

HKT



2023

Environmental, Social and
Governance Report

Stock Code: 6823

a **PCCW** Group member

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Group Managing Director's Message



In an era of transition, we believe that bringing the right digital solutions to society can accelerate growth together and create a sustainable future for all. Over the decades, the Group has been leading the way in technology, media, and telecommunications. As a responsible conglomerate, the Group understands the significance of our business influence on both society and the environment. Therefore, we strive to make positive contributions and create long-term value for both our businesses and support the sustainable development of the communities we serve.

During the year, the Group has conducted a full range review and revamp on Group policies to enhance disclosure and transparency in relation to Environmental, Social and Governance (ESG) aspects with effective framework of corporate governance in place. The Board has endorsed these policies to ensure that we are at the forefront of responsible corporate practices.

With a holistic approach to environmental management, we have been endeavouring to reduce environmental impact and address climate change in our business operation. To minimise our environmental footprint and promote energy reduction among our customers, we continue to invest in green solutions such as electric vehicle charging service and Integrated Smart Energy Solution, with the adoption of renewable energy and advanced technology solutions in our operations. These initiatives contribute to our collective efforts in combating climate change and innovating for a greener future.

During the year, we have completed a dedicated optic-fibre cable connection to Lamma Island. This milestone not only brings high-speed internet to the island but also fosters economic development and digital inclusion by addressing the daily connectivity and entertainment needs of the island's residents. Through utilising our expertise and strengths, we have also supported the enhancement of fibre broadband service and 5G network accessibility in remote areas.

Our dedication to a sustainable future is further exemplified through a range of impactful social projects. One notable initiative is our support for the Strive and Rise Programme, which connected education and employment through mentoring programme. The programme has empowered the youngsters by broadening their horizons, instilling self-confidence, and fostering upward mobility. Collaborating with other like-minded market leaders, we demonstrated our commitment to community engagement and social inclusion through the Transitional Housing Project with complimentary services. Through technology-driven solutions, we strive to help families overcome challenges and promote social harmony.

In our unwavering commitment to empowering enterprise digital transformation, we are dedicated to serving a diverse spectrum of industries with tailored solutions to meet the unique business needs and requirements. With a strategic focus on construction, insurance, finance, retail, healthcare, and the public sector, we optimise operations and revolutionise sectors with cutting-edge technologies. Our solutions encompass artificial intelligence (AI), Internet of Things (IoT), and other advanced technologies, empowering enterprises to embrace digitalisation. Further to the enterprise solutions, we are advancing personalised digital services for individuals through our esteemed consumer brands. Whether it is e-commerce and travel, fintech, or healthcare, we are committed to delivering tailored experiences that enhance the living qualities of our customers. By leveraging the power of technology and personalisation, we aim to establish meaningful connections, improve customer satisfaction, and enhance the quality of services.

Looking forward, we are steadfast in our commitment to seize the opportunities and confront the challenges. Rooted in a foundation of innovation, the Group remains resolute in its dedication to contribute to the multifaceted growth of Hong Kong, particularly in the realms of technology. Leveraging our expertise and years of experience, we will persist in capitalising on emerging prospects, propelling our business to new heights, and empowering the city's digital transformation and sustainable development.

Susanna Hui
Group Managing Director

About HKT

HKT Trust and HKT Limited (“HKT” or the “Company”) is a technology, media, and telecommunication leader with more than 150 years of history in Hong Kong. As the city’s true 5G provider, HKT connects businesses and people locally and globally.

Our end-to-end enterprise solutions make us a market-leading digital transformation partner of choice for businesses, whereas our comprehensive connectivity and smart living offerings enrich people’s lives and cater for their diverse needs for work, entertainment, education, well-being, and even a sustainable low-carbon lifestyle.

Together with our digital ventures which support digital economy development and help connect Hong Kong to the world as an international financial centre, HKT endeavours to contribute to smart city development and help our community tech forward.

About this Report

This is the ESG report for the Company and its subsidiaries (collectively the “Group” or “We”).

Reporting Period

This report covers the Group’s ESG accomplishments and challenges from 1 January to 31 December 2023, as well as our ongoing initiatives to enhance our ESG performance.

Reporting Scope

This report encompasses the Group’s core businesses based in Hong Kong, namely technology, media, and telecommunications, operated through our offices, retail shops, data centres, exchange sites, telecommunications sites, and transmissions, unless otherwise specified. Where relevant, it also references the activities of subsidiaries and outsourced operations.

The qualitative and quantitative information regarding the Group’s approach, initiatives, and priorities in managing material ESG aspects are disclosed in the report.

Reporting Standards

This report has been prepared in accordance with provisions of the Environmental, Social and Governance Reporting Guide (the ESG Reporting Guide) in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKEX). We have also prepared this report in accordance with Global Reporting Initiative (GRI) Standards 2021.

Reporting Principles

The report follows the Reporting Principles as recommended by GRI and as set out in the HKEX ESG Reporting Guide to define the report content and to ensure the quality of information presented, including:

Materiality	Quantitative
Materiality is assessed based on the results obtained from stakeholder engagement. The threshold for sustainability topics to become material has been reviewed and agreed by top management to ensure that they were comprehensive and important to our stakeholders.	A cloud-based data management platform has been deployed to collect our ESG metrics, keeping track of our performance while assisting in target setting. Where applicable, we have compared year-to-year data and discussed their implications. Relevant standards, methodologies, assumptions, and conversion factors are disclosed when reporting the Group's emissions and energy consumption.
Balance	Consistency
The content and data provided in the report are unbiased. We discussed both our achievements and room for improvement in all ESG aspects.	This report adopts consistent methodologies to allow a fair comparison of our performance over time. Where applicable, we have disclosed the changes to the methods or key performance indicators (KPIs) used.

Assurance

The board of directors (the Board) of the Company is accountable for our ESG strategies and reporting, as well as responsible for overseeing and managing our ESG-related risks. This report has been reviewed and approved by the Board of the Company.

The environmental and social performance data in the report have been independently reviewed and verified by the Hong Kong Quality Assurance Agency (HKQAA). Please refer to the Verification Statement issued by HKQAA on page 64 for the verification scope and conclusion.

Contact Us

Available in both English and Chinese, this report can be accessed on both HKEX's website and the Company's website.

We value stakeholders' views and suggestions. Please share your feedback on our sustainability management and reporting via the following channels:






Mail: 39/F, PCCW Tower, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

Phone: +852 2888 2888

Email: esg@hkt.com

Highlights at a Glance

Sustainability Performance Highlights in 2023

Network Connectivity	Customer Services	Community Investment
<p>99% fibre-to-the-home (FTTH) and 5G wireless-to-the-home (WTTH) household coverage in HK</p> <p>Over 99% network reliability</p> 	<p>Net Promoter Score of 98 in technical support¹</p> <p>1st telecommunications service providers to receive Green Tick badge verification from WhatsApp</p> <p>Obtained a total of 89 customer service awards</p>	<p>Over HK\$17 million monetary and in-kind contributions made by the Group</p> <p>Over 4,400 hours contributed by staff volunteers</p>
Diversity and Equality	Team Development	Sustainable Finance
<p>1:1.4 female to male staff</p> <p>Over 33% of female in leadership</p>	<p>532,331 total training hours</p> 	<p>Secured over US\$3.0 billion sustainability-linked loans</p> 
Environmental Performance (compared to 2022)	Renewable Energy	Supply Chain
<p>↓7.68% total GHG emissions reduced</p> <p>↓5.89% electricity consumption reduced</p> <p>↓18.78% general waste reduced</p> 	<p>Some of our assets have obtained the ISO 50001 Energy Management System Certification</p> <p>119,112 kWh renewable energy generated from our solar power systems</p>	<p>77% of our suppliers are Hong Kong-based</p> <p>85 supplier visits conducted</p> <p>Attained the ISO 9001:2015 Quality Management System Certification</p> 
Corporate Governance		

Four Group key policies have been enhanced, including the policies related to aspects of sustainability management approach, governance and supply chain management

On-going trainings pertaining to 4 key risk management and compliance-related areas have been provided to **all** Functional Units (FUs) and Business Units (BUs)

¹ Net Promoter Score in technical support is evaluated based on the survey sent to customers who received services delivered by our mobile consultants at designated cs/1010 shops such as handset data transfer and smartphone workshop.

HKT²

- Has obtained an “AA” rating in the MSCI ESG rating since 2021, ranking in the top 43% of global telecommunication services peers³ and is a constituent of the MSCI World ESG Leaders Index, MSCI World ESG Screened Index, MSCI World ESG Enhanced Focus CTB Index, MSCI ACWI ESG Leaders Index and MSCI ACWI ESG Universal Index as of the end of December 2023
- Has been recognised as the selected company of S&P Global Sustainability Yearbook (China Edition) 2023
- Has been awarded the “10 Years Plus Caring Company” Logo by the Hong Kong Council of Social Service
- Has won “Best in Reporting — Large Market Capitalisation” and merit in “Best in ESG — Large Market Capitalisation” under the Binder Dijker Otte (BDO) ESG Awards
- Has Bestowed the titles of “ESG Leading Enterprise” and “Leading Social Initiative” under the 5th ESG Leading Enterprises campaign co-organised by Bloomberg Businessweek/Chinese Edition and Deloitte
- Has been named a “Hong Kong Green Organisation” by the Environmental Campaign Committee
- Has been recognised as one of the “Friends of EcoPark 2023” by the Environmental Protection Department
- Has obtained a certificate of appreciation from Hong Kong Economic Journal under the ESG Achievement Programme 2023
- Has received the “Elite of Sustainability Performance Award” at the Ming Pao ESG Award 2023



² For more awards and recognitions, please refer to HKT's Annual Report 2023.

³ The use by HKT of any MSCI data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of HKT by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Sustainability at HKT



Sustainability is at the core of the Group's Corporate strategy that guides our business decisions and actions, driving us to create shared value. Our governance framework has established a solid foundation to ensure our practices are responsible and sustainable for our business activities and the community at large.

Sustainability Governance and Communication

- Adopted robust governance structure and oversight responsibility
- Examined the Group sustainability strategy and policies, ensuring further alignment with more stringent HKEX and global disclosure requirements
- Diversified communication channels with different stakeholders

Manage Sustainability-related Risks

- Monitored and managed ESG risks via established Enterprise Risk Management (ERM) framework from both top-down and bottom-up approach
- Fostered a risk aware culture to enhance the risk assessment process by setting tone at the top
- Provided a wide range of risk management and compliance refresher trainings to employees

1.1 Sustainability Governance Structure and Oversight Responsibilities

The Group upholds a robust corporate governance framework⁴ that seamlessly incorporates sustainability management into our business operations and decision-making processes which is the key to ensuring the long-term viability of the Group. As the highest governance body of the Group, the Board is responsible for ensuring effective governance and oversight of sustainability strategy to strive for the best interests of our stakeholders. Responsibilities for managing, executing, and reviewing sustainability-related agendas are delegated to respective Board Committees, Sub-committees and respective sustainability drivers.

Highest Governance Body	The Board	
	<ul style="list-style-type: none"> • Oversees sustainability strategy and acts as final decision-making body • Ascertains the Group’s risk management and internal control systems sound and effective to ensure adherence to applicable laws and regulations • Approves Code of Conduct (CoC) and Corporate Social Responsibility Policy • Reviews and approves the ESG Report 	
Board Committees	Executive Committee	Audit Committee
	<ul style="list-style-type: none"> • Operates as a general management committee under the overall delegation of authority from the Board 	<ul style="list-style-type: none"> • Assists the Board in assuring the objectivity and integrity of financial reporting, and those directors have presented results to shareholders with care, diligence, and competence required by law • Assists the Board in ensuring that effective risk management and internal control systems are in place and good corporate governance standards and practices are preserved • Reviews and recommends the ESG report for the Board’s approval

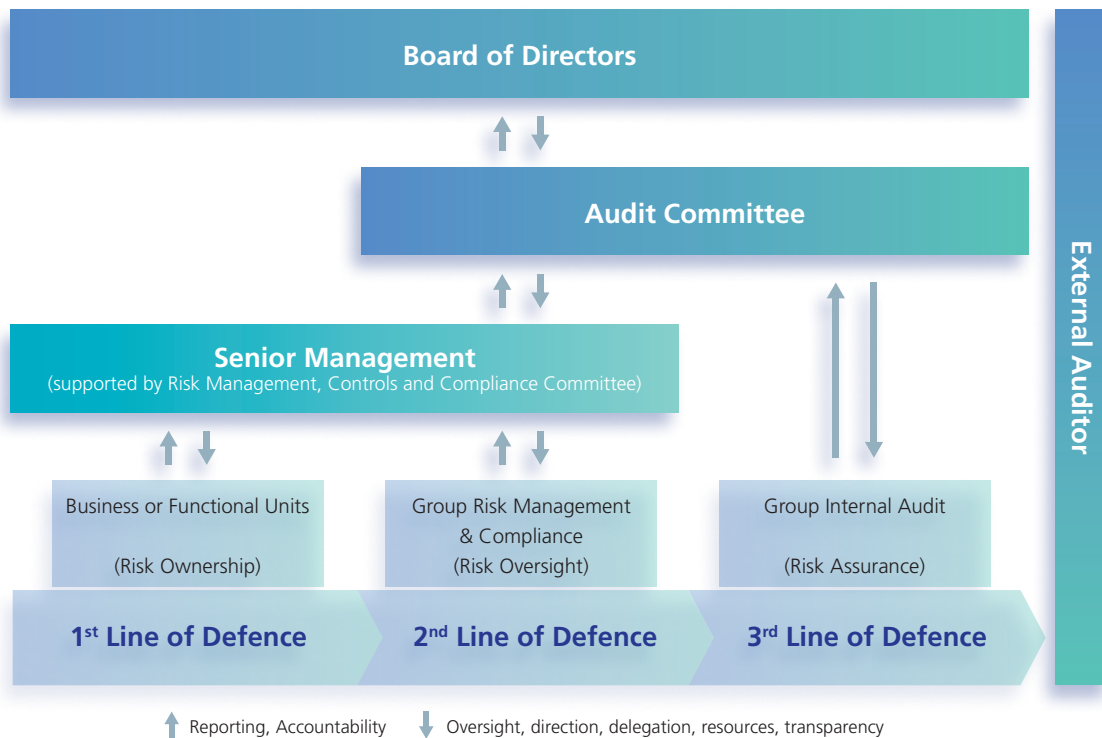
⁴ For more information on the Group’s corporate governance practices, please refer to the Corporate Governance Report of HKT’s Annual Report 2023.

Sub-committees	Risk Management, Controls and Compliance Committee (RMCCC)		Sustainability Committee	
	<ul style="list-style-type: none"> • Reviews procedures for preparation of the Group’s annual and interim reports, from time to time • Reviews Group policies to ensure compliance with the various rules and obligations of a Hong Kong-listed company • Assists the Board and/or the Audit Committee in the review of the effectiveness of the Group’s risk management and internal control systems on an ongoing basis • Reviews and recommends the ESG report for the Board’s approval 		<ul style="list-style-type: none"> • Reviews the Group’s sustainability strategy, principles, and policies to ensure that the Group operates in a manner that enhances its positive contribution to society and the environment • Oversees and provides guidance and direction for sustainability practices and procedures • Monitors the progress on sustainability-related initiatives and its relevant goals and targets • Reviews the ESG Report 	
Sustainability Drivers	ESG Team	Departmental ESG Representatives	Environmental Advisory Group	
	<ul style="list-style-type: none"> • Engages with stakeholders to promote sustainability internally and externally • Organises and implements sustainability initiatives • Prepares the ESG Report 	<ul style="list-style-type: none"> • Establishes collaboration with the ESG Team and the FUs/BUs • Facilitates implementation of sustainability initiatives • Raises sustainability awareness amongst colleagues • Assists in ESG reporting and ESG-related surveys 	<ul style="list-style-type: none"> • Advises on environmental policies and targets and provides suggestions to the Sustainability Committee • Assists in the coordination of BUs and cross-BU environmental initiatives 	
Implementation/ Execution of Sustainability Strategies and Actions	FUs and BUs			
	<ul style="list-style-type: none"> • Implements sustainability initiatives and ensures their compliance throughout daily operations 			

1.2 Enterprise Risk Management

The Group adopts an Enterprise Risk Management (ERM) framework with reference to ISO 31000:2018 Risk Management — Guidelines. Our ERM framework is guided by the “Three-Lines of Defence” model that integrates both top-down and bottom-up risk assessment process.

Group Risk Management & Compliance (GRM&C) as the second line of defence, performs a supervision role in ERM to provide advisory support to enable risk and compliance oversight of activities undertaken by the first line of defence, while ascertaining the relevant embedded controls are operating effectively. Being the risk owners, FUs and BUs identify, evaluate, mitigate and monitor their respective risks, and report such risk assessment process to GRM&C on a regular basis. Through supervising the ERM activities, GRM&C assesses and reviews significant aspects of the Group’s risk exposures. The identified material risks and corresponding mitigation measures will be reported to the Audit Committee regularly to ensure proper timely management of all significant risks of the Group⁵.








ESG Risks and Climate Change

Led by the Board, the Group has championed ESG as guiding principles in formulating our Corporate strategy, integrated them into every aspect of our business for achieving sustainable development. The responsibility for ESG risk management is a shared responsibility across all levels. The Group has revamped the ESG risk assessment process by embedding it in the overall Group ERM framework and provided relevant trainings to ensure every employee is fully aware of ESG risks in their daily operations.

In recent decades, climate change has posed physical climate risks to the global community through more frequent extreme weather events. Consequently, more stringent policy requirements towards decarbonisation are expected to drive wider adoption of low-carbon technology, and hence exposing our business operations to transition climate risks. As a result, the Group has already taken rigorous approach to enhancing climate-related risk management. We understand that risks related to climate change could impact our business and stakeholders, and we have been actively seeking to foster our climate resilience and adaptability through technological innovations while implementing control measures to mitigate these climate-related risks to enable the continuity of Group’s business operations.

⁵ For further information on the ERM framework and methodology, please refer to the Corporate Governance Report of HKT’s Annual Report 2023.



The Group has undertaken a thorough assessment to identify climate-related risks, encompassing both physical and transition risks. Listed below are our response to climate-related risks:





Responding to Climate Change		
Nature of Risk	Impact	Our Response
 <p>Acute Physical Risk: Risk that is driven by extreme weather events, such as typhoons, heavy rainfall, and floods.</p>	<p>Increased frequency and severity of extreme weather events may lead to disruption of network operations and telecommunication service.</p>	<p>We have installed IoT sensors in flooding alarm system which helps monitoring the water level in various locations and allow timely response for remedial actions. Besides, emergency plan or contingency plans are in place to provide guidance on severe weather conditions.</p>
 <p>Chronic Physical Risk: Risk associated with longer-term shifts in climate patterns, such as sustained high temperature, change in precipitation patterns.</p>	<p>Long-term shifts in climate patterns have potential impact on our infrastructure and facilities, which may lead to disruption of our services provision and business continuity.</p>	<p>Our technical team has closely monitored the network equipment functionality and ensured that the cooling equipment is in good working condition especially during rising temperature.</p>
 <p>Policy and Legal Risk: Policy actions that attempt to constrain actions that contribute to the adverse effects of climate change.</p>	<p>More stringent policy requirements towards decarbonisation and other environmental-related targets, which require to put in additional transition efforts for compliance.</p>	<p>The Group supports Hong Kong's Climate Action Plan 2050 with various climate initiatives and measures implemented. We continue to keep abreast of the latest regulatory development to ensure compliance with applicable laws and regulations in jurisdictions in which we operate.</p>
 <p>Technology Risk: Risk associated with technologies used in the transition to a lower-carbon economy.</p>	<p>The use of low-carbon technologies may increase the Group's operating cost.</p>	<p>We have adopted digital solutions and smart technologies to enhance energy consumption enabling efficiency and resources conservation in our buildings and corresponding efforts required in facility management. The Group has also taken proactive steps to adopt renewable energy and promote the use of electric vehicles (EVs).</p>
 <p>Reputation Risk: Risk of changing customer and/or public perceptions of our contributions to a lower-carbon economy.</p>	<p>The Group's reputation would be adversely affected if it did not meet the expectation of our customers and/or the general public.</p>	<p>As a conglomerate with global footprint, our success depends on the trust of our customers, stakeholders, and the public at large. The Group has been actively engaging our stakeholders to understand their expectations and strive to enhance our ESG performance and disclosures.</p>

1.3 Sustainability Policies

The Group is committed to observing high standard of governance and integrity in all aspects of our business. All employees are expected to strictly comply with Group’s policies and procedures when acting on behalf of the Group, whether dealings with customers, third parties, regulators, authorities, or the general public.

Since 2023, the Group has updated existing and/or revamped Group policies and procedures to further strengthen the Group corporate governance framework. The Board via RMCCC has endorsed several policies for increasing awareness of proper governance and compliance responsibilities across different FUs and BUs.

Aspects	Policies	Updates
 <p>Sustainability Management Approach</p>	<ul style="list-style-type: none"> • Code of Conduct# (Previously known as Corporate Responsibility Policy) • Corporate Social Responsibility Policy 	<ul style="list-style-type: none"> • Previous Corporate Responsibility Policy has been superseded by CoC, which continuously serves to maintain a high standard of ethics, trust, reputation, transparency, responsibility, and integrity in all aspects, and to ensure that the Group’s affairs are conducted in accordance with applicable laws and regulations as well as, taken into consideration of social and environmental needs for achieving sustainable business and strategic long-term success
 <p>Governance</p>	<ul style="list-style-type: none"> • Anti-Bribery and Corruption Policy • Statement of Anti-Bribery and Corruption Policy# (For External) • Anti-Money Laundering and Counter-Terrorist Financing Policy • Board Diversity Policy# • Corporate Incident Response Plan • Information Technology Security Policy • Whistleblower Policy 	<ul style="list-style-type: none"> • The statement of Anti-Bribery and Corruption (ABC) Policy has been published to highlight the key principles of the ABC Policy • Board Diversity Policy has been updated to place a significant emphasis on gender equality to reflect our latest commitment

Aspects	Policies	Updates
 <p>Customer and Marketplace</p>	<ul style="list-style-type: none"> • Fraud and Security Incident Management Policy • Intellectual Property Rights Policy • Personal Data Privacy Policy • Privacy Statement • Sensitive Information Monitoring Policy 	<p>No changes in the reporting year</p>
 <p>Employment</p>	<ul style="list-style-type: none"> • Human Resources Policy Manual • Statement of Safety and Health Policy 	<p>No changes in the reporting year</p>
 <p>Environment</p>	<ul style="list-style-type: none"> • Energy and Water Management Policy and Guidelines • Gas Emission Reduction Policy 	<p>No changes in the reporting year</p>
 <p>Supply Chain Management</p>	<ul style="list-style-type: none"> • Group Purchasing Policy and Principles[#] • Supplier Code of Conduct[#] 	<ul style="list-style-type: none"> • Group Purchasing Policy and Principles (GPPP) has been updated to incorporate principle of sustainable procurement into the Group's overall purchasing strategy • Supplier CoC has been updated to incorporate additional clauses that outlined environmental and social requirement for suppliers

1.4 Business Ethics

Recognising the importance of building trust with our global business partners and stakeholders, the Group is committed to business integrity through transparency which is governed by a robust framework of corporate governance. As a responsible business operator, we strictly adhere to the Group's ethical standards and comply with applicable laws and regulations in different jurisdictions in which we operate. Guided by the comprehensive scope of the Group policies and procedures, all Group members, including directors, officers, and employees, must adhere to a set of behaviour standards that goes beyond the local statutory requirements. We also urge any other individuals associated with the Group, including suppliers, sub-contractors, contractors, trainees, seconded staff, casual workers, volunteers, interns, and agents, to adhere to the same level of ethical standards.

Anti-bribery and Corruption

The Board has zero tolerance towards any form of bribery and corruption at any level in association with any aspect of the Group's activities. Our ABC Policy provides principles for all directors, officers, employees, and external parties acting in any capacity on behalf of the Group to conduct business with integrity and honesty and to reduce the risk of corruption. Furthermore, an ABC Procedure Manual (Procedure Manual) has been developed to provide detailed guidance on mitigating potential bribery and corruption risks in conjunction with the ABC Policy while maintaining the highest possible ethical standards and vigorously enforcing its business practices, whenever it operates throughout the globe. In case of any doubt as to whether any misbehaviour or unusual business transaction could lead to bribery and corrupt practices, employees are urged to refer to the Procedure Manual. The Procedure Manual is proportionate to and focused on the risks that we face, including but not limited to gifts and hospitality, charitable contributions, political contributions, facilitation payments and kickbacks. As a technology conglomerate with footprints around the globe, we strictly adhere to principles adopted by global anti-corruption laws such as the United Kingdom Bribery Act 2010, which is internationally recognised as one of the highest ABC standards and forms the basis of our ABC Policy and Procedure Manual.

As part of our ongoing commitment to ABC, the Group arranged an ABC awareness classroom training session in collaboration with the Independent Commission Against Corruption (ICAC). This training targeted specifically at leaders of our BUs and FUs to ensure senior management's commitment and strict adherence to Group ABC programme. In addition, the Group has also organised comprehensive ABC online refresher training course to further strengthen the awareness amongst all employees on topics pertaining to bribery and corruption.

Since 2023, we have neither concluded legal cases concerning non-compliance with the Prevention of Bribery Ordinance (Cap. 201) and other applicable laws and regulations related to corruption, nor any legal cases concerned with corrupt practices brought against the Group or its employees.



The Group arranged an ABC awareness classroom training session in collaboration with ICAC

Anti-competitiveness

The Group is committed to adhering to all relevant competition laws, such as the Competition Ordinance in Hong Kong. Our prohibition to any anti-competitive behaviour is explicitly outlined in our CoC. The Group's Regulatory Compliance Committee is tasked with reviewing and monitoring our dealings with other entities, ensuring there are no concerns of anti-competitive practices under the Competition Ordinance. Since 2023, we have not observed any breaches of anti-competitiveness in the Group.

Anti-money Laundering and Counter-terrorist Financing

Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Policy have been established by the Group. All subsidiaries, employees and associated parties of the Group are required to follow an effective and systematic AML and CTF framework in their business dealings and daily operations. To ensure strict compliance with applicable laws and regulations, risk assessments and monitoring activities are undertaken regularly at the BU level. In a progressive move to further enhance the Group's AML practices, the Group has revised its policy to include Know-Your-Transaction (KYT) as a mandatory requirement for all digital transactions conducted over the blockchain. This amendment underscores our commitment to ensuring the integrity and compliance of our digital transactions while mitigating risks associated with money laundering, fraudulent transactions, and other illicit financial activities. In the event of conflict of interest, employees are required to seek clarification from their line managers. Application and declaration forms are available on our intranet. Since 2023, we have not observed any breaches of money laundering in the Group.

Whistleblowing

The Group is committed to maintaining a high standard of corporate governance, the principles of which serve to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of its business and to ensure that its affairs are conducted in accordance with applicable laws and regulations and without compromising the safety or interest of its shareholders, investors, customers, directors, and employees. All internal and external stakeholders are encouraged to report actual or suspected improper conduct in confidence to the Audit Committee via Group Internal Audit. Any actual or suspected acts of improper conduct so reported shall be recorded, evaluated, and investigated as may be warranted.

All whistleblowing cases are treated in strict confidence and in accordance with the procedures set out in the Group's Whistleblower Policy, which are periodically reviewed and updated. An independent and appropriately senior member is designated to act as the case manager on behalf of the Chairman of the Audit Committee, such as the Head of Group Internal Audit. The case manager is responsible for the case's conduct, management, and reporting. Upon completion of the investigation, a report is submitted to the RMCCC for consideration and further reporting, as appropriate, to the Audit Committee. The report context includes its final disposition, impact, implications, and recommendations for improvement, if applicable.

* The policy has been enhanced during the reporting period.

Data Privacy

We have strict internal policies, procedures, and compliance guidelines in governing how we collect, use and manage customer information. These policies and guidelines have clearly defined roles and responsibilities of handling personal data, and stipulated appropriate security measures to achieve confidentiality, integrity, and accountability.

The Group Data Protection Officer is responsible for monitoring regulatory compliance with all matters relating to personal data, and further enhancing our security policies and standards if needed. A Data Protection Impact Assessment (DPIA) is conducted before we venture into business in a new country or introduce any new product or service. The DPIA identifies any data privacy risks in the business process, provides a basis on which to assess and implement the corresponding risk-mitigating controls, and ensures our compliance with all data protection obligations.

Information Security

We adhere to the highest standards of cybersecurity practices in efforts to protect our customer privacy and our business data. Our information security policies and guidelines are referenced to industrial best practice including ISO 27001. The Group periodically reviews such to ensure they are up to date.

At the Group level, the Group Information and Cybersecurity Council (GICSC) oversees all cybersecurity-related initiatives, investments and ongoing maintenance pertaining to the protection of the Group's core infrastructure including networks, servers and endpoints. The GICSC reports directly to top management on any cybersecurity matters requiring escalation. Moreover, there are dedicated teams under the Group, known as the Group Information and Cybersecurity Office, responsible for reviewing the overall cybersecurity risk profile and monitoring suspicious activity to combat cyberattacks. The team constantly reviews the current events in cybersecurity to enhance our policies and investment in capabilities and technologies to be well-equipped for timely response.

At the department level, some of our FUs and BUs have obtained ISO 27001 certification, demonstrating our efforts in security management and our full commitment to data and information security. To ensure we adhere to the latest legal and regulatory requirements, we have established stringent internal policies that formalise and align these requirements into our day-to-day operations.

Fostering Compliance Culture at All Levels

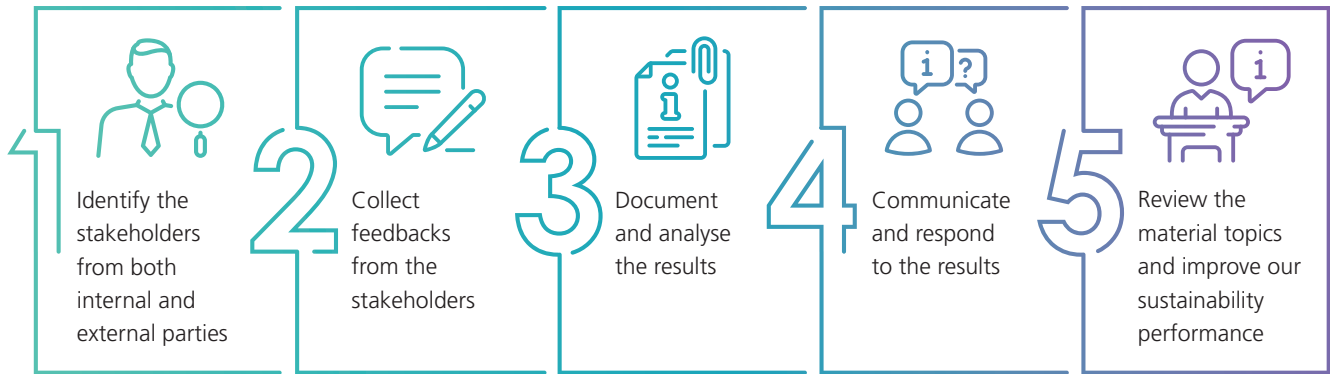
The Board has adopted the CoC which serves as the overarching principles to be applied across the Group with clear and concise guidelines to behaviours and corporate responsibilities of directors, officers and employees so as to uphold a high level of standards of behaviour that go beyond minimum legal standards. Violation of the Group's policies, procedures and guidelines may result in verbal or written warning or even lead to summary dismissal depending on the severity of the infraction.

To reinforce our guiding principles and foster a culture of compliance across the Group, we provide ongoing compliance-related training to all FUs and BUs, while keeping abreast of the development of relevant laws and regulations. We refreshed and released new online risk and compliance induction training to new joiners, which is a part of the new orientation programmes. It is mandatory for all new employees to undergo induction training on risk and compliance, which covers ERM and Compliance, ABC, AML & CTF, Whistleblower, Data Privacy, Technology Risk & Cybersecurity, and International Trade Compliance.

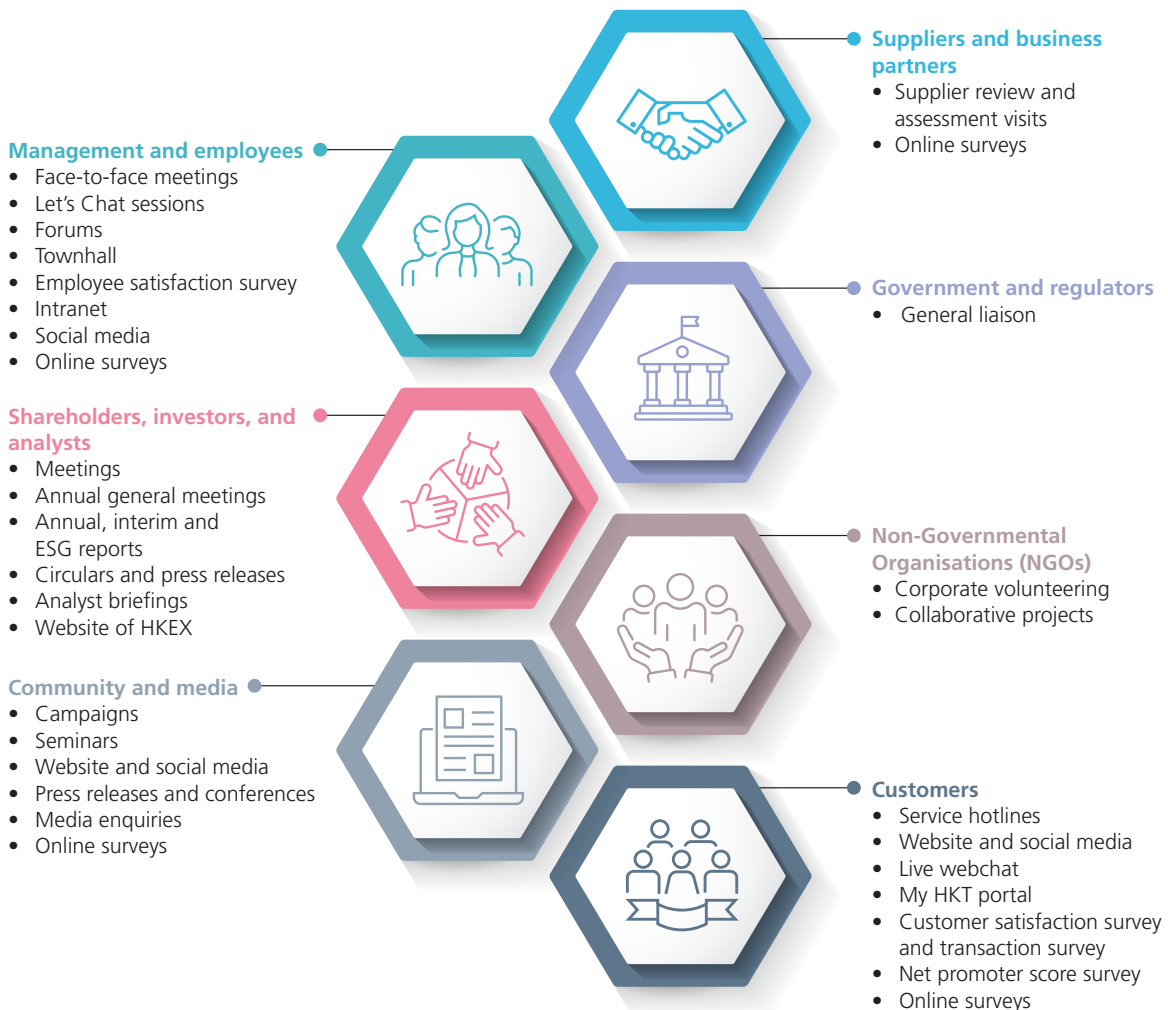
1.5 Stakeholder Engagement

The Group has actively engaged with stakeholders regularly to identify material ESG topics and prioritise ESG initiatives based on stakeholders' needs and expectations. We conduct various communication channels to engaged different stakeholders at least quarterly.

Stakeholder Engagement Processes



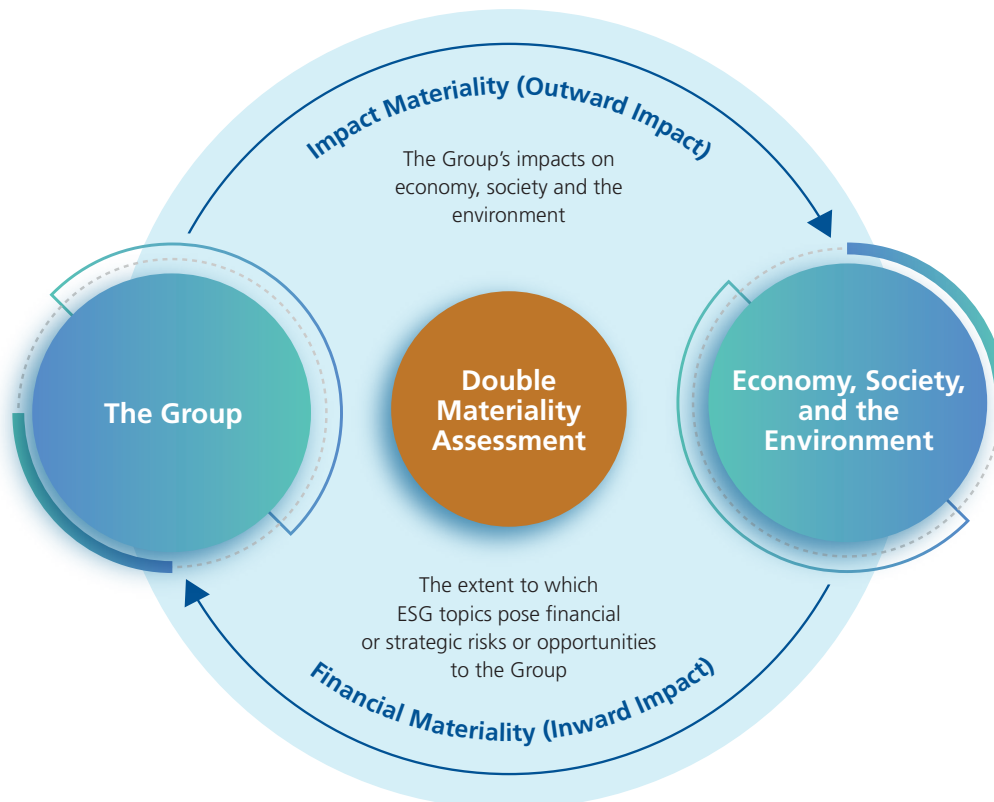
Communication Channels



Materiality Matrix and Result

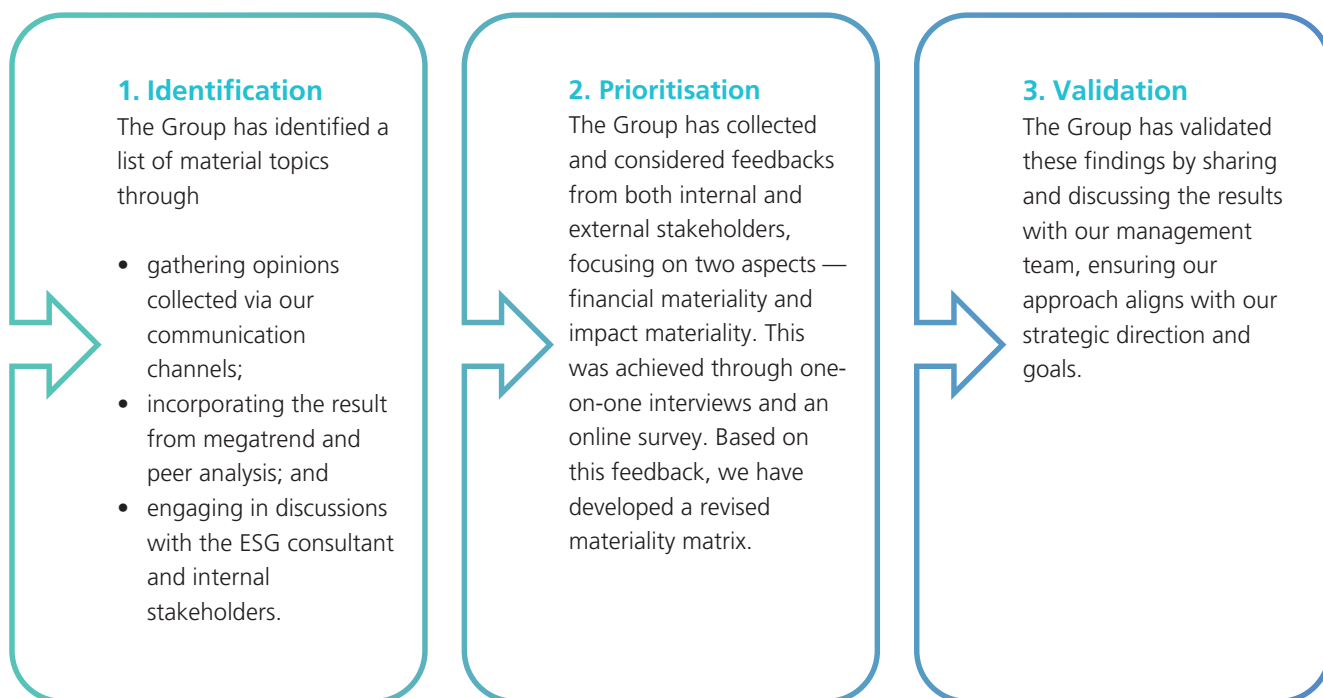
Considering the above communication channels, the Group has also taken into account megatrend and peer analysis when reviewing the material topics. To ensure the materiality matrix is aligned with our stakeholders' expectations, we have invited both our internal and external stakeholders to share their opinions. Internally, we have solicited feedback from the respective FU and BU heads, as well as selected members of their staff. Externally, we have engaged investors, suppliers, contractors, corporate clients, business partners, academia, and community partners in this exercise.

Since 2023, the Group has adopted a double materiality approach to sustainability, recognising the ESG issues and their potential impact on both our business and the world around us. This means that we consider the impacts of economic, social, and environmental issues on our financial performance, as well as the impacts our business operations have on the economy, society, and the environment.



With the double materiality assessment methodology, the Group can assess material topics from a more comprehensive two-way perspective. This allows the Group to prioritise topics that are materially impactful from both financial and societal standpoints. In addition, this approach helps identifying ESG risks and opportunities and provide valuable insights to the Group on creating shared value.

We have adopted a three-step process of identification, prioritisation, and validation for the double materiality assessment.



We have identified the key material topics shown on the list below.

	Material Topics	Boundaries and Impacts*						
		Employees	Business Partners	Community Partners	Corporate Clients	Retail Customers	Shareholders and Investors	Suppliers and Contractors
1	Responsible advertising and communication		•			•		
2	Customer health and safety	•			•	•		•
3	Reliable services and products	•	•		•	•	•	•
4	Customer service and satisfaction	•	•		•	•	•	•
5	Customer data privacy and protection	•	•		•	•	•	•
6	Information security and management	•	•		•	•	•	•
7	Innovation	•	•	•	•	•	•	•
8	Systemic risk management	•	•	•	•	•	•	•
9	Community investment	•		•			•	
10	Promote innovative culture/ incubate talents	•		•			•	
11	Employee well-being	•					•	
12	Diversity and inclusion	•			•		•	

	Material Topics	Boundaries and Impacts*						
		Employees	Business Partners	Community Partners	Corporate Clients	Retail Customers	Shareholders and Investors	Suppliers and Contractors
13	Employee retention and talent development	•					•	
14	Occupational safety and health	•		•	•	•	•	•
15	Human rights	•					•	•
16	Energy efficiency	•	•	•	•	•	•	•
17	GHG emissions	•	•	•	•	•	•	•
18	Waste management	•	•	•	•	•	•	•
19	Climate change	•	•	•	•	•	•	•
20	Green information and communications technology solutions	•	•		•	•	•	
21	Water conservation	•	•	•				•
22	Supply chain management	•			•	•		•
23	Sustainable procurement	•			•	•		•
24	Corporate governance and risk management	•	•		•	•	•	•
25	Anti-corruption	•	•	•	•	•	•	•
26	Competitive behaviour	•	•		•	•	•	•

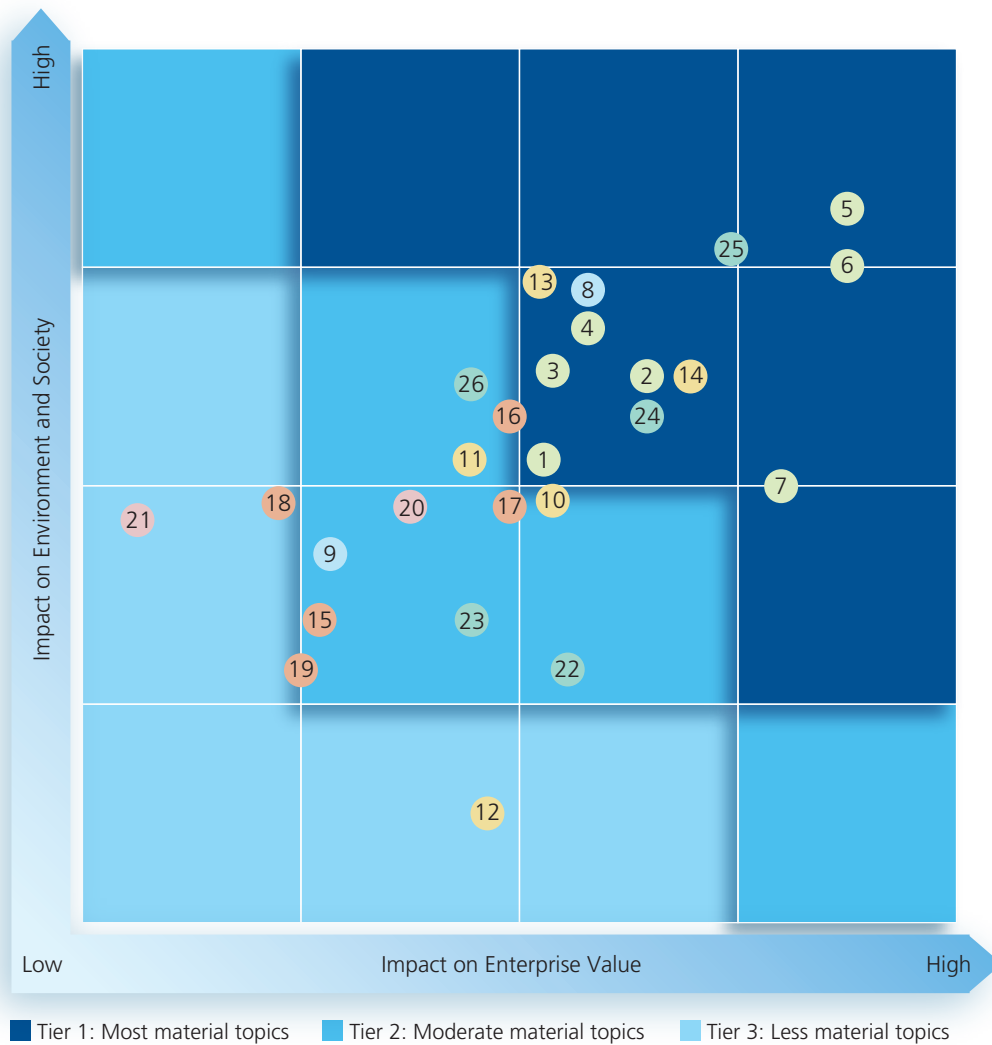
* Boundaries and impacts of each material topic that are relevant to the corresponding stakeholders are indicated with “•” in the table above

The result of the double materiality supports the formulation of the Group’s business strategy and its ongoing efforts to establish long-term value for stakeholders. We will continue to perform and enhance our double materiality assessment methodology on a regular basis and identify areas of priority to ensure stakeholders’ impacts and expectations are engaged.

Materiality Matrix

The materiality assessment results are summarised in the form of the double materiality matrix⁶ below. The results are calibrated using both impact materiality and financial materiality and plotted in accordance with the level of impact across economic, environmental, and people dimensions (Y-axis), as well as the impact on the Group’s enterprise value (X-axis) respectively of each material topic.

HKT’s Materiality Matrix 2023



The top three key material topic in 2023 are “Customer data privacy and protection,” “Information security and management,” and “Innovation.” All topics have been revised in the materiality matrix in accordance with their relevance and significance to the environment, society, and enterprise value by utilising the double materiality approach.

⁶ 2023 materiality matrix presentation has been differed from last year due to the adoption of a double materiality approach, which specifically emphasises the impact on the Group’s enterprise value, resulting in changes to the prioritisation of material topics.

Responses to the Stakeholders

Throughout our materiality assessment process, we have garnered numerous insightful observations from our stakeholders regarding significant ESG issues. Below are our responses to some of key comments from stakeholders this year:



Environment: *Climate Change*

Q1: How does the Group assess and manage climate-related risks and opportunities?

Our response:

The Group upholds a rigorous and vigilant approach towards managing climate-related risks. Recognising these risks could have significant impact on our operations and stakeholders, we proactively take steps to diminish our carbon footprint and make our business being adaptive. The Group has conducted an assessment to climate-related risks, including physical and transition risks, as well as incorporates climate-related risk management into the operations.

For more details, please refer to the “Sustainability at HKT” and “Enhancing the Group’s Environmental Resilience and Agility” chapter of this report.



Social: *Community Investment*

Q2: How does the Group’s community investment practices align with its sustainability objectives?

Our response:

The Group is committed to creating positive social impact through our community initiatives, with a particular focus in nourishing the younger generation in our area of expertise pertaining to telecommunications and technology. We invited over 500 students and mentors into our production facilities during Strive and Rise Programme. Our backstage professionals shared with them knowledge from technical perspective in the daily operations. In addition to this, we have effectively leveraged our existing resources to aid those in need by sponsoring smartphones, data services, and AI robots to the individuals and communities who could most benefit from these resources. Through these integrated initiatives, we continue to blend our corporate capabilities with our community investment.

For more details, please refer to the “Caring for the Community” chapter of this report.



Governance: *Cybersecurity Threat*

Q3: How does the Group respond to the emerging, dynamic, and more aggressive cybersecurity threats?

Our response:

We uphold stringent cybersecurity standards and have rigorous internal policies to protect customer privacy and business data. For instance, our GICSC manages all cybersecurity initiatives and directly reports to top management. GRM&C in collaboration with the IT Security team, have been performing a readiness review regarding the Group IT cybersecurity posture in view of the latest cybersecurity threats. The Information Technology Security Policy is referencing to industry best practices, including ISO 27001, and is periodically reviewed for effectiveness.

For more details, please refer to the “Sustainability at HKT” chapter of this report.

Creating Shared Value

2

Creating shared value is at the core of the Group's purpose and sustainability strategy. Leveraging our expertise and strengths to address the societal needs, we have created long-term value for both our businesses and support the sustainable development of the communities we serve.

Transform More Businesses to Sustainability

- Connected the city with 5G
- Backed smart city transformation
- Promoted digital economy development
- Promoted and supported AI development
- Provided green solution offerings to enterprises

Elevate Quality of Life

- Created sustainable low-carbon lifestyle which is accessible and enjoyable
- Narrowed the gap in digital access by offering customised services for senior citizens

UNSDGs⁷:



⁷ The 17 United Nations Sustainable Development Goals (UNSDGs) form a comprehensive set of objectives and targets for everyone to identify their part in sustainability. We have identified our contributions and relevance to the specific UNSDGs and feature them on the first page of this and the upcoming chapters.

2.1 Accelerating Digital Transformation in the New 5G Era

Connect the City with 5G





The Group continues to support our city in embracing the new 5G era by deploying a territory-wide 5G service covering 99% of Hong Kong. In 2023, backed by the Government's Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas, we completed a dedicated optic-fibre cable connecting Lamma Island, on top of similar connections to Peng Chau and Cheung Chau, increasing the accessibility of fibre broadband service and 5G network in remote areas and addressing the daily connectivity and entertainment needs of the islands' residents. Prior to the availability of the fibre network connection, residents of Lamma Island could only access the Internet at a download speed specification of up to 30Mbps. High-speed broadband service is now available as an option for about 42% of island residents and the service coverage will be expanded to 19 of the island's villages. Our actions underscored our dedication to connecting all communities, irrespective of their geographical location.

Our FTTH network and 5G WTTN technology have reached 99% of households in Hong Kong, enabling our customers to access high-speed broadband with 10G fibre capacity. We have also established over 21,000 Wi-Fi hotspots in Hong Kong as of the end of December 2023 that allows customers to connect to the network seamlessly while traveling.

2.2 Supporting Smart City Transformation

Promote Smart City with Integrated Solutions

The Group strives to foster prosperity across diverse industries by supporting their digital transformation.

 <p>Healthcare</p>	We focus on enhancing medical services through emerging technologies such as AI and real-time location tracking to improve the efficiency of diagnosis and enhance patient care.
 <p>Retail</p>	We leverage the AI-powered retail technology solutions to engage customers and enhance their experiences using technologies like Geo AR, immersive technology, and ChatGPT virtual assistants.
 <p>Finance</p>	We prioritise enhancing finance-related compliance and customer service by implementing AI-driven omni-channel solutions. Additionally, we actively support AI initiatives in the Greater Bay Area by providing critical network infrastructure and cybersecurity solutions.
 <p>Real Estate</p>	We bolster the sector by offering 5G and AI solutions that prioritise construction site safety.

Smart Construction Solutions

The Group is dedicated to supporting the Government in driving digital transformation for Construction. Our on-site 5G and fibre networks empower full connectivity within the diverse site area and ever-changing environment of construction sites. Our years of experience collaborating with construction companies and contractors allow us to tailor and deploy a variety of solutions supporting the Smart Site Safety System (SSSS), integrating smart safety devices on a centralised management platform. These include Danger Zone Identification, Gate Closing Monitoring System, Wireless Access Control System and more. Our SSSS solutions assist construction workers in identifying risks and preventing accidents.

HKT Smart Kiosk

Launched in 2023, the Smart Kiosk is an initiative with the aim of revitalising traditional telephone booths and contributing to Hong Kong's Smart City development. Adopted from the winning design of a competition organised by HKT and the Vocational Training Council (VTC), the HKT Smart Kiosk is a one-stop station where traditional payphone service, free Wi-Fi service, USB charger, community information, news, weather, and transportation updates are available. As an added feature, kiosk users can also access social welfare information via the app developed by VTC students for Hong Kong Christian Service. The kiosk not only helps locals connect with the community, but also assists tourists in navigating the city.

The Smart Kiosk also extends the reach of "Dementia's Secret Angel," an application collaboratively developed by the Jockey Club Centre for Positive Ageing and the Hong Kong University of Science and Technology, which assists in locating individuals with dementia who may have become lost, supporting both those with such medical conditions and their caregivers.



Landscape of the Kiosk

Hong Kong's First "Smart Community" in Transitional Housing Projects

In partnership with various corporations which also shared a common goal on creating shared value for all, the Group has been part of the Hong Kong's first "Smart Community" within transitional housing projects, benefiting over 10,000 low-income residents. We aim at leveraging our telecommunications, healthcare, and education expertise to empower transitional housing residents with the provision of free home broadband, Wi-Fi services, and DrGo telemedicine platform.



An illustrative image showcasing the "Innovation Hub"

We have also set up "Innovation Hub" classrooms in partnership with another technology corporation, where a range of Science, Technology, Engineering, Art and Mathematics (STEAM) edutainment learning tools such as our eye AI Interactive Robot, Creative Technology Workshop, and STEM Learning Pack which will be introduced to children, working youth, and the elderly.

Building a Green and Smart Campus with HKT education's 5G Weather Metre



Collaborating with primary schools, our 5G Weather Metre Education Programme aims to raise awareness about climate change. Students can learn about 5G technology and big data and the changes of weather through the 5G Weather Metre, which transmits data collected from IoT smart devices to a cloud platform for analysis and big data processing with instant notifications sent from the 5G Weather Station. We also offered training on smart devices, data collection, automation, and programming, as well as extreme weather conditions and the importance of sustainable development in the programme.



HKT education's 5G Weather Metre



Accelerate Digital Economy Development

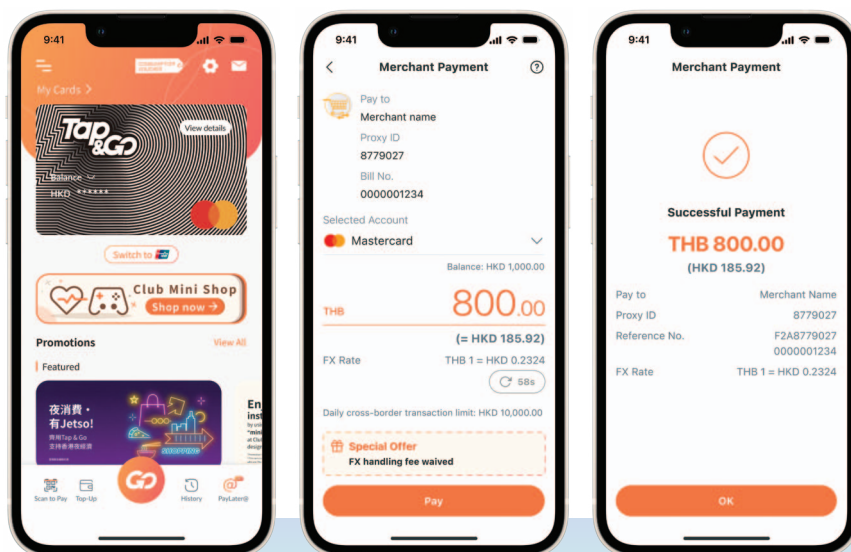
Enhancing the digital economy is essential for preserving Hong Kong's standing as a leading international financial centre. The Group has explored various innovations in digital economy development, underscoring our commitment to shaping a sustainable, inclusive, and responsible digital future.

e-HKD Pilot Programme with Healthcare, Travel, Education and E-commerce Merchants

Under the Group, HKT Payment Limited has participated as part of a cross-industry consortium in the e-HKD Pilot Programme of the Hong Kong Monetary Authority (HKMA), and invited innovative enterprises from different fields, including Hong Kong Baptist Hospital, Trip.com, The Hong Kong Management Association, and The Club and Club Travel⁸, to take part in the “tokenised property-backed secured lending with ring-fenced usage” use case. This use case has tested the use of tokenised property as collateral for a hypothetical e-HKD loan and the ring-fenced payment feature of said e-HKD to provide input to the HKMA in an effort to support digital economy development.

Tap & Go Among First to Participate in Hong Kong-Thailand Cross-Border Retail Payment Services

Tap & Go (Stored Value Facilities Licence Number: SVF0002) mobile wallet has supported the HKMA's FPS x PromptPay QR Payment service as one of the pioneering digital wallets participating in the linkage between Hong Kong's FPS and Thailand's PromptPay. Users can make payments at over 8 million PromptPay-supporting merchants in Thailand, and enjoy foreign currency exchange handling fee waiver.



Payment process of using Tap & Go

Tap & Go's user-friendly design and App-to-App top-up features offer control and convenience to users. By waiving foreign currency exchange handling fees and implementing fraud prevention measures, Tap & Go ensures secure transactions while preventing scams. With the help of technology, we endeavour to encourage safe and hassle-free payments while enjoying the benefits of their travels.

⁸ The Club Travel Services Limited (“Club Travel”) is a licensed travel agency under HKT. (Licence number: 350873)

Supporting Wellness for Community

With the support of technology, DrGo offers virtual medical consultation, making medical services more accessible and helping to alleviate the burden on the public medical system under the influence of the pandemic, benefiting patients and their families, as well as the health care sector.

DrGo Me+ Supports Wellbeing Enhancement of the Community

Driven by its commitment to leveraging advanced technology for effortless personal health management, DrGo has presented an innovative solution for personalised nutrition supplementation through DrGo Me+. By simply accessing the DrGo Me+ platform, users are guided through a survey designed by a nutritionist and validated by the Hong Kong Pharmaceutical Care Foundation, aiming to provide insights about their lifestyle, dietary habits, and health goals. Upon completion of the survey, DrGo will instantly generate a curated list of recommended supplements tailored for the user, with information on the health benefits of each type of supplement. DrGo Me+ packages the supplements into personalised daily packs according to daily requirements before dispatching them to the user's designated location in Hong Kong. With just one pack a day or to take as needed, users can effortlessly meet their nutritional supplement needs, sparing them from the hassle of storing and carrying multiple bottles while lowering the chance of missing doses, hence reaping the most benefits from taking the supplements.

DrGo Me+ aims to empower users with an understanding of their personal nutritional needs with professional guidance. From the comfort of their homes, users can access nutritional supplements tailored to their personal health needs conveniently and efficiently.



Personalised Supplement Pack with DrGo Me+

Promote and Support AI Development

AI is widely applied in various fields and becoming a part of daily life. As the leader in technology, media, and telecommunications in Hong Kong, we embrace the responsible adoption and use of Generative AI. Our goal is to further promote and support AI development in pursuit of creating a more sustainable, efficient, and inclusive society.

csl 5G AI Academy

In response to the evolving digital landscape, csl launched our 5G AI Academy. This initiative offers a series of free AI workshops, both online and offline, introducing the public to key concepts of Generative AI.

We have developed a series of Web3.0 Academies, equipping our customers with knowledge on emerging trends such as Non-Fungible Tokens (NFTs) and the metaverse. To accelerate the integration of AI into daily life, we have forged partnerships with Preface and Samsung HK to facilitate the workshops.

Furthermore, we have created an exclusive AI programme for our 1010 and csl 5G customers. This unique opportunity not only deepens our customer relationship but also promotes AI development. In 2023, we conducted 93 Academy sessions with a total of over 2,000 participating customers. Remarkably, over 20% of them proceeded to make purchases of our products as a result. By utilising our extensive customer base in this manner, we have widened our reach to more customers while actively fostering AI advancement, cultivating a win-win situation.



Harnessing AI to lead us into the future

2.3 Green Solution Offerings

In response to the global challenge of climate change and to support Hong Kong's transition towards carbon neutrality, we have dedicated our efforts to the development of a suite of green solutions. These solutions align with the specific initiatives delineated in the Government's Climate Action Plan 2050, highlighting our commitment to strategic, solution-focused action in the face of environmental challenges. Our green solutions span across key areas such as energy conservation, green building development, and sustainable transportation. In 2023 we successfully helped 44 new residential projects to bring in Smart Living Home Solutions to enable customers to embrace a low-carbon lifestyle and realise the benefits of sustainable living. HKT also offered Integrated Smart Energy Solution which leverages emerging technologies such as 5G, AI, and IoT, to help enterprises achieve energy savings through deploying renewable energy solutions with Solar Photovoltaic, optimise energy distribution with the patented Quantum Optimiser, utilise AI-powered management systems for real-time data control and using IoT sensors to enhance energy efficiency based on occupancy. Our solution has effectively reduced energy consumption by around 10%, benefiting the environment and lowering operating costs for businesses. The Group has also offered Smart Charge to leverage the EV charging network in Hong Kong. By the end of 2023, Smart Charge served 31 major housing estates, covering about 10,000 parking bays with ongoing efforts to meet the needs of EV owners at affordable rates. The new EV Charger Rental Service has been introduced to align with the government's EV-charging at Home Subsidy Scheme and promote the advancement of green transportation.

2.4 Bridging the Digital Divide

As digital services become increasingly integral to everyday life, the Group is dedicated to empowering senior citizens with the essential knowledge and skills they need to embrace a modern digital lifestyle. Thus, we have launched a range of mobile service plans such as the "Smart Pama Service Plan" and "Elderly Smart Watch Service Plan" to combat the challenges that the elderlies may face with modern technology. We have also organised over 100 sessions of Smart Pama Workshop to elderlies, collaborating with elderly homes and NGOs.

Elderly Smart Watch



Elderly Smart Watch

In partnership with the Senior Citizen Home Safety Association, we have introduced the Elderly Smart Watch, a technological solution designed to enhance the safety and well-being of our senior citizens. This device offers a variety of features tailored to the unique needs of the elderly, including location search/geofencing for leaving/returning home alert, reminders to take medicine and outpatient appointment booking, remote alarm in cases of emergency, and pre-set 10 speed-dial numbers. Through this initiative, we aim at leveraging technology in ways that meaningfully improve the quality of life for senior citizens.

Enhancing Customer Experience, Products and Services

We place high importance on delivering services and products to meet our customers' expectations and enhancing customer experience. In order to achieve our objectives, we value each customer feedback and protect the best interests of our customers through our innovative offerings.

Enhance Customer Experience and Satisfaction

- Collected customer feedback through multiple channels

Ensure Reliable and High-quality Products and Services Offerings

- Continued to ensure high network reliability
- Established quality management protocol to manage product and service quality in a systemic way

Enable Customers to Enjoy Services in a Safe Environment

- Combated scams, and empowered customers on fraud prevention
- Joined the Anti-Scam Consumer Protection Charter

UNSDGs:



3.1 We Care for our Customers

Being a customer-centric service provider, our services and products are closely related to the livelihood of our customers, and we are committed to fully serving them to our abilities by continuously raising our level of service excellence and safety to meet their current and future needs.

Service Quality and Reliability

The Group has put into practice a rigorous set of quality management procedures to ensure the stability and reliability of our services. We have a specialised team in place tasked with the development and management of customer services, and we adhere unwaveringly to the requirements set by the Office of the Communications Authority (OFCA).

We have acquired various international quality and management system certifications, including ISO 9001:2015 (Quality Management System) and ISO 20000-1:2018 (IT Service Management System). These certifications recognise our quality and management systems that are aligned with international best practices.

We also monitor our service reliability through the performance indicators below:

	Performance target	Actual performance in 2023
csi		
Network reliability ⁹	100%	100%
Service restoration ¹⁰	< 60 minutes	< 60 minutes
1010		
Network reliability ⁹	99.99%	100%
Service restoration ¹⁰	< 60 minutes	< 60 minutes
NETVIGATOR		
Network reliability ¹¹	99.99%	99.996%
Service restoration ¹²	99%	99.94%

⁹ The availability of the core network, i.e. the percentage of the uptime of the core network in an observation period.

¹⁰ The mean time to recover a fault in the core network is targeted within 60 minutes after fault identification.

¹¹ Availability of broadband network.

¹² Provide restoration of services for customers within two calendar days.

Customer Protection

The Group is dedicated to combating scams and educating our customers to be aware of fraud. We have joined the Anti-Scam Consumer Protection Charter, initiated by HKMA and the Hong Kong Association of Banks, aimed at increasing public awareness about safeguarding credit card information and averting scams. We committed to not sending electronic messages with hyperlinks requesting personal and credit card information. Moreover, we ensured accessible channels for message authenticity verification and furnish relevant staff training on the Charter. We will persist in our collaborative efforts with regulators, law enforcement agencies and industry peers to enhance customer protection, embodying our commitment to maintaining a secure environment for our customers. To highlight, the Group has also supported the Hong Kong Police Force in cracking down a scam syndicate on phishing scam in 2023. We are also one of the first telecommunications service providers to receive Green Tick badge verification from WhatsApp. With this badge, users can be confident that they communicate with a genuine brand rather than a forgery.

Customer's Health and Safety

There may be adverse health effects associated with excessive electromagnetic radiation. We continue to monitor electromagnetic field emittance from our facilities, ensuring compliance with standards relevant to radiation safety. Similar practices have been extended to our suppliers. We will continue to monitor the latest industry developments and guidelines from the Department of Health and the World Health Organisation to ensure the safety of our customers and community at large.

Content Dissemination and Responsible Marketing

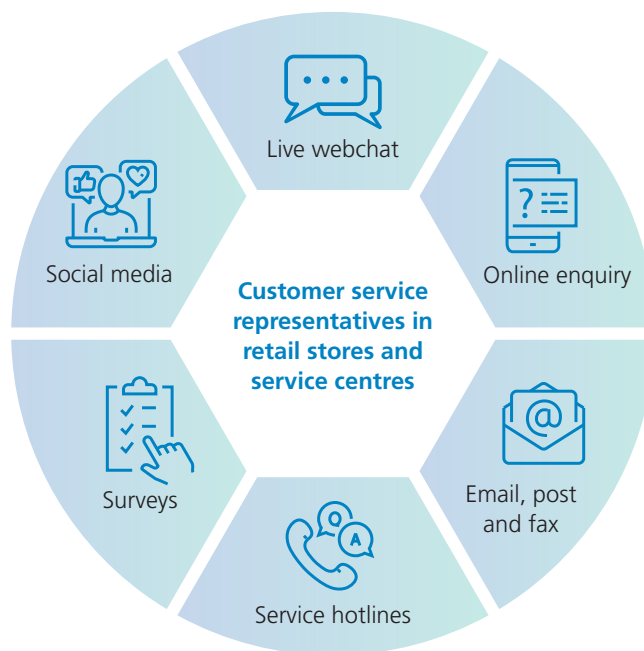
We strive to ascertain our customers by providing clear and accurate information when they purchase our products and services. We comply with the Trade Descriptions Ordinance (Cap. 362) and offer guidelines and training to our sales and marketing employees. In 2023, there was no breach of relevant regulations on advertising and labelling.

In terms of content dissemination to viewers via our media platforms, our domestic television business operations are strictly adhered to the Broadcasting Ordinance (Cap. 562) and other relevant guidelines. The audience is informed by on-screen classification symbols and advisory messages before the screening of any programmes with content unsuitable for children such as violence, strong language, and nudity. For the underaged audience, we provide the option of parental lock on adult-oriented programmes and offer children-friendly channels and video-on-demand content on our paid TV platform.

As a technology conglomerate that drives innovation, we respect creativity and are committed to protecting the intellectual property rights of the Group as well as that of our customers, suppliers, and fellow business partners. To ensure strict compliance with the relevant laws and regulations, we have an Intellectual Property Rights Policy in place. This policy also covers our marketing materials intended to ensure that they are free from copyright infringement contents. In addition, we expect our suppliers and business partners to strictly adhere to the policies and standards as stipulated in the clauses of our business contracts.

3.2 Customer Service and Feedback

The Group is dedicated to fostering open, two-way communication with our customers. We have provided a broad array of channels to encourage customer feedback. This multifaceted approach ensures that we are accessible to all customers, irrespective of their preferred communication method. The feedbacks we received aid us in understanding our customers' needs and expectations and allowing us to continually enhance our service delivery.



We have also deployed various performance monitoring schemes to improve service quality, including:

- Call monitoring programme
- Mystery shopper programme in retail locations
- Customer transaction and Net Promoter Score survey after calls and visits

All enquiries and complaints are handled and processed in strict adherence to the Group's Customer Service Charter. The Charter reflects the Group's performance targets on providing quality service starting from installation of new lines, repair, to restoration of service.

In 2023, we were heartened by the positive feedback from our customers, receiving a total of 22,116 compliments. This is a testament to the dedication and hard work of our team in delivering top-notch service. However, we also recognise the importance of addressing areas of concern, as highlighted by the 927 complaints we received. Each complaint provides us with an opportunity to improve our services, rectify any issues, and ensure customer satisfaction.

3.3 External Recognition to the Customer Service

Our efforts in providing excellent customer service have rewarded us with over 80 industry awards from well-established organisations, including amongst others, Hong Kong Customer Contact Association, Hong Kong Association for Customer Service Excellence, Hong Kong Retail Management Association, and Mystery Shopper Service Association.

3.4 Customer Data Privacy

We adhere to the highest standard of data privacy and security in our efforts to comply with all relevant laws and regulations and protect customer interests through robust internal control framework. Since 2023, there has been no known issue of leakages, thefts, losses of customer data, or substantial complaints about non-compliance with regulations regarding the same issue. There has also been no breach of applicable privacy laws and regulations of the relevant jurisdictions across the Group, in particular, the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong. For more details on Data Privacy policies and internal control, please refer to the “Sustainability at HKT” chapter of this Report.

In our Privacy Statement, we specify that all data is stored safely, and is only accessible by authorised employees subject to segregation of designated roles and responsibilities. We have taken all practical steps to ensure the accuracy and integrity of personal data held by us. To reduce the risk of leakage, we have also striven to ensure that the amount of personal data collected for each campaign or project is at the minimal and non-excessive. Personal information is collected on a “purpose limitation” basis according to the justified intended purposes of use and we have strict procedures in place that require our employees to inform our customers of the purpose of collection. Furthermore, data is only retained for as long as it is necessary to fulfil the business purposes for which the data is collected. When third-party data processor is engaged to handle or process personal information of our customers, we will use contractual obligations or other means to ensure that those data processors adhere to the Group’s relevant policies and standards on data handling and retention along with relevant laws and regulations.

3.5 Customer Information Security

Safeguarding customer trust is our top priority in our business. The Group strives to bolster security through adopting leading information protection measures across our operations and establishing partnerships with other cybersecurity solutions providers for a greater impact.

Joint hands for more advanced cybersecurity solutions	
1st HK-based Managed Cloud Security Service Partner for Check Point CloudGuard Solutions	Building Resilient Networks through Proven Defence Strategies with Sangfor Technologies
<p>The Group has established collaboration with Check Point Software Technologies Limited to offer Managed Cloud Security Service. With an aim to address the security challenges faced by local enterprises in the process of digital transformation and cloud adoption, we have provided a comprehensive solution with Check Point’s advanced security architecture and management system integrated into our services, the offering strengthens cloud-based workload management and public cloud security. Supported by the Next Generation Security Operations Centre accredited to ISO27001, enterprises can also benefit from top-notch Managed Security Services focus on their core business while maintaining robust security operation.</p>	<p>The Group has collaborated with Sangfor Technologies to offer network attack and defence drills for corporate enterprises. With an aim to assess the defensive capabilities of relevant enterprises under the China’s domestic cybersecurity law, this exercise has leveraged the expertise from both parties and the latest threat intelligence. Our firewall management and web application firewall services help reduce monitoring burdens, ensure timely threat detection and vulnerability handling. Together with Sangfor serving as a national-level red team, we have empowered enterprises with comprehensive strategic solutions and better prepared for emergencies to achieve a “zero-defect” network protection goal.</p>

Despite the growing trends and speed of digital transformation, cyber risks and attacks are increasing due to additional exposure of attack surface utilising cloud computing. The Group provides cloud compliance check and vulnerability assessment services to assist our customers to narrow the cybersecurity exposure gap as much as possible. We continuously monitor and enable customers adopted cloud solutions in complying with standards such as ISO/IEC 27001 and the National Institute of Standards and Technology. We will also assess the vulnerability and overall attack surface trend of the enterprises to address any critical exposures and prioritise remediation activities.

Caring for the Community

4

The Group is committed to creating positive social impact through our community initiatives, with a particular focus on leveraging our expertise in telecommunications and technology. We support the local community and participate in charitable events via sponsorships and in-kind contributions, as well as corporate volunteering.

Promote Social Inclusion and Support Upward Mobility

- Fostered growth and development of next generation

Drive Community Development and Address its Needs

- In-kind and monetary support for the needy
- Combated climate change and protected biodiversity through business partnership

UNSDGs:



We have engaged our staff volunteers in a variety of voluntary services. To ensure the success of our community activities, we have a dedicated department that is responsible for monitoring, coordinating, and promoting these activities across the Group. This department reviews feedback from staff volunteers, tracks volunteer hours, and calculates total monetary and in-kind contributions. Debriefing section and review are disseminated to ensure that our community outreach efforts are effective and meaningful for both our staff and the communities we serve.

Monetary and In-kind Community Contribution

2023 Total monetary and in-kind contributions:	Volunteer hours in 2023:
Over HK\$17 million	Over 4,400

4.1 Nurturing the Next Generation

Strive and Rise Programme

As a key supporter of the “Strive and Rise Programme” (Programme), a 12-month mentorship programme to promote development and upward mobility of underprivileged youth, we had over 100 corporate volunteers served as mentors and hosted 11 sessions group activities for over 500 participants in 2023.

The group activities aimed at broadening horizons of the students and included visits to Now TV studio where the students learnt from the professionals about the broadcasting industry and the skills required. The students also gained hands-on experience to produce a simple TV programme.

Sharing our expertise in technological innovations, we also hosted 6 visits for over 200 mentors and mentees to HKT Innovation Lab and explained to them on various technological applications which they might have seen in their daily lives. As the sponsor of 2023 National Day Fireworks Display, we invited over 70 Programme participants to the dinner reception and shared a memorable evening together.

Five of our corporate volunteers have been recognised for their exceptional support provided to their mentees in the debut of the Programme. The Group will continue our contribution to the Programme to foster the next generation’s growth and development.



Strive and Rise group activities and graduation ceremony

Inspire the Public through External Engagements

In our commitment to sharing knowledge and fostering innovation, we organised 6 sessions of online sharing sessions for universities, tech communities, and accelerators, with over 300 participants in 2023. On a scale of 1 to 5, the average overall satisfaction rate for the open lectures is 4.2.

The lecture series offered insights into a wide array of technology-related topics, including but not limited to the role of digital transformation in smart cities, the practical application of IT systems, case studies from start-ups, and explorations into emerging technologies such as Augmented Reality (AR), the Metaverse, and 5G. By facilitating these discussions, we aim to stimulate thought, inspire creativity, and contribute to the broader discourse on the future of technology in our society.

Additionally, we sponsored Open Source HK23 and PycCon HK23, with over 300 registrations.

In our collaboration with Hong Kong University of Science and Technology (HKUST) and Google on a corporate consulting project, HKUST student-consultants leveraged Google Cloud technology and datasets from the government and the Group to envisage and create pragmatic solutions addressing emerging market demands for Digital Out-Of-Home (DOOH) Marketing, DrGo, smart city, and CSL Mobile.

Furthermore, we established the City University of Hong Kong (CityU) Electrical Engineering Joint Laboratory in collaboration with technology enterprises including Alibaba Cloud, Deloitte (HK), and Fujikon iOS Club. We are delighted to collaborate with CityU to establish a joint laboratory and promote Hong Kong as an innovation hub. We work closely in four major areas, including commercialising AR and 5G drone technologies for smart city development, establishing partnerships with startups to jointly develop innovative technologies and bring them to market, actively recruiting interns and fresh graduates to cultivate Hong Kong's talent pool and regularly organising technology innovation seminars and visits to introduce the latest projects and technologies of HKT and the market to university students and young professionals, helping them understand how technology can change lives.

4.2 Combating Climate Change and Protecting Biodiversity

Partnership with Mastercard to Build Sustainable Smart City through Priceless Planet Coalition

HKT has joined Mastercard's Priceless Planet Coalition (the Coalition) to support the collective goal of restoring 100 million trees globally, ensuring long-term success of forests and providing local economic benefits at locations to deliver the highest climate impact.

Reforestation is considered one of the most effective tools to combat climate crisis and restore biodiversity. Each partner in the Coalition contributes by funding forest restoration and promoting climate-friendly actions through its network globally. As part of the project funder, we funded around 10,000 trees, sequestered estimated around 200 tonnes of CO₂e.



4.3 Telecom Support

As one of the largest telecom service providers, the Group is keen to render different kinds of telecom related support to the community. As part of some examples of our efforts to foster innovation and create a smart community, we have sponsored smartphones and data for youth, donated handsets to Caritas Computer Workshops, waived roaming data for customers affected by Turkey and Syria's earthquakes and provided free Home broadband and Wi-Fi services to transitional housing residents. These initiatives covered a wide range of beneficiaries including the elderly, disabled persons, low-income families, and more.

4.4 Community Investment

We are aware that real change and progress are products of sustained effort over extended periods, thus, we emphasised the importance of long-term commitment to the society, particularly in supporting our senior citizens. Since 1992, we have introduced the "Care for the Elderly Line," a scheme offering free fixed line services, waiver of installation fees for the applicant's telephone line, as well as international long-distance telephone charges to Hong Kong residents aged 60 and above. This initiative is a part of our Concession Schemes for the elderly, developed in partnership with the Hong Kong Council of Social Service. Apart from serving senior citizens, we also aspire to expand multiple supports and investments to the community.

Long-term/Regular Community Investment/Service

- Sponsorship to the consultation services hotlines for Hok Yau Club, Hong Kong Single Parents Association, Hong Kong Medical Association, Stewards Youth Outlook and The Samaritan Befrienders Hong Kong
- Sponsorship as Tech & Telecom Partner to Oxfam Trailwalker HK by Oxfam HK since 1986
- Telephone hotlines support for the fundraising TV shows of the Tung Wah Group of Hospitals and Yan Chai Hospital
- Elderly visit volunteering event through Dragon Boat Festival Elderly Care Programme in collaboration with the Hong Kong Sheng Kung Hui for 21 years. In 2023, around 250 volunteers have been recruited and they have visited over 280 elderly residents
- Sponsorship to Jockey Club Centre for Positive Ageing (JCCPA)'s Jockey Club Caring Communities for Dementia Campaign
- Free mobile data usage to underprivileged students through the Hong Kong Jockey Club Charities Trust
- Complimentary phones and unlimited local data to the elderly from the Neighbourhood Advice-Action Council and Mighty Oaks Foundation
- Teen Hey Buddies Mentorship Programme by Salvation Army PATH Centre

Other Community Investment/Service

- Donation of 5G coverage to support the Research and development for the Faculty of Health and Social Sciences of the Hong Kong Polytechnic University
- Donation to The Society for Community Organisation
- Sponsorship of eye AI Robots to special schools to encourage students with special needs to explore their own abilities with the aid of technology
- Sponsorship to 180 members of The Boys' & Girls' Clubs Association of Hong Kong to enjoy Now TV STEM Learning Pack and participation in STEM Awards Programme
- STEM workshop for Youth Development for Employers' Federation of Hong Kong
- Volunteer support at Green Power Hike 2023, FOODSPORT HUNGER RUN 2023, AS Watson Project LOL Elderly Visit 2023 and The Salvation Army "Share-care" Parents Resource Centre, Tung Wah Group of Hospitals Ma Hing Chou Home for the Elderly

“Unlock the Wonder of Christmas” in Support of “Operation Santa Claus”

HKT set up a three-metre-wide giant claw machine lands at the 2023 White Christmas Street Fair on Tong Chong Street, giving out more than 5,000 gifts valued at over HK\$700,000 in support of “Operation Santa Claus.”

With each donation of HK\$20, visitors could play once at the HKT giant claw machine. Among the over 5,000 prizes HKT donated were one-year local mobile data, home broadband, entertainment service, a Seoul ski vacation experience for two with two-night accommodation, and many more. There was no limit to how many times one could play, yet winning was guaranteed, every player would grab a prize home. Donations made through Tap & Go would get the donor an additional opportunity to play for free. All proceeds went to “Operation Santa Claus” without cost deduction.

It was the first time for HKT to participate in Swire Properties’ White Christmas Street Fair. Together with the various consumer brands under the HKT Group, including 1O1O, csl, Now TV, NETVIGATOR, The Club, Club Travel, Club Care, Tap & Go, and DrGo, HKT aimed to provide visitors with a truly memorable experience where everyone would have fun while making a positive impact to the community, bringing out the meaning of the theme of its booth — “Unlock the Wonder of Christmas.”



Visitors played at the giant claw machine and stepped inside a giant snow globe for a magical photo experience.

Becoming an Employer of Choice

Focusing on talent diversification and retention are crucial to cultivating an innovated and technology-driven business like ours to stay competitive. We endeavour to cultivate an inclusive and merit-based culture and to improve our human capital management strategies for the development of outstanding talents across all levels.

Strengthen the Talent Pool

- Organised talent acquisition programmes to attract potential hires
- Tailored learning and development programmes to cultivate talent according to their roles and needs

Build a Positive Working Environment

- Maintained diversity and inclusiveness in the workplace
- Promoted employee well-being through a series of workshops and Employee Assistance Programme

UNSDGs:



5.1 Talent Attraction, Development and Retention

In the technology industry bombarded by a constant stream of changes, we pursue talent capable of forward-thinking actions to manage emerging challenges. We empower our people by investing in their professional and personal development and equipping them with skills best for the future.

The Group has developed a holistic human capital management framework with the mission to drive our talent and business towards success, covering recruitment, staff motivation and promotion, training, and development and more. In acknowledgment of our robust talent attraction, development and retention efforts, the Group has been honored with multiple awards. Our parent company, Pacific Century Group, has also been selected by Forbes as one of the World’s Best Employers 2023.

Forbes World’s Best Employers 2023	Employer of Choice Award 2022	LinkedIn’s Talent Awards 2022 Hong Kong	2022-2023 Hong Kong Smiling Enterprise Award
One of the World’s Best Employers	Employer of Choice Award and Leadership Development Award	Learning Champion (over 10,000 employees)	Smiling Employer Outstanding Award

Talent Attraction

As a technology, media, and telecommunications leader in Hong Kong, the Group plays an important role as an incubator for tech-savvy young talent, offering them opportunities to participate in the digital transformation of enterprises and smart city development, and gain exposure in the Greater Bay Area (GBA). Since 2023, the Group has collaborated with the Government and education institutions to conduct several talent acquisition programmes for building future pipelines, such as “Earn & Learn Scheme” and signing a Memorandum of Understanding (MoU) with The School of Science and Technology of Hong Kong Metropolitan University (HKMU), which have provided opportunities for engaging young talent. In addition, the Group has established connections with selective colleges located in the GBA area to help attract talent to join our Group while enhancing employer value proposition in the GBA area.

HKMU and HKT Jointly Foster the Sustainable Development

HKT has entered into an innovative collaboration with HKMU, marked by the signing of a MoU. This partnership aims to bolster research, talent development, and sustainable growth within Hong Kong’s ICT industry. Under the MoU, HKT and HKMU will jointly work on enhancing academic and research programmes, facilitate the exchange of knowledge and experience, and offer internship and career guidance to students. The collaboration presents an opportunity to prepare more technology professionals, provide practical industry experience to students, and share insights about the technologies fuelling digital transformation across various sectors in Hong Kong and the GBA.



Our Graduate Development Programme offers university graduates extensive exposure and a great opportunity to get a head start on their career. In 2023, 75 new associates from 9 business units took part in our group-wide graduate learning journey – “Shaping the Future Together,” with focus on essential business skills and latest technology trends. The programme included a combination of various types of learning activities. They formed cross-functional teams and joined the quarterly Learn Fest, a face-to-face learning events, and worked on action-learning projects, supplemented by skills workshop, digital learning, site visits, and job rotations. A total of 58 experienced managers and supervisors were available to offer guidance and support as mentors provide further career coaching to those graduates.

Talent Development

Our employees are the backbone of the Group. We have set forth various learning and development programmes, and initiatives for cultivating highly skilled and innovative talent. Examples of our training programmes as below:

Type of Training	Training Programmes	Details	Number of Training Sessions	Number of Participants
Leadership	“Collaborate & LEAD” Programme	Since 2022, we have piloted the “Collaborate & LEAD programme” to enhance our employees’ leadership capabilities, enabled by mindset alignment and behavioural changes for synergy and transformation across the group. It has offered a series of self-awareness, digital and experiential learning activities, together with real-life scenarios, such that our people managers could understand their own strengths and development areas, as well as practical skills practice, to better equip them to lead and manage teams more effectively towards a common goal of sustaining business growth through synergy and leading change.	35	1,046
Leadership	“Leaders Inspire Leaders” Leadership Sharing Series	The new series “Leaders Inspire Leaders” have been introduced since early 2023. Executive-level internal and external speakers from different background shared their hands-on leadership experience in different business contexts.	4	220
New Hires	New Joiner Orientation	The Group-wide orientation programme has been redesigned to provide a seamless and consistent onboarding experience for new joiners, in order to prepare them for success from their first day with us. New hires start their first working day to learn about our Group history and business, key policies and procedures, as well as getting to know fellow new joiners. It is followed by an online learning module providing further details about the important things they need to know as a new joiner.	52	1,321
Sales and Services	Skills Transformation	Due to the restructuring of our internal business units, we have implemented a multi-skill and knowledge training programme to enhance the product knowledge of our frontline staff. As a result, the new frontline sales team has achieved an average sales volume increase of nearly 50% compared to their previous performance.	82	1,540
	External Award Training	Our employees have been encouraged to engage in diverse sales and service awards, as we believe they provide a valuable platform for self-discovery, career development, and fostering a sense of belonging.	29	80 individuals and 27 teams

Type of Training	Training Programmes	Details	Number of Training Sessions	Number of Participants
Engineering	Compliance Related Learning Sessions	To refresh the knowledge and understanding of Anti-Discrimination Ordinances of our staff as well as keeping abreast of the latest updates on the Ordinances, Engineering Team has arranged 7 online classes for general staff & 10 Face-to-Face Practical Learning Session to all staff. All sessions have been conducted by Equal Opportunities Commission.	17	1,755
	Knowledge Sharing Forums	To share the technical knowledge and experience for our Engineering teams. 2 online classes have been arranged in 2023. The hot topics "Latest WiFi Technology Updates and WiFi Solutions at Home" and "Autonomous Network Operations (ANOps) and Use Case Joint Development Experience in HKT" have been covered.	2	98
Technology	"Bi-weekly Tech Watch"	TechWatch is a newsletter prepared by Chief Technology Officer's Office, aiming to provide the latest technology news and information for our colleagues to brainstorm new business ideas for the Group.	23 issues	1,000+
	"Inspire Sharing Session"	"Inspire Sharing Session" has been focused on Generative AI and technology-related topics, presenting a confluence of knowledge from both internal experts and esteemed external speakers. Representatives from AWS and Google, as well as specialists from cutting-edge crypto and AI companies, provided a multifaceted perspective on the latest advancements and practical applications in the field. Participants of this session have gained a comprehensive understanding of the current state and future potential of Generative AI and advanced technologies.	10	883
	"Services & Product Power-ups"	"Services & Product Power-ups" sessions aim at unlocking the full potential of our colleagues by enhancing their familiarity with the Group's products and services. On a scale of 1 to 5, the overall satisfaction rate is 4.6.	5	521

Our different learning and development platforms enable employees to learn new knowledge and skills using hybrid means of online and offline learning approaches. Employees can gain access to different digital learning resources through "Learning@Connect," our corporate learning management system, and other business-specific platforms such as "E-sales Kit." For example, over 180 training videos were made accessible to over 2,000 frontline staff on "E-sales Kit" in 2023, accumulating a total of over 321,000 views. These platforms are designed to foster a culture of proactive sharing and learning, allowing employees to delve into subjects that spark their interest and fuel their professional growth. We also encourage and provide support to our staff to attend external professional training, to keep themselves updated on the latest market trends and industry best practices.

In order to improve employee engagement and satisfaction with trainings, we conduct satisfaction survey for every training programme we provide.

Average training hours (including part-time/contract/temporary employees)	37.6 hours
Percentage of total employees receiving training (including part-time/contract/temporary employees)	93.82%








Performance Review

We have a comprehensive and systematic continuous performance development and review mechanism in place to manage and optimise employee performance, which forms the basis for bonus considerations, salary review, promotion, and future career development.

The review process begins with employees setting goals that are aligned with our Group’s “5G Growth Model” — including financials, customer experience, innovation capability, operations sustainability, and people & organisation goal. Employees then execute their action plans to achieve their goals. Regular interim reviews allow employees to receive timely feedback, make agile adjustments, track the progress of their goals and improve performance. The formal annual review assesses employees’ achievements against the pre-set goals in both qualitative and quantitative ways and identifies areas for development in the next year. Performance rating calibration across teams is conducted to ensure fairness and recognise opportunities for high performers. Communication and feedback are given to employees throughout the cycle to support improvement and development. Overall, this enhanced process demonstrates our commitment to bringing out the best in each employee and supporting fulfilling careers.

5.2 Diversity and Social Inclusion

Our stance on conducting business is aimed at reinforcing our dedication to diversity and social inclusion. We are determined to eradicate discrimination, ensuring that all our employees receive equal treatment, respect, and dignity, irrespective of their gender, disability, family status, race, color, lineage, nationality or ethnic origins, religion, age, sexual orientation, trade union membership, or any other status protected by law. We have various initiatives to promote diversity and inclusion.

 <p>Clear Diversity and Inclusion Policies</p>	<p>Integrating diversity and inclusion guidelines into our existing policies, such as the Employee Handbook, Human Resources Policy, and CSR Policy to better direct our recruitment, hiring, promotion, and professional development practices</p>
 <p>Removal of Unconscious Bias</p>	<p>Implementing blind Curriculum Vitae (CV) screening techniques to minimise unconscious bias and ensure equal opportunity</p>
 <p>Fair Employee Experience</p>	<p>Supporting the career growth and development of all employees through the “Earn & Learn Scheme” in collaboration with the Vocational Training Council to support all levels of students</p>
 <p>Inclusive Leadership Training Programme</p>	<p>Providing leadership development programmes such as the Group-wide “Collaborate & LEAD” programme that emphasises inclusive leadership skills</p>
 <p>Regular Employee Survey</p>	<p>Conducting regular employee surveys to assess and address any areas where we can improve, including evaluating and addressing employees’ concerns, such as pay equity, to ensure equal pay for equal work</p>
 <p>New Joiner Onboarding Experience Survey</p>	<p>Conducting New Joiner Onboarding Experience Survey to gather feedback and insights from new joiner. In 2023, over 500 new joiner have provided their response and the overall satisfaction rate for their first month in our company is 97.6% with a rating of 4 and above in the scale of 7. Average scoring is 6.33 out of 7</p>
 <p>Employee Communication Platform</p>	<p>Utilising both Yammer and our intranet to provide a platform for employees to connect, share experiences, and contribute to our diversity and inclusion initiatives</p>

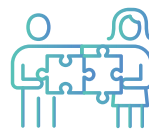
We also ensure the employee’s freedom of association is secured and respect the right of our employees to form and join labour unions or trade unions of their choice without fear of intimidation or reprisal, in accordance with local law. Although no official labour union is currently organised within the Group, staff have direct access to Group management. Both internal and external stakeholders are encouraged to report actual or suspected misbehaviours in confidence to the Audit Committee via the Group’s independent whistleblowing channel. For more details on Group’s Whistleblower Policy and Procedures Manual, please refer to “Sustainability at HKT” chapter of this report.

The Group strictly complies to all relevant labour laws and regulations in Hong Kong and other jurisdictions where we operate, including but not limited to the Employment Ordinance (Cap. 57); the Sex Discrimination Ordinance; the Disability Discrimination Ordinance (DDO); the Family Status Discrimination Ordinance; and the Race Discrimination Ordinance. Relevant regulatory policies and guidelines have been clearly communicated to our staff members through induction programmes and staff handbook. In our business operations, child and forced labour are strictly prohibited. During 2023, there has been no confirmed incidents of non-compliance with such laws or regulations.

5.3 Employee Well-being

Fostering employee well-being is one of the key priorities in human capital management strategies. During 2023, the Group has various initiatives to enhance our staff well-being. Some of the examples include:

- Organised three health talks on stress relieve in workplace, dieting to relieve stress and how lifestyle and nutrition can help prevent “Long COVID”
- Offered wide range of sports interest groups such as badminton, golf, runners, table tennis, dragon boat, basketball, soccer, dart, lawn bowling, snooker and volleyball and other interest groups including Chinese chess
- Provided sports facilities including a gymnasium, a badminton court, a table tennis court, and a squash court, as well as other recreational facilities including a BBQ area
- Provided employees with benefits such as concert staff tickets, staff discount on The Club, DrGo, Now TV and telecommunications services plans and handsets
- Offered Employee Assistance Programme to provide free professional counselling service, covering work or personal life consultation
- Promoted breastfeeding support in the workplace by setting up lactation facilities for female staff
- Provided special leave arrangements such as volunteer leave, examination leave
- Offered free influenza vaccines for all staff and their dependants under group medical scheme
- Organised team building activities such as festival parties and team building workshops to foster team spirit
- Conducted staff engagement survey every year to provide an additional channel for our staff to voice out their concern. Over 600 staff participated in the survey conducted in 2023



Gender ratio of
56.74 % Male and
43.26 % Female



33.7 %
of our management are female

2023 Wellness Expo — Wellbeing Superheroes

To raise staff awareness of health and improve staff engagement, the “2023 Wellness Expo — Wellbeing Superheroes” took place across 4 offices, offering a series of activities to our staff. Through a wide range of enjoyable and fun activities, not only did we improve our staff awareness of maintaining a healthy life and a healthy body but also fostered team spirit that would help to improve staff engagement. Over 1,700 staff participated in the activities, with an overall satisfaction rate of 88%.

Furthermore, we arranged three sessions of singing bowl workshops where our staff could learn about and experience the therapeutic and meditative qualities of singing bowls. We aimed to provide our staff with a unique and immersive experience promoting relaxation, stress reduction, and overall well-being through the power of sound and vibration. Over 80 staff participated in the workshops, with an overall satisfaction rate of 5.6 out of 6.

5.4 Occupational Safety and Health

Compliance with Occupational Safety and Health (OSH) legislative and contractual requirements has been placed at the forefront of our thinking. The Group adheres to and maintains high health and safety standards over the course of our business operations. Safety Plan has been issued to fulfil the requirement of Code of Practice on Safety Management, issued by the Commissioner for Labour to ensure OSH of employees, contractors, customers and the public in the course of works related to the companies, safety management system is in place and employees' daily routines will not pose a risk to their own and others' safety.

OSH Management Approach

Various OSH issues have been discussed in the Safety Committee led by the top management. The Group has developed the Statement of Safety and Health Policy which has been approved by top management and reviewed. Annual objectives and targets have been established to provide a clear directive for business units that possess higher OSH risks. For instance, the Group has surpassed its annual target by maintaining an accident rate per 1,000 workers at 0.82, well below the goal of 4.90, and exceeded its occupational injury target with 2 cases occurring out of a target of fewer than 12.

OSH Aspects	Corresponding Actions
Prepare and respond to emergency situations	In the design of emergency plans, first aid facilities have been considered for each situation to ensure adequate coverage of possible measures. First-aid boxes have been found at workplaces. Business Continuity Plan and General Guideline for Emergency Situation Handling have been developed to deal with emergency situations. Emergency escape route map, emergency contact list, and emergency procedure have been communicated to employees by displaying in workplace. Emergency teams have been allocated overall responsibility for controlling of emergency situations.
Internal inspections	The legal requirements for inspection have been covered in the OSH Inspection schedules. Various types of inspection checklists have been prepared for the recording of inspection results. Inspection checklists for sub-contractor have also been developed. Surprise safety inspections with management have been periodically conducted to check the compliance of OSH requirements in the workplaces.
External verification	Our safety management system (SMS) has been assessed half-yearly by the audit team of the Occupational Safety and Health Council (OSHC) using the Continual Improvement Safety Programme Recognition of System (CISPROS) as a guideline. The SMS has been implemented through functional units and considered effective.
Procedures to investigate work-related injuries, illness, diseases and incidents	The reporting and investigation procedure for accidents and incidents has been established. According to the collected accident investigation report, the accident has been investigated and root causes analysis including factors such as human, equipment, materials, procedures and environment have been considered for the investigation. The results of accident investigation have been discussed in the Safety Committee meetings. Accident cases have been shared with staff through OSH Briefing Pack.
OSH criteria introduced in procurement and contractual requirements	The Tender Review Team would conduct the tender evaluation including review of bidders' establishment of safety management system and employment of safety officer/safety supervisor. Regular contract review meetings would review all safety aspects of the work. Contractors have been required to supply a detailed and comprehensive safety plan in the contracts. Safety plan would also be discussed in the regular meeting with contractors.

OSH Risk

Hazard identification and risk assessment have been conducted and summarised in Master and Line Process Hazard Summaries, where written specification of the control measures for each hazard has been documented. Safety Committee reviewed the Master Process Hazard Summary periodically. New hazard identified has been evaluated and managed to reduce the risk to acceptable level. Safe working procedures, method statements and permit-to-work systems have been developed and communicated to the relevant personnel by Line Managers and Supervisors. Review of risk assessments and the corresponding control measures after accident/incident has been conducted.

OSH Risk Management	Corresponding Actions	
Hazard identification and risk assessment	Our hazard management process enables us to identify hazards continuously in the dynamic workplace so that risk mitigation and prevention can be developed timely, and our risk assessment process enables us to identify the relative importance of each hazard and the nature and impact of the risk. Besides new hazards, the existing risk assessment results will also be reviewed in case of accident has happened.	
Prioritisation and integration of action plans with quantified targets to address those risks	The corresponding risk management actions shown in the table below shall be followed:	
	Risk Priority Rating	Risk Management Action
	Unacceptable Risk	Detailed research and management planning at senior levels are required
	High Risk	Senior management attention is needed
	Significant Risk	Management responsibilities must be specified
	Low Risk	Manage by routine procedures
Negligible Risk	Acceptable with review	
Evaluation of progress in reducing/preventing health issues/risks against targets	The result of preliminary hazard analysis and suggestions are discussed in Safety Committee. Safety Committee is responsible to evaluate the analysis and make recommendations to line managers. OSH objectives and targets are being set every year.	

Master Process Hazard Summary has been developed to identify the requirements for safety rules and regulations. Line managers developed Line Process Hazard Summary based on the Master Process Hazard Summary for their own department. In addition, effective control measures such as in-house safety procedures and personal protective equipment (PPE) are provided and implemented to reduce the risks.

Example of OSH Risk Identified	Corresponding Preventive Measures
Heat Stroke in Hot Weather/Environment	<ul style="list-style-type: none"> • Appoint competent person to conduct heat stroke risk assessment • Competent Person to assess the risk factors of heat stress for employees at work • Take necessary preventive and control measures based on the identified risk factors, including rescheduling work periods, setting up shading covers, providing ventilation and heat dissipation equipment, and reminding employees to replenish water and rest in a timely manner
Fall from Height	<ul style="list-style-type: none"> • Avoid work-above-ground where possible by, for example, providing and using specific hand tools to allow the work to be done safely on the ground • Provide suitable working platform or step platform for high level work • Provide and maintain suitable and adequate safe means of access to and egress from every place of work
Work in Confined Space	<ul style="list-style-type: none"> • Appoint Competent Person to conduct risk assessment • Ensure that only those certified workers with suitable training and experience are allowed to enter • Avoid workers working alone and assign a stand-by person to station outside the confined space • Implement a permit-to-work system
Electrocution while Conducting Electrical Wiring Work	<ul style="list-style-type: none"> • Ensure that all electrical installations are properly earthed • Provide and ensure the use of suitable personal protective equipment • Ensure the electrical work is only conducted by or under the supervision of a registered electrical worker of appropriate grade

OSH Training

We believe OSH awareness and knowledge can be enhanced through training and promotion. For the promotion of OSH culture, the Group offers a variety of learning opportunities and support to all staff. Trainings are conducted regularly and often correlated with specific tasks to improve overall OSH performance and reduce the number of OSH incidents.

Our safety management system and safety communication has also been considered as effective and efficient. Some of our safety training courses include:

- OSHC Automated External Defibrillator and Cardio Pulmonary Resuscitation
- Accident Investigation Skills
- Certificate of Competence in Display Screen Equipment Assessment
- Confined Space Training
- Confined Space Certified Worker Training
- Standard First Aid Certificate Training
- Work-at-height Training

Enhancing the Group's Environmental Resilience and Agility

In response to the global climate crisis, we have leveraged technology to facilitate reducing GHG emissions, enhancing operation and energy efficiency, and promoting sustainable resource consumption. We will continue improving our environmental performance and collaborating with different stakeholders, including industry leaders, customers, the Government, and other organisations to deliver our sustainability agenda. In this chapter, we will evaluate our contributions and impacts in relation to energy, waste and water consumption.

Mitigating and Adapting to Climate Change

- Enhanced energy efficiency across our facilities and operation through innovation and technology
- Upgraded operational systems and equipment to optimise energy management and maximise efficiency
- Reduced fossil fuel reliance through increasing renewable energy sources and replace fossil oil vehicles with EVs

Conserving Resources Responsibly

- Implemented measures to reduce waste generation
- Managed waste aligning with the waste hierarchy principles
- Demonstrated commitment to water stewardship through automations and condensed water collection

UNSDGs:







6.1 Progress to our Environmental Targets

We are committed to reducing adverse impacts on the environment in our business operations in accordance with the applicable environmental laws and regulations. These include the Energy Efficiency (Labelling of Products) Ordinance (Cap. 598), Product Eco-responsibility Ordinance (Cap. 603), Product Eco-responsibility (Regulated Electrical Equipment) Regulation (Cap. 603B), and Buildings Energy Efficiency Ordinance (Cap. 610).

We have also established internal standards such as the Energy and Water Management Policy and Guidelines and Gas Emission Reduction Policy set forth procedures and programmes to promote the proper use of resources.

The Group recognises climate change as a pressing global challenge. Therefore, the Group has clearly set out our environmental principles, approaches, and commitments towards scope 1 and 2 GHG emissions. We adhere to applicable legal requirements, set reduction targets, manage emissions, educate employees, and adopt renewable energy. We strive to enhance our climate adaptation and resilience with strategies on enhancing energy efficiency, adopting cleaner energy, and encouraging decarbonisation efforts across the supply chain.

Since 2021, we have announced a series of environment targets to be achieved by 2025. Summarised below is our progress as at year end 2023:

	 Electricity Consumption	 Greenhouse Gas Emission	 General Waste	 Water
	from 381,123,439 kWh in 2018 as the base year	from 241,560 tonnes of CO ₂ e in 2018 as the base year	from 770 tonnes in 2018 as the base year	from 29.38 m ³ /employee in 2019 as the base year
2025 Target	330,815,145 kWh (Reduce absolute electricity consumption by 13.2%)	159,430 tCO₂e (Reduce absolute Scope 1 and 2 GHG emissions by 34.0%)	645 tonnes (Reduce absolute general waste by 16.2%)	28.09 m³/employee (Reduced water consumption intensity by 4.4%)
Performance in 2023	302,943,705 kWh	149,082 tCO₂e	690 tonnes	36.61 m³/employee¹³

Electricity consumption and greenhouse gas emissions have lowered gradually compared to the base year in 2018. The Group uses a cloud-based data platform to collect environmental data from FUs and BUs and monitors the actual progress against our targets. The Environmental Advisory Group will also discuss the Group's overall environmental performance and identify areas for improvement.

In line with our environmental targets, the Group has conducted a series of trainings for both general staff and management. In 2023, we provided over 180 hours of environmental protection related training to our staff. These educational activities are designed to enhance the employees' understanding of our environmental management and the far-reaching impacts our operations may have on the environment.

¹³ Consistent with that of the prior years, the Group has used the total number of full-time equivalent (FTE) employees in Hong Kong as the basis for the intensity calculations of water consumption to facilitate the tracking progress of our environmental targets. Increased water consumption intensity in 2023 is due to an acceleration in digitalisation, technological advancements, and a decrease in the total number of FTE employees in Hong Kong.

6.2 Enhancing Energy Efficiency

The Group has integrated environmental considerations into various aspects of its business through the implementation of environmental and energy management systems. As a major part of our energy consumption is for powering communication and connectivity through our telecommunications network and data centres, we are committed to the proper management of our energy consumption. Some of our assets have successfully implemented the ISO 50001 Energy Management System. We have been a signatory to the Energy Saving Charter and the Charter on External Lighting, which have been established by the Environment and Ecology Bureau since 2016.

Our Sustainable Energy Management Practices	
Integrated Smart Solution:	HKT has installed a wide range of energy management solutions in over 30 exchange buildings to gradually reduce energy consumption. Since the launch of the energy optimisation solutions, the buildings have reduced their electricity consumption by 5% to 45% year-on-year, and have successfully saved 21 million kWh of electricity in 2023.
Chiller Plant Shutdown:	Reduced chiller plant operation by consolidating equipment with lower operating temperature needs in a separate room while utilising natural ventilation for equipment without specific temperature demands.
Chiller Unit Upgrade:	Our Exchange buildings in Tin Shui Wai, Kennedy Town, and Mongkok have been upgraded with eco-friendly chiller systems to replace obsolete and inefficient chillers.
Air-conditioner Deactivation:	Increased the default indoor temperature set in our buildings and switched off non-essential air-conditioners as standby units for energy savings.
Fluorescent Light Replacement:	Replaced traditional fluorescent tubes with Light Emitting Diode (LED) tubes in 9 exchange buildings, and ongoing replacement work will continue in the future.
Network Operation Advancement:	Reviewed and evaluated the status of existing network equipment, with replacements and consolidations of different systems implemented by the Network Operation Department.
UPS System Enhancement:	Reviewed all Uninterruptible Power Supply (UPS) systems by replacing the aged and inefficient UPS devices, and consolidating various UPS systems into one to increase utilisation.
Retro-commissioning Control:	Optimised energy usage with sophisticated controls, including setting display monitors start-stop scheduling in 24-hour operation centres, on-demand cooling system tuning and adjustment, and automatic lighting control to adjust lighting level in office, staircases, and carparks.
Insulation Material Used:	Integrated insulation materials into buildings in order to reduce the amount of solar heat and room temperature during the day, thereby reducing air conditioning energy consumption.
EV Adoption:	Introduced a fleet of 2 Euro 6 vehicles and 20 electric cars in 2023, which make a total of 67 Euro 6 vehicles and 42 EVs, comprising 46% of our total fleet.
Our External Participations	
Earth Hour 2023:	Continued to support World Wildlife Fund (WWF)'s Earth Hour initiative to turn off the lights at some of our operating locations.
Energy Saving Charter and 4T Charter Scheme:	Supported the 4T Charter in addition to the Energy Saving Charter with concrete actions on "target, timeline, transparency and together".
Diamond Award – Charter on External Lighting:	Further reduced external lighting with switching off external lighting from 10 p.m. to 7 a.m. on the following day.

6.3 Renewable Energy Adoption

To echo our decarbonisation strategy and promote the use of renewable energy, we have participated in China Light and Power Company (CLP) and Hongkong Electric's Renewable Energy Feed-in Tariff Scheme.

Solar Photovoltaic (PV) Panels

Since our first installation of solar PV panels on the rooftop of our Junk Bay Exchange in 2021, we have been progressively increasing the consumption of renewable energy in our network infrastructure. Around 7% of the electricity that the Tin Shui Wai Exchange consumed during 2023 has been generated from the solar panels on its roof. Looking forward, we will continue to explore the feasibility of adopting more renewable energy sources for our operations to reduce carbon emissions.



As of 31 December 2023, a total of 119,112 kWh renewable energy has been generated from the following solar power systems:

- Junk Bay Exchange
- Tin Shui Wai Exchange
- Lai Chi Kok Exchange
- Shek O Exchange

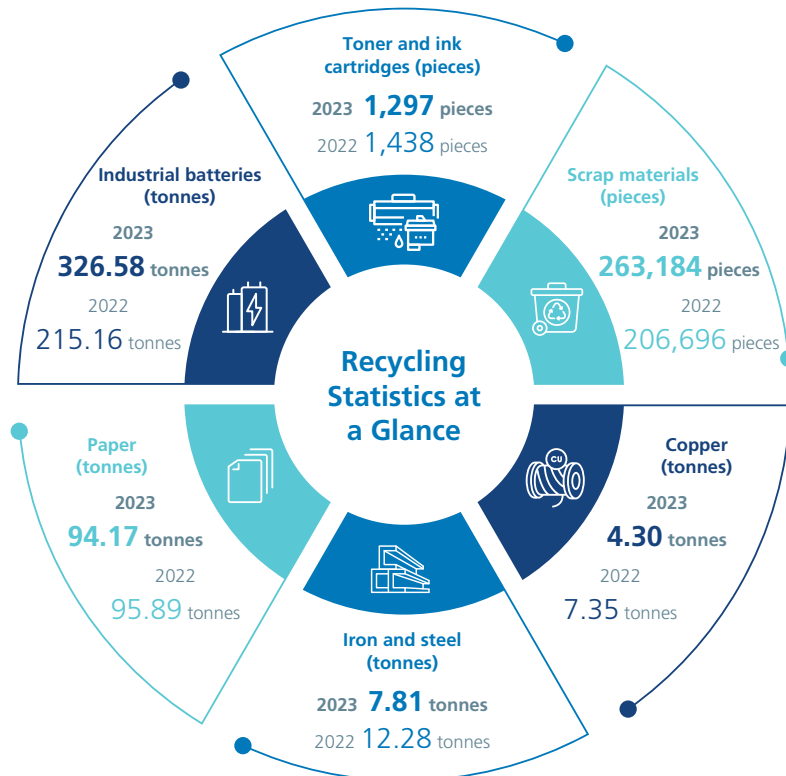
6.4 Waste Management

The Group places a high emphasis on promoting responsible and sustainable consumption practices. We have put stringent waste management protocols in place to guarantee the correct procedures for waste handling and disposal. We routinely assess the efficacy of our waste management strategies, including reuse, recycling, reprocessing, and responsible waste disposal, in alignment with the waste hierarchy principle. We have also carried out a biennial solid waste audit for our offices located in PCCW Tower. The audit shows a comprehensive overview of waste generation in our operations and provides us with insights into those improvement areas for achieving better waste management.

Hazardous Waste

For hazardous waste such as fluorescent tubes, industrial batteries, waste electrical and electronic equipment (WEEE) and general office batteries are handled by approved chemical waste collectors and specialist contractors. The Group has been providing complimentary removal services for our customers whenever they purchase regulated electrical equipment in response to the Government's Producer Responsibility Scheme for WEEE. The collected waste equipment is sent to certified recyclers for proper treatment to enable resource recovery. Since 2023, we have assisted customers removing more than 2,700 pieces of WEEE. When our customers replace their mobile devices, we also offer trade-in and preliminary valuation services to reduce waste generation and promote a circular economy.

Furthermore, we have collected and recycled 672 pieces of old mobile handsets and accessories from customers for donation to Caritas Computer Workshops since 2023. During the same year, we have also collaborated with Hong Kong Battery Recycling Centre to recycle waste lead acid batteries locally. In 2023, a total of 326.58 tonnes of waste industrial batteries has been recycled.



Non-hazardous Waste

Non-hazardous waste is in general handled by professional cleaning service providers and contractors in compliance with local regulations. The two main types of non-hazardous waste include waste from office and construction waste from the renovation of our retail outlets. Our office furniture is reused following shop relocation and renovation whenever possible to minimise waste generation.

Paper contributes to the generation of waste throughout our operations and value chain. As part of our commitment to paperless billing, we have digitalised billing services for our customers over the past few years. By encouraging our customers to switch to electronic bills for our various services, we have saved over 75 million sheets of paper. Whenever paper is required by customers or for specific reasons, only paper that is certified for the Endorsement of Forest Certification will be used.

In addition to our ongoing paper waste management initiatives, the Group has extended its non-hazardous waste reduction effort to our canteens. In 2023, we have successfully eliminated single-use materials such as plastic straws and cutlery from four of our canteens, replacing them with eco-friendly alternatives. Looking forward, we will completely phase out the use of plastic takeaway boxes and tableware in all our canteens starting from 2024. Additionally, we will implement an additional charge for customers who require takeaway boxes and tableware, encouraging a sustainable approach to dining. To better manage our municipal solid waste, we have launched a food waste recycling programme to collect food waste in our staff canteen in Lai Chi Kok Exchange since 1 October 2022. This programme has effectively reduced 14 tonnes of food waste disposal. During the year, the Group has also removed individual desk-side bins in exchange for a centrally located collection area. Through a centralised collection point for waste, the recycling rate at our offices in PCCW Tower has been increased to 12% and we will continue to enhance staff's recycling awareness and increase diversion.

6.5 Water Management

The Group recognises that water is a precious resource, and even though our operations do not heavily rely on water consumption, we are committed to responsible water management. Steered by our Energy and Water Management Policy and Guidelines, the Group remains deeply committed to the principles of water conservation, reduction, and reuse throughout our operations. Specifically, we strive to enhance water efficiency through adopting new technologies and innovations designed to facilitate water reduction, reuse and recycling as well as encourage sustainable water consumption behaviours through delivering awareness raising and education programmes to employees. Since 2023, we have installed water-cooled condensers for collecting wastewater for flushing and sensors on the faucet to proactively identify water-saving opportunities and control water consumption.

6.6 Sustainable Finance

To integrate our ESG philosophy in our funding objectives, we have actively engaged in issuing sustainability-linked finance instruments. This reinforces our long-term commitment to mobilise corporate actions towards a greener future and create sustainable value to our stakeholders.

Sustainability-linked Loans

As of 31 December 2023, the Group has raised over US\$3.0 billion of sustainability-linked loans from financial institutions. KPIs have been used to evaluate the Group's sustainability performance, including GHG emissions, energy consumption and waste management. To assess our environmental impacts and optimise the financing terms, the performance data has been closely tracked against the agreed environmental targets on an annual basis.

Green and Sustainable Deposits

During 2023, we continued to place our liquidity in green and sustainable deposits with financial institutions. Our participation in the deposit schemes has enabled us to work together with the financial community in supporting ESG-oriented projects and organisations, and accelerating the transition to a low-carbon, climate-resilient and sustainable economy.

Netting the Value Chain

Our transformation and sustainability goals depend largely on long-term and constructive relationships with our suppliers. Effective supply chain management including the integration of ESG elements into the supplier assessment processes and sourcing sustainable materials enable us to foster a responsible supply chain for every product and service that we provide.

Source from Responsible Suppliers

- Updated and reinforced strict compliance to the Supplier CoC
- Enhanced continuous supplier management and assessment to monitor their performance

Strengthen Collaboration with the Suppliers

- Encouraged sustainable procurement by sourcing from local where possible
- Encouraged the prohibition of single-use packaging materials where possible

UNSDGs:



7.1 Supplier Code of Conduct

The Group has established the Supplier CoC to set out clear expectations for our suppliers to maintain the same underlying principles for conducting business ethically in line with global compliance standards. The Group encourages suppliers to extend the Supplier CoC to cover all levels of their supply chain. Supplier CoC is publicly available on our Group's official website and covers a wide range of topics of ESG.

We periodically review and update the Supplier CoC to ensure it stays abreast of the latest applicable laws and regulations. To ensure and maintain a common standard of ethical conduct and compliance requirements across the Group, training is provided to both new and existing employees on procurement, and supply chain management procedures as well as social and environmental related standards to ensure our prevailing procurement practices and protocols are strictly followed.

The Group has also formulated and adopted a set of GPPP for supplier selection and management process. The GPPP not only guides the implementation of control points on each of the supply chain processes to transform the Group into a responsible organisation, but also sets out criteria for the Group to manage the procurement practices effectively and align with our corporate and social responsibilities. The Group undertook a comprehensive revision of GPPP and the Supplier CoC to integrate key sustainability elements in 2023, specifically the principles of green procurement. This strategic shift is rooted in our commitment to environmental stewardship and responsible sourcing.

7.2 Continuous Supplier Assessment

We are proactive in reviewing our relationships with suppliers, ensuring their adherence to the GPPP. In our pursuit of excellence, we have attained the ISO 9001:2015 quality management system certification to maintain vigilant oversight of our supply chain management and supplier performance.

Supplier Selection

We have adopted a stringent approach before engaging new suppliers. Suppliers are requested to complete the Vendor Registration Form, which contains an assessment of their quality assurance, state of their ESG performance and corporate governance. Sustainability-related terms have been included in our standard procurement contracts that require suppliers to adhere to compliance with environmental and OSH regulations in line with Group's standards and practices. As part of our screening process, we consider new suppliers' ESG and their business performance through understanding of their practices while requiring them to provide relevant supporting documents such as ESG reports, ESG policies and ISO certificates. Those exhibiting a strong commitment to sustainable business practices are prioritised. In our commitment to fostering a diverse and inclusive supply chain, we offer equal opportunities to all potential suppliers. We maintain this approach irrespective of the size of their business or the demographics of their workforce, focusing solely on their capability to meet our established standards. We require and ensure adequate training is provided to our procurement team to follow such procurement process.

Supplier Assessment

FUs and BUs are required to conduct and evaluate supplier performance regularly, including their quality of delivery and their operations impact on the environment, people, and communities they serve.

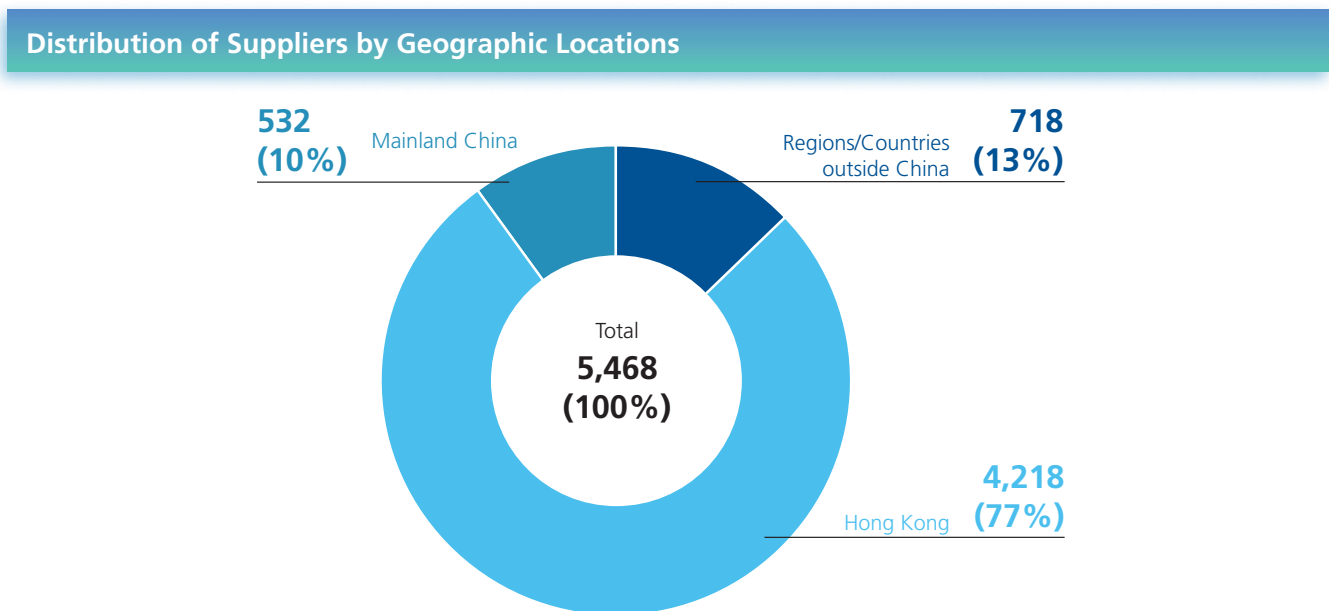
As part of the ongoing supplier assessment, the Group also conducts quarterly review to evaluate the sustainability practices employed by our existing suppliers. By considering these environmental and social facets, we aim to establish a supply chain that is congruent with our dedication to sustainable business practices. The Group will request corrective actions from any suppliers who receives an unsatisfactory rating during the review. If the supplier consistently fails to comply with our standards, we may consider terminating the engagement or, in extreme cases, blacklisting the supplier. In 2023, we conducted onsite visits for 85 suppliers. In addition, we have done a desktop assessment of our top 50 suppliers covering both tier-1 and non-tier-1 suppliers, and found out that majority of them have ESG practices in place. Going forward, we will explore the opportunities to engage, educate, and incentivise our suppliers on ESG best practices, including but not limited to topics related to climate change and human rights.

7.3 Sustainable Procurement

As a founding member of the Sustainable Procurement Charter established by the Green Council, we diligently monitor our suppliers' adherence to environmental and social compliance standards, as well as their sustainability risk profiles, while promoting continuous improvement. This charter also provides a cohesive platform for those who are interested in sustainability working collectively towards one of the UNSDGs on Responsible Consumption and Production.

We pursue strategic partnerships with critical suppliers to source sustainable materials, and utilise recycled and prohibit single-use packaging materials during the delivery processes. We are also committed to avoiding the procurement or use of conflict minerals, which include tin, tantalum, tungsten, and gold originating from the Democratic Republic of the Congo or an adjoining country and relating to illegal activities. We ensure adherence to the relevant conflict mineral rules and regulations within the jurisdictions in which we operate. We also ensure that our supply chain minimises exposure to conflict and high-risk areas and we have policies in place to prevent modern slavery in our supply chain.

Sourcing from local production is one of the effective ways to reduce carbon footprint, particularly on GHG emissions attributed to transportation and logistics. Amongst our 5,468 suppliers during 2023, about 77% of them are based in Hong Kong.



We have adopted a long-term approach to managing and maintaining supplier relationships by categorising them into critical tier-1¹⁴ and non-tier-1 suppliers¹⁵. We also maintain regular communications with the suppliers to understand and assess their prevailing practices and new initiatives on ESG. Support and trainings related to social and environmental standards are also provided to the employees and the suppliers when applicable and deemed relevant. By using such categorisation, we can adopt specific approaches and requirements for different tiers of suppliers.

Supplier Types	Number
Critical tier-1 suppliers	37
Non-tier-1 suppliers	5,431

¹⁴ Suppliers whose goods, materials, services (including intellectual property (IP)/patents) have a significant impact on the competitive advantage, market success or survival of the company; and with high value and volume turnover.

¹⁵ Suppliers who provide their products and services to other suppliers at the next level (not manufacturer, non-direct) in the chain, distributors, resellers.

8. Assurance Report



VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency (HKQAA) was commissioned by HKT Trust and HKT Limited (collectively "HKT") (SEHK: 6823) to undertake an independent verification for its Environmental, Social and Governance Report 2023 (the "Report").

The scope of HKQAA's verification covers the data and information associated to HKT's sustainability performance as disclosed in the Report for the period from 1st January 2023 to 31st December 2023.

The objective of this verification is to provide a reasonable assurance on the reliability of the data and information disclosed in the Report to confirm their accuracy, reliability and objectivity.

Level of Assurance and Methodology

The process applied in this verification was referring to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process undertaken covered the criteria set in the Environmental, Social and Governance Reporting Guide (ESG Reporting Guide) of The Stock Exchange of Hong Kong Limited.

The verification process included verifying the systems and processes implemented for collecting, collating and reporting the sustainability performance data, reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the reporting contents and verifying selected representative sample of data and information. Raw data and supporting evidence of the selected samples were thoroughly examined during the verification process according to the sampling plan.

Independence

HKT is responsible for the collection and presentation of the information presented. HKQAA does not involve in calculating, compiling, or in the development of the Report. Our verification activities are independent from HKT.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, it is the opinion of the HKQAA's verification team that:

- The Report has fulfilled the reporting framework of GRI Standards, complied with all mandatory disclosure requirements and "comply or explain" provisions outlined in the ESG Reporting Guide;
- The Report illustrates the sustainability performance of HKT, covering all material aspects, in a balanced, clear, and comparable manner; and
- The data and information disclosed in the Report are reliable and complete.

In conclusion, the verification team confirmed that the Report was prepared based on factual statements and that the data contained within the Report are accurate. It is a fair and honest representation of initiatives and performance on HKT's sustainable development achievements.

Signed on behalf of Hong Kong Quality Assurance Agency

A handwritten signature in black ink, appearing to read 'Connie', is written over a light blue horizontal line.

Connie Sham
Head of Audit
February 2024

9. External Charters and Membership

External Charters

Name of Association	Name of Charter
Department of Health/OSHC	Joyful@Healthy Workplace Charter
Environment and Ecology Bureau	4T Charter
Environment and Ecology Bureau	Charter on External Lighting
Environment and Ecology Bureau	Energy Saving Charter
Green Council	Sustainable Procurement Charter
Joint Utilities Policy Group	Charter on excavation works
HKMA and the Hong Kong Association of Banks	Anti-Scam Consumer Protection Charter

Membership

Name of Association	Type of Membership
3rd Generation Partnership Project	Individual Member
BCI Central	Member
Business Environment Council	Council Member
Communications Association of Hong Kong	Full Member
eLearning Consortium	Executive Committee Member
Employers' Federation of Hong Kong	Member
Hong Kong Association for Customer Service Excellence	Founding Member and Affiliate Member
Hong Kong Association of Amusement Parks and Attractions	Gold Member
Hong Kong Association of Interactive Marketing Limited	Corporate Member
Hong Kong Computer Society	Corporate Member
Hong Kong Customer Contact Association	Member
Hong Kong E-vehicles Business General Association	Corporate Member
Hong Kong Information Technology Federation	Full Membership
Hong Kong Institute of Human Resource Management	Corporate Member
Hong Kong Institute of Marketing	Member
Hong Kong Interior Design Association	Corporate Member
Hong Kong Management Association	Charter Member
Hong Kong Retail Technology Industry Association	Platinum Corporate Member
Hong Kong Wireless Technology Industry Association	Executive Committee Member
Intelligent Transportation Systems Hong Kong	Corporate Member
Inter-Hong Games Association	General Committee
Joint Utilities Policy Group	Participating Body

Name of Association	Type of Membership
Metro Ethernet Forum	Service Provider Member
OSHC — Green Cross Group	Member
Smart Mobility Technology (C-V2X) Alliance	Premium Member
Society of IATA Passenger Agents	Basic Member
The Asia Video Industry Association	Patron Member
The Chinese Manufacturers' Association of Hong Kong	Associate Member
The Hong Kong Council of Social Service	Caring Company Patron's Club — Coral Member
The Hong Kong General Chamber of Commerce	Corporate Member
The International Cable Protection Committee	Member
The World Teleport Association	Regular Member — Medium Corporation
Wireless Broadband Alliance	Operator Member

10. Performance Data Summary

The tables below present a quantitative overview of the Group's sustainability performance for the year ended December 31, 2023, unless otherwise stated, and historical data is presented for comparison purpose.

Environmental Performance

Indicators	Unit	2021	2022	2023
Air Emission¹⁶				
Sulphur oxides (SOx)	kg	4.04	3.68	3.77
Nitrogen oxides (NOx)		1,952.00	1,980.53	1,939.51
Particulate matter (PM)		180.47	179.92	176.44
Energy Consumption				
Total energy consumption	GJ	1,284,223	1,169,348	1,101,300
Energy consumption intensity ¹⁷	GJ/HK\$million	37.81	34.27	32.08
Indirect Energy Consumption				
Electricity consumption	kWh	353,699,149	321,896,240	302,943,705
Electricity intensity ¹⁷	GJ/HK\$million	37.81	33.96	31.77
Direct Energy Consumption				
Petrol fuel — vehicle fleet	L	34,643	31,053	34,670
Diesel fuel — vehicle fleet		219,375	199,982	202,738
Diesel fuel — standby emergency generators		32,335	44,980	40,370
Renewable Energy Generation				
Solar energy ¹⁸	kWh	–	124,757	119,112

¹⁶ Air emissions are generated from petrol and diesel fuel combustion in vehicles. The emission factors are adopted from "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEX.

¹⁷ The revenue of the Group presented is used as the basis for energy, electricity, GHG emissions, water and waste intensity calculations.

¹⁸ Relevant figures have been disclosed from 2022 onwards.

Indicators	Unit	2021	2022	2023
GHG Emissions¹⁹				
Direct GHG emissions (Scope 1) ²⁰	tCO₂e	6,211	3,866	4,839
Indirect GHG emissions (Scope 2) ²¹		184,466	157,632	144,243
Other indirect GHG emissions (Scope 3) ²²		1,247.07	1,043.30	979.79
• Paper consumption		1,023.07	833.61	776.34
• Water consumption and sewage discharge ²³		224.00	209.69	203.45
GHG emissions (Scope 1 + 2)		190,677	161,498	149,082
Total GHG emissions (Scope 1 + 2 + 3)		191,924	162,542	150,062
GHG emissions intensity ¹⁷	tCO₂e/HK\$ million	5.65	4.76	4.17
Water Consumption				
Total water consumption ²⁴	m³	363,045	328,670	318,890
Water consumption intensity ^{17, 25}	m³/employee	35.37	34.00	36.61
	m³/HK\$ million	10.69	9.63	9.29

¹⁹ GHG emissions are calculated based on “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)” published by the Environmental Protection Department (EPD) and the Electrical and Mechanical Services Department (EMSD) of the Hong Kong SAR Government, unless otherwise stated in the following notes.

²⁰ Scope 1 emissions comprise HFC and PFC emissions from the use of refrigerants and emissions from our standby emergency generators and vehicle fleet that run on diesel as well as our other vehicle fleet that runs on petrol. The global warming potentials used for calculation are adopted from Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report.

²¹ Scope 2 emissions are generated from the electricity consumed by the Group’s major operations with individual metres. Emissions factors are adopted from the latest sustainability reports of local power companies.

²² The figures on Scope 3 emissions are generated from office paper consumption, water consumption and sewage discharge.

²³ The emission factors for freshwater processing and sewage processing are adopted from the latest annual report of the Water Supplies Department and the sustainability report of the Drainage Services Department.

²⁴ Water consumption of the Group’s major operations with individual metres.

²⁵ Consistent with that of the prior years, the Group has used the total number of full-time equivalent (FTE) employees in Hong Kong as the basis for the intensity calculations of water consumption to facilitate the tracking progress of our environmental targets. Increased water consumption intensity in 2023 is due to an acceleration in digitalisation, technological advancements, and a decrease in the total number of FTE employees in Hong Kong.

Indicators	Unit	2021	2022	2023
Waste Management: Hazardous Waste²⁶				
Total hazardous waste produced and recycled ²⁷				
• Solid waste ²⁸	tonnes	246.82	217.86	330.13
• Scrap materials ²⁹	pieces	243,713	206,696	263,184
• Toner and ink cartridges		1,152	1,438	1,294
• Electronic and IT equipment ³⁰		68,280	37,133	44,751
• Equipment cables ³⁰	metres	209,417	100,846	91,796
Waste Management: Non-hazardous Waste²⁶				
Total non-hazardous waste produced	tonnes	1,667.93	1,292.05	1,007.72
• General waste ³¹		795.03	849.77	690.17
• Construction waste		742.79	326.76	211.27
• Other non-hazardous waste ³²		130.11	115.52	106.28
Total non-hazardous waste intensity ^{17, 33}	tonnes/ HK\$ million	0.05	0.04	0.03
Total non-hazardous waste recycled	tonnes	130.11	115.52	106.28
• Paper		118.48	95.89	94.17
• Scrap metals ³⁴		11.63	19.63	12.11
Material Consumption: Packaging Materials				
Shopping bags	tonnes	16.16	11.04	6.49

²⁶ Waste reporting format has been revised to consolidate waste recycled into respective hazardous and non-hazardous waste tables.

²⁷ All the hazardous waste generated by the Group are collected by licensed contractors for proper treatment. Due to the recording of various hazardous wastes in disparate units, which presents a challenge for standardisation, we are unable to disclose the total hazardous waste intensity in order to maintain precision and accuracy in our reporting.

²⁸ Solid waste includes industrial batteries (valve-regulated lead-acid battery), office batteries, fluorescent tubes and etc. The increase in recycled industrial batteries in 2023 was resulted from the postponement of industrial battery recycling originally scheduled in 2022 due to COVID-19. In addition, more industrial batteries were recycled due to energy saving projects in 2023.

²⁹ Scrap materials such as scrap cables, scrap telephones, obsolete devices and accessories, modems and routers, set-top boxes, WEEE and transmission equipment.

³⁰ The figure comprises HKT and the parent company PCCW. It does not include WEEE disposed by the Group on behalf of customers.

³¹ General waste mainly includes general office waste.

³² Other non-hazardous waste mainly includes paper and scrap metals.

³³ Total non-hazardous waste intensity for the three year 2021 and 2022 have been revised to include paper and scrap metals.

³⁴ Scrap metals include copper, metal and steel.

Social Performance³⁵

Employee Workforce

Indicators	Unit	2021	2022	2023
Total workforce ³⁶	number	16,761	16,015	14,153
Numbers of employee with disability		–	–	79
Total Workforce by Employment Type				
Full-time	number (%)	15,000 (89.49%)	14,588 (91.09%)	13,464 (95.13%)
• Male	%	–	56.72%	57.96%
• Female		–	43.28%	42.04%
Part-time	number (%)	1,761 (10.51%)	1,427 (8.91%)	689 (4.87%)
• Male	%	–	34.41%	32.80%
• Female		–	65.59%	67.20%
Total Workforce by Contract Type				
Permanent	number (%)	–	10,870 (67.87%)	10,255 (72.46%)
Fixed term contract		–	5,145 (32.13%)	3,898 (27.54%)
Total Workforce by Gender				
Male	number (%)	9,153 (54.61%)	8,766 (54.74%)	8,030 (56.74%)
Female		7,608 (45.39%)	7,249 (45.26%)	6,123 (43.26%)

³⁵ Data which marked with a symbol “-”, is not available in previous years and new data collection to correspond to the updated HKEX, GRI and other standards, in order to provide additional information on our sustainability performance to the audience.

³⁶ To enhance our 2022 ESG reporting disclosure, we have revisited and updated the methodology for calculating the total workforce to reflect the actual headcount for the 3 years comparatives since 2022, while the employee figures expressed in the annual report are based on FTE.

Indicators	Unit	2021	2022	2023
Total Workforce by Employment Category				
Senior management	number (%)	655 (3.91%)	664 (4.15%)	660 (4.66%)
• Male		–	–	453 (68.64%)
• Female		–	–	207 (31.36%)
Middle management		4,220 (25.18%)	4,163 (25.99%)	4,141 (29.26%)
• Male		–	–	2,730 (65.93%)
• Female		–	–	1,411 (34.07%)
Below middle management		11,886 (70.91%)	11,188 (69.86%)	9,352 (66.08%)
• Male		–	–	4,847 (51.83%)
• Female		–	–	4,505 (48.17%)
Total Workforce by Age Group				
Age 30 or below	number (%)	4,800 (28.64%)	4,043 (25.24%)	3,272 (23.12%)
Age between 31-50		9,292 (55.44%)	9,352 (58.40%)	8,321 (58.79%)
Age 51 or above		2,669 (15.92%)	2,620 (16.36%)	2,560 (18.09%)
Total Workforce by Geographical Location				
Hong Kong	number (%)	11,309 (67.47%)	10,650 (66.50%)	9,133 (64.53%)
China excluding Hong Kong		–	–	4,230 (29.89%)
United States		–	–	158 (1.11%)
Outside Hong Kong		5,452 (32.53%)	5,365 (33.50%)	632 (4.47%)

New Hires

Indicators	Unit	2021	2022	2023
Total new hires ³⁷	number	–	1,909	2,888
New hires rate ³⁸	%	–	17.56%	28.16%
New Hires by Gender				
Male	number (%)	–	1,010 (52.91%)	1,550 (53.67%)
Female		–	899 (47.09%)	1,338 (46.33%)
New Hires by Age Group				
Age 30 or below	number (%)	–	770 (40.34%)	1,328 (45.98%)
Age between 31-50		–	999 (52.33%)	1,309 (45.33%)
Age 51 or above		–	140 (7.33%)	251 (8.69%)
New Hires by Geographical Location				
Hong Kong	number	–	1,800	1,544
Outside Hong Kong		–	109	1,344
New Hires by Management Level				
Senior management	number (%)	–	–	57 (1.97%)
Middle management		–	–	692 (23.96%)
Below middle management		–	–	2,139 (74.07%)

³⁷ Total new hire applies to permanent employees only.

³⁸ New hires rate is calculated as "total number of new hires (permanent employees) in the reporting year divided by total number of permanent employees as of 31 Dec of the reporting year and then multiplied by 100%".

Employee Turnover

Indicators	Unit	2021	2022	2023
Total employee turnover	number	–	4,750	4,730
Total employee turnover rate ³⁹	%	–	–	38.39%
Voluntary turnover rate ⁴⁰		37.79%	32.75%	32.29%
Employee Turnover Rate by Gender				
Male	%	34.00%	27.15%	27.78%
Female		41.00%	40.21%	38.06%
Employee Turnover Rate by Age Group				
Age 30 or below	%	95.00%	81.19%	66.74%
Age between 31-50		23.00%	23.43%	25.24%
Age 51 or above		6.00%	7.30%	11.65%
Employee Turnover Rate by Geographical Location				
Hong Kong	%	22.00%	22.77%	27.49%
Outside Hong Kong		–	52.49%	41.22%
Employee Turnover Rate by Management Level				
Senior management	%	–	–	40.65%
Middle management		–	–	16.01%
Below middle management		–	–	9.44%

³⁹ Total employee turnover rate is calculated by dividing the total number of permanent employees who left employment during the reporting year by the yearly average number of permanent employees, then multiplying by 100%.

⁴⁰ The Voluntary turnover rate is calculated by dividing the total number of permanent employees who voluntarily left employment during the reporting year by the yearly average number of permanent employees, then multiplying the result by 100%.

Occupational Health and Safety

Indicators	Unit	2021	2022	2023
Total number of hours worked	hours	–	19,332,000	17,422,000
Work-related Fatalities as a Result of Work-related Injury				
Work-related fatalities reported	number	0	0	0
Work-related fatality rate	%	0%	0%	0%
Work-related Injuries				
Lost days due to work injuries	days	889	2,901	1,384
High-consequence work-related injuries (excluding fatalities)	number	–	0	0
High-consequence work-related injuries rate (excluding fatalities)	% (per 200,000 hours worked)	–	0%	0%
Recordable work-related injuries	number	–	22	9
Rate of recordable work-related injuries	% (per 200,000 hours worked)	–	0.14%	0.10%
Work-related Ill Health				
Work-related fatalities as a result of work-related ill health	number	–	0	0
Cases of recordable work-related ill health		–	0	0

Employee Development and Training

Indicators	Unit	2021	2022	2023
Total training hours	hours	214,394	465,980	532,331
Average Hours of Training by Gender⁴¹				
Male	hours	13.20	25.53	29.95
Female		15.70	40.35	47.67
Average Hours of Training by Employment Category⁴¹				
Senior management	hours	4.20	10.14	10.69
Middle management		6.00	7.04	10.67
Below middle management		18.40	44.01	51.44
Employees Trained by Gender⁴²				
Male	number (%)	7,505 (82.00%)	6,575 (75.00%)	7,590 (94.52%)
Female		5,706 (75.00%)	6,722 (92.73%)	5,689 (92.91%)
Employees Trained by Employment Category⁴²				
Senior management	number (%)	354 (54.00%)	526 (79.27%)	639 (96.82%)
Middle management		2,237 (53.00%)	2,486 (59.71%)	3,902 (94.23%)
Below middle management		10,697 (90.00%)	10,367 (92.66%)	8,738 (93.43%)
Employees Receiving Regular Performance Reviews by Gender				
Male	%	–	88.77%	91.23%
Female		–	84.43%	86.20%
Employees Receiving Regular Performance Reviews by Employment Category				
Senior management	%	–	96.97%	96.21%
Middle management		–	94.15%	95.73%
Below middle management		–	76.94%	85.60%

⁴¹ To enhance our ESG reporting disclosure, we have revisited and updated the methodology for calculating the average training hours to “total training hours divided by the total number of employees at year end (including part-time and temporary staff)”.

⁴² To enhance our ESG reporting disclosure, we have revisited and updated the methodology for calculating the percentage of employees trained to “total number of trained employees divided by the total number of employees at year end (including part-time and temporary staff) and then multiplied by 100%”.

Supply Chain Management

Indicators	Unit	2021	2022	2023
Total number of suppliers	number	4,150	4,751	5,468
Number of Suppliers by Geographical Region				
Hong Kong	number	3,340	3,780	4,218
Mainland China		280	381	532
Regions/Countries outside China		530	590	718

Community Investment

Indicators	Unit	2021	2022	2023
Total monetary and in-kind contributions ⁴³	HK\$'000	20,308	114,896	17,414
Total volunteer hours	hours	3,914	2,659	4,423

⁴³ Total monetary and in-kind contributions decreased in 2023 due to the Group's heightened focus on COVID-19 related support provided in 2022.

11. HKEX ESG Reporting Guide and GRI Standards Content Index

HKEX ESG Reporting Guide Content Index

Mandatory Disclosure Requirements	Reference Chapters and Remarks
Governance Structure	Sustainability at HKT
Reporting Principles	About this Report
Reporting Boundary	About this Report

Aspects, General Disclosure, KPIs	Description	Reference Chapters/Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Enhancing the Group's Environmental Resilience and Agility
KPI A1.1	The types of emissions and respective emissions data.	Performance Data Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Performance Data Summary
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Enhancing the Group's Environmental Resilience and Agility
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Enhancing the Group's Environmental Resilience and Agility

Aspects, General Disclosure, KPIs	Description	Reference Chapters/Remarks
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Enhancing the Group's Environmental Resilience and Agility
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Performance Data Summary
KPI A2.2	Water consumption in total and intensity	Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Enhancing the Group's Environmental Resilience and Agility
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Enhancing the Group's Environmental Resilience and Agility
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Performance Data Summary
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Enhancing the Group's Environmental Resilience and Agility
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Enhancing the Group's Environmental Resilience and Agility
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Enhancing the Group's Environmental Resilience and Agility
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Enhancing the Group's Environmental Resilience and Agility

Aspects, General Disclosure, KPIs	Description	Reference Chapters/Remarks
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Becoming an Employer of Choice
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Becoming an Employer of Choice
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Performance Data Summary
KPI B2.2	Lost days due to work injury.	Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Becoming an Employer of Choice
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Becoming an Employer of Choice
KPI B3.1	The percentage of employees trained by gender and employee category.	Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category	Performance Data Summary

Aspects, General Disclosure, KPIs	Description	Reference Chapters/Remarks
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Becoming an Employer of Choice
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Becoming an Employer of Choice
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Becoming an Employer of Choice
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Netting the Value Chain
KPI B5.1	Number of suppliers by geographical region.	Netting the Value Chain
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Netting the Value Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Netting the Value Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Netting the Value Chain
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Enhancing Customer Experience, Products and Services

Aspects, General Disclosure, KPIs	Description	Reference Chapters/Remarks
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Enhancing Customer Experience, Products and Services Since 2023, there has been no incident of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Enhancing Customer Experience, Products and Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Enhancing Customer Experience, Products and Services
KPI B6.4	Description of quality assurance process and recall procedures.	Not a material topic to HKT since majority of business is about service provision.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Enhancing Customer Experience, Products and Services
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Sustainability at HKT
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Sustainability at HKT
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Sustainability at HKT
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Annual Report — Corporate Governance Report Sustainability at HKT
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Caring for the Community
KPI B8.1	Focus areas of contribution.	Caring for the Community
KPI B8.2	Resources contributed to the focus area.	Caring for the Community

GRI Content Index

GRI Disclosure	Reference Chapters/Remarks
GRI 1: Foundation 2021	
Statement of use	The Group has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.
GRI 2: General Disclosures 2021	
2-1 Organisational details	About HKT About this Report
2-2 Entities included in the organisation's sustainability reporting	About this Report
2-3 Reporting period, frequency and contact point	About this Report
2-4 Restatements of information	Performance Data Summary
2-5 External assurance	Assurance Report
2-6 Activities, value chain and other business relationships	About HKT About this Report Netting the Value Chain Corporate Website — About us Corporate Website — HKT Around the World Corporate Website — Our supply chain management
2-7 Employees	Becoming an Employer of Choice Performance Data Summary
2-8 Workers who are not employees	The Group does not capture this data.
2-9 Governance structure and composition	Sustainability at HKT
2-10 Nomination and selection of the highest governance body	Annual Report — Corporate Governance Report
2-11 Chair of the highest governance body	Annual Report — Corporate Governance Report
2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report — Corporate Governance Report Sustainability at HKT — Sustainability Governance Structure and Oversight Responsibilities
2-13 Delegation of responsibility for managing impacts	Sustainability at HKT — Sustainability Governance Structure and Oversight Responsibilities
2-14 Role of the highest governance body in sustainability reporting	Sustainability at HKT — Sustainability Governance Structure and Oversight Responsibilities
2-15 Conflicts of interest	Annual Report — Corporate Governance Report
2-16 Communication of critical concerns	Annual Report — Corporate Governance Report Sustainability at HKT — Sustainability Governance Structure and Oversight Responsibilities
2-17 Collective knowledge of the highest governance body	Annual Report — Corporate Governance Report
2-18 Evaluation of the performance of the highest governance body	Annual Report — Corporate Governance Report

GRI Disclosure	Reference Chapters/Remarks
2-19 Remuneration policies	Annual Report — Corporate Governance Report — Remuneration Committee
2-20 Process to determine remuneration	Annual Report — Corporate Governance Report Annual Report — Notes to the Consolidated Financial Statements
2-21 Annual total compensation ratio	Annual Report — Financial information
2-22 Statement on sustainable development strategy	Acting Group Managing Director's Message
2-23 Policy commitments	Sustainability at HKT — Sustainability Policies
2-24 Embedding policy commitments	Sustainability at HKT — Sustainability Policies
2-25 Processes to remediate negative impacts	Sustainability at HKT — Business Ethics — Whistleblowing
2-26 Mechanisms for seeking advice and raising concerns	Sustainability at HKT — Business Ethics — Whistleblowing
2-27 Compliance with laws and regulations	Since 2023, we have not been subject to any significant fines or non-monetary sanctions due to non-compliance with relevant laws or regulations.
2-28 Membership associations	External Charters and Membership
2-29 Approach to stakeholder engagement	Sustainability at HKT — Stakeholder Engagement
2-30 Collective bargaining agreements	HKT does not involve in any collective bargaining agreements.
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	Sustainability at HKT — Stakeholder Engagement
3-2 List of material topics	Sustainability at HKT — Stakeholder Engagement
3-3 Management of material topics	Sustainability at HKT — Stakeholder Engagement
GRI 201: Economic Performance 2016	
3-1 Process to determine material topics	Annual Report
201-1 Direct economic value generated and distributed	Annual Report
201-2 Financial implications and other risks and opportunities due to climate change	Sustainability at HKT — Enterprise Risk Management — ESG Risks and Climate Change
201-3 Defined benefit plan obligations and other retirement plans	Becoming an Employer of Choice
201-4 Financial assistance received from government	We have not received significant financial assistance from any government.
GRI 202: Market Presence 2016	
3-1 Process to determine material topics	Sustainability at HKT — Stakeholder Engagement
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Performance Data Summary
202-2 Proportion of senior management hired from the local community	Performance Data Summary

GRI Disclosure	Reference Chapters/Remarks
GRI 203: Indirect Economic Impacts 2016	
3-1 Process to determine material topics	Sustainability at HKT — Stakeholder Engagement
203-1 Infrastructure investments and services supported	Creating Shared Value Caring for the Community
203-2 Significant indirect economic impacts	Creating Shared Value Caring for the Community
GRI 204: Procurement Practices 2016	
3-1 Process to determine material topics	Netting the Value Chain
204-1 Proportion of spending on local suppliers	Netting the Value Chain
GRI 205: Anti-corruption 2016	
3-1 Process to determine material topics	Sustainability at HKT — Business Ethics
205-1 Operations assessed for risks related to corruption	Sustainability at HKT — Business Ethics
205-2 Communication and training about anti-corruption policies and procedures	Sustainability at HKT — Business Ethics
205-3 Confirmed incidents of corruption and actions taken	Sustainability at HKT — Business Ethics
GRI 206: Anti-competitive Behaviour 2016	
3-1 Process to determine material topics	Annual Report — Report of the Directors Sustainability at HKT — Business Ethics
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	During 2023, there has been no legal action initiated against HKT under the Competition Ordinance or related regulations.
GRI 301: Materials 2016	
3-1 Process to determine material topics	Enhancing the Group's Environmental Resilience Agility
301-1 Materials used by weight or volume	Performance Data Summary
301-2 Recycled input materials used	Performance Data Summary
301-3 Reclaimed products and their packaging materials	Performance Data Summary
GRI 302: Energy 2016	
3-1 Process to determine material topics	Enhancing the Group's Environmental Resilience Agility
302-1 Energy consumption within the organisation	Performance Data Summary
302-2 Energy consumption outside of the organisation	Performance Data Summary
302-3 Energy intensity	Performance Data Summary
302-4 Reduction of energy consumption	Performance Data Summary
302-5 Reductions in energy requirements of products and services	Enhancing the Group's Environmental Resilience Agility

GRI Disclosure	Reference Chapters/Remarks
GRI 305: Emissions 2016	
3-1 Process to determine material topics	Enhancing the Group's Environmental Resilience Agility
305-1 Direct (Scope 1) GHG emissions	Performance Data Summary
305-2 Energy indirect (Scope 2) GHG emissions	Performance Data Summary
305-3 Other indirect (Scope 3) GHG emissions	Performance Data Summary
305-4 GHG emissions intensity	Performance Data Summary
305-5 Reduction of GHG emissions	Enhancing the Group's Environmental Resilience Agility
305-6 Emissions of ozone-depleting substances (ODS)	Performance Data Summary
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Performance Data Summary
GRI 306: Waste 2020	
3-1 Process to determine material topics	Enhancing the Group's Environmental Resilience Agility
306-1 Waste generation and significant waste-related impacts	Enhancing the Group's Environmental Resilience Agility
306-2 Management of significant waste-related impacts	Enhancing the Group's Environmental Resilience Agility
306-3 Waste generated	Performance Data Summary
306-4 Waste diverted from disposal	Performance Data Summary
306-5 Waste directed to disposal	Performance Data Summary
GRI 308: Supplier Environmental Assessment 2016	
3-1 Process to determine material topics	Netting the Value Chain
308-1 New suppliers that were screened using environmental criteria	Netting the Value Chain
308-2 Negative environmental impacts in the supply chain and actions taken	Netting the Value Chain
GRI 401: Employment 2016	
3-1 Process to determine material topics	Becoming an Employer of Choice
401-1 New employee hires and employee turnover	Becoming an Employer of Choice
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Life insurance, disability and invalidity coverage, share options would be available subject to different employment status.

GRI Disclosure	Reference Chapters/Remarks
401-3 Parental leave	Our human resources system captures but does not currently track the total number of employees who have taken parental leave and are still employed twelve months after their return to work from parental leave or the retention rates of these employees. We have various measures in place to provide job security as well as opportunities for further career development, including our employees returning from parental leave.
GRI 403: Occupational Health and Safety 2018	
3-1 Process to determine material topics	Becoming an Employer of Choice
403-1 Occupational health and safety management system	Becoming an Employer of Choice
403-2 Hazard identification, risk assessment, and incident investigation	Becoming an Employer of Choice
403-3 Occupational health services	Becoming an Employer of Choice
403-4 Worker participation, consultation, and communication on occupational health and safety	Becoming an Employer of Choice
403-5 Worker training on occupational health and safety	Becoming an Employer of Choice
403-6 Promotion of worker health	Becoming an Employer of Choice
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Becoming an Employer of Choice
403-8 Workers covered by an occupational health and safety management system	Performance Data Summary
403-9 Work-related injuries	Performance Data Summary
403-10 Work-related ill health	Performance Data Summary
GRI 404: Training and Education 2016	
3-1 Process to determine material topics	Becoming an Employer of Choice
404-1 Average hours of training per year per employee	Becoming an Employer of Choice
404-2 Programmes for upgrading employee skills and transition assistance programmes	Becoming an Employer of Choice
404-3 Percentage of employees receiving regular performance and career development reviews	Performance Data Summary
GRI 405: Diversity and Equal Opportunity 2016	
3-1 Process to determine material topics	Becoming an Employer of Choice
405-1 Diversity of governance bodies and employees	Annual Report — Corporate Governance Report
405-2 Ratio of basic salary and remuneration of women to men	The same policies for remuneration and benefits apply to all employees, irrespective of gender, religion, origin, age, disability or sexual orientation. Due to confidentiality consideration, the ratio of basic salary and remuneration of women to men is unavailable for disclosure.

GRI Disclosure	Reference Chapters/Remarks
GRI 406: Non-discrimination 2016	
3-1 Process to determine material topics	Becoming an Employer of Choice
406-1 Incidents of discrimination and corrective actions taken	Becoming an Employer of Choice
GRI 409: Forced or Compulsory Labour 2016	
3-1 Process to determine material topics	Becoming an Employer of Choice
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Becoming an Employer of Choice
GRI 413: Local Communities 2016	
3-1 Process to determine material topics	Caring for the Community
413-1 Operations with local community engagement, impact assessments, and development programmes	Caring for the Community
413-2 Operations with significant actual and potential negative impacts on local communities	Caring for the Community
GRI 414: Supplier Social Assessment 2016	
3-1 Process to determine material topics	Netting the Value Chain
414-1 New suppliers that were screened using social criteria	Netting the Value Chain
414-2 Negative social impacts in the supply chain and actions taken	Netting the Value Chain
GRI 415: Public Policy 2016	
3-1 Process to determine material topics	Sustainability at HKT — Business Ethics
415-1 Political contributions	HKT is politically and denominationally neutral and does not financially support any parties, opinion or decision makers.
GRI 416: Customer Health and Safety 2016	
3-1 Process to determine material topics	Enhancing Customer Experience, Products and Services
416-1 Assessment of the health and safety impacts of product and service categories	Enhancing Customer Experience, Products and Services
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Enhancing Customer Experience, Products and Services During 2023, there has been no incident of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services.
GRI 418: Customer Privacy 2016	
3-1 Process to determine material topics	Enhancing Customer Experience, Products and Services
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Enhancing Customer Experience, Products and Services

HKT Trust (A trust constituted on 7 November, 2011 under the laws of Hong Kong and managed by HKT Management Limited)
and

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