

Corporate ESG Factsheet

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China Telecom Corporation Limited is a large-scale and leading integrated intelligent information services operator in the world, providing wireline & mobile telecommunications services, Internet access services, information services and other value-added telecommunications services primarily in the PRC. The ESG data in this factsheet obtained limited assurance according to ISAE3000 standard by PricewaterhouseCoopers Zhong Tian LLP, and covers the policies, measures and performance on the ESG-related issues of the Company and its subsidiaries (branches). The Company's CSR report and annual/interim reports contain more information on ESG development.

Promote Green Development

Policies

- Risks: Comprehensively consider regulatory, compliance, market, finance and other factors to assess the main risks of climate change
- Systems: Formulate "dual-carbon" management measures; establish and enhance energy consumption measure and monitor, and evaluation, reward and punishment systems
- Strategy: "1248" development model (Details as below)

1 strategic focus	Green and low-carbon development			
2 ways of exertion	External		Internal	
4 basic strategies		Coordinated Development		
8 green actions	New cloud- network, new operation	New ecology, new empowerment	New sci-tech, new support	New energy, new value

• Target: 2022 overall energy consumption per unit of information flow **₹8%**

Key measures for emission reduction

- Cloud-network: Co-build and co-share of 5G network, co-share of 4G network, network total fiberisation, build intelligent and ultrasimple IP network
- Energy: Further increase utilisation rate of renewable energy
- Datacentres and computing power: Newly-built large/mega-scale datacentres PUE<1.3
- Operation: Leverage AI and other technologies to enable green 5G; retire old and high energy consumption facilities and revamp old facility rooms; green office, travelling and marketing
- Supply chain: Incorporate green and low-carbon criteria into the supplier assessment system, increase the deployment and usage of energy-saving and low-carbon products, promote the application of green procurement indicators in the procurement process, and include environmental impact factors into the procurement evaluation scoring; promote green production, green packaging and green warehousing and logistics
- New empowerment: Leverage digital technology for green and lowcarbon endowment in the entire society, and support green production of various industries and green living

2021 key indicators

15.46 Mil tons CO₂e 35.18 tons CO₂e/ Total greenhouse gas emission Greenhouse gas emissions per unit operating RMB Mil revenue

Hazardous waste produced per unit operating revenue

0.04 tons/RMB Mil

Electricity saved by technology to enhance the energy consumption efficiency of base stations ≈500 Mil kWh cumulative

Care for Employees and Society

Customers

- · Protect customer rights: Strictly protect customers' privacy, implemented administrative measures on data security and personal information of users; regulate product publicity, etc.
- Enhance services: Promote digital transformation of services; carry out dedicated programs to increase customer satisfaction, with overall user satisfaction maintained industry-leading

Society

• Support rural revitalisation and poverty alleviation: Support education, food donation, promote universal service construction, establish ecommerce platforms to help the sales of rural agricultural products, etc.

Employees

- Uplift occupational safety: Formulate management systems for occupational safety and protective supplies, work site inspection, etc.
- Improve working environment: Build small canteens, small bathrooms, small activity rooms, mother and baby rooms, oxygen supply facilities at high altitude units, etc.; organise cultural and sports activities; strengthen communications with employees
- Promote employees' development: Extensive promotion of skill certification, employee training programs, online college, innovation workshops, etc.; enhance employee selection and appointment system,
- Adhere to gender equality and equal pay for equal work

2021 key indicators

Mobile service user satisfaction 81.6% Average training time per employee 43.2 hours Fatality rate per 1,000 employees 0.0 Total service time of volunteers 651,000 hours

Enhance corporate governance

The Board and senior management

- Independence: INED 44% of the Board; Audit, Remuneration and Nomination Committees under the Board consist solely of INEDs
- Performance of duties: 100% attendance by all directors in all Board
- director appointment regardless of gender, age, educational background, professional experience, skills, etc.; proportion of female managers was 20.9%, **♦0.6p.p.** yoy
- Remuneration of directors/senior management: The Remuneration Committee recommends to the Board about the overall remuneration policy and structure for directors and senior management; the renumeration of the Company's CEO in 2021 was RMB705,000; none of the Company's five highest paid individuals were directors

Internal control and anti-corruption

- Enhanced 21 management systems regarding fund raising, external quarantees, related party transactions and information disclosure as well as internal control manuals
- Diversity: Implemented the Board Diversity Policy in August 2013 and Five major anti-corruption mechanisms including education and prevention, system monitoring, discipline and accountability, fault tolerance and correction, and inspection and check; formulated internal systems such as the Notice on Further Strengthening the Prevention and Control of Integrity Risks
 - Whistleblowing postal mailbox, emails and hotline available to address allegations against the Company's employees

Our Core Values, Code of Corporate Practice and Strategy

Core values

Comprehensive innovation, pursuing truth and pragmatism, respecting people and creating value all together

Code of corporate practice

Keep promise and provide excellent service for customers Cooperate honestly and seek win-win result in joint innovation Operate prudently and enhance corporate value continuously Manage precisely and allocate resources scientifically Care the staff and tap their potential to the full Reward the society and be a responsible corporate citizen

Company strategy

Adhering to the mission and vision of "Becoming the main force for building Cyberpower, Digital China and maintaining network and information security" and "becoming a leading integrated intelligent information service operator", China Telecom comprehensively implements the "Cloudification and Digital Transformation" strategy. With a customer-oriented mindset, China Telecom strengthens the core capabilities of sci-tech innovation, speeds up the construction of new information infrastructure based on cloud-network integration, greenness and security. It consolidates the foundation of green development and network and information security, builds a digitalised platform hub, creates a win-win cooperation ecosystem, deepens the system and mechanism reform, and makes every effort to build a service-oriented, technology-oriented and secured enterprise, to strive to become a world's first-class enterprise.

Our ESG Management Structure

- The Board: Formulate the Company's ESG management policies and strategies to ensure that the Company has established an effective ESG risk management and internal control system, ESG indicator system and means of disclose of relevant information
- ESG working group: Authorised by the Board to implement the Company's ESG strategies, promote ESG performance management, information disclosure and other work; regularly report to the Audit Committee on the revision, information collection and monitoring of the Company's ESG indicator system and make recommendations
- ESG indicator system: Includes information statistics system for ESG performance; procedures on ESG data's collection, review and application; KPI disclosure plan and regulation



Our Stakeholders and Analysis of Material Issues

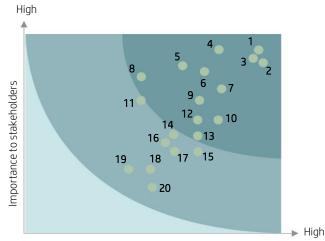
Stakeholders

Customers, employees, supply chain, community, peers, government and regulatory authorities, investors

Analysis of material issues (corresponding matrix on the right)

- customers
- 2. Empowering digital transformation
- 3. Enjoying digital life
- 4. Maintaining network and information security
- 5. Maintaining smooth communications
- 6. Strengthening sci-tech innovation
- 7. Accelerating the construction of 17. Caring for employees' wellnew infrastructure
- 8. Operating in compliance with laws and regulations
- 9. Promoting the co-building and co-sharing of communications infrastructure
- 10. Promoting employees' development

- 1. Providing heartfelt services to 11. Promoting integrity governance and anti-corruption
 - 12. Employment in compliance with laws and regulations
 - 13. Supporting rural revitalisation
 - 14. Promoting energy conservation and emission reduction
 - 15. Promoting responsible supply chain
 - 16. Addressing and mitigating climate change
 - being
 - 18. Caring for safety and occupational health
 - 19. Protecting ecological environment with engineering construction
 - 20. Promoting social welfare



Impact on the Company's business operations

Recognition and Awards







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