

Participate in standard formulation

China Unicom has actively participated in industrial standard revision to promote the development of communication industry. In 2016, China Unicom took the lead to prepare or participated in preparing 226 industrial standards in total. Four persons from China Unicom serve as TC Chairman/Vice Chairman and 18 persons serve as group leader/deputy group leader of China Communications Standards Association (CCSA). The Company has participated in standard tracing, research and meeting of 21 international standard organisations, submitted 614 articles on international standards, and led the development of 31 new standards (including 11 on ITU), co-led the development of 18 new standards (including 13 on ITU). In addition, the Company led the release of 19 standards (including 5 on ITU), and co-led the release of 14 standards (including 8 on ITU). Persons from China Unicom take various posts in important international organisations such as ITU-T, GSMA and ONOS. The Company has completed a series of standard deployment in certain standardisation fields such as carrier aggregation, user experience of smart terminals and cloud computing, and has been heavily involved in open-source community activities in emerging fields such as cloud computing, SDN and NFV. In 2016, China Unicom was granted over RMB 1 million of international and industrial subsidies for standards in total.

SUBMITTED
614 ARTICLES ON
INTERNATIONAL STANDARDS

TOOK THE
LEAD TO
RELEASE **19** STANDARDS,
INCLUDING **5** ON ITU

Attain achievements in patent applications

In 2016, China Unicom applied for 621 patents, of which 232 are granted. We also submitted 6 applications for international patents. Four projects of the Company obtained the second prize and four projects obtained the third prize of Science and Technology Award of China Institute of Communications. Four projects obtained the second prize and four projects obtained the third prize of Science and Technology Award of China Communications Standards Association. One project won the first prize and one won the third prize of Science and Technology Award of Chinese Institute of Electronics.

APPLIED FOR
621 PATENTS
GRANTED **232** PATENTS

DEEPEN CORPORATE REFORM

China Unicom has actively adapted itself to changes in environment and explored how to change the traditional operation mode through the application of Internet thinking and methods, so as to deepen the enterprise reform and address the issues concerning the vibrancy and momentum of development.

Promote mechanism reform

- China Unicom has set up a marketing system divided by channels under the overall market planning, strengthened professionalised sales, development and maintenance of different channels, unified the support to various channels and terminal operations, and optimised and adjusted relevant business processes.
- China Unicom has engaged in the reform to motivate junior responsible units, and build an “inverted triangle” service support system to transform management functions of the Group, provincial branches and municipal branches into service support, and thereby to promote the building of small CEO teams.
- China Unicom has made great effort to promote the reform for integrated operation and maintenance. We have streamlined levels and achieved vertically penetrating management. The head office has strengthened supervision over the overall network operation and production and operation ability. Provincial branches implement differentiated strategies in the south and the north with categorised development: the branches in the north are required to reduce management layers and provide comprehensive support and branches in the south are required to focus resources to provide key support in key areas for key businesses.
- China Unicom has improved the matching between the power and responsibilities in resources deployment, and strengthened efficiency-orientation. We emphasised precise and efficient resources investment. By considering objective variances such as different fields, different resource conditions and different operating capabilities, we focused resources to support network construction in key areas and substantially reduce investment.
- China Unicom has established a robust e-procurement system by means of informatisation, so as to exceed the limitations of traditional procurement functions and rebuild the material procurement management model.
- China Unicom has systematically pushed forward human resources reform, whereby labour costs allocations are associated with output levels, and a mechanism which links total wages and senior management wages with profit budget accomplishment has been improved. We have also innovatively established a comprehensive employee incentive system, sustainably pushed forward the “Internet + talent operation” mode, and deepened human resources structure adjustment, so as to optimise personnel allocation in innovative businesses and strengthen the building up of talent pools.

China Unicom Chongqing Branch has made the first move for employee ventures. It contracted out fixed-line network business to employees on a trial basis in Liangjiang New Zone, and experimented with independent operations by small CEOs. It has set up four teams, identified four small CEOs, and employees may make a two-way selection, achieving the transformation from “want me to do” to “I want to do”. After such contracting, the business development and employee remuneration were both improved substantially.

Accelerate downsizing

In line with the “business downsizing” planning of the State Council and SASAC, China Unicom has actively reduced its legal entity count, downsized its organisational institutions and functions of the head office, separated management function from production function, strengthened reasonable work division, and clarified responsibilities and powers so as to drive the formation of an efficient organisational management structure. We also strived to clean up “zombie enterprises”, accelerated liquidation, write-off and loss reduction, made great efforts to rectify enterprises facing great difficulties, and strived to revitalise existing real estate resources. In addition, the Company has started full separation and handover work for “water, electricity and gas supply and property management”, and actively promoted the reform of large collective entities sponsored by its plants.

Establish a list of powers

In order to simplify the approval process, scientifically deploy powers and resources and effectively prevent risks and loopholes, China Unicom has comprehensively reviewed, sorted, optimised and rectified existing rules and matters involving authorities, and has abolished, retained, revised and improved a batch of rules and systems. As a result, 32% of the rules were abolished or voided, and optimisation rates of head office approval processes and reporting processes were 39% and 30% respectively. The Company, leveraging the review, sorting and optimisation of rules, systems and list of powers, has established a top-down rules management mechanism which is beneficial to development, efficiency guarantee and risk prevention, as well as a management mechanism in respect of matters covered by the list of powers which serves the junior level in a standardised, transparent, streamlined and efficient way.