

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GREEN DEVELOPMENT



OPERATING WITH INTEGRITY



WIN-WIN COOPERATION



CREATING VALUE TOGETHER

As a large-scale and leading integrated information services operator in the world, China Telecom all along persists in incorporating the environmental, social and governance (“ESG”) responsibilities into corporate operation and management, and has established and continues to optimise 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 continues to promote corporate transformation and accelerates business upgrade, endeavouring to provide premium network information services for users and striving to be a leading integrated intelligent information services operator.

The Company has strictly complied with the provisions of the *Environmental, Social and Governance Reporting Guide* as set out in Appendix 27 (“ESG Reporting Guide”) to the Listing Rules of the Hong Kong Stock Exchange in 2019, and considers the concerns of stakeholders and the environmental, social and governance issues identified by the Company in the course of operations as a basis for reporting. In 2019, the Company further refined its own *System of Environmental, Social and Governance (ESG) Indicators*, improved the internal process for collecting and monitoring the data on ESG performance and strengthened procedures on ESG data collection, review and application to ensure detailed information on how the Company fulfills its responsibility in the aspect of environmental, social and governance as required under the relevant provisions has been disclosed. This report is a yearly report which covers the Company and its subsidiaries (branches) for the period from 1 January 2019 to 31 December 2019. For details of compliance with ESG Reporting Guide, please see the ESG Reporting Guide Index in this report. There are no significant changes in the scope of this report from the ESG Report published in the 2018 annual report.

This report has been reviewed and approved by the Board for publication.