



# MANAGEMENT OF RESPONSIBILITIES: CEMENTING THE FOUNDATION FOR SUSTAINABLE DEVELOPMENT



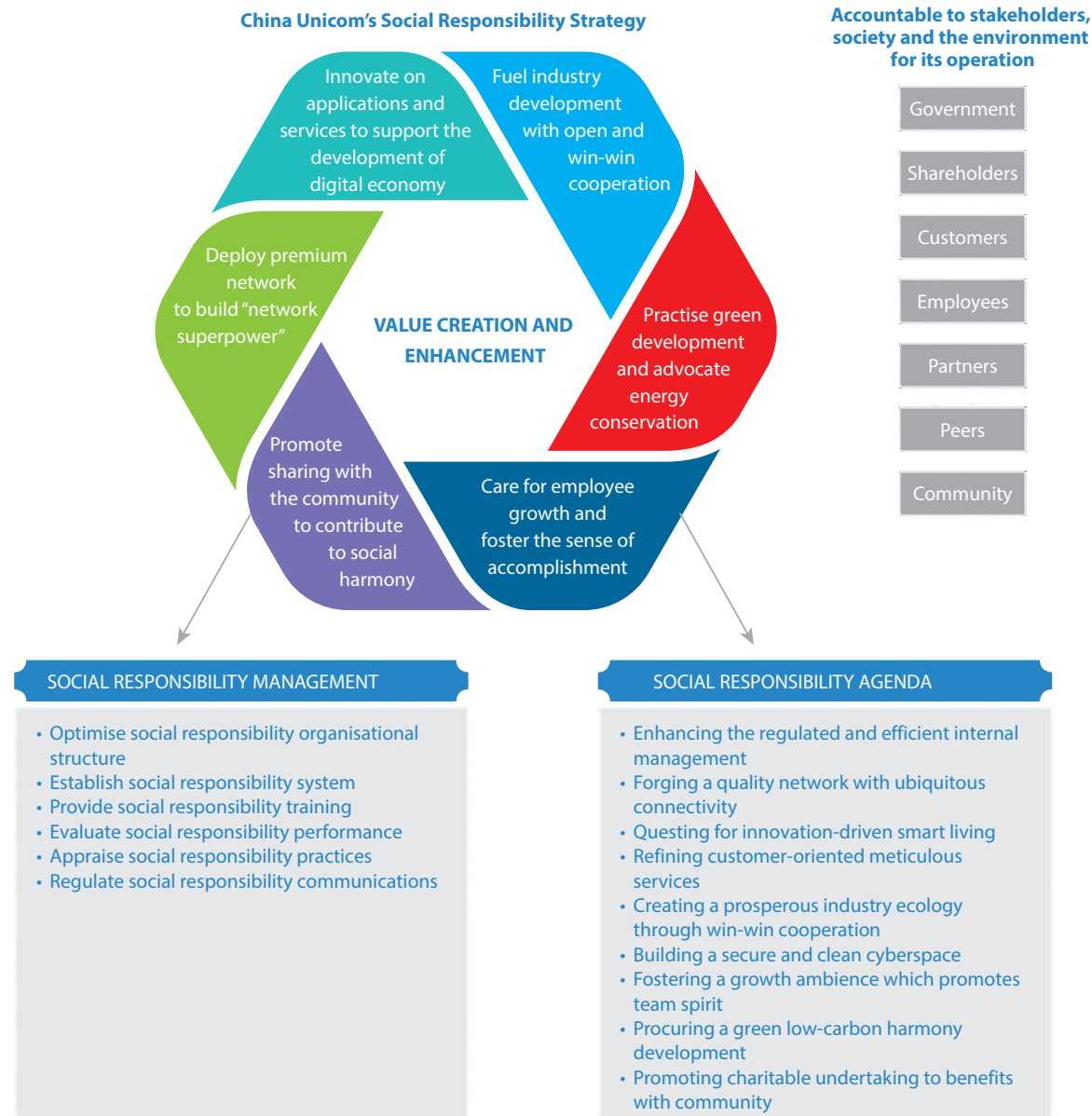
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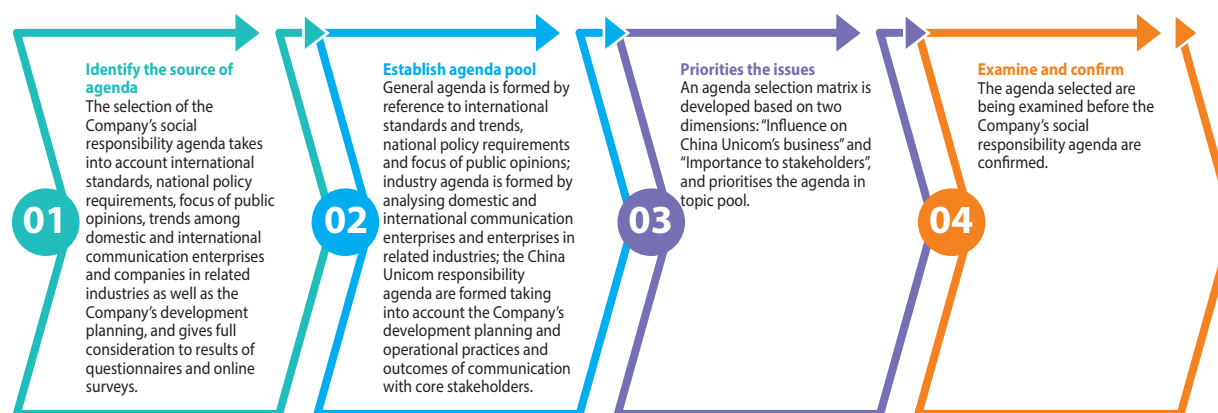
## IMPLEMENTING STRATEGY OF RESPONSIBILITIES

Led by the modern development philosophies of “innovation, coordination, greenness, openness, and sharing”, the Company took practical steps to contribute to the “network superpower” strategy, “One Belt, One Road” initiative, supply-side structural reform and other national strategic deployments, fulfilling its obligations through responsible operations. It continuously enhanced its ability to create comprehensive economic, social and environmental values, seeking to promote sustainable development and make due contribution to China’s economic, social and informatisation development.

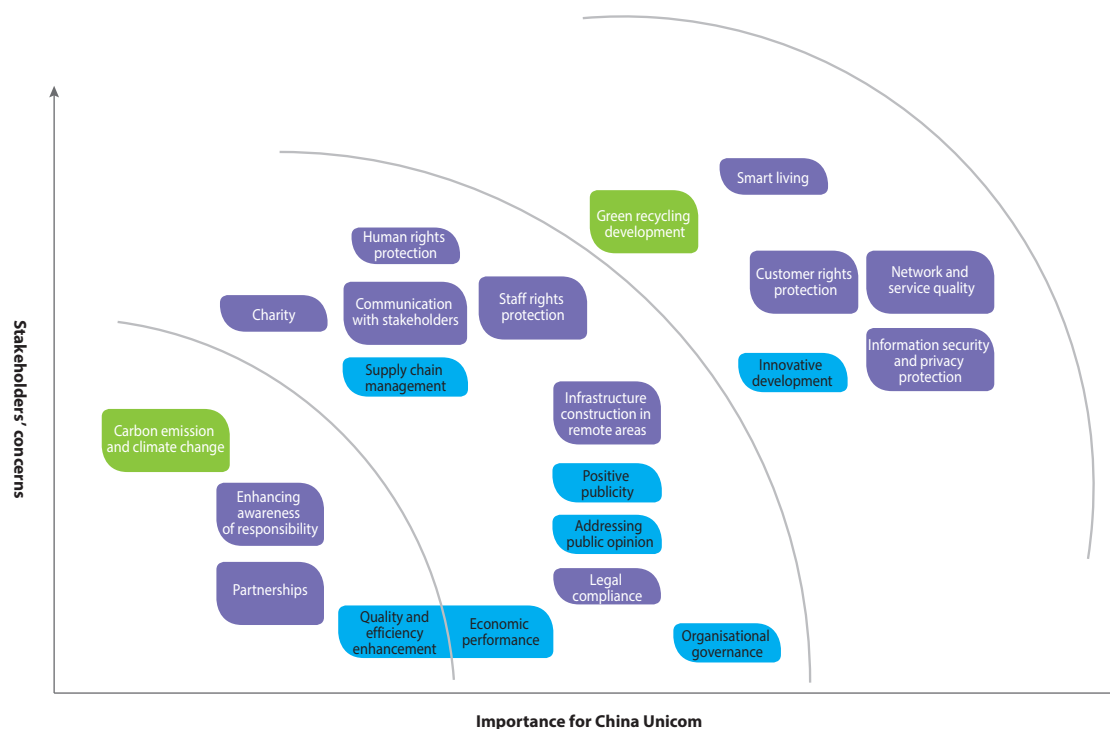


The Board of China Unicom attaches great importance to social responsibility of China Unicom. Through social responsibility management and social responsibility implementation, the Company has sought to improve the substance of its responsibility and risk management on a continuous basis and evaluates the potential risk of the social responsibility work. To pursue responsibility implementation with the Company’s characteristics in connection with the agenda to ensure the execution of our strategy in social responsibility. The Company, focusing on social responsibility management and practices, ceaselessly perfects the connotation of responsibility management, and extensively carries out responsibility practices with company characteristics and centered on the responsibility issues to support the implementation of responsibility strategy.

China Unicom establishes social responsibility agenda selection procedures under the principle of “closely following standards, regularly updating and sustainably improving”, and studies social responsibility agenda every three years. Such agenda are constantly updated to follow international developments and domestic trends and to match the standards of advanced enterprises, such that the responsibility implementation is guided by scientifically selected agenda to ensure that the effectiveness, high standard and positive influence of our social responsibility implementation. Meanwhile, Social Responsibility Committee takes various standard and guideline of relating to social responsibility reporting into account while preparing the social responsibility report. In accordance with the principles for selection of social responsibility agenda and the below process to recognise the agenda of social responsibility of China Unicom and evaluate its importance and relevancy.



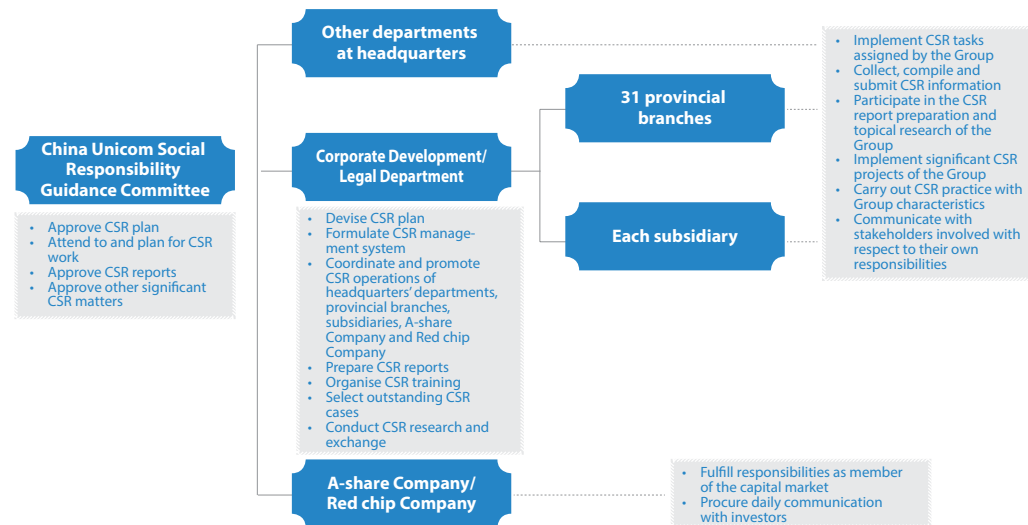
China Unicom's procedure for the selection of social responsibility agenda



China Unicom's agenda selection matrix

## IMPROVING GOVERNANCE OF RESPONSIBILITIES

China Unicom established social responsibility organisational system covering the entire Group. Under the leadership of Social Responsibility Guidance Committee, the Corporate Development Department/Legal Department serves as office to take charge of daily work, and each provincial branch, subsidiary, A-share Company and Red Chip Company instituted dedicated department and staff coordinator to perform social responsibility work according to their respective responsibilities. The Social Responsibility Guidance Committee shall review and make decisions on significant matters of enterprise social responsibilities, and coordinate and lead the work regarding enterprise social responsibility. The Corporate Development Department/Legal Department takes charge of daily work of Social Responsibility Guidance Committee, and systematically coordinates the implementation of social responsibility work of all subsidiaries of the Company. Each department at the Company's head office, each provincial branch, subsidiary, A-share Company and Red Chip Company shall organise and implement significant projects of the Group regarding social responsibilities, and organise and carry out social responsibility practices with enterprise characteristics, and be responsible for collecting, consolidating and submitting their own information and data with regard to social responsibilities. China Unicom Social Responsibility Guidance Committee submitted this report for Audit Committee and the Board of Directors for approval. This report have been reviewed and approved by Audit Committee and the Board of Directors of the Company. Please refer to our 2017 Annual Report for the details of corporate governance, risk management, internal control etc.



China Unicom's social responsibility working organisation and major duties

## STRENGTHENING COMMUNICATION OF RESPONSIBILITIES

China Unicom sets up social responsibility communication mechanism to continuously carry out targeted communication according to the expectation of stakeholders and based on the substantial topics of social responsibilities. Such continued communication and conversation enabled China Unicom to understand more of the view and expectation of the stakeholders. It helped to provide more information to China Unicom for decision making, as well as effectively evaluate and manage its potential influence.

Practical issue	Stakeholder	Form of communication	expectation on China Unicom
Enhancing stable and regulated internal management	Shareholders	<ul style="list-style-type: none"> <li>• General meeting of shareholders</li> <li>• Investor meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Timely and transparent information access</li> <li>• Long-term stable investment gains</li> <li>• Corporate governance and risk control</li> <li>• Legal compliance and clean operations</li> </ul>
	Government	<ul style="list-style-type: none"> <li>• Face to face communication</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Fair competitive market order</li> <li>• Efficiency enhancement and cost reduction</li> </ul>
	Public and media	<ul style="list-style-type: none"> <li>• Phone communication and forums</li> <li>• Internet-based communication</li> </ul>	<ul style="list-style-type: none"> <li>• Timely knowledge of Company information</li> <li>• Interactive communication with the Company</li> </ul>
Forging premium networks with ubiquitous connection	Customers	<ul style="list-style-type: none"> <li>• Service hotline</li> <li>• Weibo/WeChat</li> <li>• NPS (Net Promoter Score) survey</li> </ul>	<ul style="list-style-type: none"> <li>• High-speed and smooth networks</li> <li>• Innovative smart network services</li> <li>• High-quality networks in remote areas</li> </ul>
Pursuit of innovation-driven smart living	All stakeholders	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Visits</li> <li>• Weibo/WeChat</li> </ul>	<ul style="list-style-type: none"> <li>• Smart products that enhance the quality of living</li> <li>• Innovative and progressive communication technologies</li> <li>• Internet-oriented management systems</li> </ul>
Refining customer-centric premium services	Customers	<ul style="list-style-type: none"> <li>• NPS survey</li> <li>• In-depth visits and meetings</li> <li>• Customer activities</li> </ul>	<ul style="list-style-type: none"> <li>• Favorable and transparent tariff policy</li> <li>• Convenient and efficient service channels</li> <li>• Effective after-sales service assurance</li> </ul>
Creating a prosperity and win-win cooperation ecology	Partners	<ul style="list-style-type: none"> <li>• Value-chain conference</li> <li>• meetings, visits</li> <li>• Self-service portals of partners</li> </ul>	<ul style="list-style-type: none"> <li>• Wide scope of cooperation</li> <li>• Fair and open opportunities for cooperation</li> <li>• Extensive and convenient support services</li> </ul>
	Peers	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Stronger ability for complementary use of resources</li> <li>• Cost savings and higher efficiency</li> </ul>
	Customers	<ul style="list-style-type: none"> <li>• Visits, hotlines</li> </ul>	<ul style="list-style-type: none"> <li>• Driving partners to honour obligations</li> </ul>

Practical issue	Stakeholder	Form of communication	expectation on China Unicom
Developing a secure and clean cyberspace	Customers and government	<ul style="list-style-type: none"> <li>Service hotlines</li> <li>Weibo/WeChat</li> <li>Meetings and forums</li> </ul>	<ul style="list-style-type: none"> <li>Smooth network connection anytime, anywhere</li> <li>Secure and healthy cyberspace</li> <li>Network information security and confidentiality</li> </ul>
Fostering an ambience for growth by team effort	Employees	<ul style="list-style-type: none"> <li>Staff forums</li> <li>Staff representative assemblies</li> <li>Democratic informal meetings</li> <li>Online communication with the General Manager</li> </ul>	<ul style="list-style-type: none"> <li>Protection of lawful rights and interests</li> <li>Training and career development opportunities</li> <li>Opportunities for participation in democratic management</li> <li>Support in adversity</li> <li>Safe and comfortable work environment</li> </ul>
Promoting harmonious development with green and low-carbon emission	Ecological environment	—	<ul style="list-style-type: none"> <li>Green and eco-friendly operations</li> <li>Reduction of pollution through recycling</li> </ul>
Advancing charitable undertakings to share benefits with the public	Community	<ul style="list-style-type: none"> <li>Meetings</li> <li>Forums</li> <li>Villages support station</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable and effective donations</li> <li>Enhancing efforts in poverty aid and relief</li> <li>Charitable volunteering programmes</li> </ul>

In 2017, the Company was engaged in extensive publicity initiatives and interaction with the media, enhanced communication with the public and the press and vigorously developed a new ecosphere of corporate communication with internal as well as external parties, presenting China Unicom's open approach to communication.

- We persisted in the transition to Internet-based publicity with the development a complete mechanism covering the monitoring and reporting of public opinions and the provision of feedback and response.
- We held 25 key publicity events in connection with, among others, the announcement of network speed upgrade and tariff reduction, launch of terminals compatible with 6 modes, ITU Telecom World, Winter Olympic Games and Winter Paralympic Games. We also published 133 news releases and arranged 30 press coverage occasions.
- We have more than 120 million followers on new media such as Weibo and WeChat with an annual viewership in excess of 1 billion views, making us the most influential new media account among PRC enterprises and central enterprises for 4 years in a row.

## ENHANCING CAPACITY FOR ASSUMING RESPONSIBILITIES

In 2017, China Unicom was actively involved in various exchanges and seminars organised by social responsibility groups to inform itself on trends in social responsibility, learn from outstanding enterprises and contribute its own ideas and views for the ongoing in-depth development of social responsibility.

Organiser	Event
State-owned Assets Supervision and Administration Commission of the State Council	Topical research on "Blue Paper on Social Responsibility of Central Enterprises (2017)" and "Research on Overseas Social Responsibility by Central Enterprises"
	Submission of opinion on "Proposal for Legislation on Corporate Social Responsibility (Draft for Comments)"
Committee for Corporate Social Responsibility of China Association of Information Communications Enterprises	Participation in the formulation and serving as a member of the drafting group of the social responsibility performance indicators evaluation system for the information communication industry
	Sharing on the topic of "Focus on industry innovation and cooperation with performance of responsibilities" at 2017 annual conference for social responsibility of the information communications industry
	Research on sustainable development needs (2017-2018) conducted by the Committee of Corporate Social Responsibility of, China Association of Communications Enterprises
UN Global Compact	UN Global Compact Annual Implementation Survey — 2017
The Listed Companies Association of Shanghai	The 3rd Social Responsibility Summit of PRC (Shanghai) Listed Companies and presentation of "Blue Paper on Social Responsibility of Shanghai Listed Enterprises (2017)"
Research Center for Corporate Social Responsibility, Chinese Academy of Social Sciences	Forum on social responsibilities of central enterprises and presentation of "Blue Paper on Social Responsibility of Central Enterprises (2017)"
Ernst & Young	Forum on climate change and sustainable development and exchange on ESG reporting and disclosure



## IMPROVING PERFORMANCE IN RESPONSIBILITY FULFILMENT

### Optimising performance indicators

In accordance with international and domestic standards for social responsibility, China Unicom further optimises “China Unicom’s Social Responsibility Performance Indicator System” focusing on 9 substantial agenda of the Company, and drives social responsibility to be effectively integrated into enterprise production and operation on that basis.



China Unicom’s Social Responsibility Performance Indicator System

### Honors and recognitions

In 2017, China Unicom sturdily performed social responsibilities, disclosed responsibility performance situations promptly, and gained positive progress in social responsibility performance.

- “Best Corporate Social Responsibility in China — 1st” award in the “Asia’s Best Managed Companies Poll 2017” hosted by FinanceAsia;
- “Platinum Award for Excellence in Environmental, Social, and Corporate Governance” in “The Asset Corporate Awards 2017”;
- China Unicom’s online Corporate Social Responsibility Report (csr2016.chinaunicom.com.hk) won the Gold Award in the “Nova Awards 2017”.