

Environmental, Social and Governance Report

WE
CARE



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Overview

The Group is committed to the compliance of laws and regulations and the long-term sustainability of its various businesses, as well as supporting the communities in which it operates. Quality products and services are delivered to customers as a result of the business being managed prudently and according to a sound decision-making process. Dialogue is maintained with various constituencies such as shareholders, customers, employees, suppliers, creditors, regulators and the general public. The Group seeks to balance the views and interests of these stakeholder groups via constructive conversation with a view to charting a course for long-term prosperity.



Environmental Protection

Use of resources

The internal environmental protection policy details the commitment to minimise the impact of business activities on the environment, and support environmental-protection initiatives.

The Make Greener Committee, comprising representatives from core business units, has been established to promote staff awareness of environmental protection. Special "Let's Go Green" workshops were arranged to encourage employees to volunteer

fresh ideas on energy-saving and carbon emission reduction measures. A companywide competition was organised during 2015 resulted in a number of measures such as lengthen the designated hours for automatic switch off of office lights and air conditioners, and set up recycling bins on each floor.

During 2015, the Group was awarded Green Office and Better World Company status by World Green Organisation, and again took part in Earth Hour organised by the World Wide Fund for Nature Hong Kong.

This involved switching off 3Shop neon signs and billboards for an hour on the designated day.

Environmental sustainability

As part of a long-term strategy to reduce paper consumption, the Group ran a large-scale "Go Paperless" campaign in 2015, encouraging customers to opt for electronic billing via email or SMS.

Data centre facility at Kwai Chung was accredited with ISO 50001 energy management system certification. This exemplifies the pioneering efforts in

Employees are our most precious asset

conserving energy and developing data centre facilities in sustainable fashion.

Social Commitment

Employment and labour practices

The Group is committed to complying with the Employment Ordinance and associated guidelines. Every act of employment is subject to a stringent internal review process that involves a well-defined monitoring procedure designed to verify a candidate's personal information in order to avoid misrepresentation and any form of forced labour. An official employment contract clearly states relevant terms and conditions, and each individual is well briefed and duly assigned. The Group takes tremendous efforts to be in compliance with laws and regulations in the daily operations. The Code of Ethics of the Group requires the staff to comply with applicable governmental and regulatory laws, rules, codes and regulations.

Health and safety

The Group provides a safe and healthy workplace for all employees and commits to complying with all applicable health and safety laws and regulations. Health and safety considerations are an important element of the design, operation and maintenance of the Company's office facilities and the way business is conducted.

Development and training

Heavy emphasis on career development translates into extensive and ongoing training. Comprehensive and structured programmes are organised for new staff to familiarise them with the industry. The Group also extends tailored programmes to certain educational institutions to help identify potential candidates for employment and allow those interested to learn more about a career development path.

Educational sponsorship is available to employees in the form of job-related courses provided by external institutions.

The Group encourages employees to take part in work-life balance activities and community service. These include employee outings, sports events and community volunteering activities.

Recruitment and promotion

The Group has adopted equal employment opportunity policies and maintains programmes so that employees are hired, promoted and assigned on the basis of their skills and abilities. The selection process affords equal opportunities to all persons sharing the Group's commitment to excellence – and is carried out regardless of race, colour, sex or religious belief. This non-discrimination policy continues throughout a staff member's career and applies to all employment relations matters such as placement, transfer, promotion and compensation.

Operating Practices

Supply chain management

The Group always adheres to



Employees are encouraged to get involved in activities benefiting charities.



Members of staff immerse themselves in a "Let's Go Green" workshop and offer suggestions to save energy.

A high priority for the Group is to ensure customer satisfaction in terms of the products and services

international best practices and conducts fair and unbiased tender processes in dealings with vendors.

When selecting vendors and suppliers, the Group takes factors into account such as quality of products and services, past performance, financial standing and capacity assessment. The Group expects suppliers to observe the same environmental, social, health and safety and governance considerations in their operating practices as those listed by our corporate website. Procurement teams are trained to take into account each and every aspect of such policies and procedures when assessing suppliers, and tendering procedures are carefully communicated to vendors. The Group also provides stakeholders, including vendors, with procedures such that they can report any suspected impropriety.

Consumer protection

The Group is committed to complying with data privacy laws and regulations. Privacy Policy and Personal Information Collection Statements demonstrate a commitment to safeguarding each customer's personal data privacy. The Group has developed a robust system to control the collection, access, updating, security and retention of data received.

Protecting consumers and safe-guarding their privacy are some of the top priorities of the Group. In addition to guidelines and handbooks, the Group issues periodic reminders and run workshops to customer-facing employees to continuously remind



The 3iChat digital customer service platform helps strengthen communications with customers.

them of the importance of protecting personal data. In addition, the retail business reviews and maintains a range of customer communication channels so that customers' feedback can be heard and complaints handled efficiently. Customer complaints are thoroughly investigated and root causes are identified and acted upon.

Anti-corruption

The Group takes anti-corruption responsibilities very seriously. Anti-Bribery and Anti-Corruption Policy sets out standards of conduct to which all employees are required to adhere. The Group has established confidential channels through which the stakeholders can report illegal or excessively-risky activities to the Board of Directors. Persons making such reports are assured of protection. The Group organised periodic corporate governance seminars and trainings for staff on anti-corruption measures and guidelines,

as well as sound operating practices and business ethics.

Stakeholder Engagement

Shareholders

The Group has on-going dialogues with the financial community including analysts, fund managers and other investors. In order to increase transparency, over the past years, the Group has enhanced the level of its financial presentation with detailed analysis in the Company's annual and interim results. The Group also encourages shareholders to participate in shareholders' meetings in-person or appoint proxies to attend and vote at the meetings.

The Shareholder Communication Policy is available on the corporate website: <http://www.hthkh.com>.

Customers

A high priority for the Group is to ensure customer satisfaction in terms of the products and services. The Group has developed a range of channels to engage the customers such as customer service centre, focus groups, social networking pages and smartphone applications. Strenuous efforts are made to ensure compliance with the laws and regulations of the jurisdictions the Group operates into.

Various initiatives have been introduced as part of the efforts to educate customers on understanding and keeping up to speed with their mobile data usage habits. For example, a

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user-friendly application was designed and introduced to help customers manage their data needs. During 2015, the “Making Better” campaign reinforced the commitment to provide a high level of customer service.

Employees

As at 31 December 2015, the Group employed 2,355 full-time staff members.

Employees are the most precious asset of the Group. Loyal and industrious staff members are able to take advantage of many career opportunities as the Group expands. The Group adopts non-discriminatory employment practices and provides a safe and healthy workplace.

Suppliers and Creditors

Upholding international and local laws and regulations is a top priority for the Group and its subsidiaries. Purchasing and Business Partner Evaluation Policies and Procedures provide direction and guidelines on evaluation and engagement when dealing with major business partners. This encompasses working relationships with suppliers of goods and services to ensure business is conducted with legally, financially and technically-sound entities.

Laws and regulations

As a Group operating in the telecommunications sector, both in

Hong Kong and in other jurisdictions, the Group has to ensure that it is fully aware of, and compliant with, the many regulations which apply to this sector. These include the Hong Kong’s Telecommunications Ordinance, Macau’s Basic Telecommunications Law, and the telecommunications rules and regulations in the various jurisdictions in which the Group operates.

Over the past several years, the Group have conducted tailor-made workshops, reviewed practices and guidelines, developed and implemented policies in areas including data privacy law, anti-bribery and anti-corruption law, and competition law, to strengthen the internal controls and compliance regime of the Group. These measures are subject to regular review and update to ensure their effectiveness.

On the listed company level, the Group is subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Codes on Takeovers and Mergers and Share Buy-backs, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Group adheres to and ensure that they are vigilant with the legal requirements under the statutes.

Community Involvement

The Group has been awarded the “Caring Company” title by the Hong Kong Council of Social Service year after year for a substantial period of time. The public engagement and donation policy helps us uphold a commitment to serving the community by way of cash and in-kind donations, as well as staff participation.



A donation-matching programme raises money for the needy.

The Group ran a donation-matching programme in October 2015 by uniting staff to serve needy sectors of the community. Donations from staff members were matched dollar-for-dollar by the Group. The proceeds were shared among seven charitable organisations. They were Eco Association, Fu Hui Education Foundation, Hong Kong Alzheimer’s Disease Association, Hong Kong Rehabilitation Power, Mission of Love, The Intellectually Disabled Education and Advocacy League Limited and Youth Outreach. The Group also



- 1 3 Hong Kong launches the Kelly Chen X iPANDAS charity set to support education and welfare for children.
- 2 A volunteer explains smartphone functionality to a senior citizen to promote digital inclusion.
- 3 Volunteers hand out thermos flasks to help keep the elderly in hot drinks.
- 4 Like-minded HTHKH employees unite to raise funds for community programmes.

sponsored staff to participate in various charity sports events including the Standard Chartered Hong Kong Marathon and Oxfam Trailwalker.

In 2015, a total donation of approximately HK\$0.8 million was made to charitable organisations in Hong Kong and Macau, covering community projects across four focus areas of community, education, youth and the elderly.

The Group made in-kind donations to benefit individuals in various walks of life. Year 2015 saw continuation of the Lo-Yau-Ke Monthly Service Plans Sponsorship Programme, which was launched in 2010, while senior citizens from a number of participating charitable organisations benefitted from a waiver of service fee from the

Group. The Group also joined hands with the Senior Citizen Home Safety Association (“SCHSA”) and Oriental Daily News Charitable Fund to organise the Safety Phones and Service Packages Sponsorship Programme. This distributes safety phones and service packages free of charge to senior citizens at the True Light Villa District Elderly Community Centre. In order to promote digital inclusion throughout Hong Kong society, the Group donated numerous sets of 4K smart TV to 12 charitable organisations, enabling their beneficiaries to receive up-to-date information and enjoy entertainment content.

The Group also collaborated with the SCHSA to launch the 4G LTE Family plan plus “e-Care Link” package. This enables the family members to enjoy closer contact

with the elderly, complete with the peace of mind engendered by the SCHSA’s 24/7 call-and-care service. Moreover, the Group introduced the Elderly Time Slot concept to help senior citizens get the best from smartphone functionality. At the same time, the Group extended collaboration with the SCHSA to launch the “safety phone” as a meaningful and practical aid to the elderly.

In Macau, the Group continued to sponsor the Asia-Pacific Telecommunication and ICT Development Forum, while encouraging youngsters to equip themselves with the latest mobile applications technology by sponsoring the Mobile Application Software Technologies Training Plan.