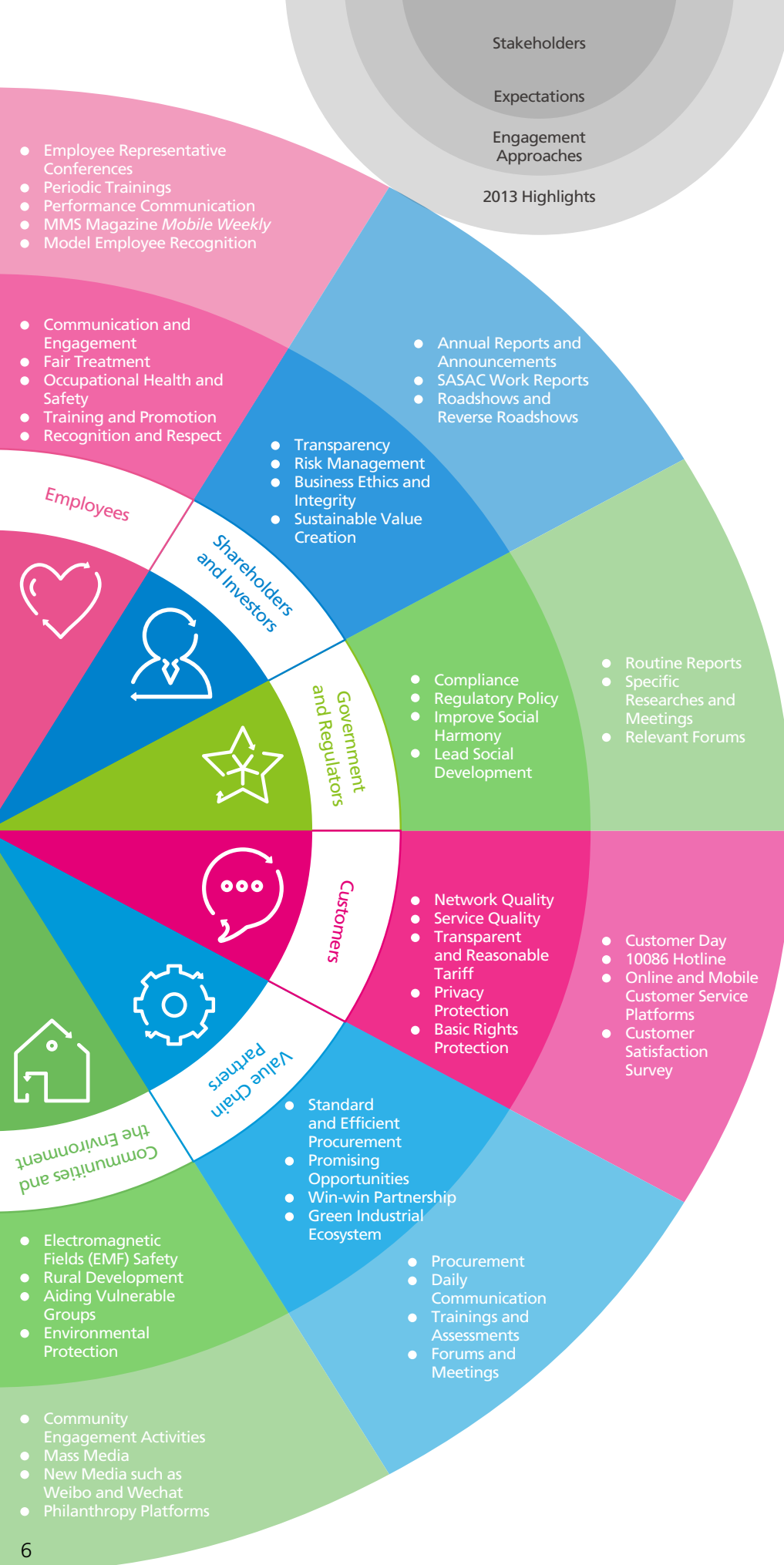
CEO Mailbox Standard Procedure



New Media Platforms: Real-time Communication

In 2013, we enhanced our communication with the public by using new media platforms such as Weibo (Microblog) and Wechat. We selected the topics carefully to focus on public concerns and established a centralized mechanism to handle inquiries and complaints effectively and timely.

- Over 7.37 million followers on 5 major new media platforms
- Over 22 million comments and reposts accumulatively on Weibo, near 1,100 individual inquiries received per month. We were recognized as the Best Weibo Operation Case of Chinese Enterprises
- Launched official Wechat public account in August 2013



- We released 126 issues multimedia message (MMS) internal magazine *Mobile Weekly* which mainly targets to employees. The average reach rate was 87%
- We hosted the "Most Admirable Mobilers" event for the first time in 2013. The event lasted for 8 months. A total of 18 employees and teams who work on frontline were awarded the title of the "Most Admirable Mobilers". 260 thousands votes were received during the event

- In 2013, the Listed Company participated in a total of 13 investor conferences. We also met 759 investment institutions, which counted for 1,015 person-times
- The Listed Company showed investors the TD-LTE construction and pre-commercial trial progress in Hangzhou and Shenzhen, so as to create strong, and interactive ties between investors and the Company with better understanding

- In August 2013, we invited experts and representatives from Bureau of Research of the SASAC and the CASS to participate in CSR Management Research in Fujian. We directly communicated with local stakeholders, visited innovative CSR programs such as Office on the Sea, Forest Fire Watch platform, etc., and listened to stakeholders' comments and suggestions

- In 2013, we carried out 12 "Customer Day" activities, and received 79,970 person-times of customers, answered and handled 78,096 inquiries and complaints, and collected 54,654 suggestions in the process
- We have conducted third-party independent surveys on customer satisfaction for 14 years in a row, which covered more than 300,000 samples each year. Our 2013 comprehensive customer satisfaction rate was 77.75%, 0.25 ppt higher than the level of the beginning of the year

- In December 2013, we held the Global Partner Conference with the topic "Innovating and Dreaming Together" in Guangzhou and communicated with more than 5,000 participants of ICT industry about the "Openness and Cooperation, Competition and Development" in the 4G era

- We launched the group-wide 2013 Energy Conservation Awareness Week event with the theme "Green Creates Future", in which 2.1 million Weibo fans and 2.68 million Fetion customers were engaged, and 3.5 million MMS and 500,000 APP text messages were sent. In addition, we held the "2013 Hundred Energy Conserving Employees Selection" and also launched the "Energy Conservation and Emissions Reduction Knowledge Contest"

Materiality Analysis

In 2013, we updated the materiality analysis framework and performed a stakeholder survey to identify and report material issues with the highest relevance and impact.

01

Identification

Based on document analysis and external survey, we prioritized 22 topics relevant to China Mobile.

02

Evaluation

We conducted a special survey among stakeholders. The survey targeted different categories of stakeholders through channels such as face-to-face meetings, telephone interviews, and an online survey. Stakeholders ranked each sustainability issue according to their materiality and left comments and suggestions.

03

Prioritization

To define report topics by ranking issues based on scoring results and selecting issues of high relevance.

Macroeconomic Policies

Analyzed government policies and other ICT industry regulations to **understand macro policy trend**.

Relevant Standards

Researched on G4, DJSI and other standards to **understand the global trends of sustainable development and requirements on disclosure**.

Strategy and Appraisal

Analyzed the development strategy of China Mobile and the result of the 2012 Sustainability Capacity Survey to conclude material issues.

Best Practices

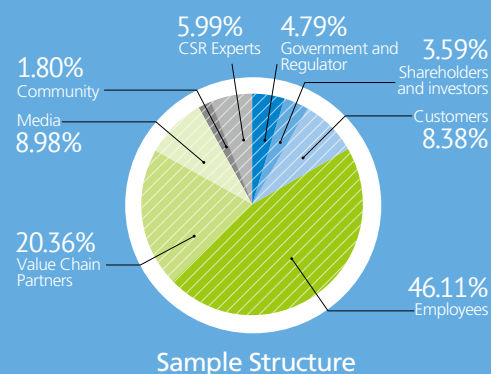
Benchmarked on six global ICT companies' sustainability strategy and management, covering 199 topics and 1,472 quantitative indicators to **identify industry-specific key issues, best practices and gaps**.

Media and Public Focuses

Reviewed public survey results of 2012 Sustainability Capacity Survey (12,000 samples) and tracked media coverages by focusing on top 1,000 news to **study public concerns**.

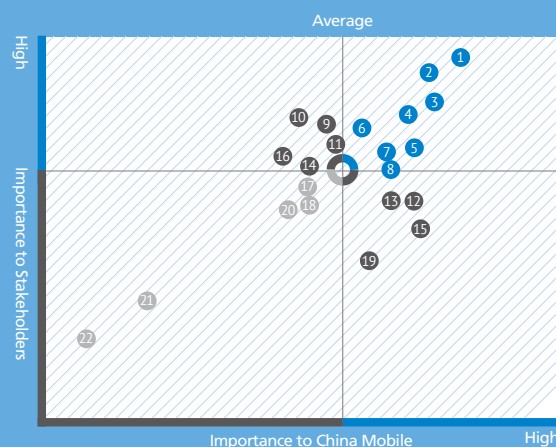
Online Survey

167 individuals responded, among them the ratio of internal and external stakeholders was about 50% to 50%. Internal ones (employees) scored the relevance to the Company and external ones rated the materiality to themselves.



- 1 Customer Service (Customers)
- 2 Network Quality (Customers)
- 3 Innovation and Development (Value chain partners, Government and regulators)
- 4 Customer Rights (Customers)
- 5 ICT Investment and Development (Shareholders and investors, Value chain partners, Government and regulators)
- 6 Social Philanthropy (Communities, Value chain partners)
- 7 Anti-corruption (Employees, Shareholders and investors, Value chain partners, Government and regulators)
- 8 Risk Management (Employees, Shareholders and investors, Value chain partners, Government and regulators)
- 9 Responsible Supply Chain (Value chain partners, Government and regulators)
- 10 ICT Community in City (Wireless City) (Customers, Communities)
- 11 Governance (Shareholders and investors, Government and regulators)
- 12 Employee Rights (Employees)
- 13 Employee Development (Employees)
- 14 ICT Community in Countryside (Informatisation in Rural Areas) (Communities, Government and regulators)
- 15 Green Operation (Environment, Value chain partners, Government and regulators)
- 16 Green Society (Environment, Value chain partners)

- 17 Marketing Ethics (Value chain partners, Government and regulators)
- 18 EMF Safety (Communities)
- 19 Work-life Balance (Employees)
- 20 Volunteerism (Community, Employees)
- 21 Shareholder Engagement (Shareholders and investors)
- 22 Business Performance (Shareholders and investors)



Note: The number represents the materiality score of the issue in a descending order.

A New Dream with Shareholders

In 2013, with the issuance of 4G license which marked the dawning of the 4G era, China's ICT industry officially confronted new opportunities which arise from increasing information consumption as old business models and industrial conditions underwent enormous changes under the impact of Mobile Internet. Our efforts in 2013 were well rewarded: China Mobile overcame a variety of challenges, successfully implemented TD-LTE trial and commercialization of 4G technology, and accelerated the transformation of our business model from a traditional voice-centric service to a data centric service. The Company maintained steady growth as we transformed our business by implementing the "Four-Network Coordination" strategy, the "Full Service" strategy, and the "Mobile Internet" strategy. We further enhanced our sustainability capacity through forward-looking business planning and resource allocation, organizational reform and management improvement. We committed ourselves to eliminating corruption by taking concrete measures, including developing anti-corruption systems, enhancing supervision, and raising awareness of business ethics and anti-corruption measures, to ensure the health of our operations.



Stakeholder Expectations

- New value creation potential with 4G development
- Stable business growth and value return
- Ethical and healthy operations, and corruption risk prevention

Our Approaches

- Enhancing networks, sales and marketing, management and organization capability
- Expanding growth potential with three drivers: existing customers and business, data traffic and corporate customer services
- Accelerating TD-LTE development and commercialization with industry partners
- Enhancing business planning and resource allocation, and promoting specialized operation and R&D capability
- Systematically preventing corruption risks and promoting healthy operations through risk management and control

Our 2013 Achievements

- Completed 4G trial, and became the first 4G service provider in Mainland China
- Maintained leadership in customer counts and revenue market shares
- Breakthrough in handset sales, significant data traffic growth, and leading position in overall network quality
- Steadily constructed infrastructure such as data centers, call centers, and R&D centers. The first part of the International Information Port was completed and enhanced our Southern Base. Five regional logistics centers started operating
- Improved anti-corruption systems, launched internal audits and inspections, and increased employee awareness of business ethics

Our 2014 Efforts

- To develop a full-service 4G value chain
- To build the largest 4G network. we plan to build over 500,000 TD-LTE base stations and provide contiguous 4G coverage in major cities
- To sell approximately 200 million TD terminals, among which 100 million are 4G terminals
- To improve effectiveness of professional operations with the Internet of Things (IOT) and terminals, etc.
- To accelerate reformation and improve efficiency
- To improve corruption prevention and investigation, and enhance the health and transparency of operation

G4-DMA

Feature: 4G Era, A New Dream with You

On December 4, 2013, the Ministry of Industry and Information Technology of China (MIIT) issued the LTE/ fourth generation (4G) cellular mobile telecommunication (TD-LTE) license to us, officially marking the dawning of the 4G era. 4G has brought us not only faster speed, but also infinite possibilities with the Mobile Internet.

TD-LTE

Long-term Evolution (LTE) is an evolved version of 3G technology. There are two types of LTE, LTE TDD and LTE FDD, differentiated by the different frequency bands they use. LTE TDD, also known as TD-LTE, is a globally adopted 4G standard developed in China. It is one of the most advanced communication technologies with features such as high speed, low latency, and always-online.

28

28 commercial TD-LTE networks have been deployed in 20 countries around the world, with 40 more planned

5

 million

Over 5 million TD-LTE customers globally

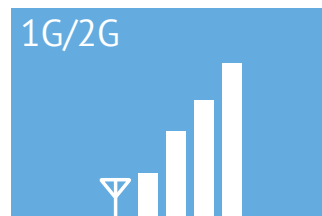
91

The Global TD-LTE Initiative (GTI) started by China Mobile is supported by 91 network operators and 67 industry partners

TD-LTE: From a Follower to a Leader

Owing to the efforts of China Mobile and its industry peers in China, TD-LTE is now one of the mainstream global 4G standards.

Follower



Innovator



Leader



4G, Here We Come

In 2013, with the newly issued 4G license, we made all-out efforts to tap 4G opportunities in network, terminal, application, and branding areas.

Network

- Our 4G service became available in 16 cities in 2013, including Beijing, Shanghai, Guangzhou and Shenzhen
- By the end of 2014, we plan to build the most widespread 4G network in the world, provide contiguous 4G coverage in major cities, and deploy more than 500 thousand TD-LTE base stations

Terminal

- Over 30 4G handsets and data terminals were launched in 2013. We published the *VoLTE Whitepaper*, and enabled inter-province and international VoLTE voice communication and 2G-4G switching
- We plan to launch over 200 4G handsets in 2014. VoLTE will be commercially available on our network

Application

- The "and-Vision" high-definition video app was released
- In 2014, we will focus on three content services and applications: HD video, high-quality music and cloud games for unified communication and applications

Branding

- On December 18, 2013, we launched a new service brand "and!" at the China Mobile Global Partner Conference. "and!" symbolizes our proactive attitude, forward-looking motivation, and innovative spirit. Together, you and China Mobile will make "A New Dream" come true



In 2014, we will further promote the development of the TD-LTE value chain, strengthen our data traffic operation, increase investment in terminals, contribute to shaping an open and healthy Mobile Internet industry, and fulfill the new dream of 4G.

Transformative Development

In 2013, as the government actively promoted information consumption and the “Broadband China” strategy, China Mobile focused on strategic transformation, reform and innovation, and healthy development to ensure steady development.

767 million

Over 767 million customers in total, among which over 190 million are 3G customers. (Data of China Mobile Limited)

661.9 billion yuan

Operating revenue reached 661.9 billion yuan, representing an increase of 8.3% YoY.

108.2 billion yuan

Wireless data traffic revenue reached 108.2 billion yuan, representing an increase of 58.6% YoY. (Data of China Mobile Limited)

Transformative Development

Four-Network Coordination	Market Orientation	Management Improvements	Organizational Reform
2G (GSM) 3G (TD-SCDMA) 4G (TD-LTE) WLAN	Existing business operation Data traffic operation Corporate customer operation	Centralized management Professional operations Market-oriented mechanisms Lean organizational structure Standardization of processes	Organizational development Structure optimization Quantitative reform of remuneration

Entrepreneurship

In 2013, we accelerated the pace of our infrastructure construction and business expansion, building many centralized infrastructure facilities such as data centers, call centers and R&D centers. The first part of the International Information Port was completed and enhanced our Southern Base. Five regional logistics centers started operating. We also improved our mobile marketplace and handset sales and service platform, and actively promoted the development of third-party electronic service channels.

R&D Innovation

We optimized our R&D infrastructure and established two new R&D centers in Suzhou and Hangzhou respectively. We initiated a layered collaborative system for product development and a Shop-front Model to manage R&D outcomes, ensuring our competency in independently developing core intellectual properties. We also intensified our R&D efforts in key technological fields such as TD-LTE, Internet of Things (IoT), Mobile Internet, Over the Top (OTT) applications, and 5G technology. These in turn accelerated rapid development of related technologies and industries.

International Expansion

International Business Operations

- We built a world-class operation system and implemented end-to-end management
- Our innovative 1/2/3 yuan zone pricing model significantly lowered international roaming tariff
- Revenue from multinational corporate customers has continued to rapidly increase
- Jego, our mobile VoIP instant message application for overseas market was officially launched

Overseas Layout

- Established the capital structure and management system for the International Company in 19 overseas markets
- Achieved a fast, cost-efficient expansion of our international network infrastructure, and the development of a global backbone network centered on Hong Kong, Los Angeles and London

Cloud Computing

We developed five products and ten applications including the Public Service Cloud, the National Education Cloud and the Administrative Cloud. We were in charge of the development of two national cloud computing standards

Big Data

We developed eight products and 17 applications for level-1 private clouds, provincial-level private clouds, local big data centers, and others. We also established a cloud & big data platform and an open-source Hadoop community

Open Platform

We designed an open architecture top-layer platform, built a group-wide open core platform, and developed a centralized certification platform and a brand new customer identification management system, to meet the authentication needs of our electronic channels, self-operated businesses, and third-parties

1,192

We filed 1,192 patent applications in 2013 with 510 approved

242

Our roaming service now covers 242 countries and regions

1,300 G

As of the end of 2013, our international communication bandwidth had exceeded 1,300 G, a sharp increase of 200% over 2012



Integrity and Anti-corruption

In recent years, incidents of violations of laws and discipline by some management personnel of the company which had caused serious adverse impact on the Company. We re-examined the cases to explore their fundamental reasons and made integrity and anti-corruption a strategic priority. In 2013, we further intensified our corruption prevention and discipline system, increased management oversight over ethical issues, conducted company-wide activities to raise the awareness of anti-corruption processes, and strengthened the handling and investigation of any whistleblowing report received.

The "3+1" Decision-making Policy

The "3+1" Decision-making Policy is a regulatory requirement to state-owned enterprises that a collective management discussion and decision should be made as far as material decision-making issues, key personnel appointments or dismissals, material project arrangements and/or the approval of large amounts of funds.

Specifying Anti-Corruption Accountability

We established an anti-corruption accountability system, which covers both the headquarters and the provincial subsidiaries and professional operating affiliates. A total of 10,925 Integrity Commitments were signed over the year, urging managerial staff to carry out integrity risk prevention responsibilities. We incorporated integrity risk into our Comprehensive Risk Management System, and formulated a guidebook, *Implementation Guidelines on Promoting Integrity and Preventing Corruption Risk*, which specifies the principles, implementation steps, tasks and requirements of the system. We also organized integrity risk prevention projects and seminars for business units, and established risk prevention and control systems.

Improving Policies and Regulations

We revised the implementation guidelines and categories of the "3+1" Decision-making Policy, and optimized relevant policies and implementation procedures accordingly. We also conducted regular inspections and evaluations to find gaps in our management system and took corrective actions accordingly. In 2013, we conducted 217 inspections and revised 332 policies and regulations in total. In 2013, we conducted an campaign of "The Party's Mass Line Education Practice", insisted on "Eight-point Code", and combated "Formalism, Bureaucratism, Hedonism and Extravagance", established a cross-departments joint supervision mechanism to cut bureaucracy and build an integrity business environment for all employees.

Encouraging Whistleblowing

We encouraged both internal and external supervision and set up a variety of whistleblowing channels including mail, email, hotline, fax and text message to report on any corruption. We assign received materials to relevant departments for investigation and also cooperate with judicial investigations if necessary. Following the principle of focusing on implications for similar cases and related processes, we used investigation findings to identify gaps and weaknesses in our management systems and take corrective actions.

Encouraging Internal and External Supervision

In recent years, we have continued to strengthen the system and workflow involved with whistleblowing and discipline inspection. We set up a variety of channels, including mail, email, hotline, fax and text message to handle whistleblowing cases, and assign them promptly to disciplinary staff.

- 1 We set up a public compliant and whistleblowing hotline (010-52616186) and email (jubao@chinamobile.com) to report on violations or illegal activities.
- 2 Our CEO Mailbox is also open to both employees and the public for such information.
- 3 For procurement related issues, we list whistleblowing channels in bidding documents and on procurement websites where people can report bidding irregularities or violations.
- 4 If a whistleblowing tip contains vague information but has an identifiable source, our disciplinary staff will engage the whistleblower to build trust and to obtain more information.
- 5 We attach great importance in protecting whistle-blower rights and in keeping their identity confidential, by anonymizing their personal information before assigning the case to relevant parties for disposal.

Enhancing Ethical Education

We made business ethics and integrity education as an essential part of management training, using a variety of channels such as electronic magazines, text/multimedia messages, comics, Weibo, Wechat, videos, advertisements, and pocket books, to raise anti-corruption awareness. In 2013, we held 3,908 anti-corruption events with 428,146 person-times participation, and held 1,629 education activities of "Eight-point Code" with 112,187 person-times participation.

332

Conducted 217 inspections and revised 332 policies and regulations

41,018

Signed 41,018 Integrity Commitments

428,146

Conducted 3,908 business ethics and integrity education sessions with a total participation of 428,146 person-times

A New Dream with Value Chain Partners

Openness is one of the most important characteristics of the Mobile Internet era. From the rapid growth of the TD industry to the innovations from ICT convergence, collaboration is essential to all parties in the value chain. Although the dominance of telecommunication operators in the value chain was challenged by non-traditional competition, China Mobile, with annual procurement contracts valued in billions, still maintains a significant influence over the value chain, spanning from standard research, equipment and handset manufacturing, system integration, application development, to marketing promotion. On one hand, our partners expect us to strategically identify potential opportunities, build fair and win-win partnerships, and establish a more harmonious industrial ecosystem based on an optimized allocation of resources and capacities, bringing us into the fourth stage development of our industry. On the other hand, our stakeholders expect that we drive a healthy and sustainable development of the industry, by promoting a responsibility sharing community while fulfilling our own responsibilities.



Stakeholders Expectations

- More attractive development opportunities
- Fair and win-win partnerships
- Healthy and sustainable industrial environment

Our Approaches

- Accelerating TD industry development with strategic plans and extensive cooperation
- Improving procurement management and efficiency by enhancing centralized procurement regulations, and by establishing communication platforms
- Reducing responsibility risks and strengthening responsibility management by formulating supply chain documents, regulations, tools and carrying out authentication procedures
- Training external partners and internal authentication officers
- Supporting suppliers in various ways, including capital, technology and training, innovating cooperation, and exploring new business opportunities

Our 2013 Achievements

- Led rapid TD industry growth and shared hundreds of billions yuan with partners, among which 150 million TD-SCDMA handsets were sold
- Cooperated with 7,037 centralized procurement suppliers and assessed all first-level suppliers
- Added responsibility requirement into authentication toolkits which covered 35 categories of first-level centralized procurement products
- Updated a number of energy saving grading standards and saved more than 100,000 cubic metres of timbers through Green Packaging

Our 2014 Efforts

- To lead research, development and industrialisation with the opportunity of TD-LTE commercialization
- To release guides for supplier communication and management, to gradually apply new authentication toolkits, and assess supplier responsibility performance
- To organize training about responsibility management for partners
- To improve and apply energy saving grading standards, and develop more green cooperation



Shared Growth

To promote mutual successes and drive innovative development, China Mobile strives to establish a friendly and win-win partnership with our value chain partners with openness and fairness.

Building a Win-win Ecosystem

Since obtaining TD-SCDMA (TD), the third-generation mobile telecommunication operation license in 2009, we have made full efforts on constructing TD-SCDMA network infrastructures nation-wide. We championed the development of TD technology standards and the entire TD value chain including devices, chips and others. Our TD customer base stood in a firm position in China's telecommunication market, and we created and shared industry value in hundreds of billions yuan.

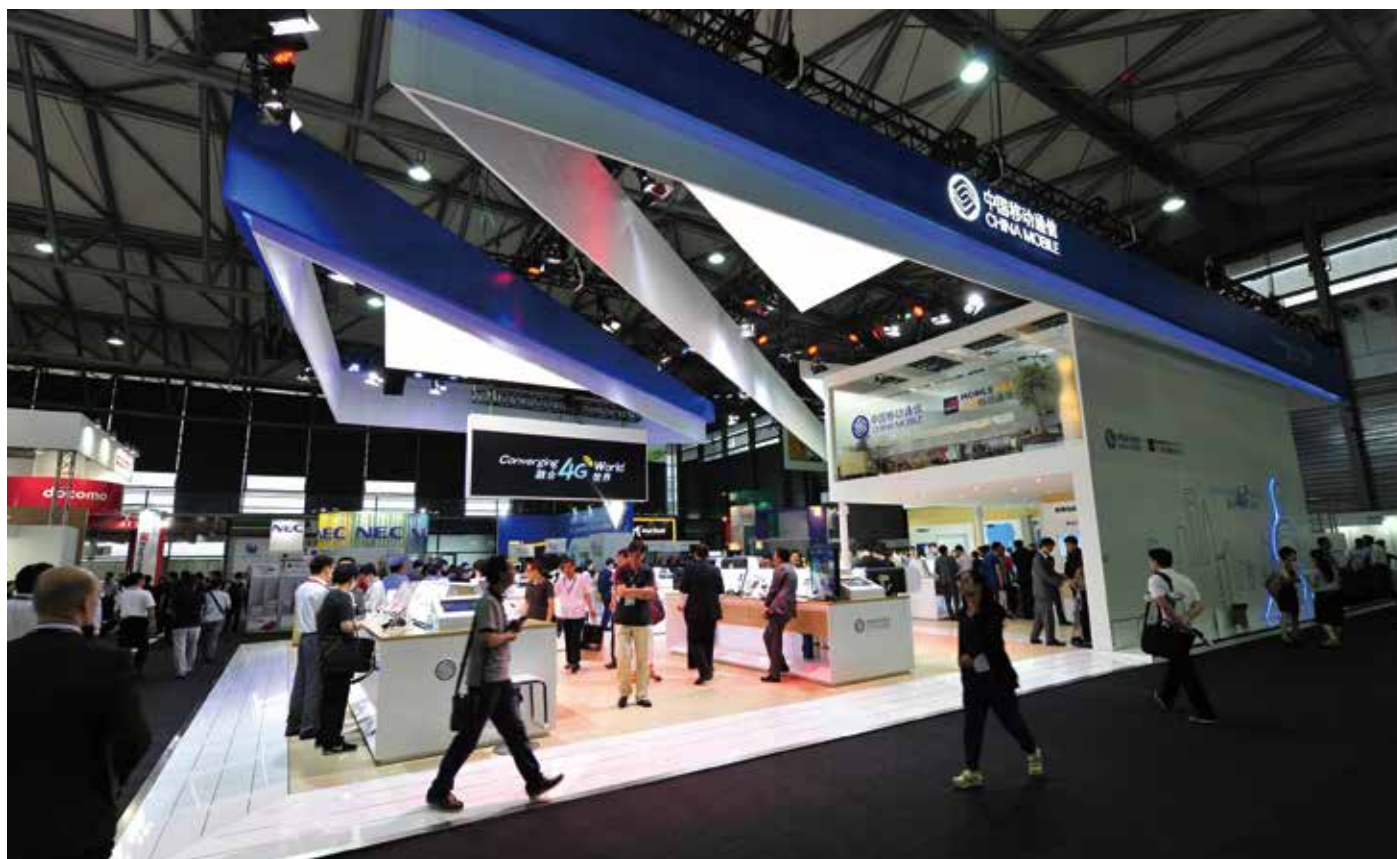
So far, we have more than 400 TD partners, including seven TD-SCDMA commercial chip manufacturers, 17 TD-LTE chip manufacturers and 94 new TD mobile phone manufacturers. There were over 1,000 models of TD products,

and a total sales volume of over 150 million TD handsets.

We partnered with over one million enterprises of social channels, terminals and content providers. Our Mobile Market has more than 3.8 million registered developers. We opened major functions to cooperation such as billing, sales, message services, application hosting, and smart voice cloud. We adapted our business models to different market segments. For instance, we offered the highest revenue sharing scheme of the industry to video and comics partners to create a fostering ecology for incubating innovative applications and services. Working together with our partners, we

have released a variety of highly-rated mobile services such as mobile reading, mobile game, mobile video, mobile payment, location based services, smart voice portal, etc.

In 2014, we will further strengthen our industry collaboration across all aspects, including terminals and equipment manufacturing, channels, contents, applications and platforms, and accelerate integration of Mobile Internet and terminal resource, aiming at an open, healthy and collaborative Mobile Internet ecosystem that embraces the bright future of the 4G era together.



"In the next two years, over 320 billion yuan of output value would be generated by the TD industry directly, including 160 billion yuan from network construction investment, 60 billion yuan from terminal sales, and 100 billion yuan from telecommunication services revenue."

Luo Wen
President
China's Center for Information Industry Development

"As the only Chinese telecommunication company operating TD-SCDMA, China Mobile invested hundreds of billions in nationwide 3G network construction and greatly promoted the development of the TD industrial chain."

Yan Xiaofeng
Deputy General Secretary
SASAC



Better Cooperation and Stronger Support

We actively smoothed communication channels, improved cooperation procedures, and provided financial, technological, and management supports to our partners.

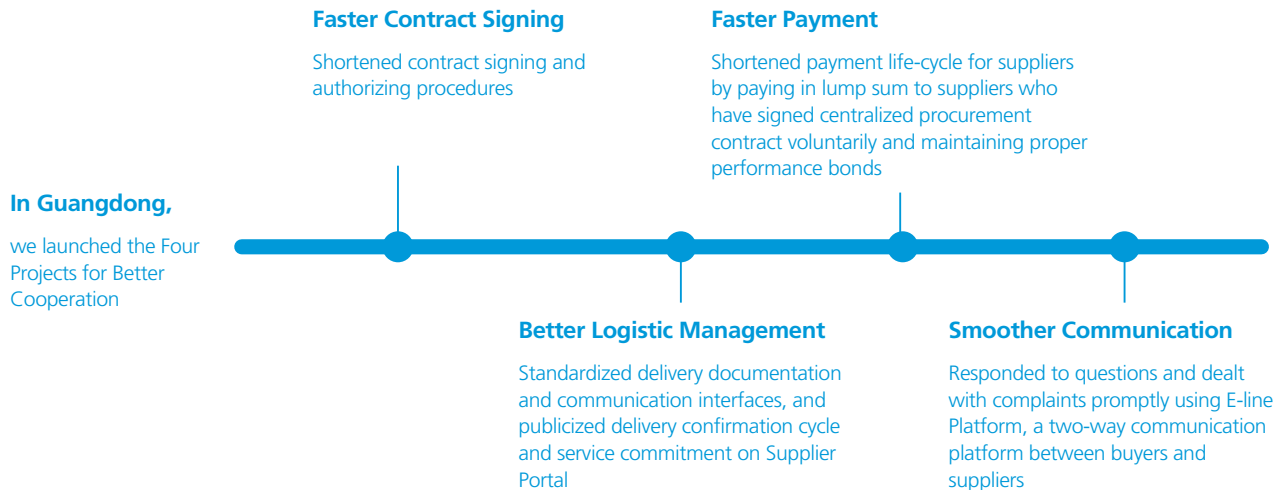
Better Cooperation

What we have done

- Compiled *Supplier Communication Guideline* and *Supplier Cooperation Guideline*
- Set up two-tier service windows covering our entire network and the nine bases
- Optimized communication interfaces of corporate portal, 400 hotline, Fetion public customer service, email customer service, service center for partners, etc., and established an Information Service Platform for Business Partners

Effects and results

- Provided clear guidelines for communication and cooperation with suppliers
- Responded to supplier demands quickly and effectively
- Provided unified and convenient access to communication platform
- Handled suggestions via the message board at the Supplier Portal



Stronger Support

In order to improve the quality of cable connect boxes and air conditioners, we engaged professional institutions to send specialists to conduct onsite inspections. We planned to expand this practice to 13 equipment categories in 2014.

In Hubei, we organized trainings on store-brand TD handset sales for channel agents, briefing them on different packages and incentive policies, handset development, and practical suggestions to enhance their sales skills.



In Guangdong, we cooperated with Shanghai Pudong Development Bank and offered preferential short-term contract financing to 39 suppliers.

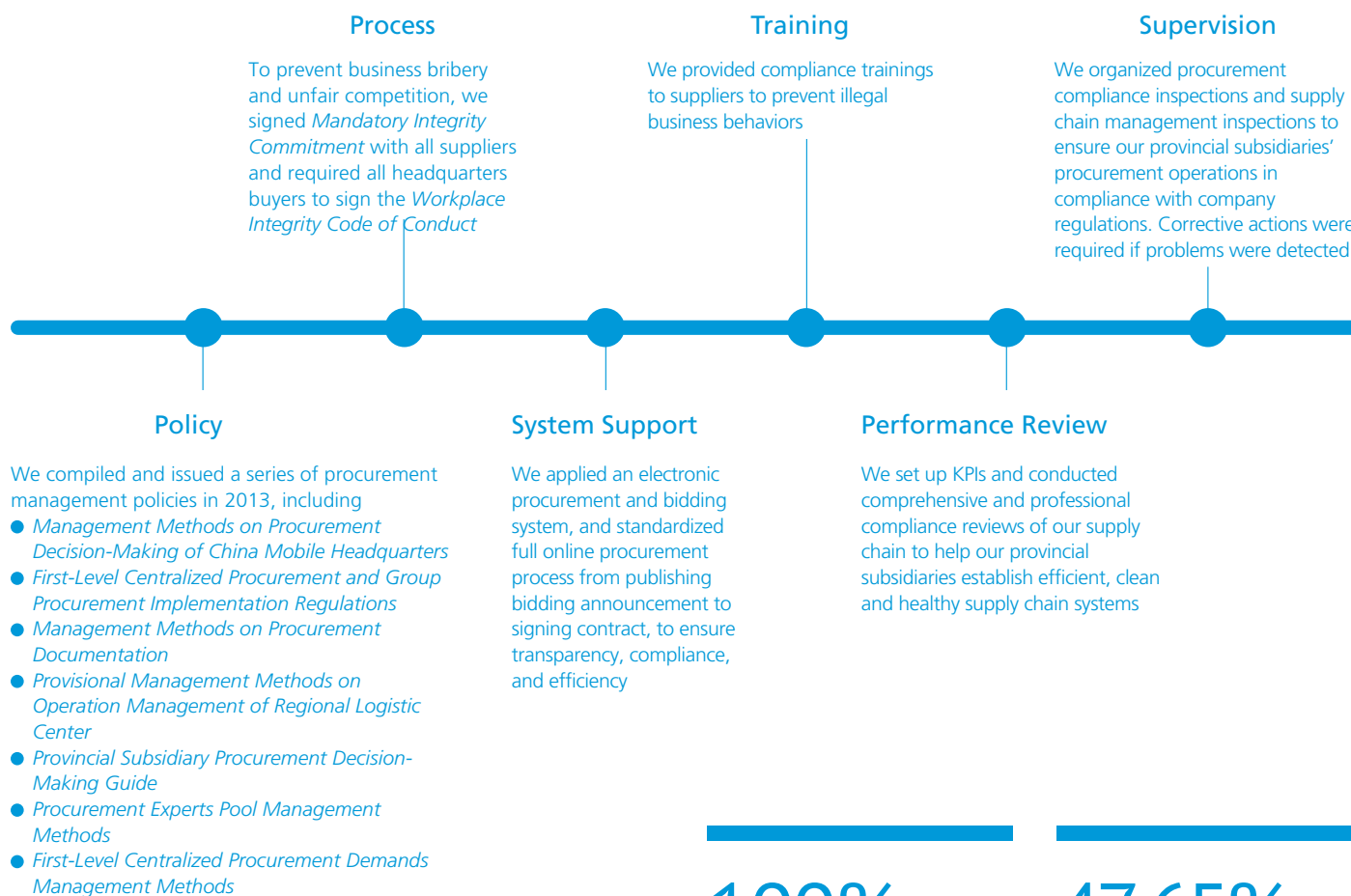
Shared Responsibility

To China Mobile, our value chain partners are not only partners for benefit, but also partners for responsibility. We are committed to promoting better responsibility performance of the whole industrial chain by improving procurement management, expanding responsibility requirements, and promoting green supply chain cooperation.

Improving Procurement Management

Aiming at a “zero non-compliance and zero violation” procurement process, we commit ourselves to building a healthy, sound and fair cooperative environment for all partners with continuous improvements in terms of policy, procedure, system, training, evaluation and supervision with helps of both internal and external authentications and assessments.

In Hubei, we organized the Annual Partners Forum on Business Integrity for the third consecutive year. Our goal was to raise the awareness of our procurement compliance policies and requirements among our suppliers. We strictly applied integrity policy to suppliers. Any supplier who was found with serious violation would be suspended for three years.



Note 1: The first-level procurement carried out by our group and the suppliers are first-level suppliers accordingly.

Note 2: The second-level procurement carried out by subsidiaries of provinces, autonomous regions and directly-administered cities, and the suppliers are second-level suppliers accordingly.

100%

455 first-level suppliers¹, 100% are local suppliers

47.65%

6,829 second-level suppliers², 47.65% are local suppliers



Improving Responsibility Requirements

To improve responsibility performance of our partners and ourselves, we expanded the responsibility boundary by integrating clear requirements into procurement policies and partnership management regulations, and explored ways

to work together with our suppliers to improve the overall supply chain responsibility, such as supplier authentication and supplier assessment with integrated requirements on the environment, labor, human right and social conducts of suppliers.

2013 GSM Antenna Centralized Procurement Program

We added the "Corporate Overall Competence" indicator and SA8000 certification status to our procurement criteria to measure the labor conditions, labor rights, and occupational health and safety conditions of our suppliers.

Policy

In 2013, we compiled *Supplier Management Methods*, which includes the following procedures regarding responsibility management:

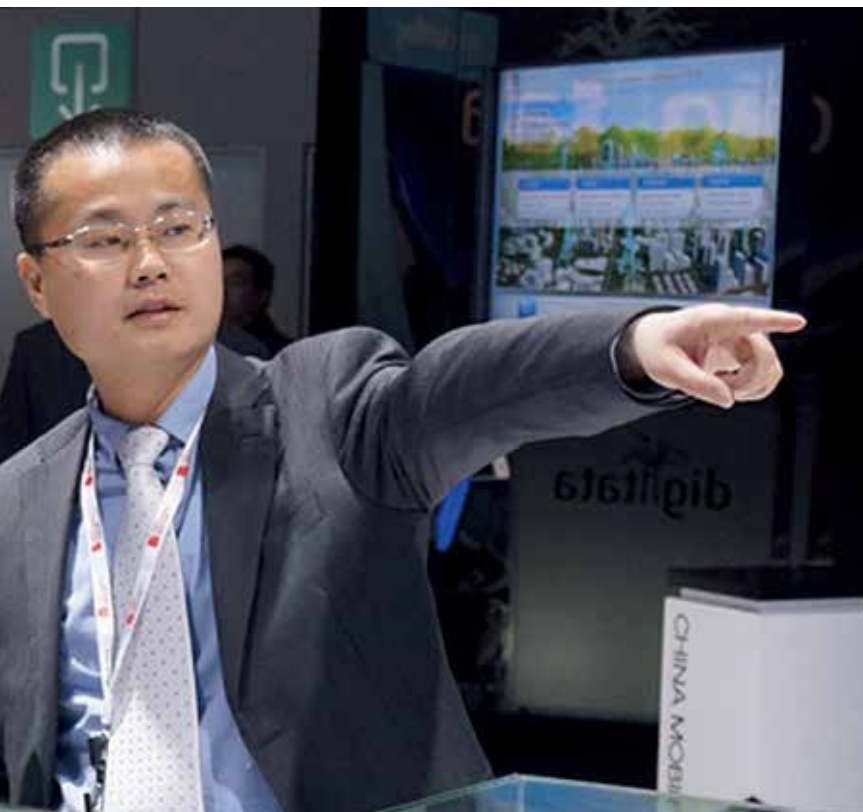
- **Sourcing (Registration)**
To ensure legal compliance of suppliers with authenticated registration information collected through the Supplier Portal and Supplier Information Platform
- **Authentication**
To assess and certify the eligibility of suppliers and their performance and capability with regard to legal compliance as well as environmental and social responsibilities
- **Performance Assessment**
To assess and rate supplier based on their overall performance score

Tool

In 2013, we compiled supplier authentication toolkits for 19 product categories that covering 35 categories of first-level centralized procurement products. The toolkits assess the performance of suppliers in energy saving and emissions reduction, labor management, health and safety management and integrity business, and require ISO 14001 (the criteria for an environmental management system) and SA8000 (Social Accountability 8000 International Standard) certifications for potential suppliers

Capacity

We organized skill trainings for supplier authentication personnel at provincial subsidiaries on responsibility performance assessment from August 27 to 29, 2013



Promoting Green Supply Chain Cooperation

We promoted green supply chain cooperation by actively encouraging and leading partners to develop eco-friendly technologies and products. We also collaborated with our suppliers to develop more green solutions.

Since we developed the telecommunication equipment energy conservation grading standards in 2009, we have applied the standards to different modules such as equipment selection, network access testing, network planning, engineering design, and network management and maintenance. The standards promoted and led device manufacturers to optimize structure, improve device integration and energy saving performance.

To effectively save packaging materials including metals, plastics, paper containers, pallets and crates, we worked with various equipment manufacturers to explore green packaging solutions as well as assessment methods and models for telecommunication equipment. In 2013, we saved over 100,000 m³ of timbers in Green Packaging and were recognized as the Pilot Enterprise of Timber Substitution in Packaging Materials by MIIT.

In Shanxi, we required GSM equipment suppliers to use the "paper carton + metal pallet" combination and achieved 100% recycle and reuse of green packaging materials.

Improving Telecommunication Equipment Energy Conservation Grading Standards

Compiled Wireless Network Equipment Conservation Requirements, adding qualitative requirements for software based on quantitative requirements for equipment to encourage suppliers to develop energy-efficient software

Updated Core Network Equipment Energy Conservation Grading Standard, adding grading indicators and requirements for 2G/3G/4G core network integration equipment

Updated Transmission Network Equipment Energy Conservation Grading Standard, adding new requirements for OTN equipment and updating requirements for PTN equipment respectively

Added TD-LTE Energy Conservation Grading Standard to control the relatively high energy consumption of some TD-LTE equipments used in the pilot network and ensure the overall energy efficiency of 4G network

Green Cable Reel

In Anhui, after 24 months of researching, four months of testing and 30 months of piloting, we developed an environmental friendly nano-plastic cable reel with outstanding engineering properties to replace wooden reels in use. It was estimated that 200,000 m³ of timbers (approximately equivalent to avoiding cutting down 24 km² of forest) could be saved if it was applied group-wide. This solution not only mitigates the negative environmental impact of timbers usage and disposal, but also generates positive environmental benefits and protects biodiversity.



"Besides the pollution caused by discarded wooden cable reels, parasites in wood materials may cause pest infestation in forests near the construction sites. Now with the green cable reel product, this hazard becomes well under control."

Wu Feng
Deputy Director
Bureau of Parks and Woods, Huangshan Management Committee

A New Dream with Customers

Over 767 million customers are our most valuable asset, and our utmost responsibility. Results of the stakeholder survey show that customers are most concerned about network quality, information security, service plan options, and customer communication. As Mobile Internet is integrated into every aspect of people's lives, our customers expect us to not only provide quality, affordable, and convenient services, but also to make concrete improvements in privacy protection, controlling spam messages, and preventing telecom fraud. In 2013, adhering to our philosophy of focusing on customers and services, we took a series of measures to address customer concerns, including improving network quality, streamlining service plans, lowering tariffs, strengthening privacy protection, and preventing illegal activities, making concrete progress in ensuring security, transparency and convenience for our customers.



Stakeholder Expectations

- A quality and reliable network
- Secure consumption and privacy, implement governance procedures upon receiving harmful information and infringement
- Transparent tariffs and customer rights guarantees
- Convenient service and timely response to customer demands

Our Approaches

- Carrying out the "Four-Network Coordination" strategy to lead in network quality
- Improving emergency support systems, carrying out emergency drills, and keeping the network stable during disasters or other important events
- Protecting customer information security with technologies, management and platforms
- Enhancing prevention and control of malware, spam messages and telecommunication fraud, restricting partners and avoiding behaviors which may damage customer rights
- Simplifying service plans, innovating an international roaming pricing model, and ensuring consumption transparency
- Communicating online and offline with customers

Our 2013 Achievements

- Achieved successful connection rates of 99.12% with GSM and 98.53% with 3G respectively
- Carried out 4,005 emergency support activities, with 465,443 person-times involved
- Promoted "Vault Mode" and customer information anonymization to ensure customer information security
- Conducted trainings on information security and privacy protection with attendance of over 390,000 person-times
- Regulated third-party channels targeting on eight types of violations
- Reduced Hong Kong, Macau and Taiwan as well as International roaming tariff by 46% on average, with the biggest cut at over 90%
- Reduced complaint rate per million customers to 32.3, the best in the industry for the fourth consecutive year

Our 2014 Efforts

- To boost 4G network deployment, strengthen network forecasting analysis and capacity, and switch from network optimization to optimization of customer experience and value
- To enhance supervision and ensure 100% compliance with "Vault Mode" and customer information anonymization
- To focus on existing customers, data traffic customers and corporate customers, and improve customer experience with better services
- To maintain the lowest complaint rate per million customers in the industry

G4-DMA

Ensuring Network Stability

In 2013, despite the difficulties of large network scale, complexity of network composition and the difficulty of achieving in-depth coverage, we continuously carried out the Four-Network Coordination strategy and optimized our networks in order to improve customer experience with our networks.



97.82%

3G coverage rate improved from 95.43% to 97.82%

The successful connection rate of our GSM network in 2013 was 99.12%, about the same as 2012; 3G coverage rate improved from 95.43% to 97.82%. Our overall network quality improved and we maintained industry leadership in voice quality. However, because of poor Mobile Internet experience, our end-to-end network quality satisfaction rate declined slightly. In some provinces, our leadership had narrowed to certain extents.

4,005

4,005 emergency support tasks carried out

In the 4G era, we will conduct more analyses on consumer network usage behaviors and data traffic patterns, optimize our capacity to forecast and allocate network resources, and replace network oriented management with the optimization of customer experience and network value.

As for emergency support, we continuously specified

465,443

465,443 person-times for emergency support

responsibilities, personnel and resource allocations, improved emergency action plans and drill mechanisms, strengthened coordination capabilities with better information solutions, and enhanced the overall effectiveness of our four-tier emergency support system that operates from group headquarters to regional, provincial, and city levels.



"China Mobile Gansu Company immediately rushed to disaster areas after the earthquake happened. The Company made great contributions to ensuring communication support for disaster relief operations by restoring mobile communication and setting up mobile service stations."

Meng Longhou
Vice Chief
Armed Police Corps of Gansu Province

Responding to Earthquake in Lushan, Sichuan

On April 20, 2013, an earthquake hit Lushan, Sichuan province. After the disaster happened, it took us ten minutes to activate emergency plan, and 30 minutes to organize our emergency support team and dispatch the first emergency service vehicle. We successfully restored the connection rate from 11% to 73% within one hour. The situation was still severe: communications in 18 townships were cut, over 1,026 kilometres optical cables were damaged, over 300 base stations stopped functioning, road system was severely damaged, and there were repeated aftershocks. In response, we airdropped emergency supplies and sent emergency support crew to enter the areas on foot. Within two days, we successfully resumed communication to all impacted areas. Within three days, we restored mobile communication for all customers. Our emergency support played an important role in ensuring the smooth implementation of disaster relief efforts.

Responding to Flood Disaster in Heilongjiang

In August 2013, a serious flood hit Heilongjiang province. China Mobile organized over 120 disaster relief personnel in several teams to provide emergency communication support. Each team safeguarded two to four base stations around the clock. We also set up 14 emergency service stations, which were used by 21,000 local residents and disaster relief workers. From August 15 to September 9, we reinforced 69 base stations with flooding risks, repaired more than 180 base station malfunctions, inspected over 14,000 kilometres of optical cable, and repaired 62 optical cable disruptions.

Guaranteeing Informed Consumption

Consumers have been complaining about unauthorized service subscription and charges. In 2013, we took specific measures to protect customer rights to know and improved our service process to ensure complete consumption transparency, including contract signing, service subscription, usage, and billing. As of the end of 2013, complaints about unauthorized service subscription had declined by 30% compared with the number before we took these measures in May 2013. The complaints about unauthorized subscription of Wireless Music, Mobile Reading and other services went down the most, by over 40%.

550 million

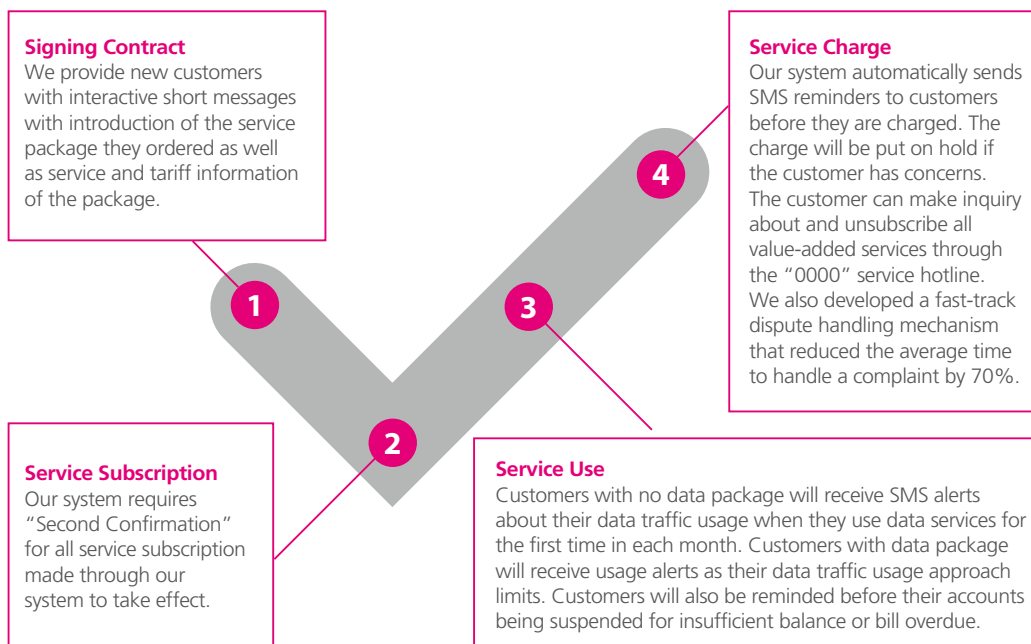
550 million SMS usage alerts were sent each month on average

51 million

"0000" inquiry and unsubscription service handled 51 million inquiries and 13 million unsubscriptions averagely per month

32.3

Complaint rate per million customers declined to 32.3 cases, remaining the lowest in industry for the fourth consecutive year



In Tianjin, we intensified the management of complaints of unauthorized service subscription by implementing the "Refund First, Investigation Next" policy and the "One Button Refund" practice. Once such a customer complaint was filed, the "One Button Refund" system would refund the customer directly and send a refund notification to the customer at the same time. It took less than a minute for the refund to be transferred to the customer's account. Meanwhile, the system queried and recorded payment history of the customer to analyze, track and supervise.

Regulating Social Channels

In 2013, we carried out a group-wide campaign to regulate social channels, mainly targeting eight types of behaviors that violate customer rights, including fake promise or promotion, unauthorized service subscription or changing service terms, conspiring with outside parties to harm customer interests, illegally obtaining customers' credits or rewards, selling customer numbers, and leaking customer personal information. During the campaign, 27,000 third-party channels were found with suspicious behaviors, and 4,005 of them were disciplined after their violations were investigated and confirmed.

Improving Customer Agreement to Protect Customer Rights

In 2013, we revised requirements for real-name system and customer information protection in four customer agreements such as the *China Mobile Customer Agreement*. The revisions reflected both our business focus and the new requirements of government regulations, and also helped customers to understand their rights and obligations regarding their personal information. Major revisions included:

- The *Customer Agreement*, *Ownership Transferring Protocol* and *Supplement Customer Information Protocol* all clearly specifies that customers must provide valid identification documents and real-name information when processing these transactions.
- The *Customer Agreement*, *Ownership Transferring Protocol* and *Supplement Customer Information Protocol* all clearly defines the scenarios and principles for collecting and using customer personal information and the corresponding rights of the customers.
- All four protocols add a clause on customer information protection, specifying that the Company is responsible for protecting all personal information we collected and used.

Protecting Customer Privacy

The growing existence of information technology and the Internet in our lives further increases risks of inadvertently reveal or improper use of personal data, which is a threat to social orders and public interests. China Mobile strictly adheres to our “Five Bans” on customer service. We took various measures to protect customer information security and gain customer trust. In 2013, we had no major incident of leaking customer information.

Enhancing Partnership Management to Protect Customer Information

For management approaches, we formulated partnership management methods and required them to sign *Information Security Commitment* regarding protecting customer information security. For technological approaches, we improved the security level of sending messages to customers and prohibited partners from directly sending messages to customers. They could only send messages to customers who have subscribed to their services or customers who have actively engaged them.

Customer Information Security

Customer Information Security means to prevent customer information from being used and revealed illegally. Customer information includes information collected by telecommunication operators and Internet information service providers during the process of providing services that can be used alone or in combination with other information to obtain the identification and service usage information of the customer, such as name, date of birth, ID number, address, phone number, account number, and password.

Vault Mode

Vault Mode refers to the practice that we restrict all sensitive information operations as how banks operate their vaults. Multiple levels of personnel are required to perform operation involving any sensitive customer information together.

Customer Service “Five Bans”

Do not disclose or exchange customer information; Do not send illegal information or commercial advertisement without customer’s consent; Do not subscribe or alter services for customer without customer’s confirmation; Do not collude with, cover up or allow providers of value-added services to disclose customer information, subscribe data and information services for customers, or do other activities that infringe customer rights; Do not collude with, protect or encourage channel or system partners to give out customer information, embezzle customer’s payment, transfer or close customer’s account without permission, sell phone number information, as well as other activities that infringe customer’s rights.

Revised *Customer Information Security Protection Management Regulations*, *Customer Information Security Controlling Matrix*, etc., formulated and issued the “Vault Mode” *Optimizing and Expanding Requirements*, *Service Regulations on Customer Information Anonymization on Customer Interface*, and *Management Methods on Information Security Assessment of China Mobile Internet New Technologies and New Services*

Systems

We comprehensively promote the “Vault Mode”, requiring simultaneous operation by two or more staff to prevent intentional leak of customer information by business support personnel. Now this practice has been applied to 36 important systems, covering all major network systems

We anonymize customer identification information towards outside interfaces such as sales outlets, third-party channels, and banks, to prevent improper access and leaking of customer privacy by our support personnel

We send SMS alerts to customers when sensitive customer data such as detailed call history or caller’s location are requested

We assess data security risks of new services. As of the end of 2013, we had assessed over 140 new services, found and avoided over 360 risks. We also targeted Mobile Internet services with significant social impacts and identified and avoided over 30 information security risks

Measures

Preventing Malicious Nuisances

Protecting customers from maliciously nuisances is the key to ensure the safety of consumption for customers. China Mobile set up a dedicated team and platform to prevent and deal with such malicious behaviors. We also carried out special campaigns to fight harmful information and activities, and maintain a safe communication environment.

Controlling Malwares

With the development of Mobile Internet and the popularity of smart phones, the number of mobile malware keep increasing significantly. We further improved our comprehensive defence system and adopted various measures to deal with this threat.

As of the end of 2013, we had detected over 75,000 different mobile phone malware, blocked 3,467 malicious attacks, issued 24 warnings to customers, investigated and disqualified 87 partners involved in malware. Our efforts to eliminate malware helped us win the recognition of "Excellent Contributions Award" by the Anti-Network Virus Alliance of China (ANVA) as the only telecommunication operator.

Eliminating Harmful Information

As mobile phones and technologies keep evolving rapidly, harmful information also keeps changing and remains as a tough problem that affects customer experience.

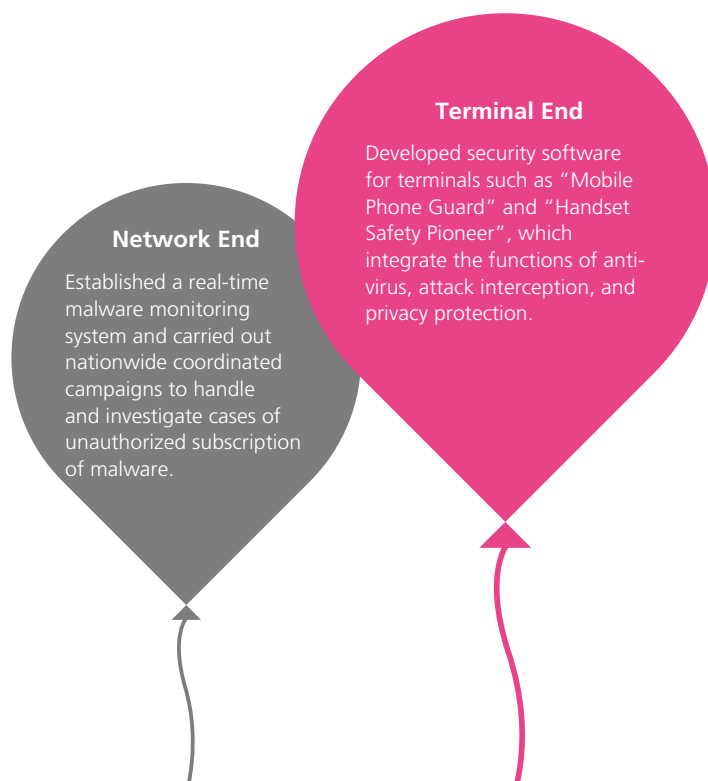
Supported by China Mobile (Luoyang) Information Security Operations Center, we carried out the Special Action on Protecting Network and Information Security in 2013. This action targeted at cleaning up and shutting down ports from where spam messages were sent. As of the end of 2013, we had cleaned up over 450,000 ports and shut down over 30,000 ports. As a result, the daily complaint rate about spam messages spread through port had declined by 84%.

Preventing Telecom Frauds

Since September 2013, "Fake Base Station" has caught people's attention. It can scan, capture, and send spam or fraud messages from a disguised number. Many of our provincial subsidiaries had cooperated with local law enforcement agencies to crack down on fake base station cases and solved a number of fraud cases.

We also carried out clean-up activities against software products that were used to disguise caller/sender identification. We urged eight application markets to delist such products. We also worked together with other operators to establish long-term cooperation to prevent telecom fraud. In addition, we streamlined our procedures to cooperate and communicate with law enforcement agencies to target telecom frauds.

In Fujian, we developed the "Telephone Fraud Voice Alarm System" by using behavior analysis and data mining technology. The system could identify suspected phone numbers, and then warn the recipient by voice or text messages. From May 2013, when the pilot started, to December 2013, the system identified 20,446 suspected phone numbers and sent out over 1.8 million warnings cumulatively.



Special Campaign on Spam Messages

In 2013, we carried out a group-wide special campaign on spam messages. Led by the Internal Audit Department, a team of 130 employees from related departments worked together for over 2,700 person-days. As a result, the spam message complaint rate kept declining since September 2013, with a significant drop in the period of October and November 2013.

Closed-loop Controls of Mobile Pornographic Websites

In 2013, we launched a special campaign to clean up pornographic information and websites in compliance with laws and regulations in China. Over 1.08 million websites were reported as suspected pornographic websites. We then monitored and blocked over 40,000 confirmed pornographic websites. Over 870,000 websites had been blocked accumulatively since we started cleaning mobile pornography in 2009.

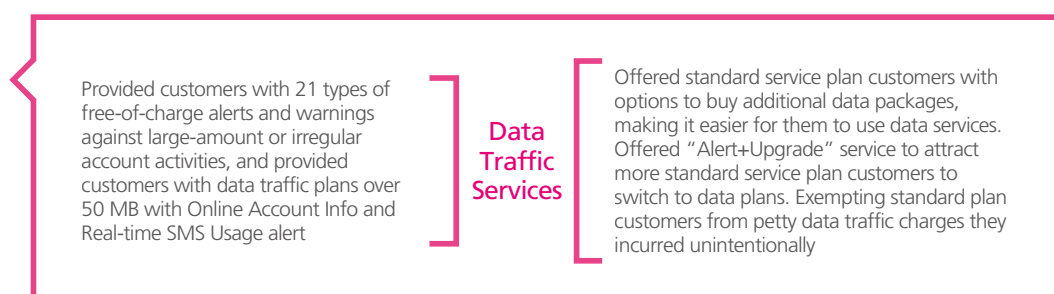
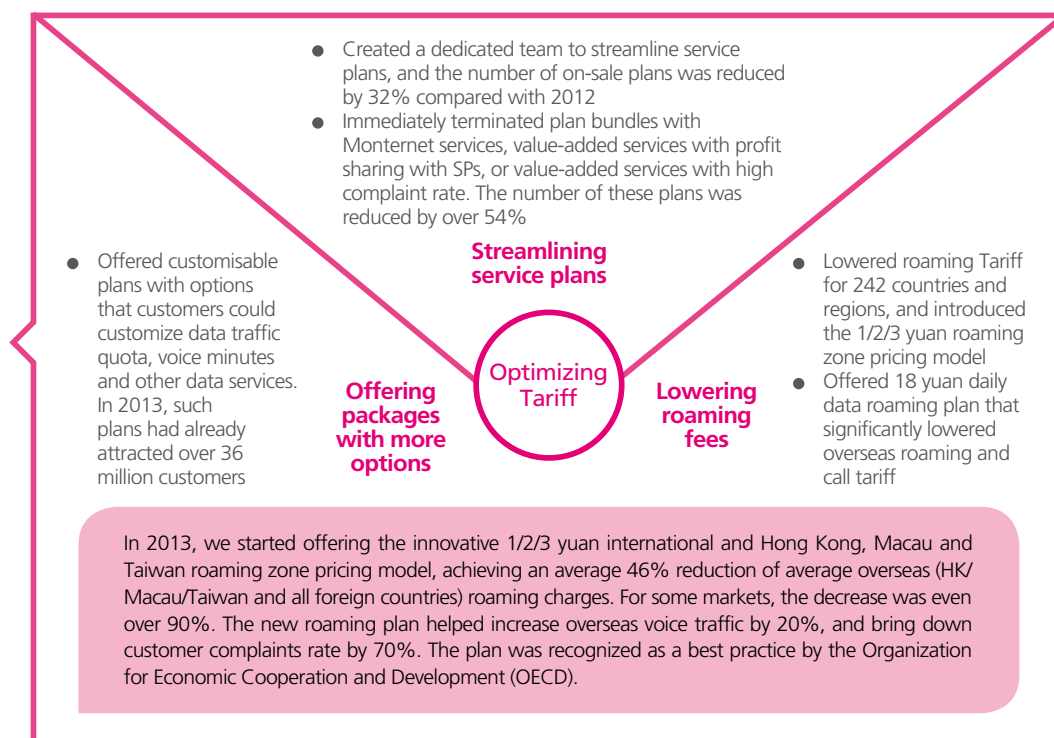
Offering Options to Choose

Optimizing Tariff

Various service plans provide rich choices for customers, but too many of them might cause confusion and make it difficult for some customers to understand and choose suitable plans. In 2013, China Mobile took optimizing service and plans as one of our focuses to improve customer experience.

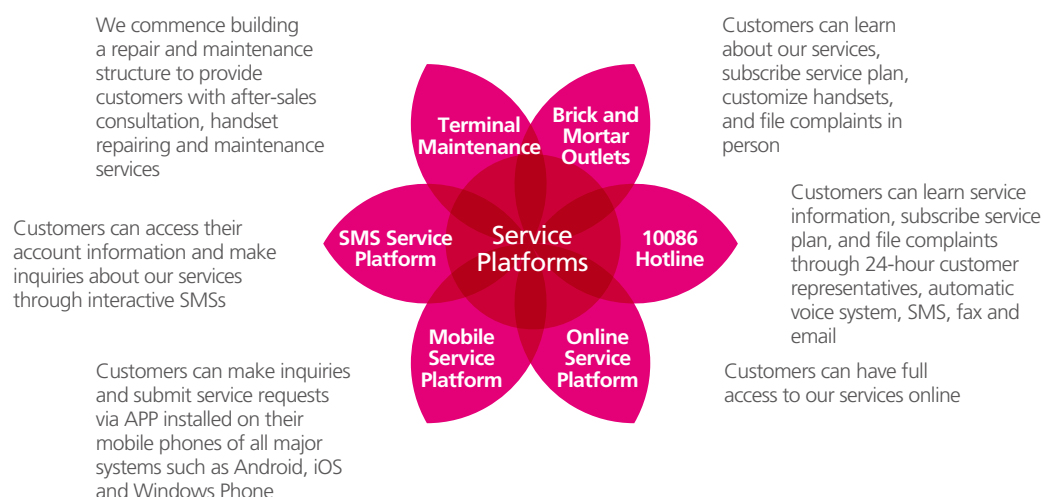
Data Traffic Services

The rapid development of Mobile Internet boosts data traffic service consumption. Customers are paying greater attention to data services instead of focusing on voice services only. In 2013, we carried out a number of measures to improve our data traffic services.



Providing Convenient Services

China Mobile aims to provide customers with convenience through rich service channels and simplified service process. In 2013, we upgraded our Business Operation Supporting System so that the response time of online business portal was reduced from 4.52 seconds to 3.54 seconds, the response time of SMS service platform was reduced from 12.31 seconds to 8.92 seconds, and the rate of timely repairing of self-help terminals was increased from 75.3% to 83.3%.



91%

We have 1,131 after-sales repair and maintenance outlets covering 91% of regions at city and above levels in Mainland China

8.5 million

Over 8.5 million mobile service platform APPs had been installed; 2.8 million average active customers with average usage of 23 minutes per month

Improving Customer Communication

We provide customers with various communication channels, including physical outlets, 10086 hotline, email, SMS, website, etc., through which we interact with customers by listening to their feedbacks and complaints and using these information to further improve our service quality. We engage customers and experts directly in the process to continuously optimize our 10086 hotline. Since its launch in July 2013, the new 10086 hotline system received positive feedback and significantly improved customer perception.

79,970

In 2013, we received 79,970 person-times on Customer Days, handled 78,096 inquiries and collected 54,654 suggestions

293,000

Over 293,000 complaints were handled through our website and Weibo in 2013

77.75%

In 2013, we kept our industry leadership in customer satisfaction with a comprehensive satisfaction rate of 77.75%

In 2013, we integrated and improved our customer communication channels and developed a multi-layered interactive platform to engage our customers both online and offline. We addressed customer complaints and communicated with customers online through our official website and Weibo. We also hosted

events such as Customer Day to communicate with customers directly. In addition, we actively collected and analyzed customer feedbacks on concerned issues such as network quality, service tariff, and unauthorized charges, and used these feedbacks to help us further improve service quality.

In Zhejiang, we developed a template for preliminary handling of customer complaints over overseas roaming tariff and an express channel for handling and solving customer complaints. With clear authorization for front-line personnel and full-process tracking, these efforts were able to help resolve overseas roaming tariff related complaints quickly.

Online

Website and Weibo

In 2013, we collected over 56,000 customers' suggestions, issued 2,492 service notices, communicated with over 1.9 million people, and handled over 293,000 pieces of customer complaints.

Offline

Customer Day

In 2013, we organized 12 Customer Day activities, involving 79,970 customers and 5,750 general managers of subsidiaries at city level or above, handled 78,096 customer inquiries and complaints, and collected 54,654 customer suggestions.



Customer Satisfaction Third-party Survey

We had been carrying out third-party independent surveys on customer satisfaction for 14 years consecutively, which covered more than 300,000 samples nationwide each year. We used the survey results both in annual subsidiary assessment and improvements of key factors affecting customer satisfaction.

In 2013, we identified 19 factors that affected customer experience and developed a customer satisfaction assessment system accordingly. We surveyed customers through various channels, including phone calls, SMSs, website and one-on-one interviews. The results showed that our 2013 comprehensive satisfaction was 77.75%, 0.25 ppt higher than the level of the beginning of the year.

In the future, we will keep focusing on and improving customer perception with emphases given to key customer groups such as existing customers, data traffic customers, and corporate customers.

A New Dream with Employees

Employees are the foundation of China Mobile's innovation and development, as well as the ones who provide customer service and implement innovative practices. Employees expect a healthy and safe working environment, fair promotion opportunities, promising career paths, and more importantly, respect and appreciation of their value. China Mobile provides a safe, stable, and harmonious working environment to meet employees' needs, while supports career development and carries out employee care to realize growth together.



Stakeholder Expectations

- Occupational health and safety
- Fair treatment and a good career development platform
- Respect, appreciation, and a harmonious work place

Our Approaches

- Guaranteeing occupational health and safety, regularly inspecting safety conditions, and improving safety-related processes
- Innovating training and evaluation methods, and providing training opportunities
- Carrying out performance-based incentives, and giving more career development options and choices
- Comprehensively implementing the Employee Assistance Program (EAP), establishing "Employees' Homes" to organize various leisure activities
- Developing excellent employee awards to recognize model employees

Our 2013 Achievements

- Carried out 1,120 emergency drills with a 85% participation rate; no safety incidents or casualties in 2013
- 989,000 person-times of employees were trained, with an average training time of 61.2 hours per employee
- Performance-based remuneration system adopted for all sales and call center employees and managers; pilot systems launched for front-line employees
- 90.05% employees received health checkups; EAP covered 250,000 employees (including contractors); 235,000 employees participated in leisure activities
- 72% of all subsidiaries and branches established "Model Employees' Homes"
- Hosted the "Most Admirable Mobilers" campaign

Our 2014 Efforts

- To issue a series of regulations, including *China Mobile's Safety Management Regulations in Equipment Rooms, Base Stations and Sales Outlets*
- To ensure that at least 92% of employees receive health checkups
- To issue the *China Mobile EAP Development Plan* to provide guidance for our subsidiaries
- To improve the percentage of "Employees' Homes" established in provincial subsidiaries and city branches to 75%

Safety and Health

China Mobile actively adheres to workplace safety practices and takes occupational health and safety as a top priority. We are committed to providing our employees with a safe and harmonious working environment.

Workplace Safety

In 2013, we carried out two workplace safety inspections, and implemented on-site safety monitoring in 27 provincial subsidiaries, accounting for a coverage rate of 87%. Among the 15,171 safety hazard cases discovered, 94% were rectified. All subsidiaries accomplished their internal monitoring.

We actively promote a culture of safety, raising safety awareness among employees by hosting front-line level activities and organizing various safety training programs and emergency drills.

In 2013, we issued four safety management guidelines, including *China Mobile's Management Measures on Transportation Safety* and *China Mobile's Management Measures for Safe Production and Work Protection*; and explored and established standardized and centralized safety management models, such as a pilot program we developed in Liaoning, Shanxi and Tianjin, which involved a centralized safety monitoring and management platform.

In 2013, no safety accidents or casualties occurred.

Physical and Mental Health

We regularly organize our employees to receive health checkups. In 2013, 90.5% of our employees had health checkups. We developed the Employee Assistance Program (EAP) to help employees mitigate work stress and improve their mental health. As of the end of 2013, our headquarters and all provincial subsidiaries had implemented EAP, covering over 250,000 employees (including contractors).

250,000

Our EAP covered over 250,000 employees (including contractors)

1,120

We carried out 1,120 emergency safety drills, with a participation rate of 85%

Advanced training for key EAP trainees	Organized conference for EAP sharing	Expanded the scope of EAP
60 trainees were selected out of 180 EAP trainees to form a key EAP trainee team and provide EAP with talent support.	We promoted knowledge sharing, learning cutting-edge theories and trends to further develop our EAP.	We hosted lectures on mental assets and leadership, provided psychological counselling to all employees, and distributed electronic journals about mental health.



Beijing: Practising how to use a fire hose



Guangdong: Mental health salon



Shaanxi: A theme activity of "Showing your dreams"

Training and Career Development

We are committed to providing employees with a supportive career development platform. Various training options are offered to help our employees grow.

The China Mobile cell phone learning platform was launched in January 2013. Nearly 100,000 employees registered, and had logged in for 222,000 person-times in using the platform to study.

Knowledge Acquisition

We continually improve our training system and innovate our training practices, aiming to enhance the capability of our talent with training and learning opportunities.

989,000

989,000 person-times of employees received training, with an average training time of 61.2 hours per employee

11.5

million

Our Online University attracted 11.5 million person-times with an average of 25 studying hours per participant

Training Practices



We developed the "Mixed Learning Practice on Rapid Development for Technicians" program by integrating various study platforms such as face-to-face training, our online university, online tests, and mobile learning. This program was awarded the 2013 Best Practice Award by the American Society for Training & Development (ASTD). It is a global showcase program for training and learning.

Training Evaluation



We established an "Innovative, Closed-loop Management and Training Evaluation System".

Sharing Resources



We centralized group-wide training resources to fully use our resources and increase expertise and efficiency.

Career Development

We support employee career development and provide employees with opportunities for growth by improving our promotion mechanism, our internal position rotations, and our exchange mechanism.

In 2013, we selected 15 employees from our headquarters and dispatched them to seven provincial subsidiaries to gain first-hand experience at different positions. We also organized seminars to allow first batch of rotated employees to share their experience and feedback in their new positions in 2012. We organized a special

talent rotation program between our headquarters and affiliated institutions; six employees were selected to participate in this program. We also selected three headquarters employees to work in China Mobile International Limited, further expanding the scope of position rotations.

We provided a variety of career development platforms, such as recommending employees to participate in the National Special Support Plan, the 100-1000-10000 Talent Program, the China Youth Technology Award and others. We developed a talent reserve

system for senior management talent, established a management reserve pool with 153 candidates, and selected 135 promising young managers (born after 1975).

We also increased the support available for our employees in acquiring professional certifications and in passing tests, in order to encourage them to continuously enhance their professional capability. In 2013, we organized 925 examinations with the participation of 190,000 employees. This was respectively 1.6 and 6.9 times higher than last year's numbers.



"The opportunity to work at the front line is precious. I can enrich my experience, gain stronger abilities, and contribute to the development of the provincial subsidiary with my experience. In the new position, I need to face millions of customers directly, so haste and pressure to achieve KPIs becomes a part of life. However, it is also the best place to prove our marketing strategy and my own ability on the front line. I feel rewarded and happy when I see customers smiling."

Zhang Mingwei, Project Manager of Department of Data Services at Headquarters
Rotation position: Vice Manager of Marketing Department at China Mobile Shandong Company, Weifang Branch

Respect and Recognition

On the basis of ensuring employee rights and of providing development opportunities, we focus on establishing a reasonable performance and remuneration system that would show our respect and recognition for our employees' value and contributions, in order to help them maintain work-life balance.

Rights Protection



Performance-based Remuneration System

Our performance-based remuneration system was established on the "Achieve More, Earn More" principle. As of the end of 2013, the system had extended to all sales employees, call center employees, corporate customer managers and telesales managers. We also implemented reforms upon front-line employees in relation with network functions, applying a quantified performance-based remuneration system to provide them with positive incentives.



Employee Participation

We encourage employees to participate in corporate decision-making and supervision through channels such as employee representative conferences and corporate affairs briefings; each of our provincial subsidiaries holds employee representative conference at least once per year. As to changes that impact employee rights or have significant impact on the company, we would involve employee representatives in decision-making process.



Collective Negotiation

100% of our employees have signed labor contracts and all provincial subsidiaries have signed collective agreements. 100% of all regular employees are labor union members, and 98% of all contractors are union members either at their direct employers or China Mobile. All provincial subsidiaries conducted collective salary negotiations, and over 50% of them have signed collective salary agreements.

Supporting Diversity

We pay close attention in supporting the development of female employees. We set up the Female Employee Committee (FEC) to better protect their rights. We also actively support the career development of female employees through activities such as female worker skill competitions or innovation competitions.

With respect to contractors, we participated in the Deepening Labor Market Reform survey in 2012. In 2013, we issued the *Notification of Carrying out the Revised Labor Law to Further Regulate Labor Management*. Meanwhile, labor unions at all levels organized discussions and collected feedback from contractors upon the *Provisions on Contractors (Draft)*.

- Organized female senior management seminars on the strategic transformation and sustainable development of our company
- Organized trainings for Directors of FECs in provincial subsidiaries to enhance female employee mentoring
- Conducted a forum on methods to support female employee career development and to protect female employee rights at the bottom level. Over 70 management staff of FECs participated

Work and Life Balance

We established Employees' Homes at our provincial subsidiaries and their city branches, as well as Employees' Little Homes at some county-level branches. These are aiming at creating a warm and comfortable workplace. In 2013, 72% of provincial subsidiaries and city branches had established Model Employees' Homes. Moreover, we formulated comfort policies on providing support and condolences to employees in straitened circumstances.

We organized and encouraged our employees to participate in a variety of activities, including the Cloud Image Mobile Phone Photography Exhibition during the first Beijing International Photography Week, bowling games at the World Enterprises' Games, as well as table tennis competitions, bridge games, and internal painting and calligraphy exhibitions. In 2013, employee participation in our organized cultural and sports activities was over 235,000 person-times.



Feature: Most Admirable Mobilers

In 2013, to pay homage to those employees who work in ordinary positions and continuously contribute to our development, we launched our first “Most Admirable Mobilers” campaign. The selection process lasted for eight months and a total of 260,000 votes were received from all employees (including contractors). Finally, 18 employees and teams were awarded the title of “Most Admirable Mobilers”. 98 employees and teams were nominated and 23 units were granted “Excellent Organization” awards. Among other things, the couple of Qimei Duoji and Bianba Zhuoma was also awarded in a popular Internet “Loving Hearts Campaign” in 2013.

Serving Customers / 1-4
Ensuring Network Safety / 5-8
Contributing to Society / 9-10
Exploring and Innovating / 11-13
Working Hardly / 14-18



“During the visit to our headquarters, I witnessed the strong spirit embodied by the Most Admirable Mobilers. Their figures are emblazoned in my mind. With cohesion, solidarity and capability, we are such a great team! I am sure that we will do a better job in the future. During this process, let's hand this spirit to others and work together towards a better future!”

Yuan Ying
A model employee at
China Mobile Xizang Company



- 1 Wang Yan, a “headset-wearing angel” dreaming of serving a million customers
- 2 Li Xiaoya, an excellent team leader like “Mulan”
- 3 Tian Fang, the “mobile island queen” serving in a branch office on a remote island in Bohai Sea
- 4 Jing Weijuan, a “smiling ambassador” on the front lines
- 5 Li Zhan, an “Iron rose” who takes innovation as her mission
- 6 Zhu Zhiwei, a “network guardian” on the shore of the East China Sea
- 7 Gu Ming, a “network pioneer” who connect lives through optical cables
- 8 Qian Shaoyu, a “sturdy fighter” who devotes himself to the mobile industry
- 9 Mukedansi, sharing her big love like mom
- 10 Yuan Ying, a model employee working in Xizang
- 11 Zhou Hui, an expert who pursues technology advantage
- 12 Huang Shaowen, an innovative “Superman” who ensures a reliable service network
- 13 The TD-LTE taskforce focused on technological breakthrough and industrial promotion, a 4G “dream team”
- 14 Qimei Duoji and Bianba Zhuoma (a couple), operating a China Mobile outlet at the foot of Holy Mount Kailash
- 15 The Sansha network construction and maintenance team, working against harsh natural conditions in Sansha, South China Sea
- 16 Wang Ronghu, a Mobiler who faces hardship in working in the southwest frontier of China
- 17 Ma Xingyi, a die-hard worker
- 18 Qiu Naidong, a model leader with honesty and self-discipline

A New Dream with Communities

Communities exert significant influence on corporate development. Various corporate operations and activities impose potential and long-term influence on communities. Our surveys reveal that the public expect China Mobile to effectively manage EMF, actively participate in community development, repay society with community investment, support social development under the obligations of a large responsible enterprise. In 2013, we further enhanced our dialog with communities and committed to building a glorious homeland through in-depth community engagement and sustainable supports for social charities.



Stakeholder Expectations

- Safer living environment
- Community construction and development support
- Public welfare support, value sharing with vulnerable groups

Our Approaches

- Optimizing the management mechanism of EMF, strengthening community communication and information disclosure
- Supporting poverty alleviation works in underdeveloped areas, and offering additional support through innovating poverty alleviation models
- Along with the China Mobile Charity Foundation, using the strength of our provincial subsidiaries to promote social harmony by supporting education development, and by aiding vulnerable groups
- Encouraging our employees to do volunteer work, starting a volunteer platform to enable all parties to voluntarily contribute to their communities

Our 2013 Achievements

- Issued *Assessment Approaches of Electromagnetic Radiation in Base Stations*, completed the detection of environment impacts on more than 120 thousand base stations
- Invested 40.43 million yuan for poverty alleviation in Xinjiang, Xizang, Qinghai, Heilongjiang and other impoverished areas
- Cumulatively trained 10,795 principals, established 216 China Mobile Libraries and 206 multimedia classrooms in 23 provinces in the central and western regions of China through the China Mobile "Blue Dream" Education Aid Plan
- The China Mobile "Heart Caring Campaign" provided free screening to 5,241 children in poverty and completed surgeries for 748 children diagnosed with congenital heart disease
- Released the *"Guiding Opinions on Further Promoting Volunteering in China Mobile"*; employee volunteers reached 98,581, contributing 522 thousand service hours this year

Our 2014 Efforts

- To ensure that EMF from our base stations is qualified and enhance the disclosure of radiation information
- To provide effective relief measures in impoverished areas
- To strengthen the evaluation of public welfare programs and standardize them in provincial subsidiaries
- To target our available welfare resources into impoverished areas, with plans to complete trainings for 11,000 principals, donate 200 libraries and 190 multimedia classrooms, and provide treatment for 850 children with congenital heart disease
- To provide volunteer opportunities for employees and encourage more people to participate



Enhancing EMF Management

In the process of providing quality communication services to our customers, we pay great attention to protect the health and safety of local communities with strict management of electromagnetic radiation from the network to ensure its compliance with national standards.



Hubei: We organized a telecommunication-themed summer camp and invited students to visit our base stations and learn about EMF knowledge.

In 2013, we urged our provincial subsidiaries to contract qualified third-party organizations to assess the environmental impacts of our base stations. Over 120,000 base stations were evaluated and more than 99% of them were in compliance with national EMF requirements. The remaining ones passed re-evaluation after taking corrective measures.



Improving EMF Management Mechanism

We strictly complied with the requirements of the *Electromagnetic Fields Management Methods* and issued *Assessment Approaches of Electromagnetic Radiation in Base Stations*. In 2013, we conducted quantitative assessments of EMF management in Jiangsu and other ten provincial subsidiaries. We also organized trainings and sharing sessions for front-line personnel to learn about risk communication strategy, technical standards, and laws and regulations related to EMF.

Information Disclosure on EMF

Strictly in compliance with the *Provisional Regulation on Public Participation in Environmental Impact Assessment*, we demonstrated environmental impact information, both before and after the construction of a base station, to the public to help local communities understand how base station works and what its impacts are really like. In 2013, we invested 1.8 million yuan and developed an EMF monitoring system. The system was piloted in Shandong, Henan, Guangxi, and Gansu provinces, providing real-time base station EMF data to the public.

Raising Awareness of EMF

We continuously improve our communication with the public to raise their awareness and understanding of EMF related issues with science education.

Making Educational Videos:

We cooperated with China Central Television (CCTV) and All China Environment Federation (ACEF) and jointly produced the science education program *In Touch with Electromagnetic Waves* and a special program, *The Truth about Base Station Radiation*. In these programs, we thoroughly explained the science, technical standards and health impact of base station radiation.

Producing Knowledge Reader

Reader: We compiled the knowledge reader *ABC of Mobile Communications and Electromagnetic Radiation*, provided a comprehensive introduction to EMF related policies and regulations, technical standards, and health impact.

Green Base Station, Transparent EMF Information

In March 2013, an electronic bulletin board was set up in a residential neighbourhood in West Lake District of Hangzhou, displaying the location of base stations in the neighbourhood, their EMF radiation readings, and knowledge and tips regarding EMF radiation. This was a pilot of the Green and Harmonious Electromagnetic Environment project that we innovated, and it was the first one of such programs in China. The micro-cellular mobile communication technology does not cause harmful radiation. The purpose of this program was to change people's concern over EMF radiation through "seeing is believing".



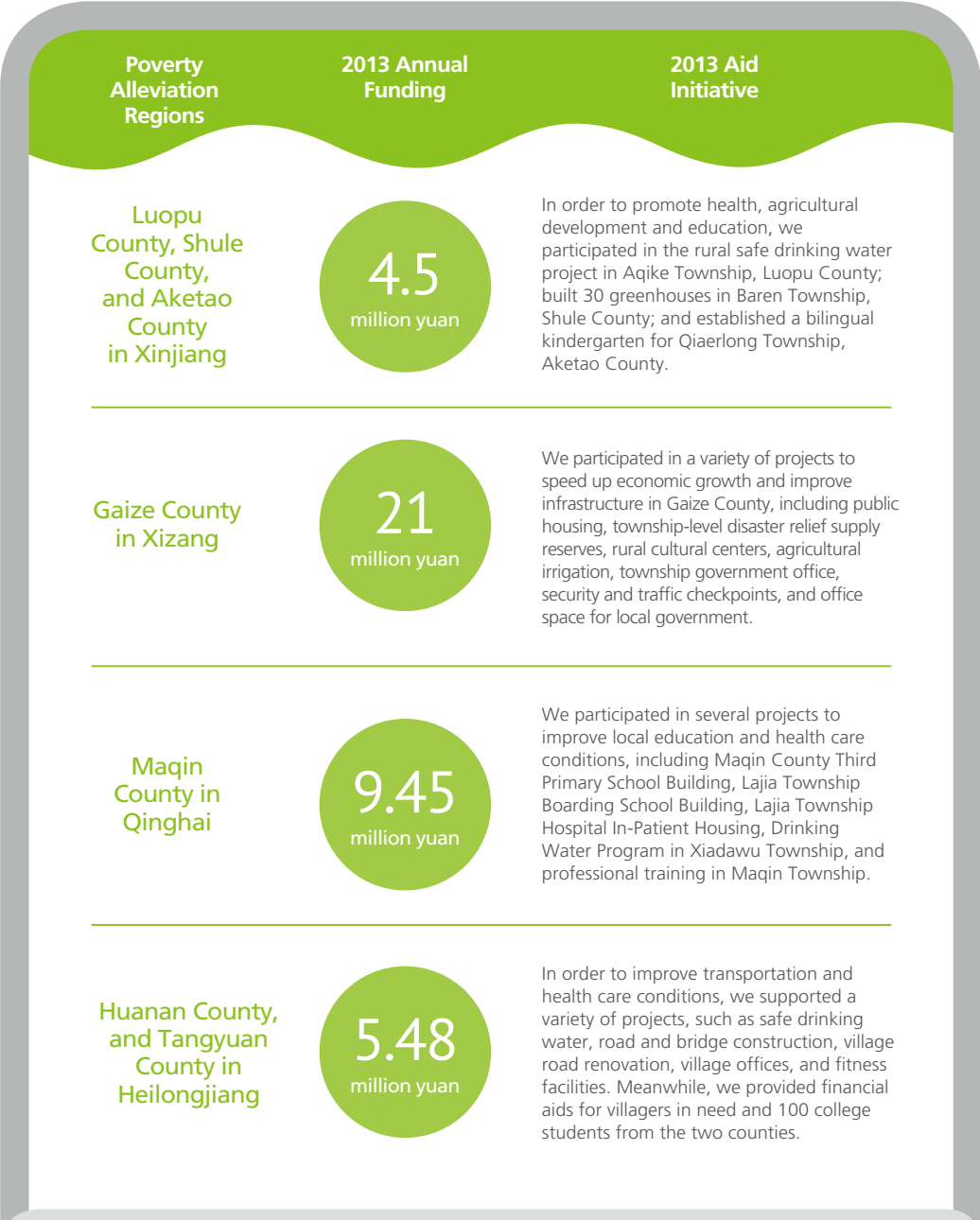
Supporting Poverty Alleviation

As a large public service corporation, it is our responsibility to support poverty alleviation, and contribute to local development.

In 2013, we actively took great efforts on poverty alleviation and development support. We reshaped and strengthened our poverty alleviation management model, particularly at provincial subsidiary level. We formulated the *Projects and Funds Management Methods for Poverty*

Alleviation Projects and established a three-tier management structure to ensure sound financial management, quality control and compliance of poverty alleviation projects. In 2013, we donated 40.43 million yuan to provide continuous supports for these programs.

Gradually, we had phased out the traditional poverty alleviation model centered on charitable donations and adopted a new model centered on capacity building in business, technology, and management skills, empowering people to pursue development with their own efforts.



Supporting Community Development in Xizang

In Xizang, we actively carried out a variety of poverty alleviation projects at village level, including improving village management, ensuring access to communication, organizing cultural events, conducting trainings, and participating in disaster relief operations. We also conducted in-depth investigation to understand the needs of local villages and helped them solve problems. In the past three years, we had dispatched over 260 employee volunteers in 38 teams, and supported rural development with over 50 aid projects in 18 villages.

Supporting Equal Education Opportunities

Supporting education is a top priority of our philanthropy investment. We focus on helping children in central and western China to realize their dreams and change their lives through better education.

Blue Dreams, Changing the Future

We launched the China Mobile “Blue Dream” Education Aid Plan in cooperation with the Ministry of Education (MOE) and China Education Development Foundation in 2006. We are committed to helping improve education quality and facilities in underdeveloped

areas in central and western China. During the last eight years, we had already supported trainings for 59,000 primary and secondary school principals from these regions, and donated 1,910 China Mobile Libraries and 880 multimedia classrooms for rural schools in these areas.

In Henan, we have been carrying out the “Love Rally” education support campaign for eight consecutive years. In 2013, we provided financial aids to 300 college students and offered them work-study opportunities to support their education.

Principal Training

We organized shadow trainings and remote trainings for primary and secondary school principals from rural areas in central or western China to help them broaden management horizons and improve teaching quality. We arranged for them learn from top schools and helped them improve their management capability and diagnose problems they had back home. In 2013, the program trained 1,014 principals through shadow trainings and 9,781 through remote trainings.

Libraries and Multimedia Classrooms

Schools in under-developed rural areas often do not have any library and book collection. In 2006, we cooperated with the MOE to donate China Mobile Libraries to primary and secondary schools in central and western region. In 2009, China Mobile Charity Foundation added multimedia classrooms into this program. In 2013, the program built 216 China Mobile Libraries and 206 multimedia classrooms.



Go, Principal!

Fang Jiancai is the principal of Xixia Yilong Hope Primary School in Yinchuan, Ningxia. When he took this position, the conditions of the school were extremely poor and he was frustrated and clueless on how to improve. The principal training opportunity was a lifesaver for him, allowing him to gradually reshape his goals during the two weeks of onsite training. Upon his return, Fang started cultivating the sense of belonging from the teachers to their school and their students. The school started changing. It was his belief that hard work would pay off, and their school would become a loving home for both teachers and children.



“I am studying and observing everything right in front of my eyes, such as the philosophy and approaches to manage a school. Particularly, how to manage with human touch, with scientific method, and with systems. I am taking everything back with me that can help my school to develop.”

Fang Jiancai
The principal of Xixia Yilong Hope Primary School

IT Trainings

From 2012 to 2015, we worked and will work with the MOE to participate in the nationwide IT competency training program for primary and secondary school teachers in central and western China. The program planned to provide 200,000 teachers with a minimum of 50 hours of remote trainings each person, and provide 2,000 core teachers with 30 hours of group trainings. In 2013, we completed the development of training materials and online courses. We also conducted three group trainings to 600 core teachers.

IT Competitions

We sponsored the nationwide School Information Network Cup Computer Assembly Contest and the National Primary and Secondary School Teacher IT Thesis Competition. Over 5 million people participated in the contest and assembled over 100,000 pieces of work, and over 100,000 teachers participated in the thesis competition.

Research Funding

As of the end of 2013, we had funded nearly 100 million yuan in research funding to universities, including 40 million yuan to Beijing Normal University and Central South University to fund the joint research lab with the MOE on Mobile Learning and Mobile Health. We allocated 38 million yuan to fund special research projects with universities, with 20 programs already been launched.

Caring for Vulnerable Groups

Assisting vulnerable groups in need is conducive to upholding social justice and promoting social harmony. We took concrete measures that addressed the special needs of the vulnerable groups.

17,788

As of the end of 2013, we had provided free congenital heart disease screenings for cumulatively 17,788 children in poverty

1,341

We cumulatively sponsored surgeries for 1,341 children who were diagnosed with congenital heart disease

119.05

million yuan

China Mobile Charity Foundation had donated 119.05 million yuan cumulatively from 2009 to 2013

Heart Caring Campaign

In 2013, we invested 22.5 million yuan to continuously support the China Mobile "Heart Caring Campaign" Aid for Children in Poverty with Congenital Heart Disease Program. We continued the programs in Henan and Liaoning, and launched phase II programs in both Neimenggu and Liaoning, as well as a new program in Shanxi. In 2013, we provided free screening for 5,241 children and sponsored 748 children who were diagnosed to receive surgery treatment immediately.

Love, by Your Side

In Hubei, we continued to carry out the Care for 10,000 Left-behind Children Campaign. We collected 200 wishes from left-behind children, among which 100 wishes had already been adopted by business and individual donors. We had also completed our fund raising target of 100 school buses, and purchased and delivered the school buses to schools for left-behind children.

In Henan, we noticed that it was often difficult for sanitation workers to get drinking water and a place to rest during their work. In Puyang city, we set up Love Rest Stops in our sales

outlets with chairs and drinking fountains for them. We not only helped the workers directly, but also raised the awareness of the public to care for the well-being of sanitation workers.

In Pakistan, we invested 1,082,400 Rupee (about 60,000 yuan) and cooperated with Buksh Foundation to conduct the "Lighting One Million Lives" project in two villages. We provided 50 rechargeable lanterns and set up solar mobile charging stations to help 950 villagers be able to enjoy brightness at night.

Donations of China Mobile Charity Foundation (Million Yuan)



Since its foundation in 2009, China Mobile Charity Foundation had carried out a series of substantial and influential philanthropic programs in education, environmental protection, vulnerable groups assistance, etc., such as the China Mobile "Blue Dream" Education Aid Plan, Warm China 12.1 Charity Fund - China Mobile Care Action, and China Mobile "Heart Caring Campaign"... These programs embodied our love and hope, and witnessed every step along our journey of philanthropy. China Mobile Charity Foundation had already donated 119.05 million yuan since its inception. Its outstanding work helped us win the top philanthropic award in China - China Philanthropy Award, which was awarded by the Ministry of Civil Affairs of China (MCA) - for five consecutive years. In 2013, China Mobile Charity Foundation received an AAA Rating from the National Social Organization Evaluation Commission of the MCA.

Encouraging Volunteer Services

We encourage and support our employees to participate in volunteer activities, and guide them to establish employee volunteer organizations. In 2013, we issued the *Guiding Opinions on Further Promoting Volunteering in China Mobile* to further encourage and regulate employee volunteerism. As of the end of 2013, there were 98,581 employee volunteers and they had provided a total of 522,000 hours of volunteer services during 2013.

In the "Blue Dream" Education Aid Plan, to motivate children to read and learn, we held a series of nationwide volunteer activities, such as Donating a Good Book and Dream Classroom. Over 140,000 books were donated through these activities.

In the "Heart Caring Campaign", the trustees of China Mobile Charity Foundation also served as volunteers to visit the children after surgeries, and brought them gifts and school supplies. In 2013, China Mobile volunteers provided over 3,000 hours of volunteer services to the Heart Caring Campaign.



Innovating on Wireless Volunteer Platform

In Shanghai, we developed the "Wireless City · Smart Philanthropy" subsection on the "Wireless City" platform with cooperation of The Communist Youth League of Shanghai and Youth Volunteer Association. We applied IT technology to volunteer organization and management. As of the end of 2013, "Wireless City · Smart Philanthropy" had supported 15,000 Youth Volunteer Groups and over 1,500 Volunteer Service Centers. And there were over 400,000 core volunteers had obtained certifications through the platform.



China Mobile 2013 Employee Philanthropy Stars

Sharing Big Love

Mukedansi is a customer account manager at Yili prefecture branch of China Mobile Xinjiang Company. To help children in difficult conditions, Mukedansi spent all her savings to build a family school, adopted 12 orphans and 20 children from families in poverty, supported three widowed elderlies, and sponsored two families with handicapped members to build new houses. For herself, she leads a frugal life and still uses the handbag the Company issued to her in 1998.

Philanthropy, the Best Companion for Youth

Wang Yong is an corporate account manager at Suining branch of China Mobile Jiangsu Company. In 2007, Wang Yong and some colleagues founded the charity organization Suining Volunteers Union. During the following six years, the organization organized many volunteer activities, such as fund raising for southwest drought, assisting children with cerebral palsy to do rehabilitation trainings, and taking care of left-behind children as "social moms". They had organized 30 volunteer activities with over 600 person-times participated.

Trickles of Love Made Great Changes

Hu Yumei is a marketing manager at Qilin Branch of China Mobile Yunnan Company. In the last ten years, she made 16 blood donations. And she organized fellow workers regularly to provide volunteer services for local elderly homes and a school for children with hearing and speech difficulties. With the trickles of care and love over time, they have brought great warmth to the hearts of the vulnerable groups they have been helping.



A New Dream with the Environment

The lingering and thick layer of haze in 2013 made it clear that environmental pollution was closely related to everyone. There are tough questions for everyone-government agencies, social organizations, enterprises, and individuals-how will we balance the dilemma between economic development and environmental protection, and what concrete actions can we take to mitigate the severe damage to the environment? For China Mobile, it is our responsibility to consistently and strictly manage our environmental impact. More importantly, it is also our responsibility to leverage our industry prowess and advanced technology, making greater contributions in tackling climate changes, building a green ICT industry, and enabling the development of a shared ecological civilization for everyone.



Stakeholder Expectations

- Responsible operation and effective management to reduce our environmental impact
- "Green" services that enable us to reduce energy and resource consumption
- Platforms and tools built on our resources; using technological expertise and our influence to advocate for public environmental protection

Our Approaches

- Continually implementing the "Green Action Plan" for seven years, improving our environmental strategy and management system to achieve fully-operating energy conservation and emissions reduction
- Constructing green network, developing and promoting energy-saving technologies and applications, and improving green protocols and standards to conserve energy and to reduce emissions
- Conducting green business and "Greening" our service with paperless documentation and electronic channels
- Providing green ICT industry solutions, engaging in regular green advocacy activities, and leveraging our industry prowess and expertise during the process

Our 2013 Achievements

- Set up the closed-loop environmental management mechanism, and strictly implemented energy conservation assessments
- Reduced comprehensive energy consumption per unit of telecommunication traffic by 38% over 2012; emitted 12.22 million tonnes of CO₂
- 100% recycled 86.98 million Ahs discarded lead acid batteries through professional channels
- Held a total of 942 video conferences in our headquarters, and handled 82% of our business transactions through electronic channels
- Supported pollution supervision by using information solutions based on IOT

Our 2014 Efforts

- To continually carry out inspections to ensure energy conservation and emissions reduction
- To promote intelligent power technology for our network, including Multiple Carriers Power Amplifier (MCPA) technology, and base stations without equipment room
- To reduce comprehensive energy consumption per unit of telecommunication traffic by 13.5% over 2013, and reduce per carrier frequency energy consumption of base stations (not including LTE) by 5%
- To innovate on 4G powered ICT environmental solutions

G4-DMA

Environmental Strategy and Management

Facing the increasingly severe resource and environmental situation, China Mobile incorporated the issues of tackling climate changes and promoting energy conservation and emissions reduction into our business strategy. On one hand, we actively control the environmental impact of our operations from three aspects: green network, green service, and green office, and work with our partners to promote a cost-effective and green industrial ecology with more energy-efficient equipments and better waste management. On the other hand, we are committed to fully utilizing our advantage in ICT technology and industry influence to promote innovative green solutions and encourage public participation in environmental protection, so as to provide the platforms and tools for society to work together towards a better ecological civilization.

24,000

We completed energy efficiency assessments of a total of 24,000 communication facilities (including 23,000 base stations). Among them, 70% received Green Star Ratings, while 7.5% won the highest rating of triple stars

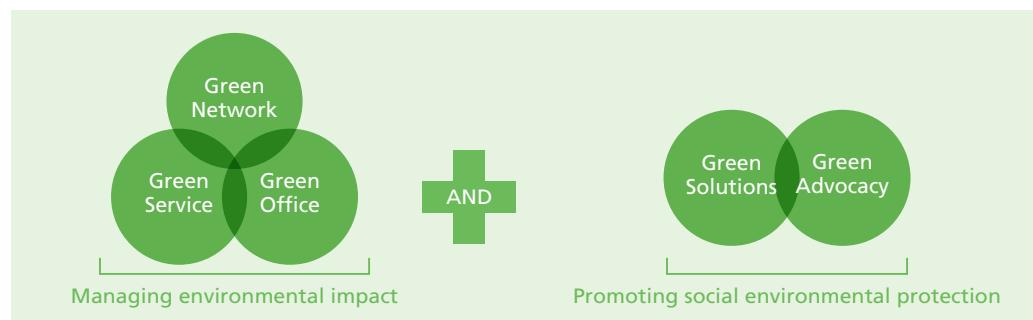
340,000

We have installed the Remote Power Monitoring System in 340,000 base stations, allowing us to collect energy consumption data remotely in real-time

38%

Our comprehensive energy consumption per unit of telecommunication traffic was reduced by 38% over 2012

Environmental Strategy



Environmental Management System

We have set up a sound Environmental Management System (EMS) by building organizational structure, improving management capability, and optimizing evaluation mechanisms. In 2013, we continued to improve environmental management through energy conservation and emissions reduction management, statistical analyzes, and assessments and recognitions. As a result, our power consumption per unit of business decreased by 23% and our comprehensive energy consumption per unit of telecommunication traffic was reduced by 38% on year to year basis, and we also successfully surpassed our 2013 energy saving target by 15%.

Building Organizational Structure

- Established a "Green Action Plan" leading team, and set up a dedicated office in charge of daily management under the Department of Planning at our headquarters
- Founded leading teams at provincial subsidiaries, and assigned dedicated personnel overseeing daily work

Promoting Management Capability

- Held seminars and workshops to share and promote best practices
- Organized thematic trainings for core personnel, and invited experts to provide training on energy audit and carbon trading, etc.
- Set up a communication platform and hosted video conferences every two months to promote best practices
- Established the Case Center for Best Practices in Energy Conservation to promote effective energy-saving measures

Optimizing Evaluation Mechanism

- Incorporated energy conservation and emissions reduction in our Business Performance Evaluation System (KPI), and developed *2013 Assessment Methods* covering four quantitative indicators and 11 key energy-saving measures
- Monthly collection and disclosure of energy consumption and conservation statistics of our provincial subsidiaries
- Recognized companies with outstanding performance

Energy Management System

Given our energy consumption mainly occurred at numerous but scattered communication facilities such as base stations, we chose to take advantage of our existing system resources such as the Wireless Network Management System (WNMS) and the Power Environment Monitoring System to form a centralized Energy Management Platform, and use the Platform to intelligently gather power usage data, irregularities in power consumption, and power usage effectiveness (PUE) data of all facilities including base stations and equipment rooms. We also formulated *China Mobile Energy Management Program Guideline (Energy Data Intelligent Gathering Section)* and *Technical Specifications*, which put forward specific requirements on principles, scale and schedule of intelligent gathering of power consumption data of our provincial subsidiaries.

Green Network

Network operations, including network equipments in base stations and equipment rooms, account for the majority of our electricity consumption. We have been taking concrete measures on two fronts, network construction and network operation, to reduce our energy consumption by applying energy-saving technologies as well as ensuring better equipment management and maintenance.

Integrated Alternative Energy Base Station

We developed the first Integrated Alternative Energy Base Station in the world that combined wind, solar and water.

- Wind and solar modules generate electricity, eliminating the need of utility power and achieving zero emission.
- Hydrogen fuel cells and water electrolysis system function as the core of the energy conversion module, allowing energy to be stored and released in an environmentally friendly way without using the traditional lead-acid batteries.

In 2014, we plan to further advance our research on Integrated Alternative Energy Base Station to improve its efficiency, including the research on more advanced water electrolysis technology and hydrogen fuel cell technology, as well as more advanced system integration.

New Data Center Pilot Project

In 2013, the Modular Warehouse IDC Project we constructed in Heilongjiang won the 2013 Green Data Center Award from the industry organization DCD (Data Center Dynamics). The pilot project achieved great energy efficiency by utilizing the indirect free cooling capacity from cooling sources in nature.

Green Network Construction

Joint Construction and Sharing: In 2013, we reached agreements with relevant operators on jointly constructing eight inter-province trunk cables. Other joint construction and sharing infrastructure projects under construction or in planning stage included: 42 railway lines, 26 subway lines, 84 highways, 16 airports, 48 large venues, 31 sight-seeing attractions of national- and provincial-level, 50 industrial parks, 13 campuses, and 803 residential projects. Joint construction and sharing effectively avoided duplicated construction as well as reduced the consumption of resources.

Alternative Energy Base Stations: We continued to expand the application of alternative energy technologies and construct alternative energy base stations in resource-rich regions. As of the end of 2013, we had built about 12,000 alternative energy base stations, including over 10,000 solar powered (including dual wind-solar models) ones. They allowed us to reduce our electricity consumption by 52 million kWh each year, equivalent to the reduction of CO₂ emission by 39,000 tonnes.

Base Stations without Equipment Room: In 2013, we built 37,000 base stations without equipment room, which could reduce electricity consumption by 220 million kWh each year, equivalent to the reduction of CO₂ emission by 167,000 tonnes.

Green Network Operation

Equipment Procurement: We attach great importance to 4G network energy efficiency. We developed *4G Equipment Energy Efficiency Grading Standards*, and presented our equipment manufacturers with the *Wireless Network Device Energy Conservation Requirements*. We increased the weight of energy efficiency performance to encourage significant improvement in energy efficiency. During our 2013 centralized TD-LTE equipment procurement, the biggest reduction of energy consumption of the baseband unit (BBU) per carrier frequency from last year reached 71%.

Equipment Maintenance and Update: In China Tietong company, we carried out transformation action of switches in public and private network against problems as aging equipment, no spare parts, or no technical support. In 2013, we have removed 15,000 2M ports and 4,730,000 user ports, approximately saving electricity costs for 19,000,000 yuan each year.

Smart Electricity-saving Technology: As of the end of 2013, we had constructed 3.6 million 2G network MCPA carrier frequencies, and deployed 10.31 million 2G and 3G smart power-saving frequency carriers.

Promoting Mature Technologies: As of the end of 2013, we had completed energy-saving transformation of 180,000 air conditioners, and adjusted the upper limit of base stations' ambient temperature to 30 and 35 degrees Celsius if allowed.

Establishing Energy Usage Benchmarks: In 2013, we selected Jiangsu and other five provincial subsidiaries as the benchmarks for base station energy consumption. The selection was made by taking into consideration of the power ratio of base station equipment, air-conditioning configuration, temperature conditions and other factors. Other provincial subsidiaries were encouraged to learn from these benchmarks.

Green Business

To further reduce our resource consumption in service processing, marketing, daily office work and other business activities, we vigorously advocate electronic and IT solutions for office work and business processes, and construct green buildings by actively applying energy conservation technology.

In Hong Kong, we participated in the campaign of "Green Hong Kong · Carbon Audit" organized by Hong Kong Environmental Protection Department. We signed the Carbon Reduction Charter to support activities that could reduce emissions. We promoted using double-sided printing, recycled large envelopes, carried out the "Earth Hour Lunch" campaign, and posted energy saving reminders and tips. We also hosted a "Go Green" section on our Intranet to post latest environmental information to raise the environmental awareness of employees and encourage them to go green at work.

Full-cycle Paperless Business Process

We intensified our efforts to enabling full-cycle paperless business process at sales outlets and minimizing the use of paper-based business documents with a variety of solutions, including electronic identity authentication, e-business ticket, electronic signature, and electronic billing. In 2013, the percentage of business conducted through e-channels reached 82%.

Video Conference

We encourage employees to utilize video conference equipment to reduce unnecessary business travels. In 2013, we optimized our video conference reservation process to further improve the utilization rate of conference rooms. In 2013, 942 high-definition video conferences were held at our headquarters.

Green Office Starts from Details

We actively carry out detailed green office initiatives to ensure their effectiveness, including energy saving transformation of office space, formulating and improving *Employee Code of Conduct for Office Energy Saving*, and raising the environmental awareness of employees with energy conservation tips.

- Large-scale adoption of intelligent lighting systems
- Reducing energy consumption with inverter technology
- Shutting off unnecessary power-consuming equipment and devices
- Using less paper cups
- Using biodegradable green office supplies
- Using electronic documents and digital files
- Managing paper usage and promoting double-sided printing and paperless working
- Promoting green travel, strengthening vehicle management to reduce energy consumption

Green with Society

While we made active efforts to manage our environment impact, we actively encourage our employees to participate in various environmental protection activities to promote green philosophy to the public. We also utilize our expertise to contribute to environmental protection with information applications and solutions.

"Green Boxes"

We have been implementing the "Green Boxes" campaign since 2005 to recycle obsolete mobile phones and accessories by placing collection boxes in our sales outlets. All items collected were reused or disposed by specialized recycle companies in harmless ways. In June 2013, we launched the "Green Boxes" Environmental Volunteer Month campaign. During the campaign, nearly 60,000 China Mobile youth employees went into streets,

campuses and communities to promote environmental protection and the green philosophy. Our volunteers donated over 100,000 hours and collected over 15,000 pieces of mobile phone batteries and accessories for disposal.

Green Advocacy

With the theme of "Green Creates Future", we carried out a series of events to promote energy conservation to the public during the Energy Conservation Week in 2013. We took full advantage

of our information platforms and focused our efforts on running an electronic awareness raising campaign.

Green Applications

The development of IOT, cloud computing and Mobile Internet has made real-time sensing and connecting possible. We actively tapped the potentials of relevant technologies and developed green ICT solutions to enable others to better protect the environment and conserve energy.

Author: Zhou Yuxin, the Primary School Affiliated to the Sixth Normal School, Pudong, Shanghai



"Green Boxes", Colourful Impressions

In Shanghai, we launched the "'Green Boxes', Colourful Impressions" campaign to encourage teenagers to show their "Green Innovation" together with their talents. Children could capture moments in life with a camera, draw the beautiful street scenes of Shanghai with colourful brush touches, transform old materials into useful things, or promote green concept with vivid stories they created. We also set up the "Green Boxes Interactive World" online platform, which has three sections: China Mobile Star Classroom, Hall of Green Practice, and Green Carnival. The platform attracted many teenagers with its cute, friendly interface, providing them with a virtual meeting place to learn about environmental protection knowledge and share tips on how to lead a green life.

Comprehensive Pollution Monitoring

In Hebei, we developed the Hebei Environmental Quality and Pollution Sources Online Monitoring System to support the Department of Environmental Protection to monitor thousands of businesses with emissions and discharges, such as paper mills and chemical factories. The system also covered hundreds of environmental quality monitoring stations and left no blind spot.

Promoting Green Travel

In Shanxi, we cooperated with Taiyuan Public Transportation Group and developed the Dragon City Bicycle APP to help local residents make better use of public bicycle rentals. It took only one month to attract over 30,000 downloads. As of the end of 2013, the APP had been downloaded over 60,000 times, and 20,000 times were used each day.

Feature: A Better Future with Information for All

Everybody expects, and should be able, to enjoy convenience in every aspect of their lives enabled by information technologies. As the basic communication needs of urban residents is gradually satisfied, China Mobile strives to expand our communication infrastructure into remote areas. We wish to bridge the digital divide, provide universal access to telephone and broadband services, and develop a rich variety of mobile applications, helping those in cities and the countryside enrich their lives in the wonderful future of the information era.



Stakeholder Expectations

- A universally accessible communication network and services
- Care for special groups by providing customized services that address their unique needs
- Applications that make life better, safer, easier, and more productive

Our Approaches

- Improving network coverage and quality in rural areas, implementing the "Village Connected Project", and providing telephone and broadband services to remote villages
- Offering customized services for rural residents, the elderly, minorities, and the handicapped
- Offering a rich variety of applications through the "Wireless City" platform
- Developing ICT solutions for agriculture, oil drilling, mining and forestry, etc and helping to reshape traditional production methods

Our 2013 Achievements

- Newly covered 7,129 remote villages and helped 9,331 villages and 1,767 rural schools gain access to broadband services
- Achieved 60.29 million Rural Information Network customers, and 654 thousand rural sales outlets
- Covered more than 350 cities and over 80 million customers under the "Wireless City" platform

Our 2014 Efforts

- To expand rural network coverage and promote broadband and data services in rural markets
- To innovate on customized applications and services to address special groups' needs
- To tap the potential of 4G technology, realize "Mobile changes Life" and deliver a better and more convenient digital life
- To accelerate convergence of ICT and industries, making them more productive

G4-DMA

Universally Accessible Services

Universal service means to provide everyone, regardless of where they are, with universal access to basic telecommunication services at an affordable price (according to OECD definition). In reality, universal service is often hard to achieve due to the barriers such as differences in geographical location, income, education, age, etc. China Mobile strives to bring networks and services to all groups by building an inclusive communication network to serve more groups and satisfying their needs with our services.

Accessible Network

Expanding Remote Area Coverage

We continuously expand our network coverage. As of the end of 2013, we had operated 1.4 million base stations in total.

In 2013, we continue implementing the "Village Connected Project" and newly connected 7,129 natural villages with access to telephone service and 9,331 administrative villages with access to broadband service. Meanwhile, we implemented the Rural School Broadband Coverage Pilot Project to explore solutions to "School Connected Project", which would provide broadband connections to rural schools in remote areas. Our pilot projects in Gansu and other provinces brought broadband access to a total of 1,767 rural schools.

118,236

Helped 118,236 remote villages gain access to telephone service cumulatively

20,544

Helped 20,544 administrative villages gain access to broadband service cumulatively

Improving Rural Network Quality

We took a variety of measures to improve network in rural areas to ensure better customer experience.

Alleviating Service Congestion:

We replaced outdated parts in rural base stations and balanced service loads among base stations, reducing base stations busy ratio from 0.05% to 0.03%.

Adjusting Base Station Layouts:

We adjusted transmission equipment configuration to better fit rural conditions, and optimized base stations with inadequate coverage. As results, the low quality base station ratio went down from 3.3% to 2.1%, and the ratio of base stations with large quality fluctuations went down from 1.92% to 1.21%.

Improving Rural Data Service:

We enhanced our data network coverage in rural areas, which brought up our 2G data traffic ratio from less than 90% to 96%. We also actively encouraged rural customers to switch to 3G services with customer education as well as tariff and handset subsidies. As of the end of 2013, our 3G customers in rural areas reached 62.57 million, and data service usage in the rural market kept increasing.

Mobile Age for the Remote Tribe

Basha is a 2,000 population tribe in Congjiang county, Guizhou province. In Basha, people still live in traditional ways with culture and lifestyle passed down for generations, such as Basha men all carrying rifles and swords with them. At first, Basha residents were strongly against the construction of a base station near the village. Zhou Qinwu, a China Mobile Congjiang county branch employee, remembered that "we travelled on foot almost every day to their village to have dialogs with villagers. After we got their permission and the new base station started operating, they were very excited as they heard voices of relatives and friends from the "little cubes" for the first time in their lives. They shook my hands and burst into tears". A villager named Ashuo said excitedly: "Ever since Basha had the base station, we no longer have to notify each other in the old fashion way such as firing rifles, ringing bells, or beating drums. Now we can get in line with the outside world by making a simple phone call. This is wonderful!"

As Basha attracted more and more tourists, we installed WLAN hot spots in Basha so visitors could access the Internet. Xiaoxue, a tourist from Guangdong province, said: "I have been here for three times. The first time, my phone was out of service as I stepped into the mountain. The second time, many villagers already used mobile phones. This time I could even use WLAN to watch movies online."





Service Desks for Customers with Hearing or Speech Disabilities

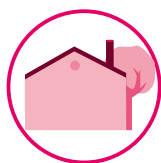
China Mobile Xinhua office is the first pilot site with the capability to serve customers with hearing or speech disabilities in Tonghua city, Jilin province. All service representatives learned some basic sign language to serve their special customer group. They said, "Though customers with special needs usually do not spend much, customers are customers. Our services may be special, but the standard is unchanged, which is to give the best services we can!"

654,000

654,000 sales outlets in rural areas

Inclusive and Customized Services

We strive to focus on customer needs and lower the barriers to use mobile services, so as to better serve vulnerable groups such as the elderly, ethnic minorities, the disabled, etc., allowing them to enjoy the benefits of ICT equally.



Rural Sales Outlets

We launch the "Five Ones" project for the rural market, featuring "One Township, One Village, One Sales Outlet, One Staff, and One Network", ensuring there was a sales outlet and a sales representative in each village to provide convenient services to customers.



Tariff Subsidies

We offer the "Two Cities, One Home" plan for migrant workers and the "Great Vacation" plan for college students, both featuring discounted roaming tariff. We offer the "Care Card" plan for the handicapped, which featuring discounted tariff as well as additional subsidies.



Dedicated Service Channels

We provide dedicated service hotlines and service representatives for groups with special needs. For example, our "12582 Rural Information Network" hotline is customized to farmers. Senior Citizen Hotline accommodates the needs of the elderly, and the Care Hotline provides dedicated services to customers with hearing or speech disabilities.



Minority Language Services

We respect the needs of ethnic minority customers and set up minority language service desks in Mongolian, Uygur and Tibetan. We also worked with local media to offer Uygur and Tibetan language mobile news for ethnic minority customers in Xinjiang and Xizang, bridging the information gap for minority customers in remote areas.

Life-changing Applications

China Mobile is committed to realising the infinite possibilities of ICT with innovative products and services. In 2013, we utilized our expertise in Mobile Internet, IOT, and cloud computing and developed an growing variety of applications that either enriched the ways how we lived or changed the ways how we worked, bringing our vision "Mobile Changes Life" to daily life with convenient and intelligent experience.



Fujian: Mobile phone now became a "Health Consultant" for people



In 2013, China Mobile's New Rural Cooperative Medical System in Guizhou province built a dedicated medical information network covering five administrative units (province, city, county, township and village). The system covered 79 counties in Guizhou and connected to 17,737 medical organizations with 10,370 information terminals. With an archive of the medical records of 32.03 million people, the system provided real-time reimbursement of medical expense to 26.83 million residents use the real-time medical subsidy service.

Healthier

Doctor appointment
Electronic medical record
Remote diagnosis
Emergency rescue
Health monitoring
Healthcare subsidy
...

Safer

Safe city
Safe campus
Safe driving
...

Easier

Community services
Transportation
Mobile payment
Remote education
Personal assistance
...

Smarter

Smart agriculture
Smart oilfield
Smart mining
Smart forestry
...

Healthier

We innovated on Smart Medical and Mobile Health services and introduced new diagnosis procedures, bringing convenience to both patients and doctors.

- **Doctor Appointment:** Patients can use phone, Mobile Internet and text message to make doctor appointment at the Wireless City platform, allowing them to avoid the long queue in hospitals.
- **Electronic Medical Record:** Doctors can file medical records in electronic format, which is easy to inquire and read, allowing doctors to track medical history and give medical advice timely and accurately.
- **Remote Diagnosis:** In Jiangsu and other places, the Smart Medical service enables doctors to work together remotely to conduct joint diagnosis for patients with rare or complex cases.
- **Emergency Rescue:** The China Mobile Information Platform feeds and shares patient data with the emergency dispatching centers. The centers then are able to retrieve medical record and emergency contact information immediately, allowing them to make better preparation for treatment and contact the patients' families as early as possible.
- **Health Monitoring:** We work with medical organizations to provide in-home monitoring to monitor the conditions of post-surgery patients through the "Mobile Health" system. The system monitors patients' health indicators and alarms medical professionals when irregularity happens so the patients would get treatment timely. By allowing patients to recover from their surgeries at their own home, this service helps ease the pressure on the limited medical resources at hospitals.
- **Healthcare Subsidy:** In accordance with relevant government policy, we developed the "New Rural Cooperative Medical Information Management Platform". This platform integrated a full range of functions such as data management, medical expense reimbursement, account settling, data statistics, etc. Rural residents can use it to conveniently obtain reimbursements and subsidies for their medical bills.



Safer

• Safe City

We cooperate with law enforcement authorities to launch the “Safe City” project to ensure public security with real-time surveillance of traffic and security situations.

• Safe Campus

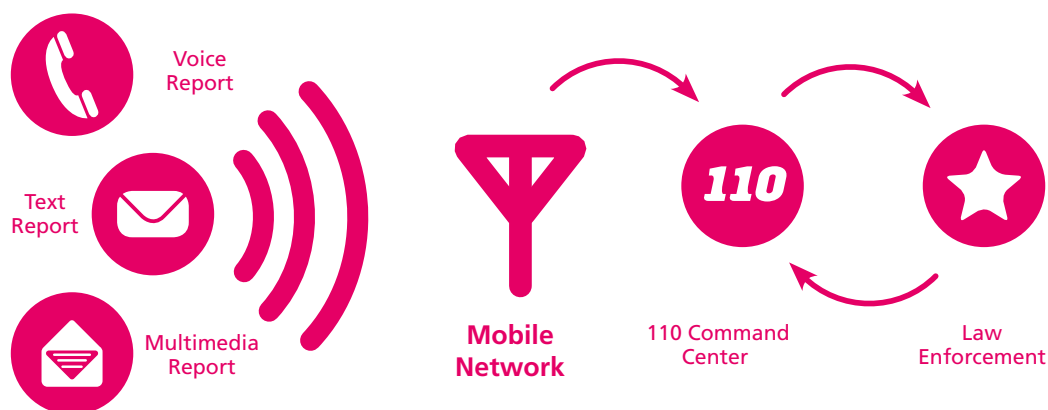
We cooperate with education authorities to offer the “Safe Campus” project to help parents and schools ensure the safety of students. With customized “Secure Electronic Card” and smart mobile terminals with built-in GPS, automatic alarm and an

emergency call button, students of kindergarten and primary and secondary schools can press the emergency call button to talk to their parents for help, and their parents can check their whereabouts and school attendance through text messages or the Safe Campus platform.

In Guangxi, we developed the Smart Security Alarm system. When emergencies such as burglary, fire or gas leakage, happen, the system automatically sends alarms to homeowners and community monitoring centers to take prompt action and avoid loss.

Fight Against Child Trafficking

To support the campaign of fighting against child trafficking, China Mobile developed the National Child-trafficking Information Platform in cooperation with the Ministry of Public Security. People can report child trafficking through the platform and seek assistance through phone, text messages and multimedia messages. The positioning system can help track the perpetrator and guide the search of law enforcement officers. The inquiry system allows families to use text message to retrieve the description of rescued children at the earliest time to identify if it is their children. The platform connects the victims, their families and police together, playing an important role in helping stolen children reunite with their families.



• Safe Driving

“Vehicle Guardian” Anti-theft Application

China Mobile led the research on the “Vehicle Guardian” application using the IOT and GPS technology. The system connects to police systems and can be used to track vehicle location, send safety warnings, and track travel routes. This application has already been launched in Jiangsu, Fujian, Shanghai, Jiangxi and Hubei provinces and over 500,000 customers have subscribed to this service.

On 10 August 2013, Zhang Wanlin, who worked in Yixing city, Jiangsu province, drove to visit his relatives back home. His car was stolen near his home in Guizhou. Zhang reported to local police, who contacted police department in Yixing. With the help of the China Mobile Vehicle Tracking Platform, the police was able to track down the location of the stolen vehicle and returned it to Mr. Zhang.

In Hubei, we developed the “Taxi Go System” to protect the safety of both taxi drivers and passengers with real-time vehicle tracking, travel history, and vehicle positioning.



Easier

We explore Mobile Internet and IOT technologies to develop mobile applications that give people greater convenience in the areas of community services, transportation, finance, education, etc.

- Community Services:** Wireless City is a mobile platform where people can get useful information about their neighbourhood such as dining, housing, transportation, accommodation, and entertainment information. It can also help people pay utility bills and check medical insurance account balances. Our Rural Information Network has already attracted 60,792 villages and 5,492 college student village officials as registered members to this large virtual community, where people share useful information about local specialty products and tourist attractions, and their experience in village management.
- Transportation:** We applied the latest IOT and 4G technologies to the transportation area to make traveling easier. Drivers could get real-time traffic information and their driving records. People who take public transportation can check bus routes, schedules, and real-time positions, and they can also buy bus tickets, rent public bicycles, reserve taxi pickups, or book train tickets. So far, such solutions have already been launched in provinces such as Jiangsu, Guangxi, Guizhou, and Hainan.
- Mobile Payment:** Given the vast potential of Near Field Communication (NFC) technology in mobile payment, we collaborated with financial organizations and developed the NFC payment mobile application "Mobile Wallet". It integrates all types of cards such as bank cards, transit cards, membership cards, bonus cards and key cards into one mobile SIM card, making life much easier as people could just swipe their mobile phones to credit card and online payments, authenticate their identities, share information, and exchange business cards.
- Remote Education:** We initiated the construction of the National Education Resource Public Service Platform, i.e. the National Education Cloud. Our goal is to build a cloud platform of high-quality educational resources to solve the imbalance of educational resources between urban and rural areas. So far, the platform has served over 900 schools nationwide, benefiting 5 million teachers and students. Students could use the online resources to study, while educators could use the platform to explore innovative ways to teach and improve teaching quality. Meanwhile, we have piloted the Electronic Schoolbag Program and distributed around 1,000 tablets PCs to over 20 schools in Beijing, Guangdong, Jiangsu and other six provinces.
- Personal Assistance:** We collaborated with iFLYTEK Co., Ltd. on smart voice assistant "Lingxi". With the idea of "To free your fingers and live with ease", this application can perform a variety of tasks following the interactive voice instructions from users, such as checking account balance, making calls, navigating directions, checking weather information, and surfing the Internet. Lingxi has already had nearly 10 million active customers.

Mobile Remittance Opened A New Chapter for Rural Finance

In Hunan, we collaborated with the Agricultural Bank of China and Shanghai Pudong Development Bank and launched the Mobile Remittance Service in rural areas. People can wire money to others just by the recipient's mobile phone number, and the recipient can withdraw cash at any local bank or China Mobile sales outlet conveniently and safely. As of the end of 2013, over 160,000 customers had used our mobile remittance service. Altogether, they had sent near 290,000 remittances totalling at 1.17 billion yuan.

Senior Home in the Air

In Shandong, we developed the "12349" community service platform and installed wireless terminals for residents over 60 years old for free. The terminal connected to our 12349 Service Center that operated 24/7 and had built-in positioning function, allowing seniors to access to medical emergency help at any time. Seniors could also meet their daily requirements through the platform, such as policy inquiry, weather forecast, health information, medication instructions and other household needs. So far, our community service platform in Shandong had served over 126,000 seniors. During this process, we had answered 241,000 calls, distributed over 217,400 pieces of help information, and provided 157 times of emergency medical assistance.





Smarter

We have developed a variety of information applications for different industries to help them adapt to the new development of information age and change the ways they operate.



Smart Agriculture

Our Rural Information Network provides customers with news and policies, knowledge wiki, books and publications related to agricultural production. We publish monthly reports on market trends for agricultural products such as vegetables, fruits, aquatic products and animal husbandry products, so farmers would know “what to grow or raise, and how”. The Network also provides an electronic trading system for farmers and agricultural businesses. The system displays regional real-time price information and trends for agricultural products, together with supply and demand information to facilitate their trading. As of the end of 2013, our Rural Information Network had attracted 60.29 million customers. Besides, we had also developed a number of IOT applications, such as “Greenhouse Manager”, “Smart Drip Irrigation System”, “Crop Status and Environment Monitoring System”, etc., to help farmers increase both their productivity and income.

Smart Oilfield

We applied IOT, cloud computing and Mobile Internet technologies into the development and management of oilfield and developed an integrated Smart Oilfield system with functions of data collection, remote measurement, online diagnosis, plan implementation, and onsite control. With this system, managers can conduct quick analysis, diagnose irregularities, provide instructions remotely, and achieve automated control. The system is able to help the oilfield increase its yield and oil recovery rate by 2%-4% and 2%-7% respectively, and it has been deployed in Karamay oilfield in Xinjiang, Daqing oilfield in Heilongjiang, and Shengli oilfield in Shandong.

Smart Mining

We developed the “Electronic Coal Mine Mobile Information” system for Xinzheng Coal & Electric Company, a subsidiary of Zhengzhou Coal Industry Co., Ltd. in Henan. The system can provide gas alarm, locate personnel positions, manage safety hazards, and collect and report information. With the system, managers were able to gain real-time operational information of the coal mine on their mobile phones, such as gas density, ventilation conditions, and performance of major equipment. With the interconnection of safety information through the mobile platform, the system has significantly improved the safety of coal mines.

Smart Forestry

We developed the Forest Fire Watch platform in Fujian that helps monitoring fire hazards in forest areas. It integrates the functions of real-time fire hazards monitoring, weather data collection, and temperature data collection together. Since its deployment, the system had successfully detected 325 fire hazards and avoided economic losses of 770 million yuan. Its deployment also reduced the cost of 2.9 million yuan per year for patrols on the ground. We had also built a similar platform called Mobile Forest Patrol platform in Shandong, which protects the safety of forest patrols with real-time position tracking, patrol routes, and deviations from demarcations.

Sustainability Performance Summary

Economic Performance

Corporate Governance

In 2013, the board of directors of China Mobile Communications Corporation throughly followed SASAC requirements of board operation, enhanced the board's competence and effectiveness to perform, and promoted the healthy development of business operations. So far, our board of directors is composed by nine members: Mr. Xi Guohua as Chairman, Mr. Li Yue and Madam Huang Wenlin as Directors, Mr. Ding Zhongzhi, Mr. Yu Ning, Mr. Ma Si Hang Frederick, Mr. Tong Bao'an, Mr. Chen Geng as Outside Directors, and Mr. Li Xiuchuan as Staff Director.

In 2013, we convened five board meetings, through which we achieved five board resolutions and reviewed 25 items. We also organized 11 special committee meetings and passed 11 special committee reports. The board of directors played a good role in decision making and supported our sustainability.

Risk Management: We adopted the control criteria framework set out in the *Internal Control Integrated Framework* issued by COSO II and established an effective and comprehensive risk management framework. In 2013, we prevented and controlled professional risks such as legal risk, integrity risk and information security risk. We also evaluated important risks for the group, formulated management strategies and measures for confirmed important risks. Periodic review is another tool to improve our risk prevention and control.

We updated legal risk data on important business areas, re-identified and formulated control measures to risks of information security, real-name system, Internet business and bidding activities. Meanwhile, we optimized the legal risk information system and instructed subsidiaries to complete system application.

Internal Control: In compliance with section 404 of the *U.S. SOX Act of 2002*, we established a systematic and standard internal control system. This system is led by risk management and integrated with our business, and explicitly defines business units' responsibilities. In 2013, our non-listed business units launched constructions of internal control policies and systems, and specified the responsible department of internal control in each unit, gradually integrating internal control into business operations. Meanwhile, we conducted internal control policy researches in the group-level and provincial subsidiary-level to promote policy improvements and compliance operations. We also consolidated our IT internal control system to ensure its enforcement and efficiency.

Internal Audit: The Company and our operating subsidiaries have set up internal audit departments, which independently audit all of our business units. We have established an internal audit framework and carried out risk investigations on an annual basis. Based on the results of the risk investigations, internal audit projects are formulated by the internal audit departments on a rolling and annual basis. The internal audit departments conduct independent and objective supervision and assessment of the appropriateness, level of compliance and effectiveness of all business operations and internal control systems by applying systematic and standardized audit procedures and approaches, thereby assisting in the improvement of the Company's corporate governance, risk management and control processes. In 2013, the internal audit departments focused on business quality and performance, supervised revision of audited problems. We formulated and published *China Mobile Management Approaches on Audit/Revision/Responsibility*, which contains rules of correcting audited problems.

Financial Performance

Indicators	2011	2012	2013
Operating revenue (billion yuan)	566.0	611.2	661.9
Wireless data traffic revenue (billion yuan)	44.4	68.3	108.2
Tax paid (billion yuan)	62.1	73.9	87.9

Market Presence

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

Indirect Economic Impacts

Promoting Employment and Entrepreneurship

In 2013, we generated more than 2.5 million job opportunities.

We launched Mobile Market (MM) in August 2009, aiming to provide an open and cooperated platform for developers and service providers. Based on MM, we launched Mobile Market's Youth Business Start-up Plan in August 2010 to build entrepreneurial incubators for young developers. During the past three years, we have been offering Mobile Internet trainings and practice opportunities for approximately 1.72 million developers, and built entrepreneurial incubators in 100 colleges and universities in China.

Indicators	2011	2012	2013
Cumulative funding for entrepreneurship support (10,000 yuan)	411	853	1,308
Cumulative number of registered developers in MM (10,000)	364.7	378.2	384.5
Cumulative application downloading in MM (100 million)	6.37	10.73	41.97

Infrastructure Construction

In 2013, we continued investing in the "Village Connected Project", providing communication and information services to remote rural areas and narrowing digital divide.

Indicators	2011	2012	2013
Cumulative number of remote villages covered	100,474	111,107	118,236
Cumulative number of administrative villages with broadband service	4,031	11,213	20,544
Cumulative number of natural villages with telephone service	54,897	65,530	72,659
Cumulative number of rural schools with broadband service	-	-	1,767
Number of sales channels in rural areas (10,000)	69.0	69.5	65.4
Number of Rural Information Service users (10,000)	3,130	4,300	6,029
Cumulative number of rural information sent via Rural Information Network (100 million)	42.4	103.4	217.4

We actively take great efforts on poverty alleviation and development support, carrying out assistance and alleviation projects in Xizang, Qinghai, Xinjiang, Heilongjiang and other provinces. In 2013, we invested 40.43 million yuan into these projects.

Information Society

Indicators	2011	2012	2013
Number of School Information Service users (million)	52.32	63.81	81.88
Number of M2M (machine to machine) terminals (million)	12.18	19.94	32.00
Number of 12580 Medical Appointment dialings (10,000)	-	1,100	1,200

Procurement Practices

Indicators	2013
Number of suppliers ¹	7,037
Number of first-level suppliers	455
Percentage of first-level local suppliers ²	100
Number of second-level suppliers	6,829
Percentage of second-level local suppliers ³	47.65
Number of assessments on first-level suppliers ⁴	814
Percentage of assessed suppliers in all confirmed first-level suppliers	100
Number of suppliers that have problem found during audits	86
Among which number of suppliers solved the problems	2
Number of suppliers been discontinued cooperation because of quality problems found during on-site assessments	0

Note:

- The datum does not include supplier number of our affiliated units, China Tietong Telecommunications Corporation and CMPak Limited.
- Percentage of first-level local suppliers means proportion of domestic suppliers (registered in Mainland China) in all suppliers for the first-level procurements. We did not conduct any international bidding projects in 2013, thus did not include any international suppliers.
- Percentage of second-level local suppliers means proportion of suppliers registered in a province for the second-level procurement of that particular China Mobile provincial subsidiary.
- Number of assessments on first-level suppliers means number of our Shared Procurement Service Center assessed suppliers including those who won the biddings as well as those who didn't. This number does not cover second-level procurements.

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

Environmental Performance

Overall

We have been implementing the "Green Action Plan" since 2007, which emphasizes on energy conservation and emissions reduction. In 2013, we invested 330 million yuan in total into the "Green Action Plan".

Energy

In 2013, we released the *Inspecting Approach for Energy Conservation and Emissions Reduction* to conduct annual self-inspections in provincial subsidiaries. We completed special inspections for ten provincial subsidiaries, and onsite checks for 100 base stations and 40 equipment rooms in 30 cities. Problems found during inspections were disclosed group-wide. We also suggested corrective measures to ensure the smooth implementation of our various energy-saving activities. Our power consumption per unit of business decreased by 23%, and our comprehensive energy consumption per unit of telecommunication traffic decreased by 38% compared to 2012.

Energy Consumption

Indicators	2011	2012	2013
Total electricity consumption (100 GWhs)	134.7	148.9	156.6
Natural gas consumption (million m ³)	6.9	9.0	7.2
LPG consumption (100 tonnes)	6.7	7.3	7.1
Coal gas consumption (million m ³)	2.1	1.5	1.2
Coal consumption (10,000 tonnes)	2.9	2.4	1.8
Gasoline consumption (million litres)	156.5	151.1	152.6
Diesel fuel consumption (million litres)	29.0	24.2	24.1
Purchased heating costs (million yuan)	137.03	151.80	155.81

Alternative Energy Consumption

Indicators	2011	2012	2013
Alternative energy base stations - total	8,970	9,699	11,863
Solar energy	7,057	7,627	8,501
Wind energy	435	600	589
Solar and wind energy	1,316	1,366	1,765
Others	162	106	1,008
CO ₂ emissions reduction from alternative energy base stations (10,000 tonnes)	3.0	3.2	3.9

Joint Construction and Sharing (2013)

Indicators	Joint Construction Rate (%)	Sharing Rate (%)
Towers	72	89
Pole lines	42	93
Base stations	64	90
Pipelines	63	91
Indoor distribution	54	96

Water

We encourage the use of recycled water in our operations, and arrange property engineers to inspect water supply system and equipment regularly to ensure there was no leakage. Meanwhile, we extensively carry out water conservation education to our employees to raise the awareness about water footprint. We maintained almost the same amount of water usage as of 2012 while expanded network scale.

Indicators	2011	2012	2013
Total amount of water used (million tonnes)	28.72	30.23	30.62

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

Biodiversity

We strictly conduct project evaluation and approval according to relevant provisions to manage those base stations located in nature reserves. In 2013, we did not find any species was materially affected by our operating activities.

Emissions

In 2013, we implemented quantitative management on greenhouse gas emissions. Our headquarters and Beijing Company had completed verification of CO₂ emissions, and submitted our annual sustainability report to CDP (Carbon Disclosure Project) as a response of our information on carbon emissions. In 2014, we are planning to fill out the CDP questionnaire to further strengthen our information disclosure on carbon emissions.

Indicators	2011	2012	2013
CO ₂ emissions ¹ (million tonnes)	10.53	11.63	12.22
Carbon emission intensity (tCO ₂ e/10,000 yuan)	0.186	0.190	0.185

Note:

¹ The emissions calculations used the emission factor-based methodology, which estimates CO₂ emissions by multiplying a level of activity data by an emission factor. Emission factor for electricity consumption took an average of Electric System Operating Margins and Build Margins reference from 2013 *Baseline Emission Factors for Regional Power Grids in China* published by National Development and Reform Commission of China. The rest emission factors drew reference from *Carbon Accounting and Reporting Guidelines for Enterprises and Organizations in Beijing (2013 version)* published by Development and Reform Commission of Beijing. Historical data were revised according to the adjustment factors.

Effluents and Waste

In 2013, 100% of the wastewater generated in our operation entered into sewer system, no irregularity was found regarding effluents.

We comprehensively conducted the green advocacy program "Green Boxes" Environmental Volunteering Month Campaign, and collected over 15,000 used cell phone batteries and accessories.

Indicators	2011	2012	2013
Discarded lead acid batteries (10,000 Ahs)	9,780	12,808	8,698
Lead acid batteries recycled through professional channels (10,000 Ahs)	9,588	12,808	8,698

Waste Recycled by Qualified Third-party (2013)

Indicators	Weight (Tonnes)	Value (10,000 yuan)
Network Wastes	31,528	16,322
Acid batteries	16,462	5,998
Communication equipments	11,264	7,929
Cables	1,645	1,169
Packages	303	175
Other	1,854	1,051
Office Wastes	842	1,401
Electronic equipments	641	692
Other wastes	201	709
Terminals	13	55

Green Business

Indicators	2011	2012	2013
Percentage of businesses conducted through e-channels	76	78	82

Green Office

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

Indicators	2011	2012	2013
Video conference usage at group level (times)	850	988	942
Integrated Information Network visits (10,000 person-times)	2.2	2.0	1.8
Daily call duration on Integrated Information Network (10,000 minutes)	43.4	60.0	49.0
Daily instant message sent on Integrated Information Network (10,000)	7.2	6.7	6.0

Supplier Environmental Assessment

We revised our *Supplier Management Method* in 2013, which relates to the certification of supplier's environmental performance during procurement. We will apply the method to our first-level and second-level centralized procurement from 2014, and analyze certification results.

In addition, we compiled supplier certification templates for 19 products, covering 35 categories of products in first-level centralized procurement. These templates proposed specific requirements to the environmental practice for our suppliers on energy conservation and emission reduction, and required our suppliers to be certificated by ISO14001.

Indicators	2013
Number of suppliers assessed on environmental performance in annual first-level procurement assessment	55

Environmental Grievance Mechanisms

We receive environmental complaints and grievances through website, CEO mailbox and other channels. Problems discovered would be handled quickly to ensure the health and safety of our environment.

Environmental Compliance

In 2013, we had no incident of non-compliance with regulations concerning the environment.

Social Performance

Employment

Employee Age Structure

Indicators	2011	2012	2013
Total number of employees	218,253	222,220	231,546
Percentage of employees under 30 years old	28.92	25.52	25.12
Percentage of employees between 30-50 years old	64.69	67.34	67.36
Percentage of employees above 50 years old	6.39	7.14	7.52

We provide employees with insurances and welfare based on labor laws and regulations.

Employee Turnover

Indicators	2011	2012	2013
Total number of newly hired employees	6,644	8,581	7,555
Number of newly hired female employees	2,532	3,586	3,026
Number of newly hired male employees	4,112	4,995	4,529
Total number of resigned employees	3,196	2,873	2,322
Number of resigned female employees	1,536	1,246	867
Number of resigned male employees	1,660	1,627	1,455
Total number of dismissed employees	61	76	65
Number of dismissed female employees	37	50	31
Number of dismissed male employees	24	26	34

We attach great importance to protecting female employees' reproductive rights, fully respecting their rights of maternity leave. In 2013, 100% of our female employees in the headquarters returned to their work after maternity leave.

Labor/Management Relations

We keep promoting and regulating the system of employee representative conference to ensure that employees enjoy their democratic rights. As to changes that impact employee rights or have significant influence upon the company, we will explain to our employees through the employee representative conferences and involve employee representatives in the decision-making process.

Occupational Health and Safety

In 2013, we organized various safety education sessions and emergency drills to improve safety awareness of all employees, and proactively promoted construction of safety management systems to explore a centralized management model. There was no incident of workplace safety or death in line of duty happened in 2013.

Training and Education

We focus on employee trainings to help them improve their capacities, and our average training cost per employee continued to rise in 2013.

Training Costs

Indicators	2011	2012	2013
Training cost per employee (yuan)	2,359	2,564	2,632

Employees Trained

Indicators	2011	2012	2013
Number of persons trained (10,000 person-times)	97.5	98.3	98.9
Number of senior management trained (person-times)	421	438	686
Number of mid-level management trained (person-times)	8,901	9,306	15,126
Number of general employees trained (10,000 person-times)	96.6	97.3	97.9
Percentage of employees attended diploma courses	5.32	5.24	4.13

Training Hours

Indicators	2011	2012	2013
Average training time per employee (hours)	57.4	59.1	61.2
Average training time per senior management (hours)	56.8	58.5	60.1
Average training time per mid-level management (hours)	60.2	62.0	61.7
Average training time per general employee (hours)	55.1	56.7	61.8

Diversity and Equal Opportunity

Gender Composition

Indicators	2011	2012	2013
Percentage of female employees	40.53	40.08	40.92
Percentage of female employees at the senior management level ¹	17.43	17.92	18.17

Note:

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

Ethnic Proportion

Indicators	2011	2012	2013
Ethnic minorities as a percentage of total employees	6.56	6.33	6.92

We actively support local employment in all operating locations. For example, the local employee rate of our Hong Kong Company achieved about 97%, and local management rate at around 93% in 2013.

Equal Remuneration for Women and Men

We insist on the principles of gender equality and equal remuneration for women and men, and we provide employees with equal opportunities. In Hong Kong, we strictly abide by government labor laws, such as improving employees' monthly basic salary based on government policy amendment.

Supplier Assessment for Labor Practices

In 2013, we revised our *Supplier Management Methods*. Terms related with authentications on suppliers' labor practices during procurement process were added. We will apply them to both our first-level and second-level centralized procurement in 2014 and analyze authentication results.

Moreover, we compiled supplier authentication toolkits for 19 product categories that covered 35 categories of first-level centralized procurement products. The toolkits assess performances of suppliers in labor management and health and safety management, and require SA8000 certifications for our suppliers.

Indicators	2013
Number of first-level suppliers assessed for labor practices in annual assessment	55

Labor Practices Grievance Mechanisms

We collect employee grievances through channels such as CEO Mailbox, the Office of Letters and Calls, etc., and address and respond them on related problems. In 2013, our Department of Human Resources received 26 related letters in total. After investigation, none were proved to be valid and all 26 grievances were responded to properly.

All of our subsidiaries signed collective agreements that protects employee rights of remuneration, working hour and vacation, social insurance, welfare, safety and health, education and training, etc., also include policies on labor practices grievance mechanism.

Human Rights

We joined in the United Nations Global Compact in 2007 and have been supporting the Ten Principles and fully respecting internationally recognized human rights ever since.

We strictly abide by labor rules and regulations, sign labor contracts with our employees, and pay social insurance premiums in full amount for employees.

Non-discrimination

We show respects to both of our internal and external stakeholders and oppose all kinds of discriminative behaviors.

The company is in compliance with the 18th clause of *Bidding Law* of China, which clearly regulates that "the tenderer cannot restrict or exclude any tenderer based on unjust terms, or discriminate against any potential bidder."

Respecting Rights

All China Mobile regular employees have joined labor union, while 98% of contractors are union members at either their direct employers or China Mobile.

Child Labor and Forced Labor

We strictly forbid to hire of child labor or forced labor.

Security Practices

We assure that all our security personnel receive training, and carry out strict management to ensure the security team is professional and friendly.

Indigenous Rights

During the process of operation, we did not find any incident that infringed on indigenous rights.

Supplier Human Rights Assessment

Our suppliers' human rights practices were assessed simultaneously with labor practices. The detailed performance information could be found in the content of Supplier Assessment for Labor Practices.

Human Rights Grievance Mechanisms

We did not receive any human right grievance report in 2013.

Local Communities

Emergency Communication Support

Indicators	2011	2012	2013
Number of emergency support	4,671	5,167	4,005
Major political or economic events support	4,028	4,218	3,416
Significant natural disasters support	223	706	491
Significant accidents or catastrophic events support	224	205	85
Public health incidents support	48	8	2
Public safety incidents support	148	30	11
Number of emergency support vehicles deployed	9,636	6,860	5,127
Number of emergency support equipment installed	43,527	47,544	50,741
Persons involved in emergency support (person-times)	320,866	330,515	465,443

Philanthropy and Volunteering

We donated 67.66 million yuan (in cash) in 2013 which was used in programs nationwide. Among our top-priority programs, the "Blue Dream" Education Aid Plan has been implemented in 23 central and western provinces, and the "Heart Caring Campaign" has been implemented in four provinces.

Indicators	2011	2012	2013
Number of registered employee volunteers (10,000 person)	-	9.00	9.85
Hours of volunteer services (10,000 hours)	-	33.0	52.2
Cumulative number of children received free congenital heart disease screenings	6,941	12,547	17,788
Cumulative number of assisted children in poverty who suffered from congenital heart disease	202	593	1,341
Cumulative number of China Mobile Libraries built	1,510	1,694	1,910
Cumulative number of multimedia classrooms built	500	674	880
Cumulative number of principals of rural primary and middle schools trained	37,952	48,205	59,000

Anti-corruption

In 2013, we inspected Shaanxi provincial subsidiary and International Information Port Construction Center on business integrity and work-related expenditures.

Indicators	2011	2012	2013
Attendance of anti-corruption education and trainings (person-times)	175,347	471,200	428,146
Number of confirmed and disciplined corruption cases	26	16	16
Number of employees dismissed and disciplined for corruption	37	17	16

Public Policy

We proactively participate in industrial regulation researches and discussions. In 2013, we advised on drafts of multiple business-related laws and regulations such as *Telecommunication and Internet User Personal Information Protection Policy*, *Telephone User Real Identity Information Policy*, *Telecommunication Engineering Project Bidding Management*, etc., and other laws and regulations such as *Consumer Rights Protection Law of People's Republic of China*, *Trademark Law*, *Intellectual Property Law*, *Provisions on Contractor*, *Policy on Enterprise Credit Information*, etc.

Anti-competitive Behaviors

We regulate our marketing approaches during special promotions, such as campus promotions and holiday promotions, when competitive behaviors are easily caused. For campus marketing, we require full operations and use effective regulation to ensure our provincial subsidiaries stick with rational competitive behaviors and avoid long-term or large-scale impact.

In 2013, we were not charged with any law suit for anti-competitive behaviors.

Supplier Assessment for Social Impacts

Our suppliers' social impact were assessed together with labor practices. The detailed performance information could be found in Supplier Assessment for Labor Practices.

Grievance Mechanisms for Impacts on Society

We did not receive any social impact grievance report in 2013.

Community Health and Safety

We strictly comply with the requirements of the *Electro-Magnetic Fields Management Methods* and issued the *Assessment Approaches of Electromagnetic Radiation in Base Stations* to protect public health and safety.

Providing Diversified Services

Indicators	2011	2012	2013
Number of customers (million)	680.7	710.3	767.2
Number of countries and regions covered by GSM roaming service	237	237	242
Number of countries and regions covered by GPRS roaming service	187	188	197

Network Quality and Reliability

Indicators	2011	2012	2013
Successful connection rate of GSM network ¹ (%)	99.26	99.26	99.12
Successful connection rate of 3G network (%)	98.99	98.90	98.53
Call drop rate of GSM network ² (%)	0.70	0.48	0.43
Call drop rate of 3G network (%)	0.42	0.29	0.21

Note:

1 The successful connections rate is test data;

2 The call drop rate is annual average data derived from the network management system.

Customer Privacy Protection

In 2013, we had improved customer real information registration and customer information protection clauses in four protocols such as *China Mobile's Customer Agreement* based on relevant laws and regulations of China. We specified the situations and principles for collecting and using customer information and related customer rights, and committed to protecting customer information in the process of collecting and using such information.

Based on our "Five Bans", we actively adopt innovative measures to protect customer information security and provide reliable service. In 2013, we focused on promoting the establishment of a security assessment system on new technologies and business to reduce risk of information security. We continuously strengthen information security awareness among our employees. In 2013, we provided about 390,000 person-times employee trainings related to customer information security and privacy protection.

Customer Satisfaction

We conduct group-wide satisfaction survey for all customers, collecting over 300,000 samples nationwide each year. The survey results are used in annual subsidiary assessment and improvements of key factors related with customer satisfaction. In 2013, our comprehensive customer satisfaction ratio was 77.75%, 0.25 ppt higher than the level of the beginning of the year.

Indicators	2011	2012	2013
Complaint rate per million customers (cases)	40.2	31.2	32.3
Number of reported spam messages handled (10,000 times)	562	344	435

Compliance

We formulated strict administrative provisions and required all operations to abide by laws and regulations. In 2013, we didn't identify any major legal disputes. In Hong Kong, we operated base stations in Kowloon City before obtaining approval from Office of the Communication Authority, and it was ruled as a violation and we were fined HKD\$80,000. We will review our operations carefully to prevent similar incidents from happening again.

Looking Forward

Issues



A New Dream with Shareholders

- Completed 4G trial, obtained the 4G operating license, and became the first 4G service provider in Mainland China
- Constructed infrastructures such as data centers, call centers, and R&D centers. Completed first part of the International Information Port and enhanced our Southern Base. Five regional logistics centers began operating
- Revised policies on integrity, initiated internal audits and inspections, and increased employee awareness of business ethics

2013 Achievements



A New Dream with Value Chain Partners

- Led the TD industry in rapid development and shared industry value (in billions) with partners, among which 150 million TD-SCDMA handsets were sold in 2013
- Reduced responsibility risks and strengthened responsibility management of the supply chain, by formulating documents and regulations, and implementing tools and authentications



A New Dream with Customers

- Adopted various measures to improve network quality: the successful connection rate of our GSM network in 2013 was 99.12%, about the same as 2012; 3G network coverage improved from 95.43% to 97.82%
- Based on the customer service "Five Bans", we implemented the "Vault Mode", customer information anonymization, sensitive information inquiry alerts, new service security assessments. etc
- Optimized our service plans: reduced the number of plans and tariffs, reduced international, Hong Kong, Macau, and Taiwan roaming tariff by 46% on average, with a maximum decrease over 90%
- Adopted various ways to serve and listen to customers; kept the lowest complaint rate per million customers in the industry for the fourth consecutive year

Looking Forward to 2014

- To build the largest 4G network, with over 500,000 TD-LTE base stations, and provide continuous 4G coverage in major cities at the end of 2014
- To build R&D centers in Suzhou and Hangzhou, to accelerate strategic transformation, and explore new business opportunities
- To improve corruption prevention and investigation measures, and increase operational transparency

- To seize the opportunity of the commercialization of TD-LTE and lead researches on technology standards and industrialisation
- To gradually apply new authentication templates, assess supplier responsibility performance, and organize trainings of responsibility management for partners.

- To optimize our networks for better customer perception
- To enhance supervision, and ensure 100% implementation of "Vault Mode" and customer information anonymization
- To focus on improving customer perception of key customer groups, such as existing customers, data traffic customers, corporate customers, etc.
- To optimize service processes and communication channels with customers, and keep the lowest complaint rate per million customers in the industry



A New Dream with Employees

- Organized 1,120 emergency drills with a participation rate of 85%; no safety incidents or casualties occurred in 2013
 - 90.5% of the employees in the group received health checkups; EAP has covered 250,000 employees (including contractors); 235,000 person-times participated in corporate-sponsored leisure activities
 - 72% of all provincial subsidiaries and city branches established Model Employees' Homes
-
- To issue the *China Mobile's Safety Management Regulations in Equipment Rooms, Base Stations and Sales Outlets*
 - To ensure that at least 92% of employees receive health checkups, and issue a *China Mobile EAP Development Plan* that provides guidance for our subsidiaries
 - To improve the percentage of Model Employees' Homes established in provincial subsidiaries and city branches to 75%



A New Dream with Communities

- Established an EMF management mechanism, researched and constructed an EMF monitoring system to increase transparency
 - The "Blue Dream" covered 23 provinces and trained 10,795 principals from primary and secondary schools, built 216 China Mobile libraries and 206 multimedia classrooms in central and western rural areas; the "Heart Caring Campaign" screened 5,241 children in poverty and provided free surgeries for 748 children diagnosed with congenital heart disease
-
- To apply more strict EMF management, and strengthen information transparency and effective communication
 - To complete training for 11,000 principals, to donate 200 China Mobile Libraries and 190 multimedia classrooms, and to perform surgery for 850 children diagnosed with congenital heart disease in 2014



A New Dream with the Environment

- Comprehensive energy consumption per unit of telecommunication traffic decreased by 38% over 2012
 - Built an energy management platform for smart electricity management; newly built 37,000 base stations without equipment room and 3.6 million MCPA carriers
 - Implemented the "Green Boxes" project, Energy Conservation Week, and helped society save energy with information techniques
-
- To achieve a comprehensive energy consumption per unit of telecommunication traffic decrease of 13.5% over 2013
 - To promote the application of smart electricity-saving technology, and to expand the application scale of MCPA and base stations without equipment room
 - To fully use our technology to increase public awareness of green practices and to provide green ICT solutions



A Better Future with Information for All

- Newly covered 7,129 remote villages, helped 9,331 villages and 1,767 rural schools gain access to broadband service
 - Helped rural residents, the disabled and minorities gain access to telecommunication and information services by offering options with lower tariff and customized services
 - Covered more than 350 cities and 80 million customers under the "Wireless City" platform
-
- To continuously support the "Village Connected Project" and bring telephone and broadband services to more remote areas
 - To provide more effective services to vulnerable groups and develop more products which match their needs
 - To develop more applications with 4G technology, apply IOT and Mobile Internet to more services, and help industry transformation

Key Stakeholder Commentary



Mr. LI Guobin
Inspector,
Department of Policies
and Regulations,
Ministry of Industry
and Information
Technology

Responsibility Drives Social Development

2013 marks the beginning of the 4G era in China. The Chinese telecommunication industry was a follower during the 2G era, an innovator during the 3G era, and now has become a leader for the 4G era. Only a few years ago, a mobile phone was more of a luxury, rather than a necessity it is today. Telecommunication services have been integrated into our lives, changing them through projects like the “Village Connected”, the “Wireless City”, universal service for remote areas, and more innovative applications. “Information Consumption” is now a keyword for the current Chinese economy and society.

As a regulator, the Ministry of Industry and Information Technology fully understands the importance of corporate social responsibility (CSR). The Department of Policies and Regulations is responsible for supervision and researches on CSR. We believe that a firm should not simply set its goals to increase assets and profits, but also to fulfill social responsibility goals, in addition to economic responsibility. For telecommunication operators specifically, good CSR performance includes compliance, industry development assistance, universal and quality service, customer rights protections, value chain innovation and growth, energy conservation, emissions reduction, and community development and philanthropy. As we see in this report, China Mobile has taken effective measures with regard to all these topics. It is owing to China Mobile’s efforts to develop and operate TD technology that TD-LTE has eventually evolved from a technology standard in labs into a mainstream 4G standard globally, triggering the construction of a nationwide 4G network, and stimulating the creation of hundreds of billions worth of value along the TD-LTE value chain. It is safe to say that TD-LTE is a good showcase for how a large corporation, as an innovation leader, built a collaborative alliance with other research institutes and businesses.

Both CSR principles and practices are constantly evolving as businesses grow and stakeholders adjust their expectations. 4G technology plays a catalytic role in speeding up the integration and transformation of telecommunication services into every aspect of society. I anticipate that China Mobile, all mobile operators, and the entire industry will embrace the opportunities and challenges of Mobile Internet, transform their businesses, and fulfill their new responsibilities. Innovative products and services provide conveniences for a safer society, as well as support for a more effective and environmentally friendly industry. This would be the unique responsibility and contribution of the telecommunication industry, both to society and to the “China Dream”.

To perform CSR well, a company must develop an awareness of responsibilities and internal standards, establish an effective system, and obtain participation and support from stakeholders. I am glad to see that China Mobile has benchmarked with international standards and best practices, and has established closed-loop procedures and mechanisms for social responsibility management to increase transparency and stakeholder participation, manage social impacts, and respond to stakeholders’ needs.

In the future, there will be many challenges awaiting China Mobile, such as accelerating TD-LTE development and controlling spam messages. As the report’s theme indicates, I sincerely hope China Mobile adheres to its mission of “Mobile Changes Life”, integrates social responsibility into its decision-making process and operations, creates shared values for the 4G era, and makes a continuous contribution to the sustainable growth of the Chinese telecommunication industry.

March 2014

About This Report

This Report is the eighth Sustainability Report about China Mobile's economic, social and environmental performance related to sustainability for the reporting period from January 1 to December 31 2013.



Version

This report is written in both Chinese and English and published both online and in print. This report can be viewed or downloaded at www.10086.cn.

Furthermore, the Listed Company China Mobile Limited has also disclosed sustainable development performance under the framework of the China Mobile Communications Corporation report. You can visit www.chinamobileltd.com to download or view both Chinese and English reports.

Reporting Reference

This report was prepared in accordance with the common sustainability reporting guidelines and developed based on industry context and our characteristics. In December 2013, we joined the G4 Pioneer Program and officially adopted G4 as our reporting guideline instead of G3.1. The G4 Content Index is listed on Page 61-62.

Our 2013 report refers to the following guidelines:

- GRI G4 Sustainability Reporting Guidelines
- United Nations Global Compact Ten Principles
- ISO 26000
- Guideline for Environmental, Social and Governance Reporting issued by The Stock Exchange of Hong Kong Limited
- Chinese CSR Report Preparation Guide (CASS-CSR 3.0) issued by the Chinese Academy of Social Sciences.

Content Selection

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

- Customer Service (Page 23-24)
- Network Quality (Page 19)
- Innovation and Development (Page 9-10)
- Customer Rights (Page 20-22)
- ICT Investment and Development (Page 12-15)
- Social Philanthropy (Page 32-35)
- Anti-corruption (Page 11)
- Risk Management (Page 48)

Report Scope

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

Data Collection and Disclosure

Data and information were collected primarily through:

- China Mobile's internal data collection system and statistics reports
- Quarterly provincial CSR best practice reports
- China Mobile 2013 Best CSR Practices Selection
- Quantitative and qualitative questionnaires developed based on the reporting framework

Currency

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

Report Assurance

In 2013, we engaged PricewaterhouseCoopers Zhong Tian CPAs Limited Company (special general partnership) to provide an independent assurance report for the Listed Company's 2013 Sustainability Report (page 58-59) for two consecutive years. We also disclosed the assured key performance indicators in the Group report, and the data collection process and calculation method are all in correspondence with the identical indicators disclosed in the listed company report.

Acknowledgements

Some prize-winning works of China Mobile Communications Corporation's Third Employees Photography Contest were adopted in this report. We would like to thank all these originators!

Report Rating

Rating Report on China Mobile Communications Corporation 2013 Sustainability Report

Upon the request of China Mobile Communications Corporation, the CSR Research Center of Economics Division of Chinese Academy of Social Sciences (hereinafter "Center") invited experts from China CSR Report Rating Committee to form a rating team. The team rated *China Mobile Communications Corporation 2013 Sustainability Report* (hereinafter "the Report") as follows:

1. Rating Criteria

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 3.0) and *Rating Standard on Corporate Social Responsibility Reporting for Chinese Enterprises (2014)*.

2. Rating Process

- (1) Interviewing the department in charge of CSR of China Mobile Communications Corporation.
- (2) Reviewing relevant information used in the preparation of the Report involving China Mobile Communications Corporation headquarters and provincial subsidiaries on site.
- (3) Evaluating the process of sustainability report management of China Mobile Communications Corporation.
- (4) Evaluating the information disclosed by the Report.

3. Rating results:

Process Management (★★★★★)

The Department of Development Strategy took the lead and formed the reporting team, while senior management involved in project launching, implementation and reviewing. The reporting team identified and prioritized stakeholders, conducted a survey about stakeholders' opinions, and finally defined material issues based on stakeholder feedback, key corporate events, relevant government policies and industry benchmarking results. The Company also prepares to launch the Report with a press conference and makes the Report available in bilingual print and electronic versions, as well as other forms such as the *Customer Communication Handbook*. The Report has super excellent process management.

Materiality (★★★★★)

The Report systematically discloses key issues of the telecommunications industry, including "ensuring network stability", "consumption transparency", "product and service innovation", "customer information protection", "narrowing digital divide", "joint construction and sharing of base stations", "EMF management", etc. The Report has super excellent materiality.

Completeness (★★★★☆)

With the theme "AND", the Report discloses key messages on "Sustainability Strategy and Management", "A New Dream with Shareholders", "A New Dream with Customers", "A New Dream with Employees", "A New Dream with Communities", "A New Dream with the Environment", etc., covering 80% of the core indicators of the telecommunications industry. The Report has leading completeness.

Balance (★★★★★)

The Report discloses negative information on "incident of workplace safety", "law suits charged for anti-competitive behaviors", "violations of regulation regarding effluent and wastes", "safety hazard cases discovered", "safety hazard cases rectified", etc. The Report has excellent balance.

Comparability (★★★★★)

The Report discloses historical data of 65 key performance indicators for three consecutive years, and compares "Complaint rate per million customers" with counterparts of the industry. The Report has super excellent comparability.

Readability (★★★★★)

The Report has a clear structure and logic, appropriate length and fluent language. It adopts a variety of ways of expression such as pictures, diagrams, flow charts, etc. The overall design echoes the Company's new brand image with distinct characteristics. With the *Customer Communication Handbook*, the Company makes effort to target some specific stakeholder groups to disclose more relevant information on its CSR performance. The Report has super excellent readability.

Creativity (★★★★☆)

The Report demonstrates stakeholders' expectations, the Company's responses, and summaries its efforts at the beginning of each chapter. The feature "A Better Future with Information for All" highlights characteristics of the Company's social responsibility. Text descriptions are also added in the "Sustainability Performance Summary" to help stakeholders to better understand. The Report has leading creativity.

Overall Rating (★★★★★)

Through evaluation and deliberations, the rating team agreed to rate *China Mobile Communications Corporation 2013 Sustainability Report* as five-star, which is a super excellent corporate social responsibility report.

4. Suggested Improvements

(1) Disclose more negative data and negative incident analyses to improve the balance.

Rating Team

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Feedback

Dear reader,

Thank you for reading China Mobile Communications Corporation 2013 Sustainability Report. In order to further improve our sustainability performance and report quality, your comments and suggestions are very much appreciated and we hope you could help us continuously improve our work.

China Mobile Report Team
April 2014

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

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

You are welcome to make more comments:

Your Contact Information

Name:

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You may send an email to China Mobile 2013 Sustainability Report Team at CR@chinamobile.com, or fax the form to +86-10-52616167. We will take your comments seriously and promise not to disclose your information to third-party.

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