



Environmental, Social and Governance Report **At a Glance**

2020

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's lives 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

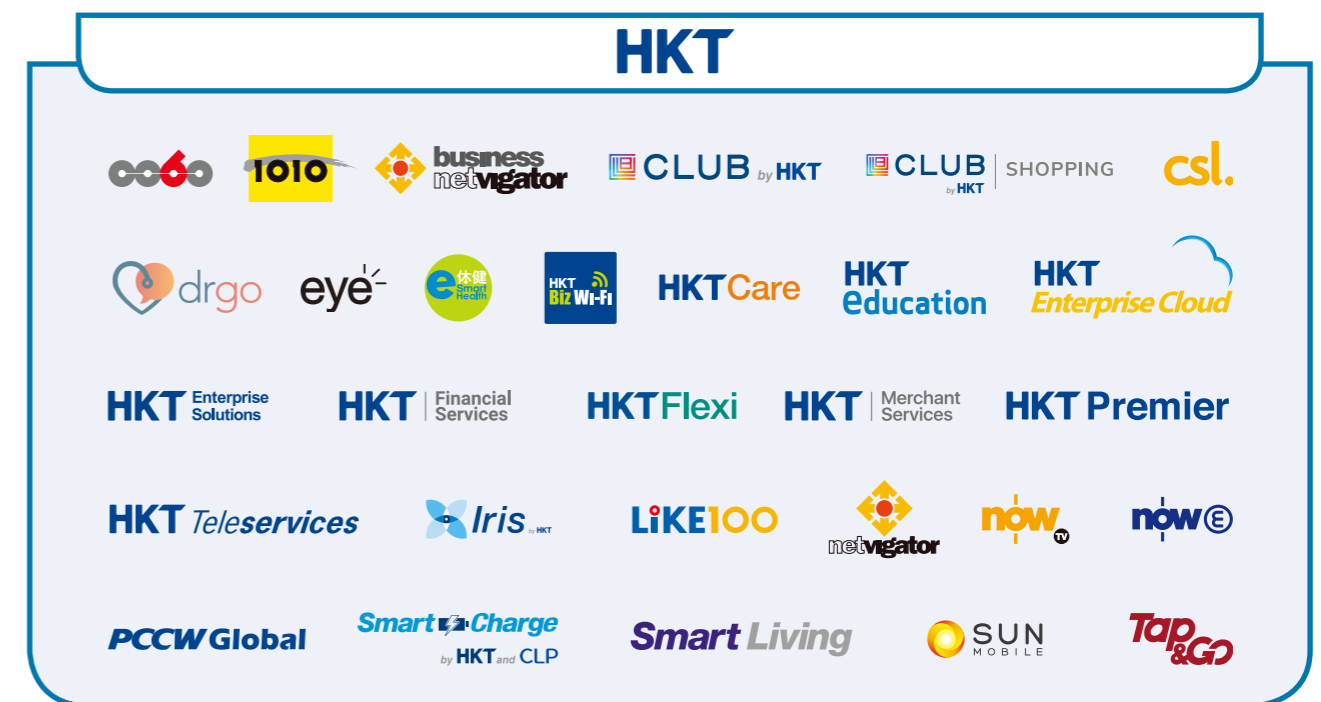
HKT is Hong Kong's premier telecommunications service provider and a leading innovator. Its fixed-line, broadband, mobile communication and media entertainment services offer a unique quadruple-play experience.

HKT is the first local mobile operator to launch a true 5G network in Hong Kong with differentiated value-added services. Backed by its substantial holding of 5G spectrum across all bands and a robust and extensive fiber backhaul infrastructure, HKT is committed to providing comprehensive 5G network coverage across the city.

HKT delivers end-to-end integrated solutions employing emerging technologies such as 5G, cloud computing, Internet of Things (IoT) and artificial intelligence (AI) to accelerate the digital transformation of enterprises and contribute to Hong Kong's development into a smart city.

Riding on its massive loyal customer base, HKT has also built a digital ecosystem integrating its loyalty program, eCommerce, travel, insurance, FinTech and HealthTech services. The ecosystem deepens HKT's relationship with its customers thereby enhancing customer retention and engagement.

Some of the 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, 2020, as well as our ongoing initiatives to enhance our ESG performance.

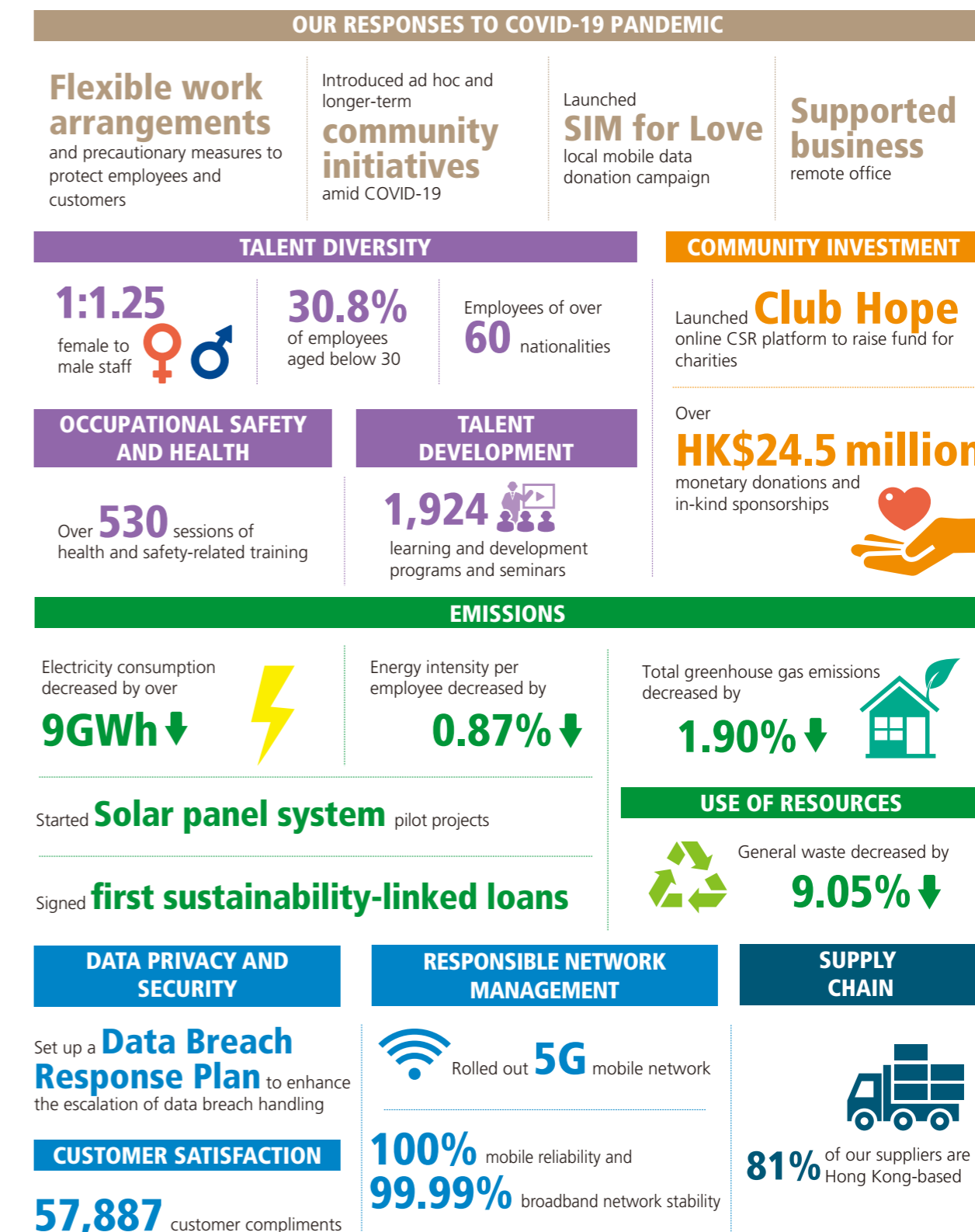
This summary highlights our efforts in the following six aspects:

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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 2020.

HIGHLIGHTS

This page highlights the achievements of our key environmental and social initiatives in 2020:



OUR RESPONSES TO COVID-19 PANDEMIC

We have demonstrated our capability and determination to help our employees, community, customers and business partners stay connected, and to address the needs of the underprivileged during the COVID-19 pandemic.

Safeguarding employees

- We implemented work-from-home and flexible working arrangements;
- We distributed face masks and sanitizing gel to employees;
- Staff who had been in close contact with infected persons were required to undergo quarantine and were offered free COVID-19 tests.

Support to customers and business partners

Complimentary services for customers:

- Offered mobile customers an extra 3GB local mobile data free of charge;
- A one-month free Now E Entertainment Combo for mobile customers, over 9,000 hours of free streaming content from Now E for all Hong Kong people, as well as complimentary channels and on-demand services for Now TV customers.

Supporting commercial customers:

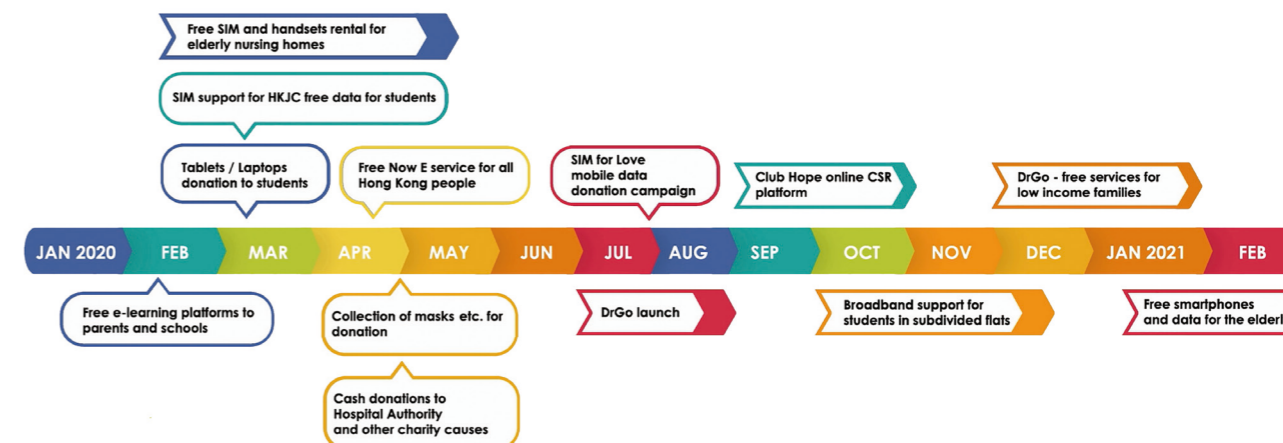
- Complimentary HKT Smart Biz Line On-the-go service and Microsoft Teams accounts for SMBs;
- Offered enterprises on designated 5G corporate plans unlimited 5G data to access Microsoft 365 cloud applications.

Support to the public health system

Supporting government anti-epidemic efforts:

- Installed and monitored broadband and voice services at quarantine centers;
- Implemented healthcare remote monitoring solutions at a quarantine center and a community treatment facility.

Our support to the community at a glance



Support to the community

Caring for the elderly and the disabled:

- Free rental handsets with local mobile data service for elderly homes and disabled care homes of over 200 NGOs such as the Tung Wah Group of Hospitals, Po Leung Kuk and The Hong Kong Society for the Blind, benefiting more than 26,000 elderly and disabled residents.

Caring for students and schools:

- Free e-learning platforms for schools;
- Supported the Hong Kong Jockey Club Charities Trust in providing free mobile data to more than 30,000 underprivileged students;
- Provided tablets to students from low-income families for online learning.

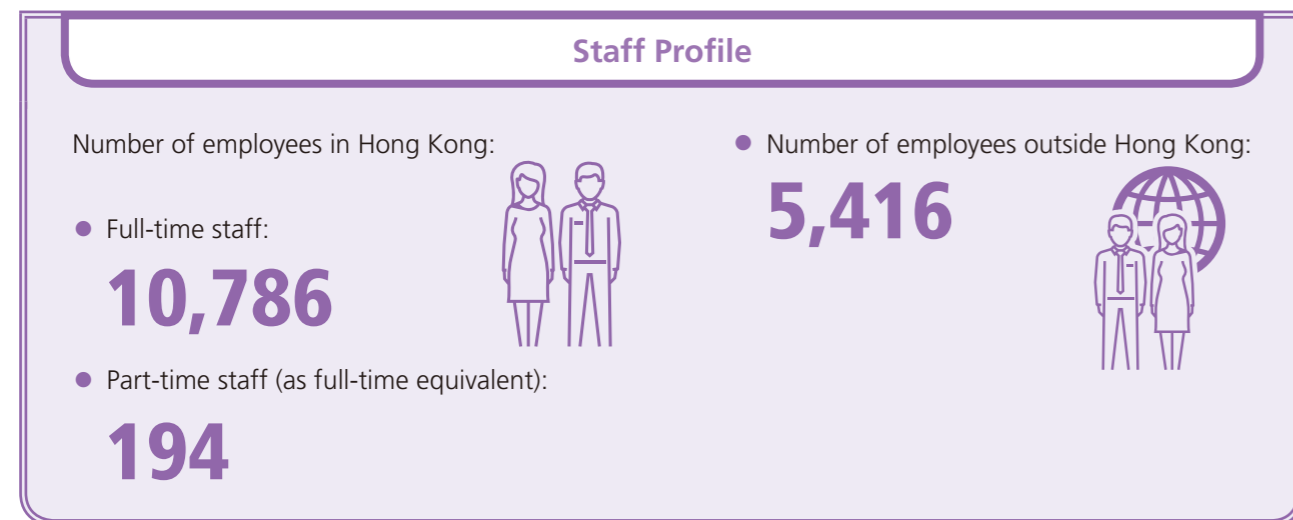
Caring for underprivileged groups:

- Set up collection points at our retail stores to facilitate the donation of face masks, alcohol hand sanitizers and disinfection wet wipes to NGOs;
- Launched the "SIM for Love" local mobile data donation campaign to help more than 10,000 students and elderly, homeless and jobless people stay connected;
- Cash donations to the Hospital Authority and the Standard Chartered HKCSS Subdivided Unit Subsidy Programme.



OUR PEOPLE

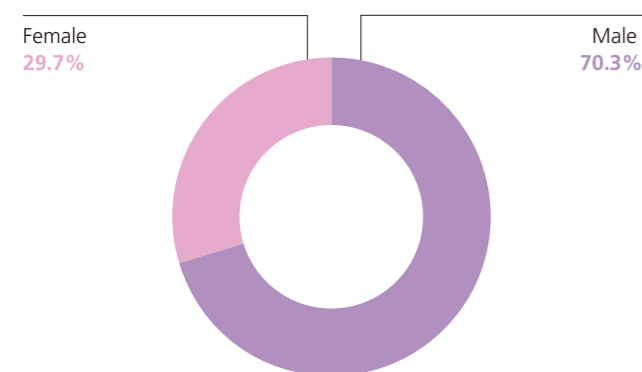
HKT strives to cultivate a pleasant, inclusive and productive work culture for our 16,396 employees globally. Our workforce now comprises employees of over 60 nationalities with a diverse range of expertise and background.



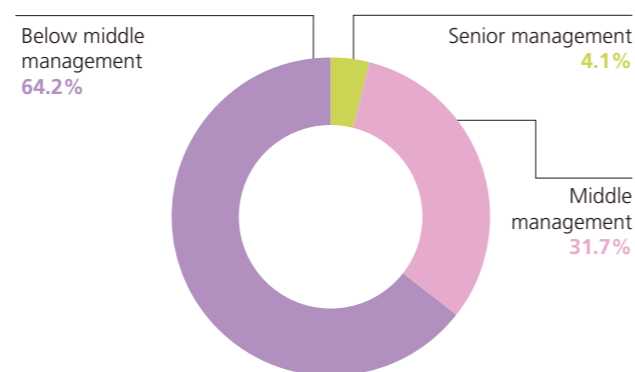
We have established a robust succession plan and a strong talent pipeline, as well as comprehensive training and leadership programs to nurture the talents we need to fuel business growth.

In 2020, we provided 1,924 training sessions to help employees keep pace with market trends and enhance their skills.

The percentage of employees trained by gender



The percentage of employees trained by employee category



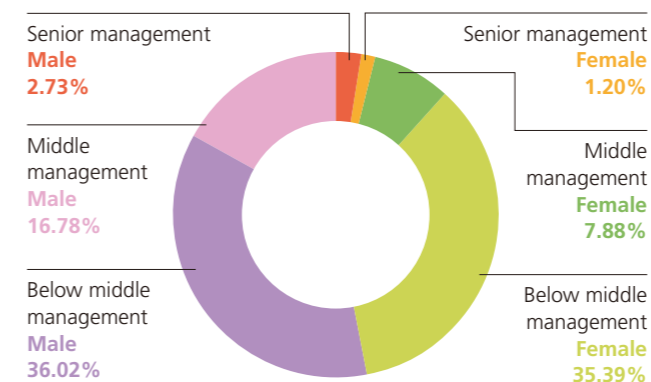
In the same year, HKT launched an innovation platform called SLASH, which aims to foster cross-business unit collaboration and promote peer learning for HKT graduate trainees. The platform promotes cross-fertilization of ideas and viewpoints between the graduate trainees and senior employees to drive business innovation and breakthrough.

To maintain a high standard of occupational safety and health across the Group, we delivered more than 530 sessions of related training to our staff in 2020.

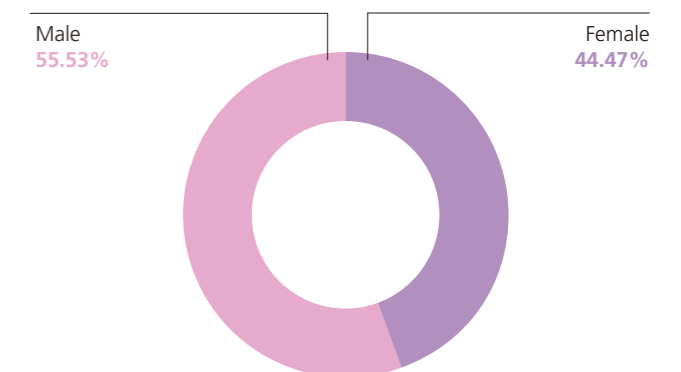
We have established channels for employees to share feedback and suggestions with senior management, and to understand company and business development. These include face-to-face meetings and forums, Let’s Chat sessions and town hall-style gatherings.

We embrace diversity and inclusion in the workplace. We have been a signatory to the Racial Diversity and Inclusion Charter for Employers under the Equal Opportunities Commission as part of our commitment. Besides, around 30.61% of our leadership roles are currently filled by female colleagues.

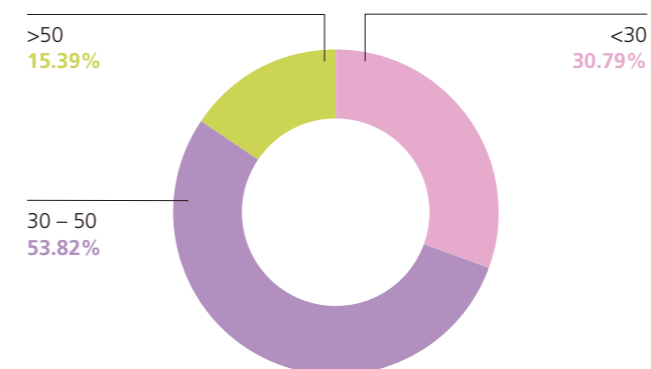
Workforce by employment type



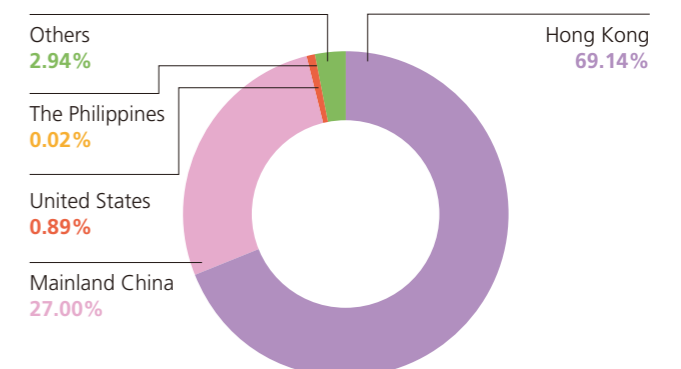
Workforce by gender



Workforce by age group



Workforce by geographical location



We regularly share our business updates, corporate activities, information about our latest technology development and workplace culture, and job opportunities on LinkedIn.



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 provide suggestions on our sustainability agenda.

Environmental performance highlights in 2020

Total GHG emissions:

230,885
tonnes CO₂-e
(↓ 1.90%)



Electricity consumption:

361,154,071
kWh
(↓ 2.45%)



General waste disposal:

689.15
tonnes
(↓ 9.05%)



- In March 2020, we signed our first **sustainability-linked loans**.
- We started two pilot projects on **solar panel systems**.
- **Electronic bills** saved over 42 million sheets of paper.
- The Group's **electricity consumption** was reduced by more than 9GWh in 2020.
- We collected and recycled 5,023 units of old **mobile handsets and accessories** in 2020 from customers for donation to Caritas Computer Workshop.
- We helped customers to remove more than 800 pieces of **waste electrical and electronic equipment (WEEE)**.
- Since 2019, we have collaborated with Hong Kong Battery Recycling Centre (HKBR) to **recycle waste lead acid batteries**. In 2020, 545.57 tonnes of waste lead acid batteries were recycled.
- The **Smart Charge electric vehicle (EV) charging service** encourages the wider adoption of EVs and contributes to creating a cleaner environment.
- In 2020, 19 old vehicles were replaced with 18 Euro 6 vehicles and one electric car, leading to a potential **reduction of 3.69 tonnes of CO₂ emissions** per year.
- HKT is a signatory to the **Charter on External Lighting** as well as the **Energy Saving Charter** of the Environment Bureau, and has pledged to adopt energy-saving practices in our exchange buildings and the shops of csl, 1010 and HKT.
- In 2020, we won the **Friends of EcoPark Award** for our contributions to waste recycling and recovery.



OUR COMMUNITY

We continuously identify and support social causes and create social value through education, corporate volunteering, financial donations and in-kind contributions. Due to the COVID-19 outbreak, several community service programs were canceled or postponed to help control the spread of the pandemic.

Our work in the community in 2020



Our Corporate Volunteer Team has been working together to build a better community for the past 25 years.

Community services highlights in 2020

- Visited elderly people living in public housing estates during festive seasons;
- Supported a three-year mentorship program for upper primary students;
- Provided workshops to people with autism;
- Participated in environmental protection and conservation activities.



Other programs and initiatives:

- HKT Elderly Hotline offers timely general and technical support to senior citizens;
- Collaborating with Lingnan University to promote gerontechnology in Hong Kong;
- Opened the HKT Innovation Lab (InnoLab) in November to empower the community by conducting R&D in different technology areas such as smart city initiatives.

Monetary donations and in-kind sponsorships amounted to about HK\$24.5 million in 2020 (including COVID-related contributions). These include:

- Concessions for home phone, broadband and mobile services for elderly people and low-income families;
- Scholarships and bursaries for university students of computer science, IT and related disciplines;
- Free telecom services for NGOs and telephone hotline support for charity fundraising events.

Longer-term support

We sought to address the ongoing difficulties confronting underprivileged people with the following longer-term, innovative programs:

- Introduced an online CSR platform, Club Hope, to increase public awareness of communities in need and raise funds for 13 charity organizations;
- Offering free DrGo telemedicine service to 400 underprivileged families living in subdivided flats and/or remote areas;
- Delivering 100 handsets and 120 SIM cards with a two-year mobile plan to the elderly under the care of two charities – the Neighborhood Advice-Action Council and Mighty Oaks Foundation;
- Supporting Caritas Hong Kong’s Caritas Grassroots Connected Programme by providing a one-year broadband service to 1,000 families living in subdivided flats.



OUR CUSTOMERS

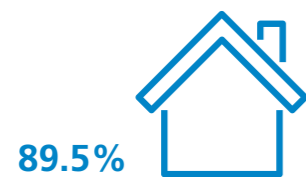
With a commitment to transforming customers' lifestyle through continuous innovation, HKT has expanded service offerings beyond connectivity to include a wide range of digital services such as FinTech and HealthTech.

HKT is the first local mobile operator to launch a true 5G network with differentiated value-added services. By the end of 2020, our 5G network covered 94% of outdoor areas in Hong Kong.

We achieved our service availability and service restoration targets for 2020:

	Performance target	Actual performance in 2020
CSL		
Network reliability	99%	100%
Service restoration	< 60 minutes	100%
NETVIGATOR		
Network stability	99.99%	99.993%
Service restoration	99%	99.853%

Fiber-to-the-Home (FTTH) coverage



Number of Wi-Fi hotspots in Hong Kong



In September 2020, Mox Bank Limited, a virtual banking joint venture between PCCW, HKT and corporate partners, was officially launched to promote financial inclusion in Hong Kong.

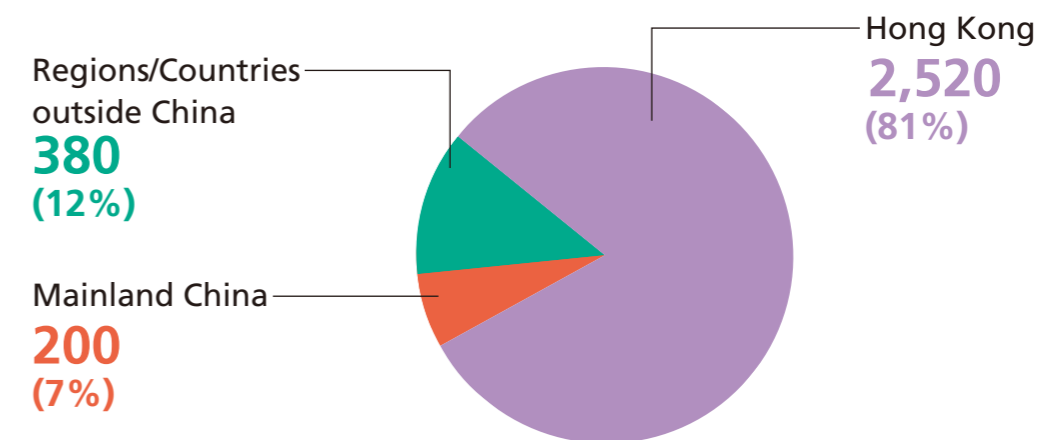
A Group Information & Cyber Security Council (GICSC) is in place to oversee all cybersecurity-related initiatives, investments and ongoing maintenance pertaining to the protection of the Group's core network, servers and endpoints. During the year, the Group set up a Data Breach Response Plan to streamline the escalation of data breach incidents while enabling prompt notification to stakeholders.

HKT received 57,887 customer compliments and won more than 190 customer service awards throughout 2020.

OUR SUPPLY CHAIN MANAGEMENT

The Group maintains relationship with around 3,100 suppliers globally, of which approximately 81% are based in Hong Kong.

Distribution of suppliers by geographical location



While the global supply chain was disrupted in the midst of the COVID-19 pandemic, the impact on our daily business operations was limited due to our effective supply chain management.

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

In 2020, we conducted 110 supplier visits to ensure suppliers strictly complied with 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 one of the founding members of the Sustainable Procurement Charter launched by the Green Council.



We welcome stakeholders' feedback and suggestions.
If you have any comments, 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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The Share Stapled Units are listed on The Stock Exchange of Hong Kong Limited (SEHK: 6823).

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