



Digitally Promoted Talent Transformation and Development to Reinforce Passion

Optimising Talent Pipelines and Dynamics
Strengthening and Safeguarding Employees'
Rights and Interests
Caring for the Continuous Growth of Employees

DIGITALLY PROMOTED TALENT TRANSFORMATION AND DEVELOPMENT TO REINFORCE PASSION

The Company perceives talents as the primary resources and innovation as the primary motivation. China Unicom has always attached great importance to the cultivation of talents and deeply implementing talent development. With the goals serving the development of both the corporate and staff, the Company restructured its staff team amidst digital transformation and focused on cultivating a group of professionals with true technological innovation expertise and leading abilities to cope with industry competition. Meanwhile, the Company effectively safeguarded the legitimate rights and interests of employees, and encouraged them to actively participate in corporate management, letting them share the results of reform development and growing with the Company.

Measures adopted in 2020

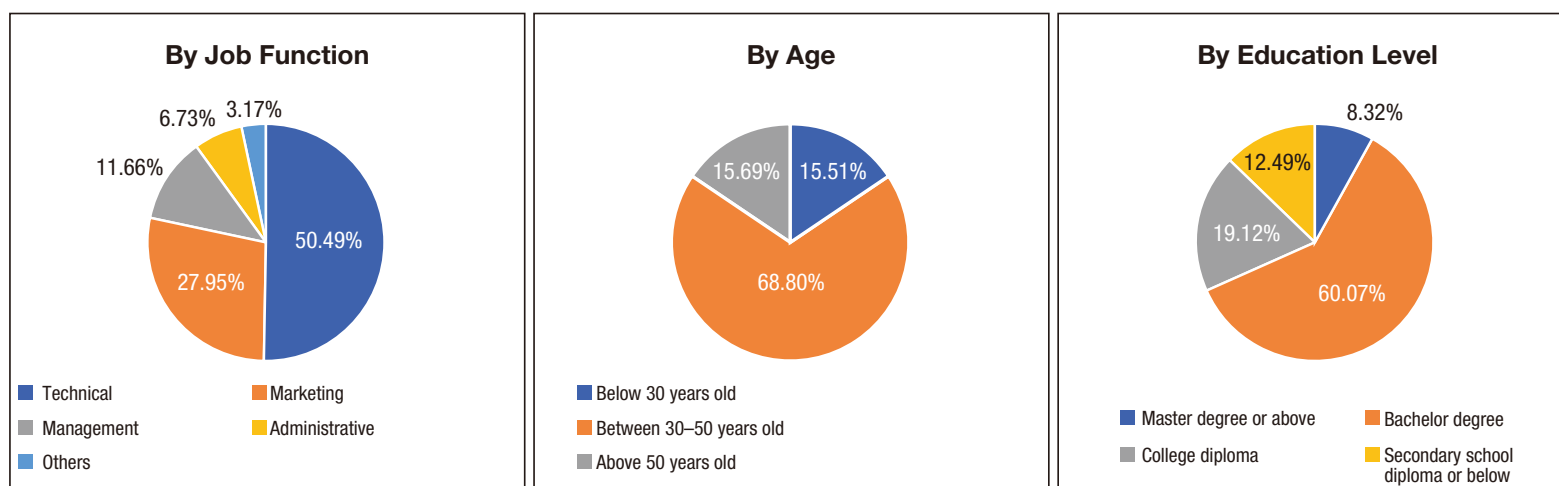
- Building a four-level talent echelon of 18,000 staff and over 7,000 professionals in innovation businesses.
- Constructing a digital transformation training platform and carrying out 8 first- and second-class labor and skill competitions, as well as 23 third-class skill competitions at Group level.
- Building a warm and harmonious labor relationship, practically safeguarding the rights and interests of the employees, and caring for the physical and mental health of employees with a view to enhancing their sense of fulfilment.

Actions to be taken in 2021

- To further improve the mechanism safeguarding the rights and interests of the employees, maintaining a medium for employees' complaint, and properly handling disputes involving employees' rights.
- To continue implementing the promotion and incentive system, further optimising the four-level talent management system and to create broader room for employees development.
- To continue to promote the implementation of the employee care policy, strengthening standardised management, and promoting the systemisation of employee care while earnestly caring for employees and solving their difficulties.

OPTIMISING TALENT PIPELINES AND DYNAMICS

China Unicom has adhered to the people-oriented principle, treasures the value of each employee and attaches importance to ability building and career development of the employees. The Company is committed to improving the professional talent management system, smoothing the staff internal and external cycle and intensifying talent introduction, in order to create a high-level talent training system and to achieve each employee's career development, promoting the growth of employees through mutual exchange.



Total number of employees	Employees in Mainland China	Employees in Hong Kong, Macau and Taiwan	Employees overseas	
242,121	241,245	603	273	
New recruits	Gender Distribution (Male/ Female)	Proportion of ethnic minority employees (%)	Number of resigned employees	Temporary market-oriented employees in Mainland China
10,652	1.54:1	6.72	5,228	12,581

Optimising the Talent Team

Improving the professional talent management system. The Company has steadily promoted the construction of various core talent echelon, and building a four-level echelon of leaders, experts, backbones and cutting-edge talents in 14 major professions including IT, network, R&D, government and enterprise, marketing and etc. Among which, the number of technical professionals in IT, network and R&D accounted for more than 50%, implementing the dual channels for professional talent development.

Enhancing talents in the innovative field. The Company has regularly carried out market-oriented introduction of high-end talents, and continuously and strongly introduce high-end talents in cloud computing, Big Data, IoT, AI, security and other fields based on the principle of "three open" with open posts, open salaries and open sources.

Four-level talent
echelon including
18,000
professionals

Turnover rate of
14.7 %

Accumulated total of
3
high-end talents
introduced at the
headquarters

Accumulated nearly
30
high-end talents
introduced at branches
subsidiaries

More than
7,000
professionals in the
innovative fields

Reconstructing Training System

Strengthening the construction of training system. The Company clearly stated the key contents and training hours of education and training for cadres and employees at all levels, formulated targeted training programmes and key training projects through various ways such as online and offline, internal and external certification, and effectively promoted the implementation of the Group's education and training system in all units and professional fields.

Building a professional competence standard system. The Company actively implemented the requirements for the reform of the Group's line operation organisation system, established staff professional competence standards, position certification standards and knowledge and skills requirements, and orderly promoted professional talent certification and frontline position skills certification. Throughout the year, nearly 30 professional competence certification standards were completed, and nearly 110,000 employees obtained the certification.

Encouraging participation in continuing on-the-job education. The Company issued the "Notice on Encouraging Employees to Participate in Continuing On-the-job Education" to state on the relevant definitions and scopes for management norms and incentive methods of employees' continuing on-the-job education. A total of more than 11,000 employees from various units obtained on-the-job education (degrees) and qualification certificates.

Promoting the apprenticeship system in professional fields. The Company issued the "Notice on Establishing China Unicom's Apprenticeship System". By tapping the value of internal talents from various units, combining the needs of professional requirements, and selecting and matching with professional instructors, all units have made the apprenticeship system an important way for employees to cultivate their digital transformation capabilities. A total of more than 12,000 "apprenticeship" instructors were recognised in the year.

Expanding the online platform training channels. The Company made full use of various online education platform resources to ensure uninterrupted education and training during the pandemic, built a live broadcast room at the headquarters, organised 172 live training sessions, and received cumulative views of more than 200,000. The Company also carried out the "WO Sharing" live class and launched 110 courses throughout the year, receiving a count of 2 million.

Accelerating the transformation of the talent structure. The Company continued to develop IT/DT talent training and conduct in-depth training for no less than one month. The Company optimised and formed 25 professional competence standards including IT, government and enterprise innovation, organised innovation ability certification exam and around 24,000 employees across the country have passed the exams. Focusing on building a team of Smart network engineers, the Company has formed a team of 15,000 full-time and part-time Smart network engineers through dynamic empowerment such as clear team planning and implementation of training certification.

Target participants	Training topics
All cadres of the Group	More than 11,000 sessions targeting all cadres of the Group were arranged, with more than 1.25 million participants joined the related training.
Management	Professional competence training for different grades and categories was carried out, and a total of 5 sessions of rotation training courses for managers were organised and implemented, with a total of more than 1,300 employees participated in the training; Two phases of outstanding management talent training projects for digital transformation were implemented with the focus on comprehensive digital transformation; 33 managers were selected to participate in training and professional competence training.
Outstanding young cadres	The Autumn advanced training programme for young and middle-aged cadres was held, with 40 outstanding young cadres participated in the theoretical study and competence training.
Innovative and professional talents	38 training sessions of the "Engine" and "Accelerator" programmes focusing on IT and government-enterprise innovative talents were carried out to continuously develop government-enterprise innovation capabilities and IT ability certification, and a total of 24,000 employees passed the exams; The Company accelerated the training of professional talents' transformation ability and job ability, coordinated and carried out more than 90,000 training sessions for various professional personnel and talents, which trained 10.6 million employees in total.
Front-line employees	Approximately 68,000 training sessions were provided for front-line employees, with a total of 3.06 million participants; Targeting to focus on key front-line positions, the number of employees certified throughout the year reached 69,000.

Training rate of
senior management
100 %

Average
training time
167 hours

Training rate of
middle management
99.4 %

Average
training time
98 hours

Training rate of
average employees
98.5 %

Average
training time
88 hours



Training courses for new employees

RMB364.86 million
was invested in employee training

10.638 million
employees/times
participated in the training

Building a Training Platform

China Unicom strives to build a talent team and a training platform for its digital transformation. The Company actively carried out various skill competitions such as 5G innovative applications, Big Data innovation, solutions, and Smart Winter Olympics to continuously improve the technical ability level of the employees.

Carrying out skill competitions with precise positioning. Focusing on the new demands, new tasks and new requirements for employees' skills in comprehensive digital transformation, carefully-planned skill competitions were arranged to achieve "vibrant resonance" with the core work, effectively promoting the transformation of knowledge and capabilities in the workforce. A total of 30 skill competitions at the Group were held throughout the year, with a total of more than 400,000 accumulated participants, achieving the highest ever record for both the number of participants and participation rate.

Carrying out labor competition based on positions. Taking labor competition as the mean, the Company guided the employees to make contributions based on their positions, and to promote sound and rapid development of the Company through competitions of "comparing benefits, contributions, effects, innovations, and services". Closely focusing on business objectives, the Company organised a labor competition with the theme of promoting revenue, reducing costs and increasing efficiency with the theme to promote comprehensive digital transformation, a total of 216,000 employees participated in the competition, and directly or indirectly created benefits of RMB2.33 billion.

8

first- and second-class labor and skill competitions at the Group level were held

23

third-class skill competitions at the Group level were held



China Unicom held cloud-led migration skill competition



China Unicom held network AI skill competition



China Unicom held industry solution marketing skill competition



Heilongjiang Unicom held optical cable maintenance skill competition



Hunan Unicom held customer service experience skill competition

STRENGTHENING AND SAFEGUARDING EMPLOYEES' RIGHTS AND INTERESTS

China Unicom regards its employees as an important asset for the Company's development, always respects its employees, safeguards their legitimate rights and interests, and serves wholeheartedly of the employees, so as to promote a "win-win" situation in which employees and the Company grow together through market-oriented reform of human resources, and continuously enhances the employees' sense of fulfilment and satisfaction.

Adhering to fair employment

- The Company acts in strict compliance with the "Labor Law of the PRC", "Labor Contract Law of the PRC", "Provisions on the Prohibition of Using Child Labor" and other relevant regulations, enters into an employment contract with 100% of its employees, and implements the dismissal policy in accordance with the relevant national requirements. The entire Group has achieved full coverage of collective contracts, and some branches and subsidiaries have signed special contracts such as "Collective Contract for Protection of Female Employees' Rights and Interests" and "Collective Contract for Wage Negotiation" to effectively safeguard the legitimate rights and interests of the employees.

- According to the "Interim Provisions on Labor Dispatch", the Company has continuously promoted employment optimisation and standardised management, implemented regular performance and career development appraisal for 100% of its employees, adopted the policies such as equal pay for equal work in accordance with national requirements, resulting in growing employee satisfaction.

- According to the "Employee Recruitment Management Measures" and "Employee Promotion Incentive Guiding Opinions" and other regulations, in the process of recruitment and promotion, the Company strictly prohibits any discrimination against employees in terms of age, gender, etc., and strictly prohibits the use of child labor and forced labor. Measures taken include adopting strict inspection and control procedures during the selection and recruitment process and training the main contractors who provide manpower or services. There was no discrimination case in 2020.

- The Company has implemented the "employment stabilisation" work deployment and placed the employment of college graduates as the top priority. The Group's 2021 graduate recruitment plan will increase by 13% year-on-year; enhancing targeted employment assistance and providing special positions for Tibet and Xinjiang, and also relaxing the employment requirements for Hubei graduates.

Defending democratic rights

- The Company maintains channels for employees' complaints. The Group has established labor dispute mediation organisations at all levels, and mediated and handled more than 90 labor disputes, building a harmonious labor relationship.

- Relevant national regulations on working hours management have been implemented, strictly enforcing the special working hour declaration system to protect employees' rights to take rest and vacation. A paid leave system has also been implemented to protect the legal rights of female employees, and reserving job opportunities for all female employees after maternity leave.

- The Company has carried out independent audits on human resources policies and procedures, proactively identifying risks of violations, conducting immediate investigation and follow-up on violations and non-compliance issues, and taking timely remedial measures.

Strengthening positive incentives

- National policies and regulations on social insurance, housing provident fund, enterprise annuity, and etc. were strictly implemented, carrying out health examination, wellness lectures, critical disease insurance and other work for employees, so as to continuously improving the employee health protection system.

- The management mechanism of total compensation within the Group had been optimized, benefitting from the bonus of the mixed-ownership reform. The labor cost allocation standard was improved for the subsidiaries and branches and persistent with the incremental incentive sharing mechanism, consistently promoting evaluation adjustment on existing performance while adhering to achieving a coordinated increase in labor costs, returns and efficiency. Labor costs increased over 10% year-on-year. Perfecting the long-term incentive scheme mechanism and optimising a flexible welfare system, employees' sense of fulfilment was further enhanced.

- Breaking the "egalitarianism" salary distribution, a comprehensive incentive reporting system was launched and customised annual salary reports for employees. The Company also established a system of reporting on the workforce deployment to the staff representatives, disclosing the development and implementation of human resources policies, as well as maintaining open channels for information communication.

CARING FOR THE CONTINUOUS GROWTH OF EMPLOYEES

China Unicom encourages employees to carry forward the spirit of "ownership" and to provide advices and suggestions to the Group. Adhering to the thought of serving the employees, the Company thoroughly walked the miles to get in-depth understanding on what the grassroot employees think and want, and continuously innovated various measures to serving them and assisting them to have a work-life balance. Through creating an efficient, relaxed and caring working atmosphere for the employees, it has enhanced employees' sense of belonging, security and ownership to the Company.

Employee Participation in Management

Taking the implementation of 20 measures for the staff development as the starting point, China Unicom has coordinated and promoted the three-in-one enterprise democratic management of “staff representative assembly, open corporate affairs, and employees’ advices and suggestions”, to effectively protect the vital interests of employees and their proactivity to participate in corporate management, which encourage employees to contribute wisdom to the development of the Company.

- More than 560 staff representative assemblies were held within the Group throughout the year, more than 1,770 items were reviewed at the provincial company level, more than 14,000 items were reviewed by subsidiaries and branch companies, and more than 3,230 various proposals were submitted.
- The leadership team of all units continuously strengthened the awareness of open corporate affairs, established and improved the corporate affairs disclosure system and mechanism, and continued to promote the disclosure of corporate affairs to the front line. More than 3,300 items were made public throughout the year, achieving transparency for employees.
- The channels and methods for employees to make suggestions and advices further broadened to strengthen the collection and adoption of public opinions through various effective activities such as “Online Meeting with General Manager”. More than 150 sessions of “Online Meeting with General Manager” were held throughout the year.
- Leveraging on the advantages of the “all endeavors for three purposes” discussion platform, employee representatives proposed to build a “Green Channel”, which accumulatively put forward more than 4,860 effective suggestions, with an overall acceptance rate of 32.6%.

3,725

issues generally reported and concerned
by the employees were solved in 2020

295,000

employees
benefited



The 8th meeting of the second session of employee representative assembly at China Unicom

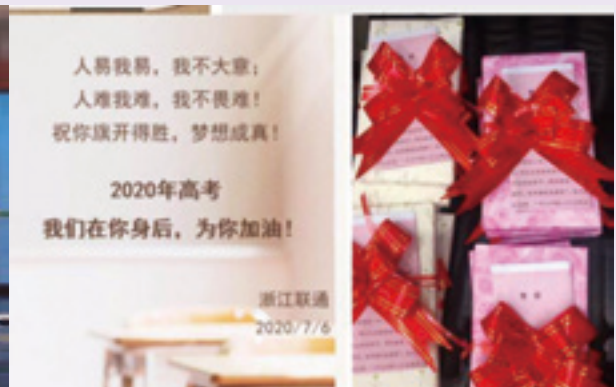


Chairman Wang Xiaochu discussed with grassroots representatives at the employee representative assembly

Improving Services for Employee

Caring for employees' children

- To alleviate the concern for the employees who are the parents of “candidates for examinations” and for them to balance family and work, the system of paid companion leave for employees whose children are enrolled in the high school and college entrance examination has been implemented. 11,085 people in the Group have benefited, and the companion leave rate reached 91%.
- Building a “U-choice” platform for employees’ children who will have the college entrance examination, providing guidance to fill in the applications. Through accurate analysis of Big Data, the platform guides candidates to fill in their priority choices according to their scores, ratings and interests. A total of 3,700 employees who are parents of candidates have been assisted to open accounts and provided services nationwide.



Zhejiang Unicom launched an activity to greet employees whose children were admitted to college in 2020, sending a deep blessing from the Company

Special caring custody classes were been set up under the pandemic. Sichuan and Shandong branch companies carried out online cloud hosting classes while Guizhou branch company held summer camp, and Jiangsu branch company organised parent-child interaction activities of “vegetable picking” and “emergency communication knowledge popularization”, and meanwhile Zhejiang branch company arranged “small class summer nursery” in the form of 3–5 people on each county basis. In 2020, 146 classes were conducted nationwide, serving more than 5,000 employees’ children. Of which, six provinces had held more than 10 classes.



Guizhou Unicom conducted military summer camp for hosting its employees’ children during the summer



Henan Hebi Unicom organised summer nursery class

Driving the construction of the “Five Small”

China Unicom has set up a special fund for the construction of “Five Small” to improve the working environment for its employees. In 2020, China Unicom provided subsidy of RMB4 million for 37 projects at 17 branch companies, completed the improvement work of 3,500 sub-divided fundamental units, and invested more than RMB70 million.

Henan Unicom gradually formed a unified intensive, refined and specialised management method comprising provinces, cities, counties and branches by building a “Five Small” asset management platform, minimizing asset loss, reducing input costs, increasing investment returns, and improving management quality and efficiency.

Fujian Unicom set up an exclusive “health cabin” in cities, counties and grid units to provide free health checking and consultation for employees, carry out health guidance to lead employees to “manage their own health”, and providing convenient, timely and warm experience for employees.

Preventing heatstroke and offering cooling

To further strengthen the care for employees who work under high temperature, branch companies at all levels have formulated heatstroke prevention and cooling policies according to local conditions and carried out various cooling activities in the summer.

The management of Henan, Inner Mongolia, Sichuan, Jilin, Zhejiang and other branch companies visited the front-line to show care for working under high temperature, as well as sending heatstroke prevention and cooling supplies to the front-line employees, while praising the employees’ working spirit for their duties during the high temperature, which greatly encouraged the front-line employees.



Zhuzhou Unicom held watermelon-eating competition for front-line employees during the hot summer

Paying attention to the mental health of employees

The trade union of the Group has been relying on the platform of Employee’s Home to carry out various online psychological care activities, such as live video class, on-site consultation, parent-child column, and etc. More than 120,000 people visited the mental health month webpage of Employee’s Home platform, and 21,281 people viewed the psychological care courses.

The trade union of the headquarters, Shanghai branch and Chongqing Branch carried out a variety of offline activities, including polaroid, oh card, massage, sand art, psychological games, and etc. to help employees improve their psychological status and pay attention to mental health.

Chongqing Branch carried out a number of lectures on “Employee Assistance Programme (EAP) Famous Teacher Seminar”, “EAP Famous Doctor Seminar” and “EAP Famous Psychologist Seminar”, establishing an EAP service brand project.

Caring for female employees

To establish and publicise the model of advanced female employees who are responsible for pioneering work, playing as a leading role, the Company carried out the Group-level selection and commendation activities of “heroines’ civilised position” and “heroines’ meritorious model”, which greatly stimulated the passion of most female employees to embrace their jobs, striving for being top-notch, hardworking, and be bold in innovation.

All levels of the branch offices have provided caring service to all female employees. Through Internet + trade union, the Company actively carried out activities such as female healthcare lectures, training courses, talent shows to push forward the implementation of policies including “Mothers’ Station” and “Expectant Mother-only Parking Spaces”, while also widely holding lectures on the protection of female rights and interests and marriage law forum. These initiatives demonstrated the Company’s care to every female employee, also with supports such as female-oriented health insurance, special health check-ups for female employees and setting up breastfeeding lounges.

Ensuring Production Safety

The Company attaches great importance to production safety. In rigorous implementation of the “Production Safety Law of the People’s Republic of China”, the Company has developed a long-term mechanism for production safety, and strengthened the system concerning the primary responsibility of branches and subsidiaries at all levels for their own production safety, and the responsibility of management members at all levels and the responsibility of all employees for production safety. Five Group-level safety management rules and regulations were enhanced, incorporated work safety into the rolling planning of each enterprise and specialty, improved the safety supervision mechanism and personnel guarantee, and comprehensively implemented work safety. It is required to strengthen the safety training for new employees, making them to understand the production characteristics and main hazard factors of the position, be familiar with the use of health facilities and protective equipment, and strictly implemented the requirements for special position with certificates. During the year, there was no safety incident involving casualties.

93

training sessions held on
production safety

100%

coverage on production
safety training



Yanshi Unicom organised fire safety training

Diversifying Cultural and Sports Activities

China Unicom actively organised various forms of cultural and sports activities and enriched the cultural and sports life of the employees, while enhancing the team’s coherency and competitiveness, and showing the spirit of teamwork and the striving attitude.

Helping Employees in Need

In accordance with the requirements of “covering the bottom line, weaving a dense network, and building a mechanism”, China Unicom has established a mutual complementary assistance mechanism of archives of employees in needs, insurance assistance for major diseases, and mutual aid funds for employees. In 2020, the Company established an online file management platform for employees in needs, realising the electronic dynamic management of the whole process of filing, helping and poverty alleviation. The Company has continuously expanded the types and categories of critical illness insurance for employees, and constantly increased the coverage. In 2020, a total of 5,498 people were being assisted and RMB64.45 million of compensation was paid out. 25 provinces have set up caring aid fund, and the scope of protection has been further extended to form a “Trinity” assistance system of critical illness insurance, mutual aid fund and supplementary medical care.

RMB78.80 million

invested in aiding employees in need

RMB42.59 million

invested in consolation activities