

GREEN DEVELOPMENT

▪

OPERATING WITH INTEGRITY

▪

WIN-WIN COOPERATION

▪

CREATING VALUE TOGETHER

**A**s a large-scale and leading integrated information service operator in the world, China Telecom all along persists to incorporate the responsibilities of environmental, social and governance (“ESG”) in corporate’s operation and management, and has established and continues to optimise the effective risk management and internal control systems in relation to ESG. With rapid development of mobile Internet and swift upgrade of information consumption, the Company persists to promote the corporate transformation and accelerates business upgrade, endeavouring to provide premium network information services for users and striving to be a leading integrated intelligent information service provider.

This report covers the Group’s work on ESG areas for the financial year ended 31 December 2016 and explains how China Telecom complies with the “comply or explain” provisions of the ESG Reporting Guide in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKEX ESG Reporting Guide). This report has been reviewed and approved by the Board of Directors of the Company.