



Environmental, Social
and Governance Report
At a Glance

2019



OUR CSR VISION

To be an ethically, socially and environmentally responsible provider of telecommunications and related services that delivers an excellent customer experience while supporting and connecting the communities we serve.

OUR CSR MISSION

Our mission is to utilize our services to empower, connect and transform communities and businesses by:

- minimizing the environmental impacts of our business, and helping our customers to do the same through our products and services;
- valuing and developing our talented team;
- promoting corporate social responsibility principles throughout our operations and supply chain;
- pioneering products and services that make people live better and help businesses thrive; and
- addressing and responding to the needs and concerns of communities through social partnerships, thereby making them a better place to live in.

ABOUT HKT

HKT is Hong Kong’s premier provider of telecommunications services and the leading operator in fixed-line, broadband and mobile communications services. HKT also provides a range of innovative and smart living services beyond connectivity to make the daily lives of customers smarter, whether they are at home, in the workplace, or on the go.

For enterprises, HKT delivers end-to-end integrated solutions employing emerging technologies such as cloud computing, Internet of Things (IoT) and Artificial Intelligence (AI) to accelerate their digital transformation, contributing to Hong Kong’s development into a smart city.

The Club is HKT’s loyalty program and one of the largest of its kind in Hong Kong, not only offering a variety of privileges and benefits to enrich the lifestyle of members, but also increasingly amalgamating merchants and becoming an integral part of a new digital ecosystem connecting consumers and merchants.

Some of our more recognizable brands are shown as follows:



ABOUT THIS REPORT

This Environmental, Social, and Governance (“ESG”) report, prepared in accordance with the ESG Reporting Guide of The Stock Exchange of Hong Kong Limited, covers HKT’s ESG accomplishments and challenges from January 1 to December 31, 2019, as well as our ongoing initiatives to enhance our ESG performance.

This summary highlights our efforts in the following five aspects:

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For details of our corporate governance, please refer to the Combined Corporate Governance Report set out in HKT’s Annual Report 2019.

HIGHLIGHTS

The highlights below summarize the achievements of our key environmental and social initiatives in 2019:

EMPLOYEE WELL-BEING

Increased focus on staff **health and wellness**

TALENT DIVERSITY

1:1.28 female to male staff

34% of employees aged below 30

Employees of over 60 nationalities

OCCUPATIONAL SAFETY AND HEALTH

Over 360 sessions of health and safety-related training

TALENT DEVELOPMENT

1,325 learning and development programs and seminars

COMMUNITY INVESTMENT

Set up a **HKT Elderly Hotline**

41 ongoing and special programs with NGOs and charities

Over **HK\$21 million** monetary donations and in-kind sponsorships

EMISSIONS

Electricity consumption decreased by **10GWh**

Energy intensity per employee decreased by **4.16%**

Total Greenhouse gas emissions intensity per employee decreased by **4.39%**

USE OF RESOURCES

Usage of shopping bags in retail shops decreased by more than **21%**

Cessation of publication of business telephone directories, saving over **19 million** sheets of paper per year

Conducted a **waste audit**

DATA PRIVACY AND SECURITY

Set up **Group Information and Cyber Security Council** to oversee cybersecurity issues

ISO 27001 certified Information Security Management Systems

RESPONSIBLE NETWORK MANAGEMENT

Acquired 120 MHz of **5G** spectrum from auctions

100% mobile reliability and **99.99%** broadband network stability

SUPPLY CHAIN

83% of our suppliers are Hong Kong-based

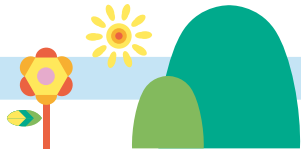
Attained **ISO 9001:2015** Quality Management System

CUSTOMER SATISFACTION

63,431 customer compliments with an increase of **24.8%** compared with 2018

A decrease of **19.5%** complaints received

Conducted **330** supplier visits to assess performance



OUR PEOPLE

Endeavoring to be the Employer of Choice, we have devised talent strategies that drive towards enabling the best employee experience and sustaining a diverse and vibrant team. Our workforce now comprises employees of over 60 nationalities with a diverse range of expertise and background.

We strive to provide a fair, inclusive and high performing work culture for our employees globally. We have established robust succession and strong talent pipeline, comprehensive training and leadership programs to nurture the talents we need to fuel business growth.

In 2019, we provided 1,325 training sessions to help employees keep pace with market trends and enhance their skills.

To maintain high occupational safety and health standard across the Group, we delivered more than 360 sessions of health and safety-related training to our staff in 2019.

We have become signatories to the Joyful@Healthy Workplace Charter and the Racial Diversity and Inclusion Charter for Employers to promote staff well-being and to demonstrate our commitment to ethnic diversity respectively.

We have established channels for employees to share feedback and suggestions with senior management, and to understand company and business development. These include face-to-face meetings and forums, Let’s Chat sessions and town hall style gatherings.

Staff Profile


Number of employees in Hong Kong:

Full-time staff:

10,982

Part-time staff (as full time equivalent):

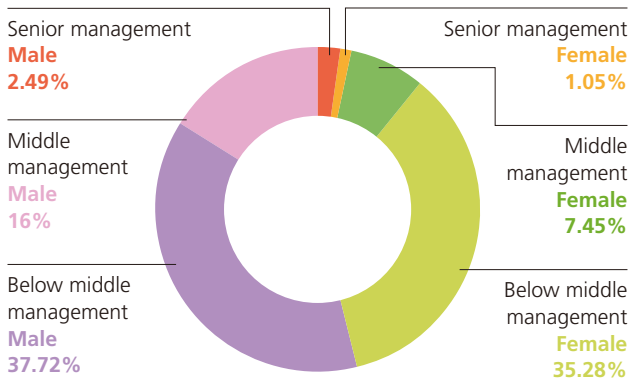
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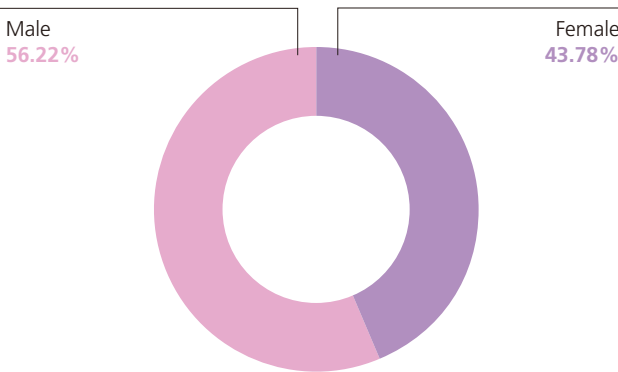
Number of employees outside Hong Kong:

6,391

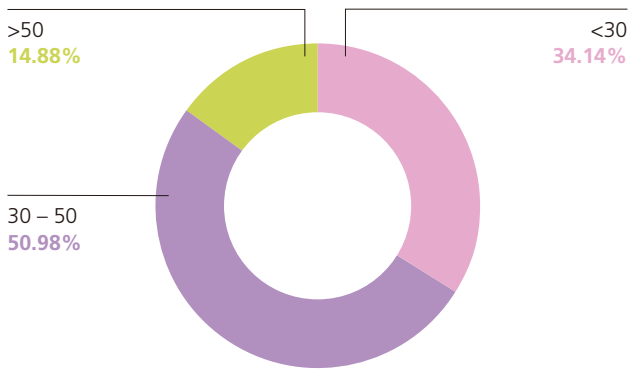
Total employees by employment category



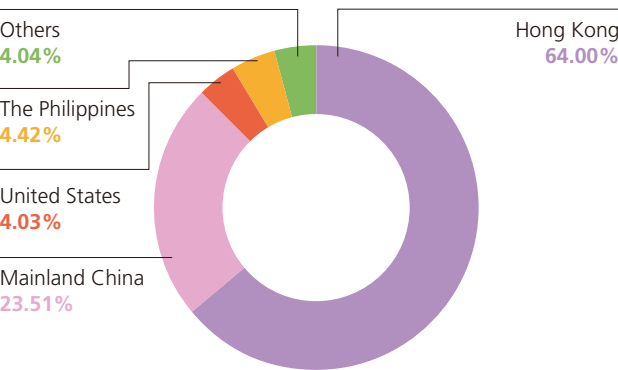
Total number of workforce by gender



Total number of workforce by age group



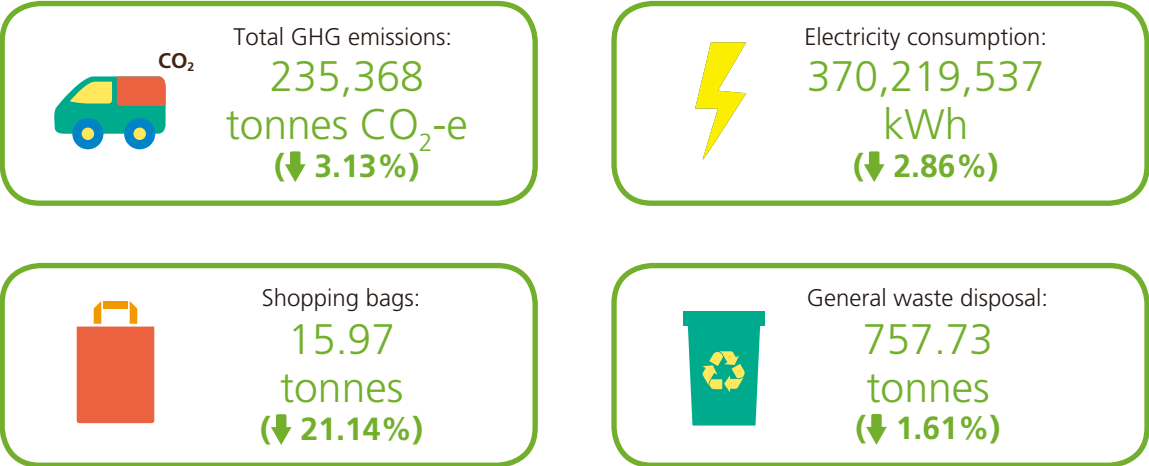
Total number of workforce by geographical location



OUR ENVIRONMENT

HKT has made continuous efforts to build a more sustainable business and help address the threat of climate change. An Environmental Advisory Group comprising group unit heads provides suggestions on our sustainability agenda.

Environmental performance highlights in 2019:



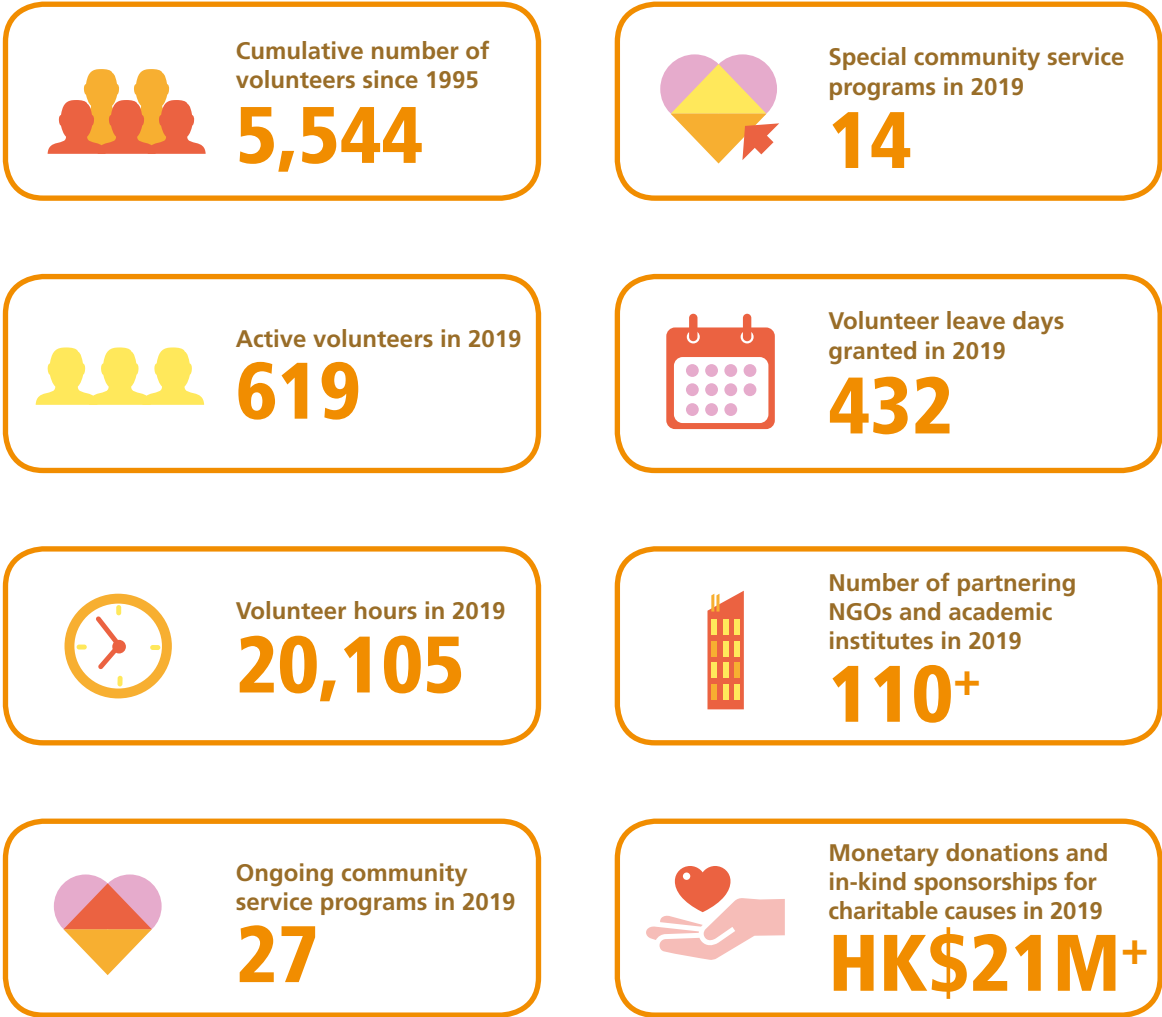
- A **waste audit** was conducted at the Group’s headquarters during the year to identify enhancement measures.
- We stopped publishing the hard copies of Yellow Pages and White Pages Business telephone directories, **saving over 19 million sheets of paper** per year.
- **Electronic bills** saved over 40 million sheets of paper.
- We helped customers to remove over 2,500 pieces of **waste electrical and electronic equipment (WEEE)**.
- We collected **6,837 old mobile handsets** from customers for recycling.
- We began a trial with Hong Kong Battery Recycling Centre (HKBR) to **recycle waste lead acid batteries locally**.
- The **Smart Charge electric vehicle (EV) charging service** encourages the wider adoption of EVs and contributes to creating a cleaner environment.
- All our canteens replaced plastic stirrers with wooden ones to **reduce the consumption of single-use plastics**.
- HKT is a signatory to the **Energy Saving Charter** and **Charter on External Lighting scheme** of the Environment Bureau. In 2019, HKT received the Platinum Award of Charter on External Lighting scheme for switching off external lighting at selected shops at designated hours.
- HKT won the Silver Award in the media and communication sector at the **Hong Kong Awards for Environmental Excellence**.
- HKT was granted the **Certificate of Excellence** at the Hong Kong Management Association’s Hong Kong Sustainability Award.



OUR COMMUNITY

We continuously identify and support social causes and create social value through education, corporate volunteering, financial donations and in-kind contributions.

Our work in the community:



Community services highlights in 2019:



- We set up a one-stop HKT Elderly Hotline for senior citizens aged 65 or above. It offers timely technical support to the elderly, helps with contracts and bills, as well as service relocation.
- We provided virtual reality (VR) and Smart Pama smartphone workshops to senior citizens.
- Sponsorship to the Youth IT Exchange Tour (previously Youth IT Summer Camp).
- Annual scholarships and bursaries to local university students.
- Collaboration with different stakeholders to encourage STEM education among the younger generation.
- We joined hands with different green NGOs.
- We provided IT support for long-term disabled patients at the Cheshire Home in Sha Tin.
- HKT collaborated with Hong Kong Council of Social Service to replace analogue TVs with digital TVs for low-income and elderly households under the Community Care Fund Digital Television Assistance Programme.
- More than 1,800 The Club members made approximately HK\$240,000 in monetary donations and HK\$43,000 in product donations to nine charity partners by Clubpoints redemptions.



OUR CUSTOMERS

As a customer-focused service provider, we consider customers as one of the most important stakeholders.

We embrace technological advancement and plan for future evolution. We organized the HKT 5G Tech Carnival in June 2019, where we showcased an array of innovative applications and solutions. HKT acquired 120 MHz of 5G spectrum from auctions, allowing us to provide a quality 5G mobile communications service in 2020.

We achieved our service availability and service restoration targets for 2019:

	Performance target	Actual performance in 2019
csi		
Network reliability	99%	100%
Service restoration	< 60 minutes	100%
NETVIGATOR		
Network stability	99.99%	99.995%
Service restoration	99%	99.93%

Fiber-to-the-Home (FTTH) coverage

88%



Number of Wi-Fi hotspots in Hong Kong

23,931



In 2019, a joint venture comprising PCCW, HKT and other partners was granted a license to launch a virtual bank in Hong Kong, offering customers an option to manage their finances easily and promoting financial inclusion.

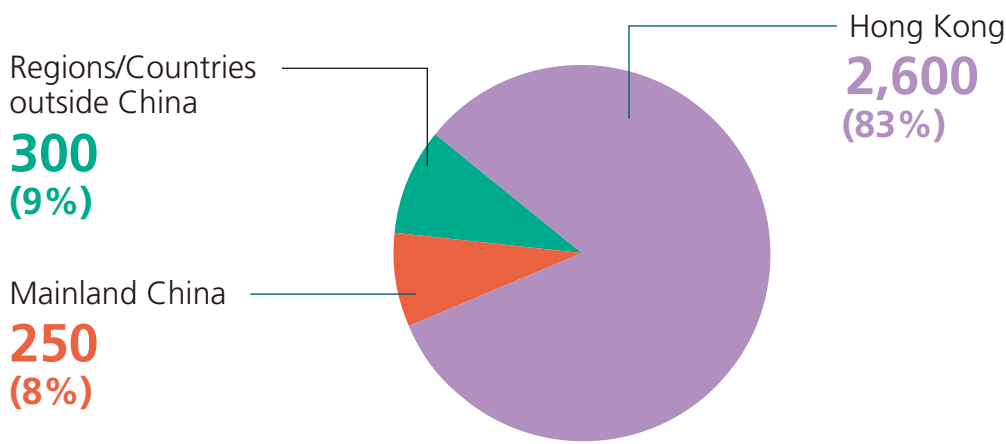
The Group set up a Group Information and Cyber Security Council (GICSC) in 2019 to oversee all cybersecurity-related initiatives, investments and ongoing maintenance pertaining to the protection of the Group’s core network, servers and endpoints.

HKT received over 63,431 customer compliments and won more than 170 customer service awards throughout 2019.

OUR SUPPLY CHAIN MANAGEMENT

The Group maintains relationship with around 3,150 suppliers globally, of which approximately 83% are Hong Kong-based.

Distribution of suppliers by geographical locations

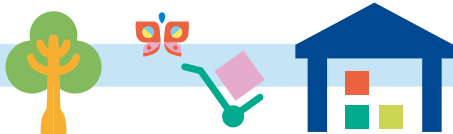


We have in place the Group Purchasing Policy and Principles, and a Supplier Code of Conduct.

We conducted 330 regular supplier visits in 2019 to assess performance and remind suppliers of our policy requirements.

We attained the ISO 9001:2015 quality management system certification which enables us to continuously improve our procurement process and achieve the highest standard of business practices and service offering.

HKT is a founding member of the Sustainable Procurement Charter launched by the Green Council.



We welcome stakeholders' feedback and suggestions.
If you have any comment, please contact us at esg@hkt.com.

The full Report is available at www.hkt.com/hktesg.



HKT Trust (A trust constituted on November 7, 2011 under the laws of Hong Kong and managed by HKT Management Limited)
and

HKT Limited (Incorporated in the Cayman Islands with limited liability)

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