



Advanced Governance

China Mobile is committed to the corporate governance principles of integrity, transparency, openness, and efficiency. We progressively established a series of policies and systems, internal control systems, and management mechanisms and processes, thereby forming a corporate governance system with prescribed and transparent rights and responsibilities, coordinated operations, and effective checks and balances. These enabled us to continuously improve the effectiveness of our corporate governance, prevent and resolve all kinds of risks, enhance our value, ensure sustainable development in the long term and deliver enormous returns to our shareholders.



Optimizing
the Corporate
Governance System



Preventing and
Resolving All Kinds
of Risks

SUSTAINABLE
DEVELOPMENT GOALS

Responding to SDGs

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS





Optimizing the Corporate Governance System

Protecting Shareholders' Rights

► Standardizing information disclosure

To give investors a clear picture of our development, China Mobile has always ensured that it follows relevant regulations and internal rules on management of information disclosures and reporting of significant information. We disclose truthful, accurate, complete and high-quality information to investors so they can make informed judgments and investment decisions. We disclose such information in a concise, clear and easy-to-understand manner. Based on information disclosure requirements, China Mobile has been delivering relevant information to the market and investors, and the quality of our information disclosures has been highly regarded by regulatory authorities and investors alike. In 2022, we disclosed over 300 announcements/correspondence.

► Promoting diversified communication

China Mobile attaches great importance to interaction and communication with investors. We have formulated communication policies with shareholders and review them regularly to ensure their effectiveness. We have established a securities affairs department, dedicated to providing necessary information and services to, and communicate with, shareholders and investors and other participants in the capital market, to maintain an active dialogue with them and make sure they are fully informed of the Company's operation and development.

We use a number of formal channels to report to shareholders on the performance and operations of the Company, particularly through our annual and interim reports. Generally, when announcing interim results, annual results or any major transactions in accordance with the relevant regulatory requirements, the Company arranges investment analyst conferences, press conferences and investor conferences to explain the relevant results or major transactions to the shareholders, investors and the general public, listen to their opinions and address any questions that they may have. Moreover, we disclose several major unaudited operating and financial data every quarter, as well as customer data every month, providing additional information to shareholders, investors, and the public in a timely manner to keep them updated about the Company's business operations.

We maintain a close relationship with investors including investment bank conferences, one-on-one meetings, and teleconferences, providing timely information to the capital market regarding our business operations.

China Mobile attaches great importance to shareholders' meetings, including the annual general meetings and special shareholder meetings, and values communication between the Company's directors and shareholders. At each shareholders' meeting, the directors are committed to providing detailed responses and explanations to address shareholders' inquiries. In 2022, we held one annual general meeting and one special shareholder meeting.



Participated in
13
investor conferences

Held
120
routine investor
meetings

Met with
1,196
investors



Case Investor exchange event for listed companies in the telecommunications industry

To showcase the prospects of telecom operators in the blue ocean of digital economy and paint a bright picture of the industry's future transformation, China Mobile, China Telecom and China Unicom co-hosted an investor exchange event for listed companies in the telecommunications industry under the theme "Embracing the Blue Ocean Digital Economy, Looking Forward to a New Future of the Telecom Industry" on July 8, 2022. The purpose of the event was to communicate with investors and provide them a clearer picture of the industry. The telecom operators exchanged ideas with investors through a variety of means, including in-person interactions, online interaction as well as a "cloud exhibition hall".

Standardizing Corporate Governance

► Board of Directors

The key responsibilities of our Board of Directors include formulating our overall strategies and objectives, setting management targets, overseeing internal controls and financial management, supervising the performance of our management, performing corporate governance responsibilities, and delegating day-to-day operations and management to our executives. The Board of Directors operates on established practices (including relevant reporting and supervisory procedures). Meetings of the Board of Directors are held at least once a quarter and as and when necessary. Directors are requested to declare their direct or indirect interests, if any, in any proposals or transactions to be considered at meetings of the Board of Directors and abstain from voting as appropriate. In 2022, our Board of Directors met on twelve occasions (including seven occasions by way of written resolutions).

Composition of the Board of Directors

► **Personnel:** Our Board of Directors comprises eight directors, namely Mr. YANG Jie (Chairman), Mr. DONG Xin (Chief Executive Officer), Mr. LI Pizheng and Mr. LI Ronghua (Chief Financial Officer) as executive directors, and Mr. Stephen YIU Kin Wah, Dr. YANG Qiang, Mr. Carmelo LEE Ka Sze and Mrs. Margaret LEUNG KO May Yee as independent non-executive directors.

► **Structure:** The Board of Directors has three principal committees, which are the Audit Committee, the Remuneration Committee and the Nomination Committee, each composed solely of independent non-executive directors.

Nomination and selection of the Board of Directors

► **Nomination:** The Nomination Committee is responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors; identifying individuals suitably qualified to become directors and selecting or making recommendations to the Board of Directors on the selection of individuals nominated for directorships; making recommendations to the Board of Directors on the appointment or re-appointment of directors and succession planning for directors.

► **Selection:** We adopted a Director Nomination Policy in 2019. The Nomination Committee and the Board of Directors shall evaluate and select candidates for directorship considering their character and integrity, qualifications (including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy), willingness and ability to devote adequate time, and consideration on diversity under the Board Diversity Policy.

► In May 2022, the Nomination Committee made recommendations to the Board of Directors on the appointment of Mr. LI Pizheng as an executive director and Mr. Carmelo LEE Ka Sze and Mrs. Margaret LEUNG KO May Yee as independent non-executive directors. Our newly-appointed directors, who are professionals with extensive knowledge and experience in the postal and telecommunications industries, law and regulation, and economics and business, can support our long-term and steady growth.

Remuneration policy of the Board of Directors

► The Remuneration Committee is responsible for determining the remuneration packages of all executive directors and senior management. The remuneration package of our executive directors consists of a basic annual salary, a performance-linked annual bonus and a term incentive. The remuneration for independent non-executive directors is determined by reference to their experience, the prevailing market conditions and their workload as independent non-executive directors and members of the committees of the Board of Directors.

► The Remuneration Committee reviews and approves the management's remuneration proposals; makes recommendations to the Board of Directors on directors' salaries, incentive schemes and other share option schemes of the Company, and on the establishment of formal and transparent procedures for developing the remuneration policy.

► In 2022, the Remuneration Committee made recommendations to the Board of Directors on director's fees and remuneration structure for the newly-appointed executive director and independent non-executive directors.

Diversity of the Board of Directors

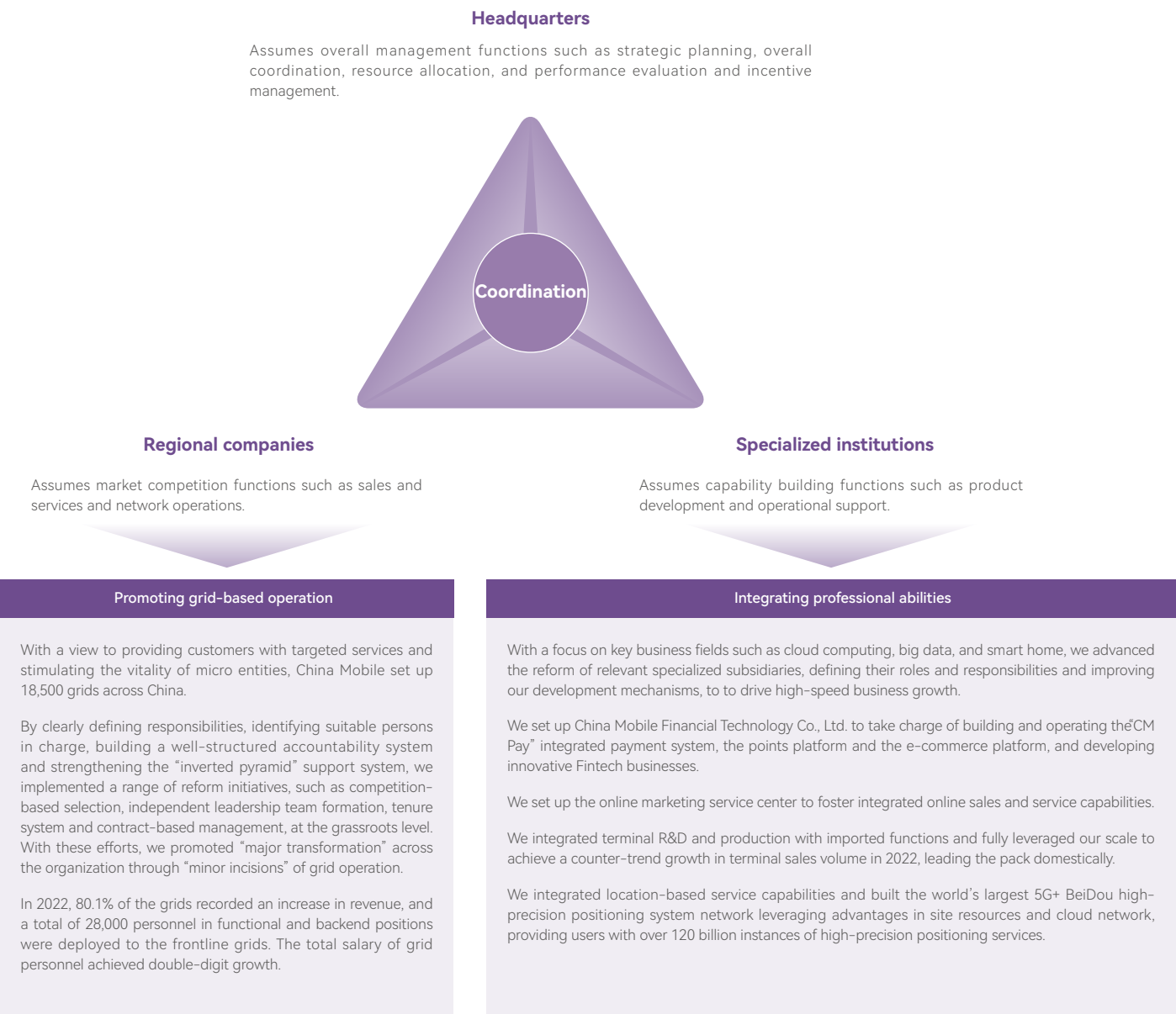
The Board of Directors has adopted a Board Diversity Policy since September 2013. In considering the composition of the Board of Directors, diversity will be considered from a number of perspectives in accordance with our business model and specific needs, including professional experience and qualifications, regional and industry experience, educational and cultural backgrounds, skills, industry knowledge and reputation, knowledge of the laws and regulations applicable to the Company, gender, ethnicity, language skills and length of service, etc. Such perspectives under the Board Diversity Policy shall be taken into account in recommending appointment and re-election of directors and be monitored on an ongoing basis by the Company's Nomination Committee.

Furthering Comprehensive Reforms

In keeping with the three-year action plan for SOE reform, China Mobile sees furthering reforms as the key to “becoming a world-class enterprise”. As it worked to break down institutional barriers, China Mobile made significant achievements by building a modern corporate system with Chinese characteristics, optimizing the layout and adjusting structure, enhancing vitality and efficiency, and making sci-tech innovations.

► Creating a coordinated mechanism between “management”, “battle” and “support”

To keep up with the trend of modern enterprise management and scientifically manage the balance between centralized leadership and decentralized responsibility, China Mobile undertook a series of professional division of labor and integrations, whereby our headquarters make overall arrangements, regional companies focus on expanding the market, and specialized institutions work on building capabilities. We established an organizational layout for our operations whereby our headquarters are responsible for overall management, regional companies undertake battles and specialized institutions provide support, thereby pooling our efforts to make rapid and well-coordinated responses.



► Improving market-oriented operations mechanism

To foster a positive environment where “the competent are promoted, the excellent are rewarded, the mediocre are demoted and the inferior are removed”, China Mobile continued to further reform of three systems:



In terms of management selection, we firmly implemented the “Key Personnel” project and advanced a tenure system and contract-based personnel management for management personnel, which covered 100% of all 2,465 management personnel at 622 tier-2 and tier-3 subordinate units. Meanwhile, we stepped up the reassignment of low-performing managers and removal of incompetent ones.



In terms of employment, we saw an accelerated digital intelligence transformation in our workforce, with the number of technical staff growing from 130,000 to 169,000, and from 26.6% to 35.2% as a proportion of the total employees in the past three years. In 2022, 100% of our new hires were recruited through open recruitment.



In terms of income distribution, we set up an incentive model whereby one took a fair share of the total labor costs in proportion to contribution, which closely aligned with our business development, as well as dedicated incentive mechanisms for key businesses, and widened income distribution gap. We also implemented a suite of policies, such as “Racing to the Top” and internalization of core competencies, to eliminate equalitarianism in income distribution.

► Launching special initiatives to advance the reform of SOEs

In compliance with the requirements of launching special initiatives to push forward the reform of SOEs, we promoted the comprehensive implementation and systematic integration of the various policies and measures for SOE reform and positioned us to lead by example and spur breakthroughs.

Double-Hundred Action

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It built a dual-track career development system for management and professionals, and allowed employees to switch between the two. It also strengthened performance appraisal and professional assessment, making management positions vertically mobile. It also piloted the use of professional managers. MIGU’s media resources were in the first tier of the industry and took the broadcasting of the Beijing 2022 Winter Olympic Games as an opportunity to breakthrough its traditional audience demographic, attracting over 300 million viewers and over 15.5 billion views and topping the trending list of various social media platforms for 45 times.

© China Mobile Group Device Co., Ltd.

It built a large-scale and chain-based offline operation system and established a pan-terminal and omni-channel sales alliance. In 2022, for the first time, its operating revenue exceeded RMB100 billion.

© China Mobile Online Services Co., Ltd.

It made advances in integrated online operations and task-specific reform of the cloud customer service. In 2022, the online sales volume of its core businesses reached 754 million, representing an increase of 71.1% year on year.

Demonstration Action for Sci-Tech Reform

© China Mobile IoT Co., Ltd.

The company promoted “layered” reform, spinning off the chip team to set up Xinsheng Technology. It completed the first round of mixed-ownership reform, bringing in two strategic investors with a stake of more than 5% and also simultaneously launching an employee stock ownership plan.

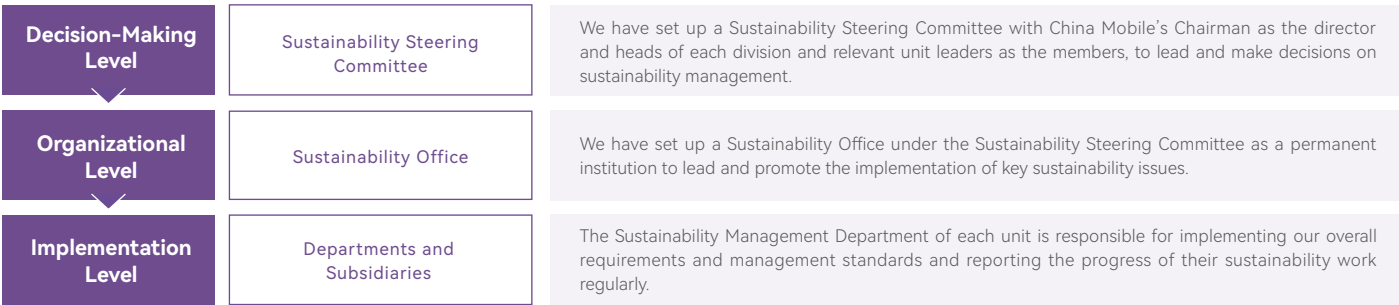
© China Mobile Cloud Center (also known as China Mobile (Suzhou) Software Technology Co., Ltd.)

The company carried out a “step-by-step” reform to accelerate business expansion. Since its establishment, the company gained over RMB 40 billion in cloud business revenue, representing a year-on-year growth of 65% and placing it among the first tier of the industry.

Continuously Advancing ESG Management

Guided by globally recognized standards and best practices for sustainability management, China Mobile has gradually set up a strategic sustainability management system since 2006. With effectiveness at the core, the system has been developed having regard to the realities of our operation and management and utilizes a suite of innovative management tools and approaches. We have set up the Sustainability Steering Committee and built a three-level sustainability management framework comprising “decision-making, organization, and implementation”, which enables the in-depth involvement of top leadership, horizontal coordination, and vertical collaboration. The Sustainability Steering Committee oversees decision-making, the Sustainability Office takes charge of management, and the specialized departments and subordinate units implement specific tasks. With clearly defined responsibilities and division of labor, our sustainability efforts are carried out in an effective manner.

China Mobile’s Sustainability Management Framework



China Mobile upholds the corporate governance principles of integrity, transparency, openness, and efficiency. We have gradually optimized a series of sustainability policy systems, internal control systems, and management mechanisms and processes. Moreover, we established a strategic, closed-loop sustainability management system consisting of the four modules of strategy, implementation, performance, and communication. Meanwhile, by regularly preparing and releasing sustainability reports, we have built a long-term ESG promotion mechanism covering all staff and processes.

China Mobile’s Sustainability Management System



With reference to mainstream ESG evaluation systems, China Mobile has established a regular benchmarking management system for key sustainability issues. The Development Strategy Department leads and assigns the management of sustainability issues based on the management responsibilities of the headquarters and relevant units, and all units collaborate to carry out benchmarking management, gap identification, and improvement. We actively participate in the formulation of ESG-related evaluation standards in the industry and continuously measure ourselves against the standards to improve our own benchmarking management system.

For 15 consecutive years, we organized the “Excellent CSR Practice Selection” among all subordinate units under China Mobile, greatly stimulating the enthusiasm, initiative, and creativity of employees at all levels. In particular, we set up the “Evergreen Practice Award” to encourage all the units to constantly promote and apply excellent practices.

In the past 15 years, we have received a total of **1,131** practical achievements submitted by the various units and rewarded **243** of them.



Preventing and Resolving All Kinds of Risks

Strengthening Compliance Management to Prevent and Control Business Risks

China Mobile strives to be a “practitioner, leader, and communicator” of compliance, continuously advancing compliance management at the strategic level. We closely integrated compliance management with promoting digital transformation and high-quality development, risk prevention and resolution, and governance capability building. The continual improvement in our compliance management system allowed us to consistently bolster operational compliance.

► Strengthening organizational leadership to promotes coordinated efforts

China Mobile highly prioritized compliance management and leveraged the “Compliance Management Enhancement Year” as an opportunity to further integrate compliance management into overall planning and implementation. We held a compliance management seminar in Hong Kong to promote the construction of a large-scale compliance management system, thus ensuring high-quality development of international business and concentrated supply of compliance management capabilities. The management team convened several meetings to study and deploy critical topics related to compliance system building. They also reviewed and approved the annual compliance management report for the fifth consecutive year, continuing to advance compliance management efforts on all fronts.

China Mobile

Released the *Compliance Initiative Proposal*

Managers at all levels and employees

Actively responded to compliance initiative and signed the *Compliance Initiative Proposal*

► Optimizing mechanisms and systems to deliver precise risk management and control

The Parent Company took the lead in instating a Chief Compliance Officer (CCO) and guided the subsidiaries at all levels to do the same to progressively formalize compliance accountability. We pushed for the establishment of compliance officers at the business departments of all levels, further integrating compliance management with business operations to ensure more effective risk prevention. We stayed abreast of domestic and international laws and regulations and international conventions and issued compliance analysis reports based on relevant rules such as the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Telecom and Online Fraud Law of the People's Republic of China*, and the *Regional Comprehensive Economic Partnership (RCEP)*. We continuously enhanced compliance risk prevention and control in key areas and issued compliance guidelines for online transactions and customer personal information protection. We revised and upgraded our customer registration agreements to better safeguard customers' legal rights and interests. We also completed the fifth phase of our contract system construction and the fourth phase of our AI application R&D, continuously using digital methods to enhance the efficiency of contract management.

► Deepening compliance culture and expanding compliance education

Our management team organized regular theoretical studies on legal compliance, leading the Company to build a sound compliance culture throughout. We engaged our peers in dialogues on compliance to exchange experience and philosophies of compliance management, jointly building a compliance “ecosystem”. We also conducted a “Top Ten Compliance Courseware” collection and continuously released the “Compliance Safeguard” implementation notices to promote outstanding practices in compliance management.

Compliance training was actively conducted at all levels of the Company

For employees in key areas such as market and network

Provided compliance courses on topics such as market competition and cybersecurity to strengthen the risk prevention awareness of frontline employees.

For middle and grassroots-level management personnel

Provided courses on compliance theory and system construction to enhance the compliance management capabilities of leaders at different levels.

For international business units

Expounded on the global trends of compliance development, large-scale compliance system construction, and other related topics to enhance employees' abilities to respond to risks and challenges.

► China Mobile's key measures in risk management in 2022



Improving the internal control risk management system

We formulated and released a top-level internal control risk management system, strengthened the full-process risk prevention and control, identified the path to digital intelligence risk control upgrade, and established a risk control standardization system to further regulate risk control. We updated the internal control manual, matrix, and various professional management systems, forming a better-constituted internal control standardization system with closer business connection, smarter management, and timelier updates.



Building an internal control risk management system

We launched a program to build an internal control risk management system to standardize risk management practices, incorporate outstanding management practices, and build a quantitative risk monitoring model. This program allowed a streamlined risk management process for risk reminder, alert, and supervision and management, thus enabling centralized risk supervision, 24/7 monitoring, and one-stop management.



Strengthening internal control management

We consolidated the line of defense responsibilities of the business management and intelligent risk control departments and promoted the mechanism of risk control process responsibility person. We extended the coverage from business and finance to market and network domains, increasing the coverage rate from 37% to 60%. We improved the mechanisms for information sharing and collaborative optimization of internal control systems among the business execution and business management departments and the intelligent risk control, audit, and supervision departments. We also strengthened the closed-loop management of audit, supervision, discovery, and application. In 2022, we issued 13 types of risk warnings, urging all units to improve their systems and strengthen execution in time.



Giving full play to the role of internal auditing

We actively explored and practiced research-based auditing and continued to improve the three-level internal audit system consisting of management systems, work norms, and practical guidelines under the guidance of the *Internal Audit Charter*. We strengthened precise and classified auditing and conducted internal auditing focused on core areas such as key CHBN businesses, information service facility security, financial revenue and expenditure, important cost items, and overseas operations. We intensified the transfer of problem clues and the coordinated supervision over problems identified during auditing and tightened internal audit rectification responsibilities.



Reducing risks by digital-intelligent technology

We promoted the use of digital intelligence technologies to drive the replacement of manpower with robots, thereby improving work efficiency and reducing operational risks. We applied RPA (robotic process automation), OCR (optical character recognition), NLP (natural language processing), blockchain, and other intelligent technologies at a deeper level and developed a series of digital intelligence offerings such as intelligent travel and intelligent auditing. With improved accuracy of problem identification, it helped us achieve "zero input errors, zero audit omissions, and zero payment risks". We boosted the digital intelligence transformation of contract management, completed five phases of contract system construction and four phases of AI application R&D, effectively improving the efficiency of contract risk management and control by digital intelligence means. As we strove towards digital intelligence auditing, we stepped up efforts to upgrade the "on-site + remote + cloud" auditing mode, thereby improving our cloud-based auditing capabilities and deepening the integrated construction of a digital auditing system and its application and promotion.

Prevention and Control of Workplace Safety Risks

Comprehensively coordinating development and safety, the Company strengthened the work safety responsibility of all staff and all-round workplace safety risk control, thereby maintaining a stable level of overall safety.

► China Mobile's key measures in safety risk prevention and control in 2022:

<p>Consolidating the foundation of work safety management</p>	<ul style="list-style-type: none"> ► We drive the implementation of work safety responsibility into every aspect of our operations, requiring all subordinate units to establish an all-staff work safety responsibility system that assigned work safety responsibilities to specific individuals and positions. ► We completed the work safety management system and formulated detailed rules for implementing work safety management. ► We continued to build stronger safety management teams. We compiled courseware such as <i>Case Collection of Typical Safety Hazards</i> and <i>Case Collection of Typical Safety Accidents</i> and offered safety management ability enhancement training courses to all the full-time safety management personnel.
<p>Advancing the identification and mitigation of safety hazards</p>	<ul style="list-style-type: none"> ► We further carried out the three-year drive to promote work safety and the "Year of Improving Work Safety" campaign, detailed the implementation of action plans and targets, and urged subordinate units to implement the key tasks. ► We deepened the identification and mitigation of safety risks and hazards and undertook the annual work safety inspection. Furthermore, we urged and guided all units to carry out in-depth self-inspection and self-mitigation and completing safety supervision. We finished the inspection of 29 units through remote inspections via ViLin, on-site inspections by the headquarters, mutual learning and mutual inspections, etc. In 2022, we identified and addressed a total of 50,476 safety hazards. ► We paid close attention to work safety across China, thoroughly mitigated major safety hazards, and carried out special mitigation of chemicals, safety inspections of major communication facilities, and re-investigation and re-rectification of safety risks and hazards. We deepened systematic and comprehensive treatment of safety risks from the source and made a tireless effort to contain major and serious accidents.
<p>Strengthening the publicity and education of workplace safety</p>	<ul style="list-style-type: none"> ► In a timely manner, we issued publicity and educational materials including information on national policies on work safety, analysis of major typical safety accidents, knowledge of work safety, important meteorological information, and significant safety risk and hazard warnings. With these materials, we ensured that both the management and non-management staff were adequately informed on the relationship between development and safety and built a strong awareness of work safety. ► We set up the special section of "Overall Development and Safety" in the Online Talent Development Center and conducted online and onsite safety warning education. A total of more than 380,000 people participated in the learning throughout the year. ► We carried out various learning activities and competitions, such as on the "National Safety Day" and during the "Work Safety Month" and the "Fire Protection Awareness Month", to improve our employees' safety awareness and safety risk management ability. ► We carried out the three-year drive to promote work safety and the "Year of Improving Work Safety" campaign. We offered 5,409 training sessions on the <i>Work Safety Law</i> and urged the elimination of 86 major safety hazards through methods such as "Looking Back".
<p>Improving workplace safety via information technology</p>	<ul style="list-style-type: none"> ► We continuously optimized the safety management information system to strengthen the statistical management of various types of data, such as work-related accidents, and recorded a total of more than 1,400 pieces of safety information. ► We expanded the application of the workplace safety supervision and inspection management system, effectively improving the efficiency of safety hazard inspection and mitigation and cumulatively recording more than 82,000 pieces of information on safety hazards. ► Actively exploring the application of 5G in workplace safety, we built the smart workplace safety management and control platform and the "Guardian Cloud" safety information platform, increasing our capabilities of accident early warning and emergency response via information technology.

Prevention and Control of Tax Risks

We adhere to the principle of “paying taxes as required by law and supporting strategic transformation” in our tax management. After years of effort, we have established a preliminary tax management system that places emphasis on risk management.

► China Mobile’s key measures in tax risk prevention and control in 2022:

Standardizing the tax systems and measures

We strictly abide by relevant tax laws and regulations of the countries and regions where we operate or get listed, acting with integrity and paying taxes as required by law. We regularly updated/optimized tax management-related systems and methods in step with the actual circumstances to ensure they were accurate and compliant with applicable tax policies. In 2022, we revised/improved 51 system processes and updated 136 tax-related policy documents.

Building the tax management system

We actively optimized the relevant features of our tax management system and further automated and digitalized tax declaration management, taking measures to ensure that we fulfilled all our tax obligations in a standardized and compliant manner and instituted timely early warning.

Stepping up the training of the tax department

We regularly conducted sharing and training sessions on national fiscal and tax policies to improve our tax management personnel’s awareness of tax compliance and understanding of relevant policies, thus enhancing their tax compliance management capabilities.

Prevention and Control of Integrity Risks

China Mobile actively promoted the implementation of a closed-loop accountability system that emphasized responsibility awareness, responsibility fulfilment, and responsibility assessment and assignment. We organized the 2022 China Mobile Anti-Corruption Work Conference. Also, we urged for the implementation of relevant requirements and the instillation of accountability across all levels of the Company. We remained committed to eliminating all possibilities of corruption and increasingly improving the effectiveness of our anti-corruption efforts.

► China Mobile’s key measures in integrity risk prevention and control in 2022:

Fostering a stronger integrity culture	We carried out centralized anti-corruption and integrity education activities themed “Performing Duties, Achieving Results, and Promoting Development”. A total of 11,500 study and educational sessions were conducted, covering more than 90% of the employees. We formulated and issued the <i>Opinions on Promoting a Culture of Integrity in the New Era</i> and developed 18 implementation measures.
Deepening the prevention and control of integrity risks	We organized special actions for improving the effectiveness of risk prevention and control and continuously optimized the construction of an IT-based risk prevention and control platform to enhance our ability to accurately identify and address risks and problems. By the end of December 2022, our risk early warning platform had collected more than 22,000 integrity risks in 20 fields of the headquarters and the various fields of all units, cumulatively triggering over 29,000 warnings.
Constantly improving workplace conduct	We undertook the “Looking Back” initiative to address the burden of formalism at the grassroots level and published 43 improvement measures, which produced concrete results.