



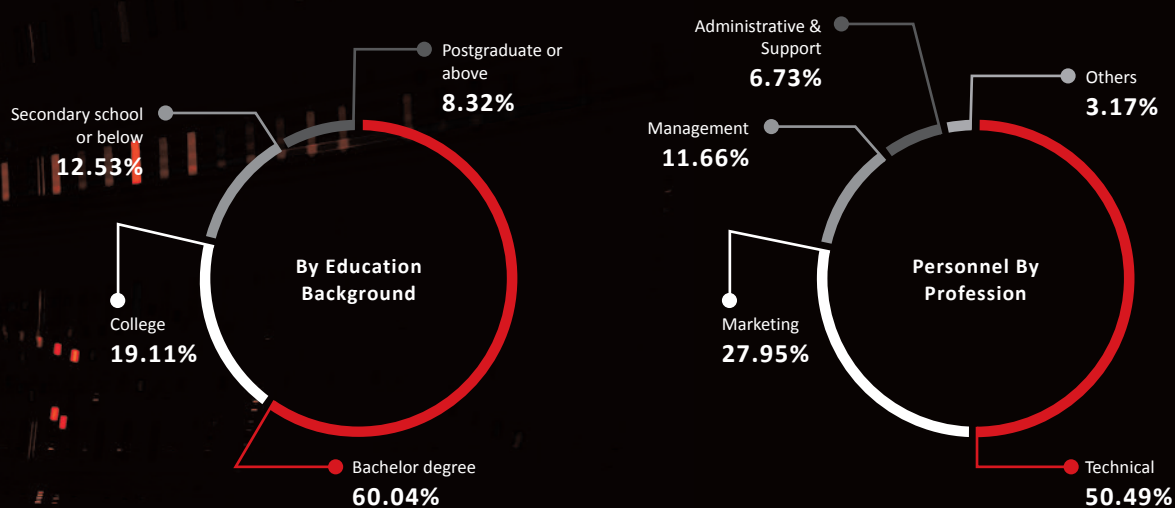
Human RESOURCES DEVELOPMENT

Adhering to the team collaboration approach, China Unicom continuously optimises its system and mechanism, allowing employees and teams who highly contributing to customer needs and enhancing corporate value to share higher returns, thus achieving the mutual growth of the Company and the employees. In 2020, underpinned by the goals of promoting “staff in and out”, “post up and down” and “compensation up and down”, China Unicom paid continuous efforts to deepen the human resources system reform, providing human resources support for the Company’s comprehensive digital transformation and achieving sustainable high-quality development.

Supply-side reforms in human resources continued to improve efficiency and rationalise structure. The Company uncovered the master map of manpower deployment, thereby making the Group’s overall human resource allocation more transparent, and improving efficiency comprehensively on the organizational structure, professional structure, rank and position and other dimensions. China Unicom’s employee productivity continuously increased. The Company continued to optimise its employee structure integrating the subdivision of performing unit reform, which redeployed about 6,000 employees at all levels to frontline positions at sub-divided units directly contributing to value creation. China Unicom also strengthened the effort to recruit talents in enhancing the digital transformation of the Company and the number of high school graduates recruited increased by 6% year-on-year.

The Company adopted performance-based compensation as the principal mechanism with a diversified remuneration structure. The Company improved the employee compensation distribution and performance evaluation mechanism to achieve the aligned growth of employee benefits and the return and efficiency of the Company. The Company optimised its value-based internal remuneration distribution mechanism, further widening the gap in remuneration and stimulating the vibrancy of micro-entities. The Company launched an integrated incentive reporting system, which is able to deliver customised annual

ANALYSIS OF STAFF COMPOSITION



For further details of Human Resources Development, please refer to the relevant sections of the Company's detailed Corporate Social Responsibility Report 2020 to be published in June 2021. Please visit the Company's website at www.chinaunicom.com.hk.

remuneration report to the employees, further enhancing employees' sense of achievement. A long-term incentive system was also established to effectively attract, retain, and appropriately compensate talents.

Focusing on the top-level design, the Company conducted comprehensive analysis on the leadership team structure and the overall planning and coordination with due regard to the needs of the Company in the course of development. China Unicom enhanced the capability on digital transformation, strengthened the supervision of managers and motivating managers at all levels to take new responsibilities and deliver new initiatives in the new era. The

Company further strengthened the young manager development, as well as the communication between the headquarters and the frontlines, and actively pushed forward the implementation of the director accountability system. While promoting the withdrawn rate of managers of no less than 1.5% per annum, the Company stepped up effort to withdraw managers, further stimulating their vitality.

The Company strengthened on professional talent pipeline development. A four-tier professional grade structure namely, practice leaders, experts, core members and new talents, comprising of 18,000 members from 14 professional fields including IT, operating and maintenance, research and development, government and enterprise, marketing, etc. was developed. The Company deepened the implementation of "418" talent development initiative in the innovative areas and stepped up on talents recruitment. In 2020, 3 top talents were recruited at the headquarters, and nearly 30 top talents were recruited at the branch and subsidiary levels. The

Company conducted innovation capability certification in IT and government and enterprise services, and a total of 25,000 employees had passed the examination in 2020.

Focusing on the demand for digital transformation, the Company reshaped its staff education and training system to enhance the training on transformation empowerment. To further strengthen and cultivate the digital capability of employees, annual key training plans for management personnel and professional talents were formulated, while continuously carrying out professional improvement and transformation training for all groups.