

Sustainable Development Governance

Sustainability Development System

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China Unicom attaches great importance to the management of environmental, social, and governance-related matters. The Board of Directors has overall responsibility for the Company's environmental, social, and governance strategy and reporting. It is responsible for making decisions and arrangements for China Unicom's corporate social responsibility work, including the process used to evaluate, prioritise and manage risks and opportunities in environmental, social, and governance, and defining the objectives and strategies for sustainable development. The Corporate Development Department/Legal Department is responsible for the coordination and daily management of sustainable development work, while each department of the Group, provincial branches, and subsidiaries are responsible for organising and promoting the implementation of sustainable development work within their respective units, addressing key issues and major projects in their specific areas of expertise.



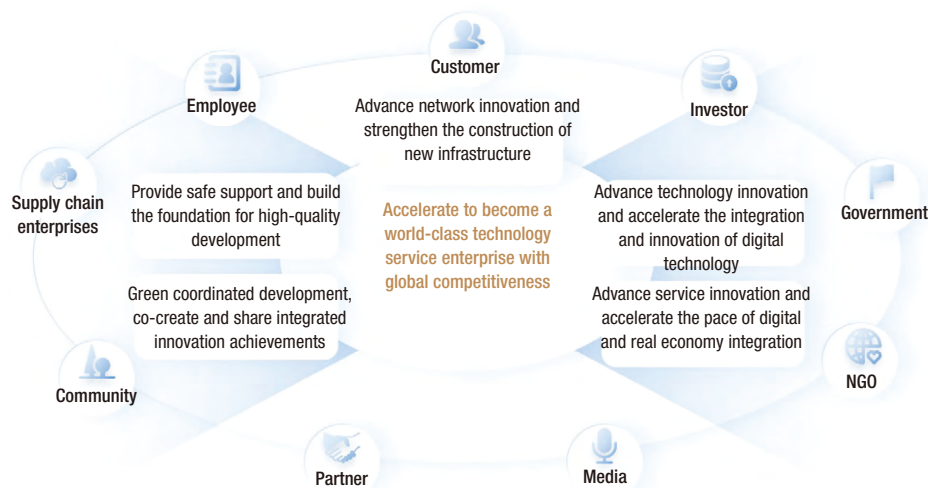
Sustainable Development Supervision

In the implementation of strategy, major transaction decisions, and risk management processes, China Unicom fully considers the impact of sustainability risks and opportunities. The Board and Audit Committee regularly receive reports on sustainability-related work. They review the company's performance, and provide management and relevant departments with advice and instructions on optimizing sustainability efforts. They also approve the disclosure of the sustainability report. The remuneration of the Company's management is linked to sustainable development goals such as green and low-carbon initiatives, technological innovation, rural revitalization, and safety production. Multi-dimensional training is conducted to facilitate the achievement of these objectives.

Sustainable Development Strategy

Vision and Strategy for Sustainable Development

China Unicom integrates its development with broader sustainable development, accelerating its transformation into a world-class technology service enterprise with global competitiveness, achieving a harmonious unity between the Company's interests and social objectives. In 2024, China Unicom continued to be guided by the new development philosophies of innovation, coordination, green, openness, and sharing. The Company took practical actions to implement the Cyber Superpower and Digital China initiatives, formulating the Sustainability Development System of China Unicom to fulfill its social responsibilities effectively.



Sustainable Development Management

China Unicom, supported by effective organisation, systems, processes, and methods, revised and issued the “China Unicom Social Responsibility Management Measures” in 2024. This further detailed the planning formulation, data management, communication management, performance management, and other work contents and processes, deeply integrating the concept of sustainable development into the Company’s management and operational services.

- The Company conducted in-depth research on policies, standards, technological innovations, and data management strategies in the field of Environmental, Social, and Governance (ESG), integrating sustainable development into the Company’s strategy.
- The Company improved the China Unicom Social Responsibility Management Indicator System by refining and quantifying various indicators, formulating specific implementation plans and measures to ensure the effective implementation of all social responsibility tasks.
- The Company organised and implemented special tasks on environment, social, and governance.

China Unicom continued to strengthen its capacity for responsibility and to promote the concept of responsibility among all employees. It established a two-tier sustainable development team at both the Group and subsidiaries, extensively and deeply promoted the implementation of responsible practises, and encouraged the improvement of the Group’s ability to fulfil its responsibilities through case sharing. Many responsible practises have received awards from various sectors of society. Personnel engaged in ESG work actively participated in various seminars and training organised by the sustainable development industry, focusing on trends in responsible development, learning from the experiences of outstanding enterprises, and contributing ideas and opinions. In 2024, ESG training reached more than 100 participants, with a total training duration exceeding 60 hours, aiding the in-depth advancement of sustainable development.

- The Company was accredited with the “2024 Low Carbon Operation Pioneer and Ona Award” and the “2024 Responsibility Gold Award” by the Social Responsibility Conference Organising Committee.
- “Innovative Smart Dual-Circulation Air Conditioning Energy-Saving Technology, Creating a Green Data Centre Model” was selected as the “2024 Best Practise Case for Sustainable Development of Listed Companies” by the China Association for Public Companies.
- “‘Unicom Carbon Life’ Assists in Green Transformation of Public Life – Carbon Inclusive Application Utilises AI+ to Support subscribers Carbon Footprint Tracking” received the “2024 ESG Excellence Practise” award at the ESG China Innovation Annual Conference jointly organised by the China Enterprise Reform and Development Society and CCTV.
- “Upholding the Original Aspiration of Serving the People, Fulfilling the Responsibility of Central Enterprises, and Advancing Anti-Fraud Governance to a New Level” and “‘Unicom Carbon Life’ Carbon Inclusive Applications in the Telecommunications Industry Facilitating Green Transformation of National Production and Lifestyle” won the “Brand ESG Excellent Practise Case” organised by the China Advertising Association.
- “Innovative Smart Dual-Circulation Air Conditioning Energy-Saving Technology Empowering Sustainable Development in the Communication Industry” was recognised the “China Enterprise ESG Excellent Case” by Xinhua News Agency’s “Banyue Tan” magazine and the China Enterprise Reform and Development Research Association.
- “Harbin Cloud Data Centre Waste Heat Recovery Energy Saving” and 6 other cases were selected as “2024 Outstanding Practise Cases of Enterprise Green Low-Carbon Development”.

Important Issue Management

Important Issue Evaluation Process

China Unicom conducts regular identification of important issues annually. In 2024, the dual materiality approach was adopted, considering the impact of sustainability issues on its own financial or strategic aspects, as well as their impact on the environment and society.

Identifying sustainability agendas

Based on the principle of double-materiality, and considering factors such as industry trends, regulatory policies, and domestic and international sustainability-related norms and standards (such as CASS-ESG6.0, United Nations Sustainable Development Goals, GRI Industry Standards, Global Risk Report, etc.), potential sustainability opportunities or risks are identified through stakeholders feedback (including investor suggestions, partner conferences, employee opinions, customer feedback, media analysis reports, etc.). These potential factors, combined with opportunities or risk factors from past business activities, form a complete pool of sustainable development issues. In 2024, 26 sustainability agenda items were identified.

Analysing and deciding on important agendas

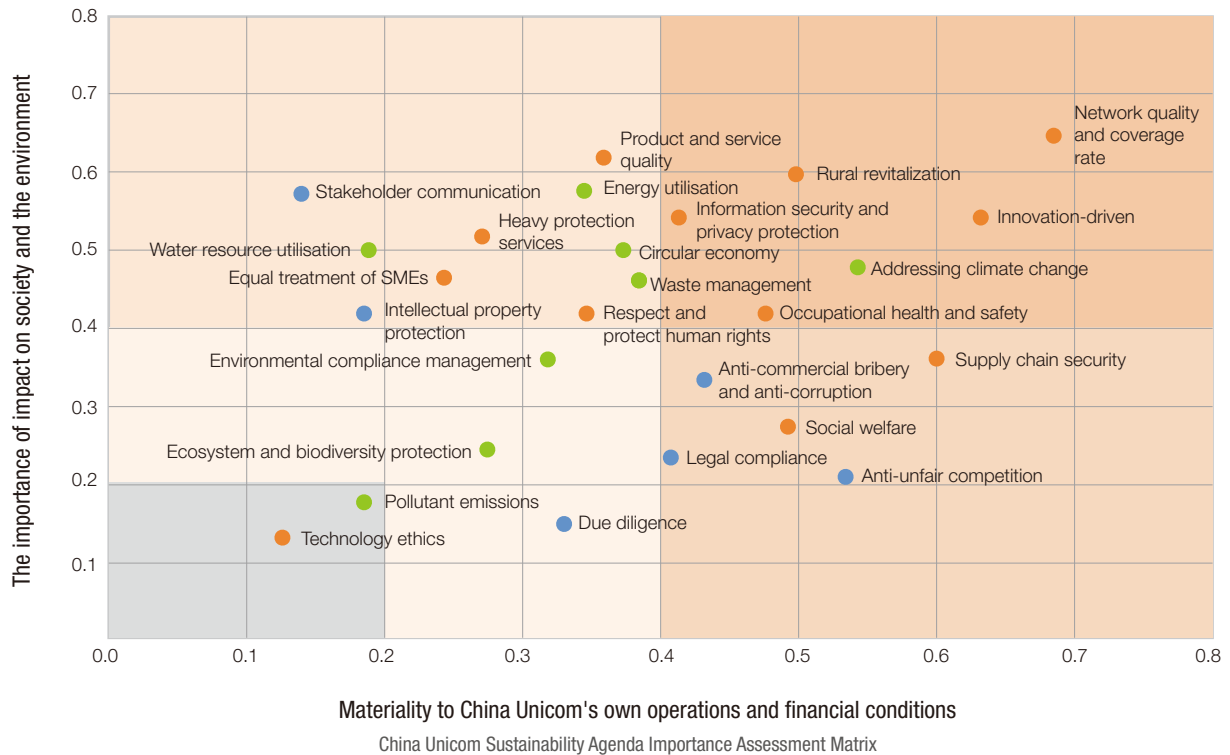
Based on the nature of sustainability agendas, the Company analysed factors such as positive and negative impacts, scale and scope of impact, probability and speed of occurrence, and the degree of stakeholder concern to assess the extent of each agenda’s impact on the economy, environment, and society. The materiality scoring is set by the Corporate Development Department to screen and rank the dual materiality topics for this year.

Confirming and managing key agendas

The results of the analysis of important agendas are determined through management discussions to ensure that the dual materiality assessment method and results align with the Company’s management policies and development objectives. The Company regularly reviews the implementation of measures related to key agendas and continuously optimises its internal management policies. This year, a total of 21 items were included as important topics, with 6 items classified as dual importance, 5 items as financially important, and 10 items as impactful.

Dual Materiality Assessment Matrix and Evaluation Results

The results of the importance assessment are presented in the following dual materiality matrix. The matrix considers both the significance of impact and financial importance, plotting each significant agenda based on its degree of impact on the environment and society (Y-axis), and its degree of impact on the Company's operations and finances (X-axis). Relevant agendas are included in the appropriate sections for disclosure.



Due Diligence on Sustainability Agenda

China Unicom primarily conducts due diligence on investment-related businesses to gain a truthful and objective understanding of the current situation. It analyses investment feasibility, and formulates reports and strategic recommendations. Relevant circumstances are incorporated into risk assessment and subsequent management processes.

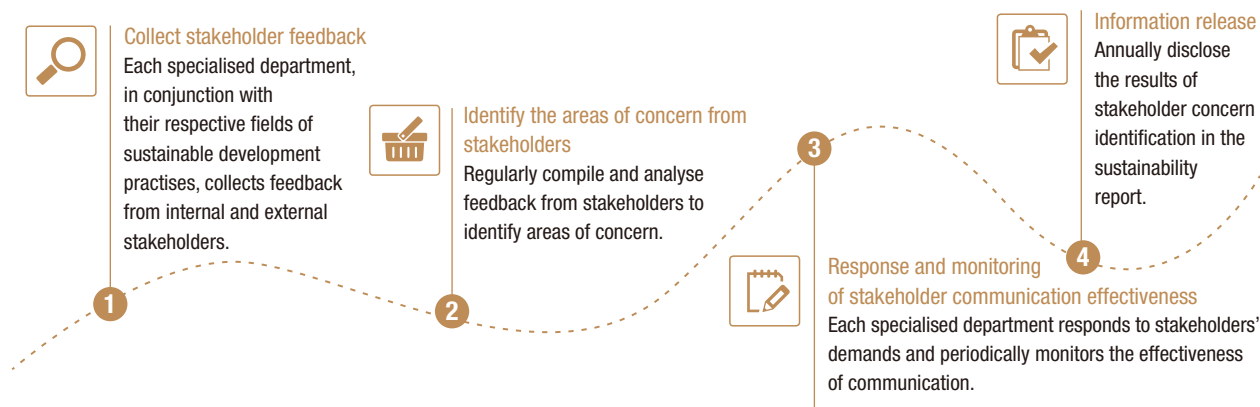
The Company conducted feasibility studies on network-related fixed asset investments to enhance the scientific nature of investment decisions and optimise resource allocation. The feasibility studies for network-related fixed asset investment are organised and conducted by qualified feasibility study preparation units, the Construction and Development Department, and relevant demand units. The main procedures of the feasibility study include needs assessment, current network research, formulation and discussion of the initial draft of the construction plan and investment, expert review, and other stages. The content of the feasibility study covers the necessity and feasibility of engineering construction, dual carbon considerations, economic factors, risk assessments, and other sustainable development elements.

The Company's equity investment activities strictly adhere to due diligence regulations to ensure the rationality of investment decisions and the controllability of risks, thereby safeguarding the security and appreciation of state-owned assets. The due diligence primarily covers various aspects such as the financial condition, operational status, market prospects, and legal risks of the investment target. It is mainly conducted through document review, on-site inspections, and personnel interviews. Upon completion, a detailed due diligence report is issued, along with corresponding risk warnings and investment recommendations, to help enhance the quality and level of investment decision-making.

Communication with Stakeholders

China Unicom places great importance on communication and cooperation with stakeholders, enhancing communication mechanisms and management procedure. It actively builds a communication platform with investors, continuously enhances the transparency of information disclosure, streamlines internal communication channels, and promptly responds to the diverse demands and expectations of stakeholders.

Communication with Stakeholders Mechanism and Management Procedures



Investor Relations Management and Shareholder Rights Protection

Investor Relations Management

China Unicom has strengthened proactive and effective investor relations management, coordinating relationships with regulatory, analyst, shareholder and securities media. This has significantly enhanced its influence in the capital market and continuously enhanced the value of the Company and its shareholders. Annual general meeting shall be held every year, and extraordinary general meeting may be held when the Board deems it appropriate, the Company's Directors and representatives of Board committees will attend the meetings. All matters at the Company's general meetings are resolved by poll and the relevant procedures are explained at the meeting and the Company publishes the poll results in a timely manner, thereby offering protection of the shareholders' rights and interests. Latest updates on the Company's significant business developments are being provided in a timely and accurate manner through announcements, press releases and the Company's website (www.chinaunicom.com.hk), so that investors can keep timely understand of the Company's latest developments. The Company's website not only serves as an important channel for disseminating press releases and corporate information to investors, media, and the capital market in terms of investor relations, but also plays a critical role in the Company's valuation and compliance with regulatory requirements for information disclosure. The Company continuously updates the content of its website, further enhances the website's functionality, and strengthens the transparency of information disclosure, striving to achieve international best practise standards. In 2024, the Company's website (<https://www.chinaunicom.com.hk>) was honoured with the Gold Award in the "iNova Awards" for nine consecutive years. The Company's efforts in investor relations have been highly praised by the capital markets, and it has received numerous awards, including being rated by fund managers and analysts as having the "Best IR Program (Telecoms)" in the 2024 Asia Executive Team ranking organised by Institutional Investor.

- An Investor Relations Department is in place to provide investors with the information and services they require and to actively engage with investors and fund managers.
- The Company formulated Shareholders' Communication Policy to ensure that the shareholders are provided with readily, equal and timely access to balanced and understandable information to protect their right to know.
- The Company focused on strengthening communication with the capital market, enriched communication methods, organised a number of reverse investor roadshows activities, and arranged the management to carry out roadshow activities from time to time. Throughout the year, the Company organised/participated in nearly 100 international capital market communication activities, and the communication with investors, analysts and the media increased significantly compared with last year.
- The Company actively respond to investors' concerns, and transparently makes adequate disclosures on the Company's efforts to address climate-related risks on climate change issues that have been widely concerned by investors in recent years.

Transparency in information disclosure

China Unicom strictly fulfils its information disclosure obligations, organises and completes various information disclosure work in accordance with laws and regulations to ensure the truthfulness, accuracy, completeness and timeliness of information disclosed to the public (including inside information). The Company's efforts in corporate governance (including information disclosure) were highly regarded by the capital market and received a number of awards. In particular, the Company was voted as "Asia's Most Honoured Telecom Company" for nine consecutive years in the "2024 Asia Executive Team" ranking organised by the authoritative financial magazine, Institutional Investor. It was awarded the "Best Managed Company in China-Gold" in the "2024 Asia's Best Managed Company Awards" organised by the authoritative financial magazine, FinanceAsia. It received the "Sustainable Asia Award" at the "14th Asian Excellence Recognition Awards 2024" organised by Corporate Governance Asia.

- The Company developed and refined the Information Disclosure Policy to ensure the convenience and security of information disclosure while ensuring the fulfilment of information disclosure obligations in compliance with laws and regulations.
- The Company established the Information Disclosure Committee chaired by the management to clarify the procedures for the compilation and reporting of financial and operational data and other information as well as the procedures for the preparation and review of periodic reports. The Company has made specific provisions on the contents and requirements for the verification of financial data, especially requiring the responsible persons of each major department to issue a statement letter to be assumed by individuals from the bottom to the top.

- The Company adhered to fair disclosure and held result briefings or presentations in Hong Kong and Beijing immediately after the publication of annual and interim result announcement to ensure that all investors have equal access to relevant information.
- The Company actively participated in various surveys and inquiries conducted by regulators and exchanges, and earnestly put forward constructive opinions and suggestions.
- The Company attached great importance to the protection of the rights and interests of creditors. The Company had a good credit history, all interest-bearing liabilities were repaid on time without any instances of debt default or adverse credit records.
- The Company regularly invites different professional teams to provide training for Directors on the latest development of relevant laws and regulations, market environment and industry development, so as to enhance their ability to perform their duties.

Communication with Stakeholders Methods and Expectations

Stakeholder	Communication method	Expectations for China Unicom
Customers	<ul style="list-style-type: none"> • Business outlets communication • Service hotline • Weibo/WeChat and APP • Business Visit • Customer satisfaction follow-up 	<ul style="list-style-type: none"> • Network quality and product experience • Efficient and convenient customer service • Information security and privacy protection • High-quality brand image • Innovative and futuristic communication technologies • Strengthen the cultivation and enhancement of key product capabilities
Employees	<ul style="list-style-type: none"> • Employee forum • Workers' congress • Democratic life meeting • General Manager Online • Open corporate affairs 	<ul style="list-style-type: none"> • Protection of lawful rights and interests • Extensive career development opportunities • Effective vocational skills education • Equal employment with equal pay for the same position • Opportunities for participation in democratic management • Assistance received during difficult times • Safe and comfortable work environment
Investor	<ul style="list-style-type: none"> • Results press conference • Investor activities • "Investor Relations" section in Company's website 	<ul style="list-style-type: none"> • Sustainable operating performance • Corporate governance and integrity management • Information security and privacy protection
Supply chain enterprises	<ul style="list-style-type: none"> • Procurement activities • Meetings, interviews • On-site audit guidance 	<ul style="list-style-type: none"> • Extensive and convenient support services • Promote the coordinated development of digital and green transformation • Anti-commercial bribery and fair competition
Government	<ul style="list-style-type: none"> • Meetings • Face-to-face communication 	<ul style="list-style-type: none"> • Information infrastructure construction • Security assurance services during critical periods • Corporate governance and integrity management • Information security and privacy protection
Non-governmental organisation	<ul style="list-style-type: none"> • Thematic Forum Exchange Activity • Meetings, interviews 	<ul style="list-style-type: none"> • Addressing climate change risks • Information security and privacy protection • Community Care and Charity Investment
Community	<ul style="list-style-type: none"> • Meetings • Seminars • Visits 	<ul style="list-style-type: none"> • Comprehensively promote rural revitalization • Sustainable and effective donations • Carry out charity and volunteer activities • Energy-saving and environmentally friendly communication equipment
Partners	<ul style="list-style-type: none"> • Partners Conference • Meetings, interviews • Self-service portal of partners • Regularly conduct high-level mutual visits and discussions with partners 	<ul style="list-style-type: none"> • Promote the rapid, healthy, and controllable development of the cybersecurity industry • Fair and open opportunities for cooperation • Strengthen cooperation in the integration of the four chains: innovation chain, industry chain, capital chain, and talent chain
Media	<ul style="list-style-type: none"> • Issue press release and hold press conferences • Promotional Activities • Special communication 	<ul style="list-style-type: none"> • Operating performance • Network quality and infrastructure construction • Risk Management and Emergency Management