

Corporate Social Responsibility Report

As a major national telecommunications operator responsible for developing the informatisation infrastructure and providing modern information services in China, China Telecom has always adhered to its core philosophy of “all-rounded innovation, in pursuit of truth and pragmatism, people-oriented, and creation of shared values”, as well as the principle of scientific development in light of the ever-changing operational environment. While maintaining its stable operation and healthy growth, the Company assumed social responsibility, serviced its clients, cared for its employees and rewards to its shareholders. The Company has integrated its corporate social responsibility into the provision of products and services and associated its development with the economic, social and environmental development, aiming to promote the harmony and advancement of the whole society.

Caring for Society and Customers

Lawful operation with integrity

Guided by relevant national laws and regulations, the Company has always been a model corporate in complying with the laws and regulations, social ethics, business ethics and industry rules. We have established an all-rounded and seamless compliance system featuring industry regulatory compliance, internal audit and internal control, comprehensive risk management, anti-corruption as well as legal education, and created a lasting, effective and standard communication mechanism to receive and respond to the public opinions through multiple channels.

Implementing “Village-to-Village” Projects

It is a shared responsibility to all telecommunications operators to bridge digital divide and guarantee the rights to fundamental telecommunications for all citizens. Nowadays, certain people living in Western

China and remote rural areas still have no access to telephone and Internet services, thus being denied from modern information civilisation. With this in mind, China Telecom has dedicated itself to serving agriculture, rural areas and the farmers, narrowing the digital divide between urban and rural areas and actively implementing the “Village-to-Village” projects. As at the end of 2010, the Company has accomplished the construction of telecommunications infrastructures in 22,000 administrative villages and 35,000 natural villages, laying a solid foundation for the informatisation of rural areas in China.



▲ Ethnic minorities enjoying new information life



▲ China Telecom supported the Expo 2010 Shanghai China



▲ China Telecom provided “Digital Asian Games” with secure communications services

Contributing to Community Well-being

While accelerating its development and promoting the informatisation applications, China Telecom has, with a keen sense of responsibility, proactively advocated the idea of being an excellent corporate citizen and performed its duties by actively taking part in community development, alleviation of poverty and other welfare projects in the fields of science, education, culture and health.

The Company has made added efforts in building barrier-free facilities and setting up dedicated service desks and barrier-free paths for the disabled at its major operational places in China. Moreover, the Company utilised its advantages as an integrated information service provider to develop new communications and information products as well as customised communication services for the disabled.

China Telecom has provided extensive support to poverty areas and served as their partner. Formulating the Administrative Measures for Poverty Relief and Assistance to Tibet as well as the 2008-2010 Rolling Plans for Poverty Relief, China Telecom has progressively systemised its management and improved the effectiveness and efficiency of poverty relief. For example, China Telecom provided support to Banbar County, Qamdo of Tibet Autonomous Region and assisted Yanyuan County and Muli County of Liangshan Yi Autonomous Prefecture of Sichuan Province in their poverty alleviation efforts by building e-government websites, education websites and cultural activity centres. These efforts have effectively improved the local communications and other public infrastructures and contributed to the promotion of living standards of people in poverty areas.

Supporting Major Public Events

During the Expo 2010 Shanghai China, China Telecom and China Mobile jointly built the Information and Communications Pavilion with a theme of “Information and Communications – Extending City Dreams”, which received nearly 3 million visitors and was recently awarded the “Best Presentation” and “Best Use of Technology” by *EXHIBITOR*, a reputable international exhibition magazine, as well as the “Most Popular Pavilion” by the visitors.



▲ Volunteers in Asian Games using free-of-charge phone services – China Telecom offered over 1,000 phones located in various venues of Asian Games

As the Prestige Partner of the Guangzhou 2010 Asian Games providing integrated information services, China Telecom provided full-service, 24-hour and all-around support to the “Digital Asian Games” riding on its telecommunications network, cutting-edge integrated communication applications and quality information services. The Company has leveraged its network advantages to contribute to the Asian Games, integrated its service innovation with benefits to people’s livelihood and concerted its strategic transformation and development in fulfilment of social responsibilities. By securing smooth telecommunications and boosting the excellence of the 2010 Asian Games, the Company has closely combined its sustainable growth with the social well-being and development of China.

Promoting Healthy Information

As the emerging media, Internet and mobile phones have become important carriers for disseminating advanced culture. China Telecom has promoted the “green” and healthy values on the Internet and mobile phones, guarding against the online spread of unhealthy content while strongly promoting those facilitate the healthy and orderly development of society. By means of newspaper over mobile phone, the Company propagates positive and healthy communication culture and mainstream values. Cooperating with Xinhua News Agency, China News Service and other authoritative media, we published a series of feature reports including *the Special Issue for NPC and CPPCC*, *Special Issue for Disaster Relief in Zhouqu Landslide-hit Areas*, and *World Expo Weekly* and *Special Issue for 2010 Asian Games*. In addition, the Company also emphasised the promotion of traditional culture and public welfare undertakings by promoting the traditional holidays such as Tomb-sweeping Day, Dragon Boat Festival, Mid-Autumn Day and Chinese Lunar New Year, as well as the public welfare campaigns such as Earth Hour and World No-Tobacco Day.

Guaranteeing Emergency Communications

Over the years, China Telecom is dedicated to securing smooth national communications as a top priority. Facing various natural disasters such as snowstorms, earthquakes, floods and landslides,



▲ Devoted staff supports communication network restoration in emergency



▲ Communication services recovery in snowstorm-hit regions

China Telecom has fully leveraged its strengths in emergency communications deployment and robust network capabilities to conduct repairs, rescues and communications services restoration, minimizing the damages and offering the earliest communications support for the nation and the public.



▲ Executive Vice President, Zhang Jiping directed disaster relief in 7.1 quake-hit Yushu, Qinghai

Merely ten minutes after the 7.1-scale earthquake struck Yushu County, Qinghai Province on 14 April 2010, the Company immediately initiated its network-wide emergency response plan and dispatched its first emergency repair team to the disaster area with more recovery squads sent out afterwards. Despite the frequent aftershocks and bad weathers, our employees risked their lives to overcome various difficulties and achieved outstanding performances, successfully honouring the mission and responsibility as a major operator of information in China.

Caring for Employees

China Telecom dedicated itself to building a sound, scientific and effective employee rights protection mechanism, and proactively launched various activities for the creation of enterprise with harmonious labour relations and promoted a new and orderly socialist corporate-employee relationship that is fair and reasonable, mutually beneficial and win-win, harmonious and stable. To this end, China Telecom focused on coordinating the labour relationship and encouraged labour unions at all levels to establish for their employee the rights protection mechanism.

China Telecom firmly complies with the laws and regulations including the “*Law on Workplace Safety*”, “*Employment Law*” and “*Fire Prevention Law*” and relevant policies and stipulations of the government, carries out in-depth workplace safety publicity, education and training and continuously increases its employees’ awareness and consciousness of workplace safety. While fully implementing its accountability system, the Company has established and perfected its management units, system and standardisation to guarantee workplace safety.



▲ China Telecom's technician restored communication services in the disaster area of Zhouqu in Gansu



▲ Staff participated in “e-Surfing Vitality” aerobics contest



▲ Mr. Zhang Chenshuang, Executive Vice President gave a consolatory letter to frontline employees

China Telecom attached importance to the work-life balance of its employees. We took the initiative for the employees to develop various information-rich, inspiring and entertaining leisure activities which are popular and widely participated with an aim to promote the healthy spiritual and cultural consumption and lifestyle and alleviate work pressure, which has further enhanced the cohesion of the Company.

Focusing on Environment Protection

We attach great importance to the maintenance of a healthy living environment and consistently integrate the ideas and measures of environment protection in the course of communications infrastructure building. Based on the requirements of *Urgent notice on enhancing co-building and sharing of telecom infrastructure* and *Suggestions on implementation of enhancing co-building and sharing of telecom infrastructure in 2010* as stipulated by the Ministry of Industry and Information Technology, China Telecom has actively implemented the requirements to promote the co-building and sharing. During the decision making process of telecommunications equipment procurement, we have carefully selected noiseless, electromagnetic radiation-free and non pollutant-deriving optical fibres, optical cables and transmission system equipment. In the field surveys for communications routes, we have purposely avoided such geographical areas as mineral resources, forests, grasslands, wild lives protection zones,

natural relics, cultural relics, natural protection areas and scenic spots. Moreover, we usually adopted the directional drilling technology when laying optical cables, which enable the optical cables pass through below the barriers without changing the surrounding environment.

In order to boost energy saving and emission reduction in a systematic way and become an environment-friendly telecom operator, China Telecom implemented the plans of “Operation, Procurement and Products with Environment Awareness”. As for “green” operation, we rolled out a specific plan on energy saving and emission reduction, improved our system, set a series of standards for energy consumption, and promoted the use of energy saving technology. In respect of ecological procurement, we believe energy saving and emission reduction can only be achieved through cooperation of all the parties of the industry value chain. We have therefore set out detailed standards for energy-saving equipment, built a laboratory for testing and gave high priority to the specifications of energy saving and emission reduction when evaluating procurement tenders. With respect to ecological product on one hand, China Telecom made its contributions to emission reduction and advocated low-carbon consumption lifestyle by providing its own products via electronic means. On the other hand, as a communications operator, the Company also drove energy savings in other industries by offering ICT solutions to enterprise customers.

Being saving-oriented, China Telecom endeavours to conserve energy consumption and reduce emissions and established a special purpose fund in 2010 for the effective implementation of targeted technical restructuring of, among others, the equipment rooms, power supply and air conditioning. In order to reduce its costs and improve its capital efficiency, China Telecom has streamlined the administrative costs, marketing, maintenance, personnel as well as capital investment. Energy-saving lighting devices have been widely used in the offices and the temperature in telecom equipment rooms and the offices has been properly adjusted. China Telecom also calls on saving of paper and water and develops educational campaigns of “Environmentally Friendly Operation and Low-Carbon Living”, which has cultivated a saving-oriented corporate culture throughout the Group.

Looking forward, China Telecom will continue to function as a large-scale integrated information service provider undertaking important responsibilities in the development of the economy and society which features the deepened strategic adjustment of economic structure and the continuous acceleration of economic informatisation. The Company will support the sustainable development of the economy and society by virtue of its strategic transformation, driving extensive win-win cooperation as well as value chain collaboration and extension. We will consistently expand the fields for cooperation, improve the operational performance of the industry and create as well as maintain a healthy and harmonious eco-system, so as to facilitate the sustainable and healthy development of the industry and seek better returns for shareholders. With these, we will achieve the goal in serving the economy and social development, sincerely offer returns to society and contribute to the building of a more harmonious society.



▲ China Telecom held a honour presentation for staff devotion in disaster relief in 2010





**Our
Young
Secret**



Our Young Secret



**Our dedicated
and joyful staff**

