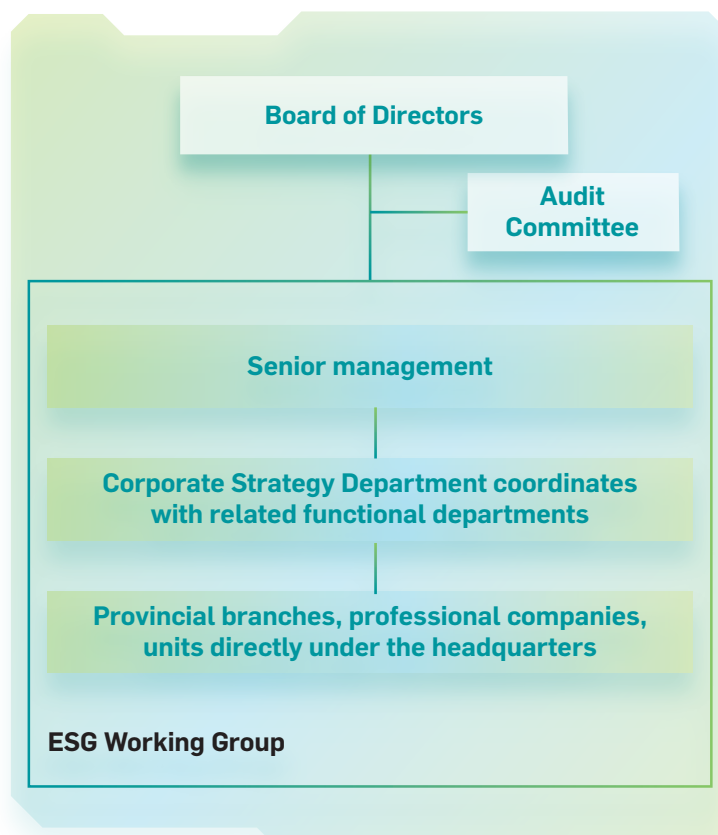


## GOVERNANCE SYSTEM

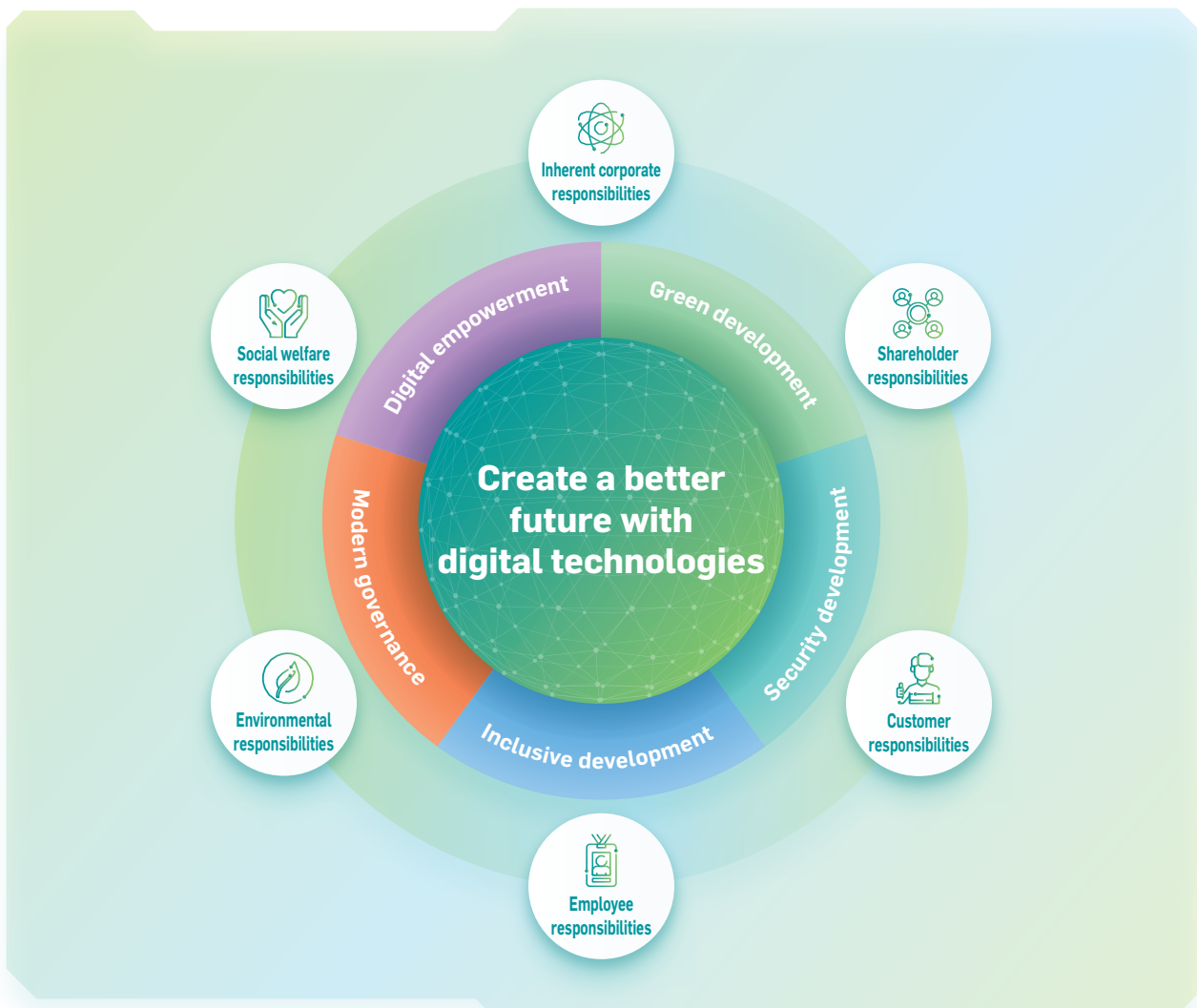
Adhering to the principles of sustainable development, service strategy, complete integration and harmonic co-creation, the Board of the Company is responsible for formulating the Company's ESG management policies and strategies including evaluating, prioritising and managing the Company's ESG-related matters, to ensure that the Company has established an effective ESG risk management and internal control system. The Board has set up the Audit Committee, which is responsible for assisting the Board to oversee ESG matters. The Company has established an ESG working group which is managed by senior management, while our Corporate Strategy Department is responsible for coordinating relevant departments in the headquarters, provincial branches, professional companies and units directly under the headquarters participating in ESG related work. The working group is authorised by the Board to be responsible for implementing ESG strategies.



The working group is responsible for preparing ESG reports and promoting ESG performance management, information disclosure and relevant fundamental work. The working group regularly reports and makes suggestions to the Audit Committee in areas such as material ESG issues, revision of indicator system as well as indicator tracking and management. The Board and the Audit Committee provide the management and the working group with opinions for optimisation through means such as listening to ESG related work reports on a regular basis, reviewing the Company's performance as well as reviewing the Company's ESG reports and other relevant materials to ensure continuously enhancement of the Company's responsibility performance.

## RESPONSIBILITY PERFORMANCE FRAMEWORK

Adhering to the concept of “Create a Better Future with Digital Technologies”, the Company is actively fulfilling its responsibilities to the nation, its shareholders, customers, employees, the environment and social welfare. Leveraging sci-tech innovation to drive its development, the Company carries out implementation of its responsibilities performance concentrating on digital empowerment, green development, security development, inclusive development and modern governance. The Company serves the people and empowers thousands of industries. The Company also works together with its partners to build an open and win-win ecology and strives to make constant contributions to the accomplishment of SDGs of the United Nations as well as the sustainable development of the economy, society and environment.



## COMMUNICATIONS WITH STAKEHOLDERS

The Company promotes communications with its investors, customers, employees, government and regulatory authorities, communities and other stakeholders through various channels including announcements, reports, meetings, seminars, visits, service hotlines, questionnaires and events. The Company earnestly listens to the expectations and needs of the stakeholders, sorts out the opinions and suggestions from all parties and actively responds to the concerns raised.

The Company's management has been actively attending results announcement conferences. We provide important information to the capital market and media, respond to investors' concerns and promote stakeholders' understanding of our business and the overall development of the industry through various forms of activities such as online and offline investors briefings, results briefings, and investor roadshows.

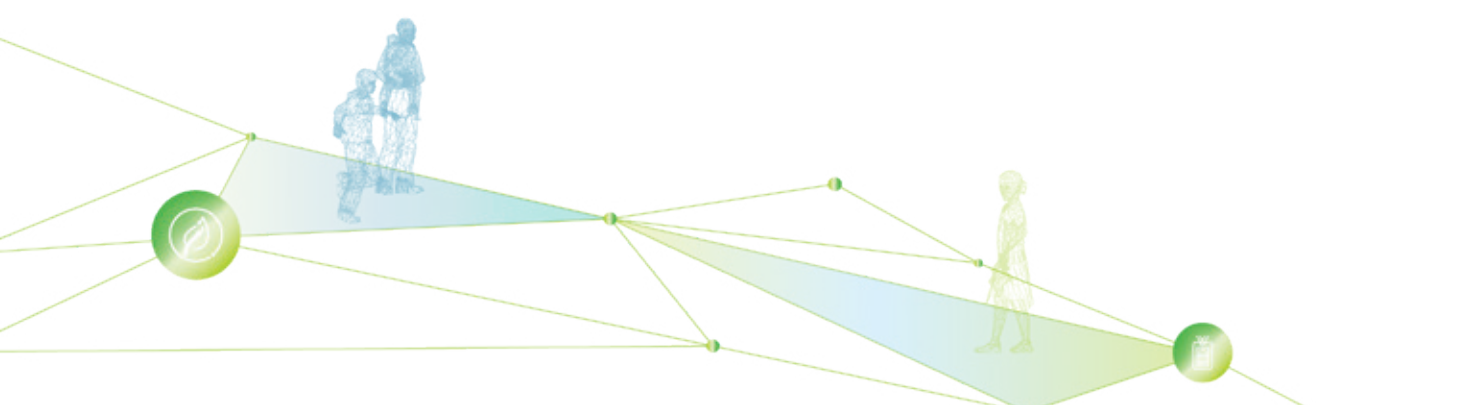
The Company has been actively using diversified channels to improve daily communications with its stakeholders. The Company has provided a dedicated service hotline of investor relations and an investor relations section on the official website. The Company has launched an investor relations WeChat public account and an investor relations WeChat mini-programme to facilitate stakeholders' timely and convenient access to latest news of the Company and enhance daily communications and interaction between stakeholders and the Company.

The Company attaches great importance to shareholder returns, proactively fulfilled its commitment to gradually increase the profit distributed in cash to above 70% of the profit attributable to equity holders of the Company for the year within three years after its A Shares issuance, constantly creating value for shareholders.

## STAKEHOLDERS' EXPECTATIONS ON THE COMPANY AND OUR RESPONSE

Stakeholders	Communications Mechanism and Methods	Expectations on China Telecom	China Telecom's Response
Investors	<ul style="list-style-type: none"> <li>• Statements and announcements</li> <li>• Visits</li> <li>• Daily communications</li> <li>• Investor conferences</li> </ul>	<ul style="list-style-type: none"> <li>• Asset value retention and appreciation</li> <li>• Regulating corporate governance</li> <li>• Operational risk prevention</li> <li>• Regulating information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Operate steadily and continue to create value for shareholders</li> <li>• Enhance corporate governance level and continuously enhance internal control system</li> <li>• Protect the rights of investors, especially small and medium investors, in accordance with laws</li> <li>• Strictly comply with the disclosure requirements of corporate information</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Customer service hotline</li> <li>• Customer manager's visits</li> <li>• Customer surveys</li> <li>• Customer communications activities</li> </ul>	<ul style="list-style-type: none"> <li>• Suitable and good business products</li> <li>• Enhancement of service quality</li> <li>• Tariff reduction</li> <li>• Harmful information prevention</li> <li>• Personal privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>• Promote business and products innovation</li> <li>• Promote transparent consumption</li> <li>• Set reasonable and preferential tariff</li> <li>• Regulate value-added service cooperation management</li> <li>• Protect customer information in accordance with laws</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Employee representative congress</li> <li>• Employee-management conversations</li> <li>• Employee opinion surveys</li> <li>• Complaints and grievances</li> </ul>	<ul style="list-style-type: none"> <li>• Legal rights protection</li> <li>• Realisation of professional development</li> <li>• Management participation</li> <li>• Caring for employees</li> </ul>	<ul style="list-style-type: none"> <li>• Regulate labour management</li> <li>• Optimise income distribution and welfare protection mechanism</li> <li>• Reinforce employee training and enhance career development</li> <li>• Count on the function of employee representative congress</li> <li>• Enhance work conditions</li> </ul>
Government and Regulatory Authorities	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Statements or reports</li> <li>• Briefings and visits</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Government management requirement implementation</li> <li>• Facilitation of industry development</li> <li>• Promotion of employment</li> </ul>	<ul style="list-style-type: none"> <li>• Govern the Company in accordance with laws, and operate with integrity</li> <li>• Pay taxes in accordance with laws, and foster employment opportunities</li> <li>• Innovate digital products and services, promote high-quality economic and social development</li> <li>• Actively provide advice and suggestions</li> </ul>

Stakeholders	Communications Mechanism and Methods	Expectations on China Telecom	China Telecom's Response
Supply Chain	<ul style="list-style-type: none"> <li>• Business communications</li> <li>• Business trainings</li> <li>• Seminars or forums</li> </ul>	<ul style="list-style-type: none"> <li>• Equal and mutually beneficial cooperation</li> <li>• Co-creation of value</li> <li>• Promotion of industry development</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperate with integrity, create mutual benefit and achieve win-win</li> <li>• Actively create an industrial ecosphere and promote industry development</li> </ul>
Peers	<ul style="list-style-type: none"> <li>• Forums or conferences</li> <li>• Dispute coordination and resolution</li> <li>• Special topic working groups</li> <li>• Visits</li> </ul>	<ul style="list-style-type: none"> <li>• Lawful and fair competition</li> <li>• Reinforce communications and cooperation, promote healthy development of the industry</li> </ul>	<ul style="list-style-type: none"> <li>• Actively communicate and exchange experience</li> <li>• Promote inter-connection and inter-communications</li> <li>• Actively engage in co-building and co-sharing</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Community communications activities</li> <li>• Community co-building activities</li> <li>• Social welfare activities</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental protection</li> <li>• Telecommunications universal services</li> <li>• Emergency communications assurance</li> <li>• Helping the poor, the disabled and the underprivileged</li> </ul>	<ul style="list-style-type: none"> <li>• Implement energy conservation and carbon reduction as well as environmental protection measures</li> <li>• Actively promote universal services</li> <li>• Maintain smooth communications</li> <li>• Create social welfare services brands such as "Caring Stations"</li> </ul>



## ANALYSIS OF MATERIAL ISSUES

In accordance with the *Environmental, Social and Governance Reporting Guide* as set out in Appendix C2 to the Listing Rules of the Hong Kong Stock Exchange, with reference to the United Nations Sustainable Development Goals (SDGs) and the GRI Standards released by the Global Reporting Initiative, while taking into consideration the expectations and needs of stakeholders based on the characteristics of our business and the industry as well as the impact of our business operations on the economy, environment and society, the Company assesses ESG issues that are relevant and material to the Company's business operations from the dual perspectives of its importance to stakeholders and its impact on the Company's business operations. In 2023, the Company optimised the issue names and adjusted the priority of the issues and selected 20 issues to form a materiality matrix. The Company added the "Anti-monopoly and fair competition" issue, enriched and refined issues such as "Addressing climate change", "Responsible supply chain", "Intellectual property protection" and "Integrity culture and anti-corruption".

