

HUMAN RESOURCES DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY



World's 400 Best Big Companies

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THE A LIST World's 400 Best Big Companies

SIZE			VALUATION			PERFORMANCE		
Market Cap (\$mil)	Sales (\$mil)	Company Name/Country	Forward P/E	Price to Sales	Dividend Yield (%)	5-yr avg ROIC (%)	EPS Growth Est (%)	Years on List
TELECOMMUNICATIONS								
9,088	5,541	America Movil/Mexico	23.5	2.8	0.5	NA	91.7	1
15,246	15,631	AT&T Wireless Services/US	82.8	1.1	0.0	-0.8	112.5	1
4,069	10,883	Celco Global Telecom/Mexico	4.3	0.4	0.0	13.3	7.4	1
40,858	15,531	China Mobile/Hong Kong	10.5	2.9	1.7	18.4	10.4	3
9,945	12,831	Japan Telecom Holdings/Japan	14.9	0.8	0.2	2.4	9.5	3
12,563	21,339	KDDI/Japan	16.5	0.5	0.5	2.0	23.6	2
12,785	7,889	NexTel Communications/US	16.2	1.1	0.0	-16.2	36.6	3
55,630	87,962	NTT/Japan	14.3	0.7	1.0	2.1	15.1	2
94,341	38,942	NTT DoCom/Japan	18.0	3.4	0.1	NA	8.3	3
21,674	8,549	Swisscom/Switzerland	17.1	2.4	2.4	19.5	3.0	2
35,927	11,404	Telecom Italia Mobile/Italy	19.3	5.2	1.1	42.2	5.0	5
5,039	7,233	TDC/Denmark	14.4	0.7	6.7	13.5	23.9	3
48,236	29,829	Telefonica/Spain	19.0	1.5	2.9	4.7	31.3	3
19,158	10,883	Telefonos de Mexico/Mexico	9.4	1.9	3.4	20.9	10.3	5
4,859	2,371	Telekom Austria/Austria	66.3	1.8	0.0	NA	71.4	1
6,593	7,028	Telenor Group/Norway	18.1	1.0	1.7	NA	43.0	1
14,376	6,852	TeliaSonera/Sweden	19.8	1.7	1.2	7.9	24.8	1*
125,382	32,589	Vodafone/UK	NM	3.9	1.1	18.2	NM	5

Human Resources Development

In 2003, faced with intensified competition for talent, the Group accelerated the construction of a more competitive human resources management system and further consolidated and developed its human resources enhancement programs in order to improve the corporate core competitiveness and long-term sustainability. Following careful consideration of the practical realities of its business environment, the Group implemented specific procedures and requirements to standardize its human resources enhancement programs, all of which have progressed smoothly.

The Group continued to enhance its performance management work in 2003 with the launch of the internationally recognized “Balanced Scorecard” method. Incorporating additional features specific to the telecommunications industry, the Company developed a system of cascading its key performance indicators, or KPI, such that the Company’s overall benchmarks or targets can be evaluated down to the various levels in

the subsidiaries to reflect the key responsibilities of the various subsidiaries and business divisions, thereby ensuring the realization and implementation of the Group’s overall strategic objectives. Additionally, the business performance of the Group’s subsidiaries is linked to their respective personnel costs, and remuneration is tied to employee performance evaluations. This has resulted in the Group’s achieving satisfactory control over personnel cost growth, the effective use of personnel costs as a motivational tool, and the overall enhancement of the standards of employee performance management.

The Group has always emphasized the need to nurture and enhance the skills and quality of its employees. It has designed, developed and provided training programs, which take into account the need for both corporate business development and employee skills development. During the past year, the Group organized specific training courses for its senior management personnel dealing with the subject of “corporate philosophy, strategy and execution”, in which the leadership and execution capabilities of these senior management personnel were further enhanced through lectures, discussion, and interaction with the Group’s top management, and experts and professors from within Mainland China and overseas. Concurrently, in combination with the Group’s information system, the Group established a training management platform, improved its training management methods, and proactively promoted on-line learning programs.

In 2003, the Group continued to push ahead with the construction of its human resources management information system. The completion of the construction of the basic modules of the human resources management information system concluded the primary stage of establishing a standardized and unified human resources information management platform and laid the foundation for the eventual introduction of a full-scale human resources management information system.



The “Loving Support for the Elderly” program recycles and repairs donated handsets to provide emergency outdoor mobile assistance services to the elderly.

Corporate Social Responsibility

As the industry leader, the Group has always emphasized the importance of corporate social responsibility and support for the community. It has participated in community services, such as subsidizing tuition fees for children who cannot afford schooling, providing financial assistance to the handicapped, assisting impoverished mothers in Western China, and establishing the “8858” SMS-based charitable donation service. These efforts have won widespread recognition and acclaim from the community.

In 2003, there was an outbreak of SARS in certain regions of Mainland China. In the face of the grave challenge posed by the SARS epidemic, the Group showed a strong sense of corporate social responsibility. In response to the sharp increase in network traffic during the battle against SARS, the Group made timely adjustments to its network structure and increased transmission capacity to alleviate network congestion. Leveraging its corporate strengths and with the authorization of the News Center of the Ministry of Health of China, the Group disseminated the latest SARS-related news to all its

customers, free of charge, via its SMS platform, thereby providing its customers timely access to the very latest information.

The Group has also actively contributed to environmental protection causes and has provided assistance to the underprivileged. As but one example, Shanghai Mobile has launched a used handset recycling and donation program named “Loving Support for the Elderly”, calling upon the public to donate their used handsets. After these handsets have been serviced, they will be used in the outdoor mobile assistance service of the local “Safety and Health Link” Rescue and Assistance System, so that elderly people who require assistance can be connected to the Emergency Rescue and Assistance Center and their precise whereabouts provided to the authorities with a single press of the pre-set, quick-dial key.

Through the launching of a series of community service initiatives, the Group has further instilled into its daily business operations and into the minds of its employees, the importance of providing service to its customers and support for the community at large. These efforts have won broad praise from across the community.