



SOCIAL RESPONSIBILITY MANAGEMENT

The Board of Directors of China Telecom attaches great importance to the supervision and control over the work on Environmental, Social and Governance (ESG), supervises ESG issues with the assistance of the Audit Committee, and is responsible for developing ESG-related policies and strategies, including evaluating, prioritising and managing ESG-related matters to ensure that effective ESG risk management and internal control systems are in place. The Board and the Audit Committee also regularly receive briefings from the Company on ESG issues, conduct performance review on the Company, provide advice and instructions to the management and relevant departments on optimisation and review and approve the disclosures in ESG reports to ensure the Company's performance in fulfilling responsibility is continuously improving. We reported the work plan to the Board during the preparation stage of this report and also reported to the Board upon the finalisation of this report. This report was reviewed and approved by the Board.

RESPONSIBILITY PERFORMANCE FRAMEWORK

Adhering to the concept of “Create a Better Future with Digital Technologies”, China Telecom is actively building a service-oriented, technology-oriented and secured enterprise, serving the people and empowering thousands of industries with sci-tech innovation as the core. We work together with our partners to enhance complementary strengths, build an open and win-win ecology, make the world greener, more secure and more inclusive, and contribute to the sustainable development of the economy, society and environment.

We make efforts on 4 areas, namely taking responsibility through digital empowerment, adding impetus through innovative development, achieving sustainability through green and security development, and building harmony through openness and inclusiveness.

We fulfil 6 responsibilities, i.e. our inherent corporate responsibilities, as well as our responsibilities towards shareholders, customers, employees, the environment and social welfare.



MANAGEMENT SYSTEM

China Telecom establishes 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. ESG working group is authorised by the Board to be responsible for implementing the Company's ESG strategies, promoting ESG performance management and information disclosure and relevant fundamental work. The working group regularly reports to the Audit Committee on the revision of the ESG indicator system, ESG information collection and monitoring, and makes recommendations in these regards.



The Company established its own system of ESG indicators, set up the information statistics system for ESG performance, refined procedures on ESG data's collection, review and application, prepared the disclosure plan for key performance indicators, and regulated the disclosure of detailed information on responsibility performance. During the reporting period, the Board regularly tracked the progress of work, listened to the reports on ESG issues, suggestions on the disclosure of key indicators, amendments to the indicator system, and the level of completion of key performance, etc., reviewed the performance of the Company, considered the working group's suggestions on the adjustment of various original indicators, and finally approved the 2022 version of the ESG indicator system and the disclosure plan of key performance indicators.

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COMMUNICATIONS WITH STAKEHOLDERS

China Telecom 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 analyst meetings, press conferences, global investor conference calls 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 to facilitate daily communications and interaction between stakeholders and the Company. At the same time, we have launched a public investor relations WeChat account, so that followers can obtain the latest news of the Company in a timely and convenient manner through the social platform.

STAKEHOLDERS' EXPECTATIONS ON THE COMPANY AND OUR RESPONSE

Stakeholders	Communications Mechanism and Methods	Expectations on China Telecom	Our Response
Investors	<ul style="list-style-type: none"> • Statements and announcements • Visits • Daily communications • Investor conferences 	<ul style="list-style-type: none"> • Asset value retention and appreciation • Regulating corporate governance • Operational risk prevention • Regulating information disclosure 	<ul style="list-style-type: none"> • Operate steadily and continue to create value for shareholders • Enhance corporate governance level and continuously enhance internal control system • Protect the rights of investors, especially small and medium investors, in accordance with laws • Strictly comply with the disclosure requirements of corporate information
Customers	<ul style="list-style-type: none"> • Customer service hotline • Customer manager's visits • Customer surveys • Customer communications activities 	<ul style="list-style-type: none"> • Suitable and good business products • Enhancement of service quality • Tariff reduction • Harmful information prevention • Personal privacy protection 	<ul style="list-style-type: none"> • Promote business and products innovation • Promote transparent consumption • Set reasonable and preferential tariff • Regulate value-added service cooperation management • Protect customer information in accordance with laws
Employees	<ul style="list-style-type: none"> • Employee representative congress • Employee-management conversations • Employee opinion surveys • Complaints and grievances 	<ul style="list-style-type: none"> • Legal rights protection • Realisation of professional development • Management participation • Caring for employees 	<ul style="list-style-type: none"> • Regulate labour management • Optimise income distribution and welfare protection mechanism • Reinforce employee training and enhance career development • Count on the function of employee representative congress • Enhance work conditions

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Stakeholders	Communications Mechanism and Methods	Expectations on China Telecom	Our Response
Government and Regulatory Authorities	<ul style="list-style-type: none"> • Meetings • Statements or reports • Briefings and visits 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Government management requirement implementation • Facilitation of industry development • Promotion of employment 	<ul style="list-style-type: none"> • Govern the Company in accordance with laws, and operate with integrity • Pay taxes in accordance with laws, and foster employment opportunities • Innovate informatisation products and services, promote high-quality economic development • Actively provide advice and suggestions
Supply Chain	<ul style="list-style-type: none"> • Business communications • Business trainings • Seminars or forums 	<ul style="list-style-type: none"> • Equal and mutually beneficial cooperation • Co-creation of value • Promotion of industry development 	<ul style="list-style-type: none"> • Cooperate with integrity, create mutual benefit and achieve win-win • Actively create an industrial ecosphere and promote industry development
Peers	<ul style="list-style-type: none"> • Forums or conferences • Dispute coordination and resolution • Special topic working groups • Visits 	<ul style="list-style-type: none"> • Lawful and fair competition • Reinforce communications and cooperation, promote healthy development of the industry 	<ul style="list-style-type: none"> • Actively communicate and exchange experience • Promote inter-connection and inter-communications • Actively engage in co-building and co-sharing
Community	<ul style="list-style-type: none"> • Community communications activities • Community co-building activities • Social welfare activities 	<ul style="list-style-type: none"> • Environment protection • Telecommunications universal services • Emergency communications assurance • Assisting vulnerable groups 	<ul style="list-style-type: none"> • Implement energy conservation and carbon reduction as well as environmental protection measures • Actively promote universal services • Maintain smooth communications • Promote poverty alleviation and help the disabled and people in need

ANALYSIS OF MATERIAL ISSUES

In accordance with the ESG subject areas contained in the *Environmental, Social and Governance Reporting Guide* as set out in Appendix 27 to the Listing Rules of the Hong Kong Stock Exchange, with reference to the United Nations SDGs and the GRI Standards, 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, China Telecom 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, and selects 22 issues and establishes a materiality matrix (see below) as the basis for this report’s disclosure.

