



Corporate Social Responsibility Report

Corporate Social Responsibility Report

As the main national telecommunications operator with a responsibility to improve the national informatisation infrastructure and modern information services, the Company has strived to share the benefits of information and communications services with the society and act as a “responsible corporate citizen”. The Company has always adhered to its core philosophy of “all-round innovation, through the pursuit of truth and pragmatism, with human resources as a foundation, and through the joint creation of values” in order to provide returns to society, services to clients, a caring environment for employees and returns to shareholders. The Company aims to integrate its corporate development with the economic, social and environmental development so as to promote the overall harmony and development of society. In 2009, the Company was awarded the “Valuable Model Enterprise in Corporate Social Responsibility” and the “Grand Award of Corporate Social Responsibility in China” by domestic authoritative institutions.

Stimulating consumption and Increasing employment

Looking back at 2009, the global financial crisis has affected every part of the world including the Chinese economy, leaving a deep memory on everyone. To counter the impact of the global financial crisis, the Company has thoroughly supported scientific development by working closely with all levels of the government to promote a strategy for national and regional informatisation development. A full scale cooperation, including the planning and research on informatisation, the establishment of integrated information infrastructure, and the exploration and use of information resources, has improved the informatisation of the government and the corporates, agricultural sector and public sectors, as well as accelerated the training of informatisation talents. This will further facilitate the integration of industrialisation and informatisation, and ultimately promote the rapid and healthy development of the economy and society.

In line with its strategy of “Customer-Focused Innovative Informatisation”, the Company has implemented its corporate transformation by continuously enriching its integrated information services and products to help stimulate the consumption of information of the society and enhance the overall economic performance. For public customers, the Company has made great efforts in developing its 3G business of “e surfing” as well as broadband services. It has also integrated CDMA, Wi-Fi and other services into its “One Home” brand, providing customers with a number of diversified, tangible and extendable products and services. For corporate customers, the Company has continued to enrich its “BizNavigator” and “Best Tone” services. These efforts



China Telecom was honoured the Grand Award of Corporate Social Responsibility in China



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have opened up a new path towards informatisation by allowing corporations to do e-trading easily, as well as helping small and medium-sized enterprises to explore new development opportunities by lowering costs and increasing their competitiveness during any crisis. For industry customers, the Company has proactively provided assistance to various government departments and industries (including those relating to public security, tax affairs, insurance, inspection and quarantine, education, culture, health care, tourism etc.), and to the construction of e-governments and digital cities, and implemented “Ten Informatisation Engineering Projects” providing total solutions for the informatisation of key industries.

In response to calls by the governments to increase employment, the Company has implemented a number of employment-boosting initiatives, which were promoted by the State Council and the State-Owned Assets Supervision and Administration Commission, by carrying out a range of measures such as management salary reduction to relief the pressure of unemployment. The Company has also strengthened its cooperation with universities for the benefits of its production and operations. At present, the Company has signed strategic cooperation agreements with 10 colleges, including Tsinghua University, Renmin University of China, Shanghai Jiao Tong University, Fudan University, Beijing University of Posts and Telecommunications and the Nanjing University of Posts and Telecommunications. We has further increased our efforts in recruiting university graduates and providing internship opportunities for unemployed university graduates, as well as summer internship opportunities for undergraduates and post-graduates. This has created a favorable working and education environment for them. Additionally, in order to contribute to the development of a harmonious society, the Company has created more employment opportunities by proactively developing labor-intensive businesses such as call centers. Furthermore, by capitalising on its expertise in informatisation services, the Company has made use of the Internet to proactively offer the relevant information service for the purpose of promoting the employment of the disabled.



Mr. Wang Xiaochu, Chairman, attended the launching ceremony of “Project for providing job opportunities for the disabled through information services via Internet”

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Making contribution to society through informatisation services

The Company has assumed a responsibility to maintain social communications. While meeting the requirements for basic voice communication services in rural areas, the Company has devoted to the continuous and overall enhancement of the informatisation in such areas. Through the implementation of a model information facility project, “Serving Thousands of Townships and Villages”, the Company has been the pioneer in introducing information technology into the construction of rural areas, allowing the advancement in information technology to become beneficial to townships and villages. Through our service branches, which are widely distributed in townships and villages, the Company has introduced “E-farm” services, which integrates information resources that are related to the construction of rural areas, such as technology, education and commerce, by means of voice, SMS, telephone radio and broadband networks to build up a “Golden Bridge of Science and Technology” for the prosperity of rural areas.

Through our “Distance-Learning Educational System”, “Green and Healthy Online Project” and other information communications services, the Company has improved the ability of the young generation to make use of information communications techniques and created a favourable Internet environment for the healthy growth of our youth. The Company has also actively contributed to education informatisation and accordingly received the “Most Outstanding Contribution Award” awarded by the central government for the healthy Internet programme.

After obtaining the mobile service license, and leveraging on our full services operation and 3G service edge, the Company was active in further integrating the whole industry value chain. In order to address the vertical needs of highly differentiated industries and the common needs of cross-industry customers, the Company has launched an application platform with strengthened functions. The Company proactively promoted the construction of digital cities and launched the “Ten Informatisation Engineering Projects”. The Company also effectively helped the government, enterprises and institutions to effectively improve management, cut costs and enhance efficiency by promoting the application of its innovative “Global Mega-eye” business in over 20 fields that are closely related to national economy and public livelihood, such as safe cities, supervision, inspection and quarantine, pollution sources control, flood control, traffic control, oil tanker safety and the appraisal of automobile insurance claims.



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Over the years, the Company has undertaken the responsibility of securing safe and smooth national communications. The Company has successfully provided support and secured communication services for the successful hosting of important and grand activities, such as major festivals, the Beijing Olympics, the Boao Forum, the launch of the Shenzhou VII spacecraft and the 60th Anniversary celebration of the founding of the People's Republic of China. As a partner of World Expo 2010 and the Asian Games in Guangzhou, the Company will continue to provide high quality communication security and information services. The Company also provided reliable communication security to the governments in response to major disasters and emergency incidents such as the Wenchuan earthquake and the snowstorms in 2008. In the event of catastrophies, the Company strives to fulfill its mission and its responsibility as the main national telecommunications operator to ensure smooth communications and the timely restoration of communication services in disaster areas.



Mr. Zhang Jiping, Executive Vice President, donated the documentary files on the Wenchuan earthquake to the State Archives Administration on behalf of China Telecom



Mr. Yang Jie, Executive Vice President, participated in the forum on Informatisation and Internet Security on behalf of China Telecom

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Focusing on efficiency and environmental protection

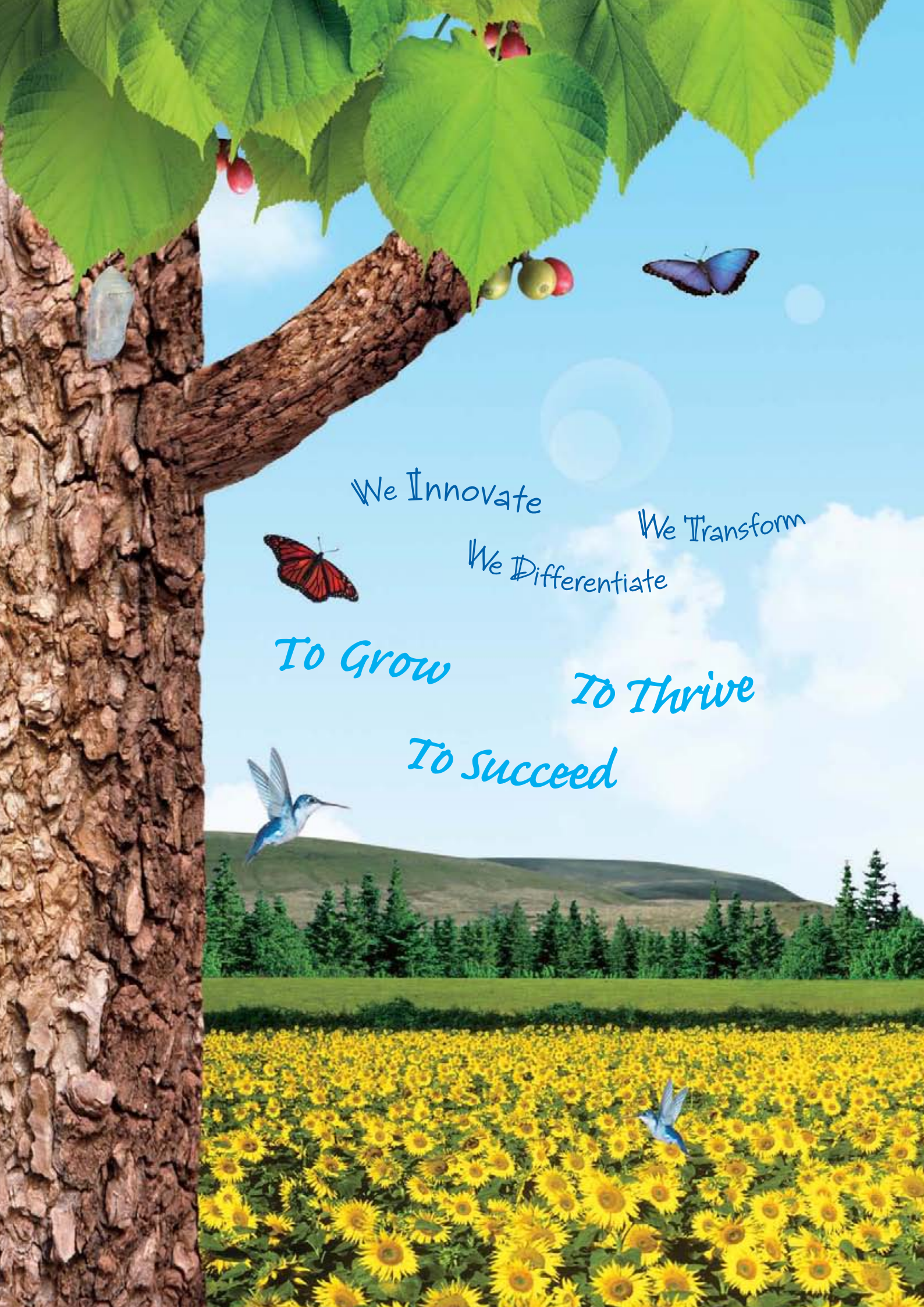
The Company has long been devoted to promote environment protection and a recyclable economic development and our communications projects are always constructed under the measures and guidelines for environmental protection. In 2009, in line with the global calls for reduction of emission, the Company has increased its efforts in developing energy-saving products and has also assisted different industries and sectors to improve their operational efficiency by offering diversified applications for information technology. During the first “World Low Carbon and Eco-Economy Conference and Technology Exposition” held in November, the Company exhibited a number of applications for industry informatisation that cater for a low-carbon economy, such as “E-Government”, “Digital Environment Protection”, “Construction of Safe City”, “Digital Scenery” and “E-farm” and received wide recognition from the public for the encouraging amount of energy to be saved and emissions to be reduced.

The Company has been proactive in promoting energy saving and emission reduction within the Company through improving the efficiency of its facilities and reducing energy consumption and emission, which achieved a saving of 220 million kWh of energy and RMB200 million of energy costs over the year. This brilliant result has built a strong internal atmosphere of “conservation-oriented enterprise”, while establishing a good external image of being an “environmentally-friendly enterprise”.

By leveraging the features of the telecommunications industry, the Company has insisted on technology innovation and actively provided informatisation solutions so as to develop new products to promote energy-saving and emission-reduction among various enterprises, industries and the society and to make due contribution for the construction of a conservation-oriented society. The Company has also provided “Global Mega-eye”, “Best Tone” and other communication application products to individuals, enterprises and industries as substitutes for traditional information transmission methods. This will facilitate the saving of office resources and transportation resources and promote the construction of a conservation-oriented society.

Through its long history of development and business in the communications industry in China, the Company has been the “backbone” of national communication development. In the future, in line with further strategic adjustment in China’s economic structure and the continuous acceleration of efforts to popularise information technology within national economic activities in China, the Company will continue to provide its customers with convenient, diverse and customised integrated information services with a high price/function ratio, integrating various services, networks and terminals and extending value chain. This will bring extensive and far-reaching effects on the informatisation of society and the daily lives of the public, and help the Company to better achieve its goal in serving the national economy and promoting social development. The Company will sincerely provide returns to society and make its due contribution to the construction of a more harmonious society.





We Innovate

We Transform

We Differentiate

To Grow

To Thrive

To Succeed



Superior Prospect