

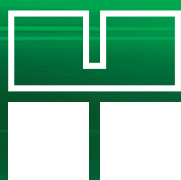
SMART

LIVING



Sustainability Report

# LIVE SMART



The Group is committed to contributing to sustainable living by providing connectivity and innovative services to its customers, while building trust with all stakeholders by behaving ethically and responsibly.



# Sustainability Report



Hutchison Telecommunications Hong Kong Holdings Limited (the “Company” or “HTHKH”) and its subsidiaries (collectively the “Group”) present the following Sustainability Report (the “Report”) for 2020.

The Group is committed to innovation and leading-edge mobile telecommunications technology to provide superb mobile experiences for its customers. Operating under the 3Supreme, **3**, **MO** and **MO+** brands, the Group offers diverse mobile telecommunications and data solutions that create new digital value and unprecedented opportunities to consumers and businesses in the ever-changing digital landscape. The Group’s collaborative approach combined with its supreme network and advanced technology, such as artificial intelligence, Internet of Things (“IoT”) and big data, enables the delivery of seamless and agile solutions that align perfectly with customer needs.

The key sustainability mission of the Group is to create long-term value for all stakeholders by aligning its corporate social responsibility (“CSR”) and sustainability objectives of the Group to the strategic development of its businesses. The Group is committed to contributing to sustainable living by providing connectivity and innovative services to its customers, while building trust with all stakeholders by behaving ethically and responsibly.

## Reporting Period

This Report provides an overview of the sustainability mission and strategies, management approach, progress, material quantitative data, as well as policies and key initiatives of the Group covering the year from 1 January 2020 to 31 December 2020.

## Report Boundary

The information disclosed in this Report covers the mobile telecommunications businesses of the Group in Hong Kong and Macau.

## Reporting Framework

This Report is prepared in accordance with the “Comply or Explain” provisions of the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

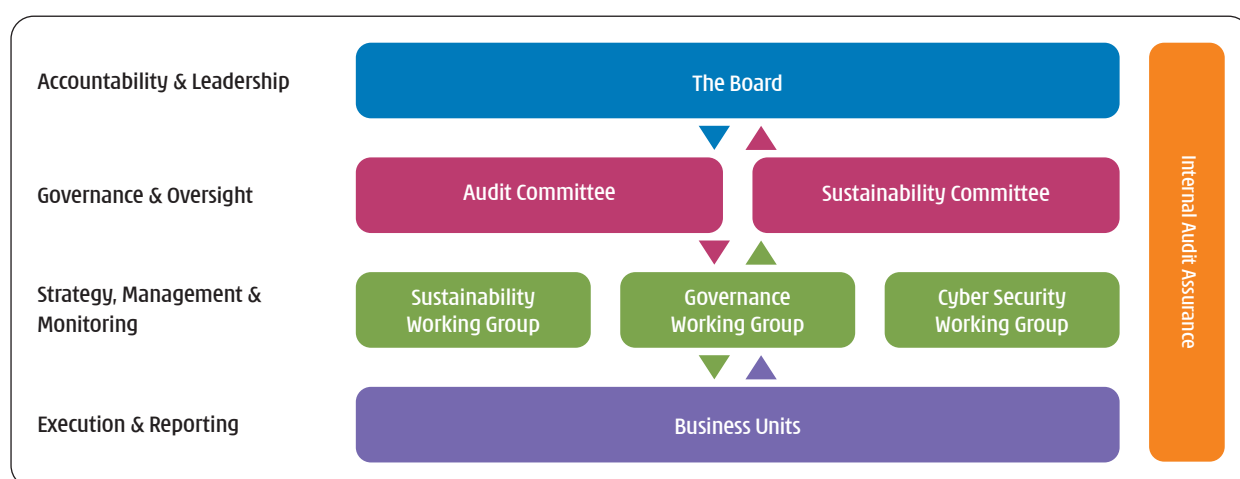
This Report should be read in conjunction with other sections in this Annual Report that contains a comprehensive review of the financial performance and corporate governance as well as the key policies of the Group which are published on HTHKH’s website.

## Feedback

The Group values feedback from all stakeholders and endeavours to address their concerns. The Group welcomes feedback on this Report, its approach to sustainability and performance. Please share your views or recommendations via email at [ir@hthkh.com](mailto:ir@hthkh.com).

## 1. Sustainability Governance

The sustainability governance structure of the Group provides a solid foundation for developing and delivering on its commitment to sustainability. It is embedded at all levels of the Group, including the Board, the Sustainability Committee, the Audit Committee, the Working Groups and Business Units. This governance structure guides the Group in implementing sustainability strategies, managing goals, setting targets and reporting processes, strengthening relationships with stakeholders, and ensuring accountability across its businesses.



A suite of foundational policies, including the CSR Policy, serves as the ultimate guiding principles for sustainability practices within Group. They are critical in translating the Group's values into actions, reinforcing the Group's commitments to business integrity, people, environment and the community in which it operates.

The sustainability governance of the Group is bolstered by the bi-annual self assessment review across the business units. Together with internal audit assurance, they serve as an important tool for the Group to manage its enterprise and process risks as well as to ensure statutory and regulatory compliance including sustainability-related reporting, in order to provide reasonable assurance to the Board, via the Sustainability Committee and the Audit Committee, on an ongoing basis. For more information, please refer to Section 2. Approach to Sustainability.

### 1.1. The Board

The Board has ultimate accountability for the sustainability strategy, management, performance and reporting of the Group through the support of the Sustainability Committee and the Audit Committee. The Board examines and approves the sustainability objectives, strategies, priorities, initiatives and goals, as well as related significant policies and framework of the Group that support their achievement.

The Sustainability Committee and the Audit Committee report to the Board on sustainability risks and opportunities, which the Board periodically examines and reviews with the committees, and their impact on business strategies, including new investments.

### 1.2. Sustainability Committee

This year, the Group enhanced its efforts to strengthen sustainability reporting by expanding and prioritising activities and initiatives on sustainability. One notable effort was the formation of the Sustainability Committee as a Board committee. The Sustainability Committee is chaired by Ms Edith Shih, a Non-executive Director and the Company Secretary, and comprises two other Board members. The Sustainability Committee advises the Board and management on and oversees the development and implementation of the CSR and sustainability initiatives of the Group, including reviewing related policies and practices as well as assessing and making recommendations on matters pertaining to the sustainability governance, strategies, planning and risk management of the Group. The Sustainability Committee holds meeting at least twice a year.

Key responsibilities of the Sustainability Committee include:

- Proposing and recommending to the Board on the CSR and sustainability objectives, strategies, priorities, initiatives and goals of the Group;
- Overseeing, reviewing and evaluating actions taken by the Group in pursuit of CSR and sustainability priorities and goals. These actions include coordinating with business units and ensuring that operations and practices are complied with relevant priorities and goals;
- Reviewing and reporting to the Board on sustainability risks and opportunities;
- Monitoring and reviewing emerging CSR and sustainability issues, as well as trends that could impact the business operations and performance of the Group;

- Overseeing and reviewing the CSR and sustainability-related policies, practices, frameworks and management approach of the Group, and to recommend improvements;
- Overseeing the impact of the CSR and sustainability initiatives of the Group on its stakeholders, including employees, shareholders, local communities and the environment;
- Reviewing and advising the Board on the public communications, disclosures and publications of the Group (including this Report) with regards to its CSR and sustainability performance; and
- Performing other functions related or incidental to the foregoing which the Committee deems appropriate.

For more information, please refer to the Terms of Reference [↗](#) of the Sustainability Committee.

#### Sustainability-related Expertise of Members of the Sustainability Committee

##### Ms Edith Shih (Chairman)

- Over three decades of experience in the legal, regulatory, corporate finance, compliance and corporate governance fields
- Holds key roles in numerous committees and panels of public, regulatory and professional bodies which focus on governance, compliance and sustainability
- Chairman of the Process Review Panel for the Financial Reporting Council
- Immediate past International President and current member of the Executive Committee of The Chartered Governance Institute and a past President of The Hong Kong Institute of Chartered Secretaries
- Immediate past Chairman of the Governance Committee of the Hong Kong Institute of Certified Public Accountants
- A member of the Council and Executive Committee, and Chairman of the General Management Committee of The Hong Kong Management Association
- A member of the Council and Human Resources Committee of the Hong Kong University of Science and Technology and a trustee of Teachers College, Columbia University
- Vice-chairman of the Executive Committee of Helping Hand (charity for the elderly)

**Mr Koo Sing Fai**


- A member of the Hong Kong General Chamber of Commerce, The Hong Kong Management Association, The Employer's Federation of Hong Kong and Hong Kong Institute of Directors
- A member of telecom-industry related bodies such as the Communications Association of Hong Kong and the Hong Kong Wireless Technology Industry Association
- A member of the Hong Kong Tourism Board – Quality Tourism Services and Quality Tourism Service Association
- Mentor of Alibaba Entrepreneurs Fund
- Past speaker of a number of entrepreneurship, development and sustainability events including the Digital Transformation Series (Hong Kong) and the Hong Kong Economic Summit
- Past panellist and moderator of Jumpstarter 2019 Global Pitch Competition
- Chairman of the Windpipe Chinese Music Council
- Deputy President of the Art Troupe of The Federation of HK Guangxi Organisation
- Vice President of the Hong Kong Chinese Instrumental Music Association

**Dr Wong Yick Ming, Rosanna**

- Over four decades of experience in the non-profit arena and in public service
- Chairman of Asia International School Limited
- Senior Advisor to The Hong Kong Federation of Youth Groups
- A member of the 13th session of the National Committee of the Chinese People's Political Consultative Conference
- A steward of The Hong Kong Jockey Club
- Honorary Chairman of World Vision Hong Kong
- A member of the Board of Governors of Our Hong Kong Foundation
- A former member of the Executive and Legislative Councils of the Government of Hong Kong

**1.3. Audit Committee**

The Audit Committee maintains oversight of the effectiveness of the financial reporting, risk management and internal control systems of the Group. It is also responsible for reviewing the corporate governance policies and practices of the Group, including compliance with legal and regulatory requirements.

For more information, please refer to the Terms of Reference  of the Audit Committee and the Company's Corporate Governance Report on pages 50 to 71.

**1.4. Sustainability Working Group**

The Sustainability Working Group is co-chaired by the Chief Executive Officer and the Chief Financial Officer, and comprises senior executives from business units linked to sustainability topics which are deemed material to the Group. This broad-based involvement ensures that the wider interests of the Group in the development of sustainability strategies are adequately represented.

The Sustainability Working Group assists the Sustainability Committee in discharging its responsibilities, including but not limited to:

- Coordinating and directing the execution of the CSR and sustainability objectives, strategies, priorities, initiatives and goals of the Group;
- Establishing the CSR and sustainability-related policies of the Group, maintaining their relevance in line with the mandates and regulatory requirements of the Group, and monitoring their implementation;
- Communicating the CSR and sustainability initiatives of the Group and facilitating cross-function sharing of good sustainability practices;
- Engaging key external stakeholders on emerging CSR and sustainability issues and trends that could impact the operations and performance of the Group;
- Reviewing material sustainability risks and opportunities of the business and assessing whether they are appropriately managed (including goal and target setting) in line with the relevant priorities of the Group;
- Monitoring sustainability performance data of the business against defined goals and targets;
- Reporting to the Sustainability Committee on material sustainability issues, risks and opportunities as well as performance progress of the Group; and
- Ensuring the sustainability disclosure and publications are fair, consistent, accurate and meaningful.



## Sustainability Working Group Members



### 1.5. Governance Working Group

The Governance Working Group is chaired by a Non-executive Director and comprises representatives from various business functions of the Group. The Governance Working Group assists the Audit Committee and Sustainability Committee on governance tasks by providing timely reviews and updates, identifying emerging matters on compliance, and establishing appropriate compliance policies and procedures for adoption.

On a quarterly basis, the Governance Working Group presents to the Audit Committee an overall corporate governance compliance review, providing updates on key compliance matters during the review period. The review includes a report on compliance status with respect to the Corporate Governance Code under the Listing Rules, a report on regulatory compliance and material legal matters, continuous professional development training undertaken by directors, as well as updates on governance policies and procedures.

### 1.6. Cyber Security Working Group

The Cyber Security Working Group, chaired by the Chief Financial Officer, comprises relevant technical specialists from the Information Technology department and the Business Assurance & Compliance function. It oversees the cyber security defences of the Group to ensure that its efforts in this area are effective, coherent and well-coordinated.

Key responsibilities include:

- Monitoring the cyber threat landscape to gain insights into emerging and existing attack activities and their implications;
- Setting the cyber defence strategies, priorities and plans of the Group;
- Overseeing the cyber security risks of the Group to ensure that they are appropriately managed and in line with the strategies and priorities of the Group;

- Proactively performing preventative measures to safeguard company assets;
- Establishing relevant policies, procedures and guidelines for adoption; and
- Defining key performance metrics for ongoing monitoring and improvement.

### 1.7. Business Units

The everyday implementation of the sustainability approach of the Group relies on the support of its business units.

Key responsibilities include:

- Implementing business-specific policies and programmes to support the CSR and sustainability objectives, strategies, priorities, initiatives and goals of the Group;
- Integrating CSR and sustainability considerations into business and investment decision-making processes;
- Carrying out CSR and sustainability risk and control management activities, where material issues or risks are identified, assessed and mitigated;
- Setting business-specific goals and targets;
- Evaluating actual performance against defined goals and targets, and continuously improving sustainability performance by applying additional measures, such as new technology;
- Responding promptly to material CSR and sustainability issues;
- Reporting to the working groups with respect to CSR and sustainability target performance and self-assessment results on the effectiveness of risk management and internal control systems in place; and
- Actively exploring opportunities from the sustainability perspective for customers.

### 1.8. Internal Audit

The internal audit function reports directly to the Audit Committee and provides independent assurance as to the existence and the effectiveness of risk management activities and internal controls systems in the business operations of the Group.

Key responsibilities include:

- Performing independent reviews of the Group's reporting and self-assessment on sustainability risks and controls;
- Conducting regular audits (including sustainability and corporate governance-related topics) and providing recommendations for continuous improvement;
- Following up and investigating material breaches of the Code of Ethics (fraud-related) of the Group; and
- Reporting to the Audit Committee and Sustainability Committee regarding the effectiveness of the risk management and internal control systems of the Group.

For more information on the internal audit function, please refer to the Company's Corporate Governance Report on pages 50 to 71.

## 2. Approach to Sustainability

As one of the leading mobile telecommunications operators in Hong Kong and Macau, the Group is committed not only to its shareholders, but also to a wide range of stakeholders including employees, customers, suppliers, creditors, regulators and the communities. Taking a proactive approach to sustainability is a core part of the Group's values and is displayed on multiple fronts of its corporate strategies. Sustainability is an integral element in maintaining the Group's position as a responsible mobile telecommunications operator and in safeguarding the well-being and prosperity of the communities in which it operates.

### 2.1. CSR Pillars and Policies

The overall sustainability approach and priorities of the Group are built on four pillars: Business, People, Environment and Community. Each pillar is supported by the corresponding Group policies, leadership, and the collective efforts of the entire business. These four pillars guide the Group in setting the overall direction of its sustainability strategies for implementation across its businesses. The Group has policies, procedures and guidelines in place to support management in addressing material sustainability issues across the Group, as described in this Report.



#### Business

- Sustainable Business
- Long-term Return
- Compliance
- Integrity
- Fair Business Practices
- Good Corporate Governance



#### People

- Business Ethics and Conduct
- Anti-discrimination
- Diversity
- Professional Development
- Health and Safety
- Staff Remuneration and Recognition



#### Environment

- Environmental Compliance
- Target Setting
- Environmental Management
- Minimising Environmental Impact
- Environmentally-friendly Products and Processes
- Supporting Conservation and Environmental Protection



#### Community

- Employee Volunteerism
- Education
- Medical
- Health
- Elderly Care
- Arts and Culture
- Sports
- Disaster Relief



The table below highlights relevant policies and procedures in place to support execution of the priorities of the Group under each pillar:

 Business		
Pillars	Priorities	Policies
<ul style="list-style-type: none"> <li>Enhancing <b>long-term return</b> for its shareholders.</li> <li>Focusing on <b>sustainable development</b> of the businesses and communities in which it operates.</li> <li>Complying with all relevant and applicable <b>laws and regulations</b> within its operational framework.</li> <li>Conducting business with uncompromising <b>integrity</b>.</li> <li><b>Guarding</b> against <b>unfair business practices</b>.</li> <li>Maintaining a high standard of <b>corporate governance</b> and emphasising a high-calibre board, sound internal control as well as <b>transparency</b> and <b>accountability</b> to all stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>The Board Sustainability Committee was formed and is led by three Directors, overseeing the sustainability processes.</li> <li>Continue to enhance <b>compliance</b> with anti-bribery and corruption laws, tax compliance policies as well as data privacy and cyber security laws.</li> <li>Increase <b>transparency</b> on existing policies and procedures.</li> <li>Ensure <b>fair</b> and <b>transparent</b> tendering processes.</li> <li>Integrate sustainability objectives in global <b>sourcing</b>.</li> <li>Streamline processes, knowledge sharing and increase <b>monitoring of suppliers</b> using digital tools.</li> <li>Encourage the use of <b>digital tools</b> to enhance customer experience.</li> </ul>	<ul style="list-style-type: none"> <li>Code of Ethics <a href="#">↗</a></li> <li>Anti-Fraud and Anti-Bribery Policy <a href="#">↗</a></li> <li>Information Security Policy <a href="#">↗</a></li> <li>Policy on Appointment of Third Party Representatives <a href="#">↗</a></li> <li>Policy on Personal Data Privacy Compliance <a href="#">↗</a></li> <li>Supplier Code of Conduct <a href="#">↗</a></li> <li>Purchasing Policy</li> <li>Business Partner Evaluation Policy</li> <li>Procedures for Reporting Possible Improprieties in Matters of Financial Reporting or Internal Control <a href="#">↗</a></li> <li>Policy on Securities Dealing and Handling of Confidential and Price-Sensitive Inside Information <a href="#">↗</a></li> <li>Board Diversity Policy <a href="#">↗</a></li> <li>Director Nomination Policy <a href="#">↗</a></li> <li>Shareholders Communication Policy <a href="#">↗</a></li> </ul>
 People		
Pillars	Priorities	Policies
<ul style="list-style-type: none"> <li>Upholding a high standard of <b>business ethics and personal conduct</b> among employees.</li> <li>Adhering to <b>non-discriminatory</b> employment practices and procedures.</li> <li>Providing a <b>positive work environment</b> that values the wide-ranging perspectives inherited to a <b>diverse workforce</b>.</li> <li>Cultivating <b>talented individuals</b> and fostering their <b>growth</b> in pursuit of achieving business goals by offering a wide range of training and development programmes, courses and activities.</li> <li>Maintaining proper systems to ensure internal <b>equity</b> and external competitiveness of <b>staff remuneration</b> and <b>recognition</b>.</li> <li>Providing a <b>safe</b> workplace for all employees.</li> </ul>	<ul style="list-style-type: none"> <li><b>Retain</b> and <b>motivate</b> talents with appropriate training.</li> <li>Promote workplace <b>diversity</b>.</li> <li>Improve workplace <b>safety</b> and <b>well-being</b> across the Group.</li> <li>Take immediate and effective measures to eradicate <b>human trafficking</b> and <b>modern slavery</b>.</li> <li>Work closely with <b>suppliers</b> to improve <b>working conditions</b> across the supply chain.</li> <li>Adopt <b>equal employment-opportunity</b> policies and commit to fostering an <b>inclusive atmosphere</b>, free of discrimination and harassment.</li> <li>Create a <b>collaborative</b> workplace that facilitates discussions among business units.</li> </ul>	<ul style="list-style-type: none"> <li>Procedures for Reporting Possible Improprieties in Matters of Financial Reporting or Internal Control <a href="#">↗</a></li> <li>Policy on Securities Dealing and Handling of Confidential and Price-sensitive Inside Information <a href="#">↗</a></li> <li>Health and Safety Policy <a href="#">↗</a></li> <li>Human Rights Policy <a href="#">↗</a></li> <li>Modern Slavery and Human Trafficking Statement <a href="#">↗</a></li> <li>Supplier Code of Conduct <a href="#">↗</a></li> <li>Code of Ethics <a href="#">↗</a></li> <li>Anti-Fraud and Anti-Bribery Policy <a href="#">↗</a></li> <li>Employment Policy</li> </ul>



## Environment

Pillars	Priorities	Policies
<ul style="list-style-type: none"> <li>Complying with or taking initiative to surpass required levels prescribed by relevant laws and regulations to control <b>greenhouse gas emissions and waste</b>.</li> <li>Setting <b>targets</b>, reviewing and assessing the results periodically to ensure the efficient implementation of emission control measures.</li> <li><b>Monitoring</b> and managing the use of resources, including energy, water and other packaging materials.</li> <li><b>Minimising</b> the impact of its business activities on the environment and natural resources.</li> <li>Developing and promoting <b>environmentally-friendly products and processes</b> with potential commercial applications.</li> <li>Encouraging and providing support for <b>conservation and environmental protection programmes</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Increase <b>training</b> and awareness across the Group.</li> <li>Source more <b>sustainable options</b> for consumers and procure responsibly.</li> <li>Alleviate environmental impact on operations through <b>reduction in carbon</b> initiatives of the Group.</li> <li>Participate in educating stakeholders including employees, suppliers and consumers on being <b>conscious of energy use</b>.</li> <li>Increase efforts on <b>recycling and upcycling</b> programmes at retail stores and offices.</li> <li>Promote a digital workplace and encourage employees to be <b>conscious of the use of resources</b> such as office supplies.</li> <li>Refine monitoring process and policies on <b>consumption of resources</b> such as utilities and office supplies.</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Policy </li> <li>Supplier Code of Conduct </li> </ul>



## Community

Pillars	Priorities	Policies
<ul style="list-style-type: none"> <li>Focusing on community initiatives including <b>employee volunteerism, education, medical, health, elderly care, arts and culture, sports, and disaster relief</b>.</li> <li>Implementing internal <b>guidelines and controls</b> on <b>donations and contributions</b> to safeguard stakeholders' and shareholders' interests.</li> <li>Encouraging <b>employees</b> to play a positive and active role in the community.</li> <li>Unleashing the potential of <b>5G technology</b> and be the driving force for the development of Hong Kong as a <b>smart city</b>, such as by promoting 5G enterprise solution offerings.</li> </ul>	<ul style="list-style-type: none"> <li>Educate and recruit <b>young talents</b>.</li> <li>Launch charitable programmes and digital inclusion for the <b>underprivileged</b>.</li> <li>Promote diverse <b>5G applications</b> to accelerate the development of Hong Kong as a <b>smart city</b>.</li> <li><b>Collaborate</b> with community and non-profit organisations, cultural groups and small businesses, leveraging the strengths in network capabilities.</li> <li>Achieve <b>diversity</b> in outreach initiatives and engage with the wider community.</li> </ul>	<ul style="list-style-type: none"> <li>Media, Public Engagement and Donation Policy </li> </ul>

These policies, procedures and guidelines have been adopted across the Group to meet operational needs as well as legal and regulatory requirements. The Group monitors the execution and compliance of these policies, procedures and guidelines through regular management reviews and reporting.

On a half-yearly basis, the Group conducts a self-assessment review to evaluate its enterprise risk management, its operations, as well as statutory and regulatory compliance matters such as tax and anti-fraud and anti-bribery practices. A review of the goals and targets addressing sustainability issues also forms part of the self-assessment review.

As an integral part of sustainability governance, the self-assessment results are subject to internal audits, which are then submitted to the Directors, the Audit Committee and the Sustainability Committee for review and approval. Relevant results are also shared with external auditors. For more information, please refer to the Company's Corporate Governance Report on pages 50 to 71.

### 2.2. Stakeholder Engagement

The Group engages in open and transparent dialogues with key stakeholders including employees, shareholders, investors, creditors, customers, business partners, suppliers, professional institutions, non-government organisations, regulatory authorities and public media. The Group regularly collects stakeholders' views through a variety of channels, such as meetings, workshops, surveys and feedback programmes.

The following table summarises the channels established by the Group to engage and communicate with stakeholders and gain understanding of their views and expectations.

Key Stakeholders	How We Engage	
<b>Business partners</b>	<ul style="list-style-type: none"> <li>On-site visits</li> <li>Physical and virtual meetings</li> <li>Regular business reports</li> </ul>	<ul style="list-style-type: none"> <li>Regular gatherings and seminars</li> <li>Relationship-building events</li> </ul>
<b>Creditors</b>	<ul style="list-style-type: none"> <li>Announcements and circulars</li> <li>Corporate communications</li> </ul>	<ul style="list-style-type: none"> <li>Interim and annual reports</li> <li>Meeting with banks/creditors</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Company websites</li> <li>Customer feedback programmes</li> <li>Customer hotlines and email enquiries</li> <li>Customer liaison groups</li> <li>Customer loyalty programmes and events</li> <li>Customer satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Daily operations and storefront interactions</li> <li>On-site customer representatives</li> <li>Relationship manager visits &amp; one-on-one meetings</li> <li>Seminars/conferences</li> <li>Social media</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Business briefings</li> <li>Sustainability programmes &amp; communications</li> <li>Employee newsletters</li> <li>Employee surveys</li> <li>Focus groups</li> <li>Graduate recruitment and internship programmes</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; safety programmes</li> <li>Intranet platform for internal communications</li> <li>Performance and development discussions</li> <li>Regular department meetings</li> <li>Staff engagement in sustainability projects</li> <li>Trainings and workshops</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Interviews</li> <li>Media events</li> <li>Press conferences/briefings</li> </ul>	<ul style="list-style-type: none"> <li>Press releases</li> <li>Social gatherings</li> </ul>
<b>Non-government organisations</b>	<ul style="list-style-type: none"> <li>Community interactions, investments and donations</li> <li>Sustainability programmes/interviews</li> <li>Meetings</li> <li>On-site visits</li> </ul>	<ul style="list-style-type: none"> <li>Staff workshops</li> <li>Strategic collaborations and joint-working groups</li> <li>Volunteering activities</li> </ul>
<b>Professional Institutions</b>	<ul style="list-style-type: none"> <li>Committees/working groups</li> <li>Meetings/visits/workshops</li> </ul>	<ul style="list-style-type: none"> <li>Memberships</li> <li>Questionnaires</li> </ul>
<b>Regulatory Authorities</b>	<ul style="list-style-type: none"> <li>Ad-hoc enquiries</li> <li>Circulars/guidelines</li> <li>Compliance reporting</li> <li>Government liaison groups</li> <li>Meetings with regulators</li> </ul>	<ul style="list-style-type: none"> <li>On-site inspections</li> <li>Representation at committees/panels of regulatory authorities</li> <li>Response to surveys and consultations conducted by regulatory authorities</li> </ul>
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>Annual general meetings and other general meetings</li> <li>Announcements and circulars</li> <li>Corporate communications</li> <li>Interim and annual reports</li> <li>Investor relations meetings</li> <li>Meetings and roadshows</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with senior management</li> <li>Panel discussions</li> <li>Shareholder on-site visits</li> <li>Shareholder Q&amp;A mailboxes</li> <li>Shareholder surveys</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Periodic supplier performance reviews</li> <li>On-site visits</li> <li>Supplier Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Supplier due diligence and audit processes</li> <li>Supplier meetings and conferences</li> <li>Supplier risk assessments</li> </ul>





### 2.3. The Materiality Assessment Process

The Group conducted a materiality assessment to define the material CSR and sustainability issues faced by its operations that are perceived to be the most significant to the Group and its stakeholders.

#### Materiality Assessment Process

1. Identification	2. Prioritisation	3. Validation
<ul style="list-style-type: none"> <li>Identified CSR and sustainability issues that are considered to be relevant and important to the businesses of the Group and its stakeholders based on a review of CSR and sustainability-related practices and information disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>Assessed the importance of issues based on the expectations of regulators, sustainability ratings and industry peers.</li> <li>Prioritised issues that have a significant impact on the ability of the Group to create long-term and sustainable values.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed and approved the material issues for each business units by the Sustainability Committee.</li> </ul>

The following table summarises the material sustainability issues for the business:

 <b>Business</b>	Service & Product Responsibility Data Privacy & Information Security
 <b>People</b>	Labour Management
 <b>Environment</b>	Greenhouse Gas (GHG) Emissions
 <b>Community</b>	Community Engagement

The Group adopts the materiality assessment process to determine its focus areas for managing and monitoring its sustainability performance. The results facilitate the Group in steering its sustainability strategies, prioritisation of its sustainability activities, and the establishment of meaningful metrics for effective performance evaluation. The Group also sets specific targets and roadmaps to achieve its sustainability mission.

### 2.4. Corporate Governance

The Group strives to attain and maintain high standards of corporate governance best suited to its needs and interests. The Group believes that an effective corporate governance framework is fundamental to promoting and safeguarding the interests of its shareholders and other stakeholders.

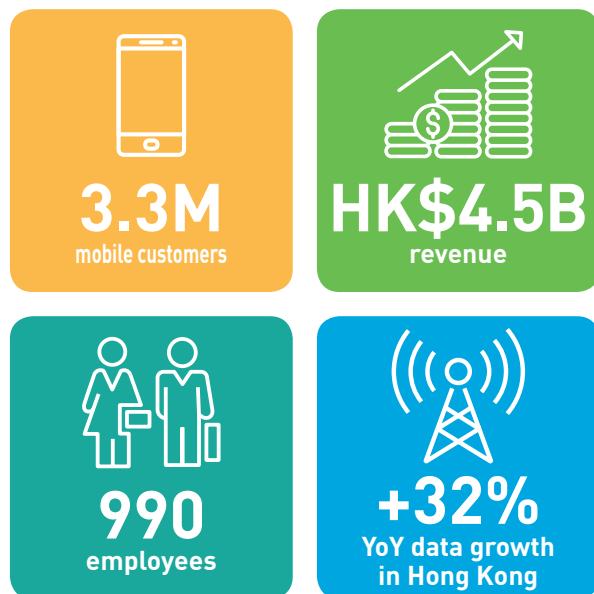
Accordingly, the Group has adopted and implemented corporate governance principles and practices that emphasise a high-calibre board, effective risk management and internal control systems, stringent disclosure practices, transparency and accountability. The Group is committed to continuously improving these practices and inculcating an ethical corporate culture.

For more information, please refer to the Company's Corporate Governance Report on pages 50 to 71.



### 3. Our Business

HTHKH is a leading mobile telecommunications operator providing diverse mobile telecommunications and data solutions in Hong Kong and Macau. With more than 30 years of industry experience and proven success, HTHKH channels the latest technologies into innovations that set market trends and steer industry development. Together with a range of strategies, this enables the Group to capture new business opportunities, enhance customer experience, deepen engagement, and deliver profitable growth to the business.



#### 3.1. Service & Product Responsibility - Building Trust through Reliability and Quality

##### 3.1.1. Commitment and Service Accessibility

The telecommunications industry is rapidly changing and is facing significant pressure with technological advancement and increased consumer expectations. Operators have to build trust and meet customers' evolving demands for higher speeds and wider coverage. Sustaining customer trust and loyalty is not merely about providing the latest handsets and digital devices, but also providing customers with flexibility and choices in services which complement and enrich their lifestyles. The various service awards the Group has received in past years were evidence of its success in delivering quality products and services that foster excellent customer experience.

The Group endeavours to deliver sustainable value to its customers through digital connectivity. The Group is committed to providing reliable, safe and high-quality products and network services that meet customer expectations.

During the year, the Group unveiled its ultra-fast, low-latency 5G network services and achieved territory-wide 5G radio sites coverage in Hong Kong, including major highways, large shopping malls, commercial buildings, hospitals, universities and hotels shortly after the service rollout in April 2020. This is a new milestone in the deployment of the Group's mobile network. The Group will continue to expand and strengthen its network coverage and introduce new 5G applications to build a supreme 5G network for its customers.

The Group is devoted to developing Hong Kong as a leading smart city. The 3Innocity programme supports start-up talents to develop and promote enterprise IoT solutions and helps enterprises to enhance their operations riding on the ultra-fast 5G network service and advanced NB-IoT network technology provided by the Group.

##### 3.1.2. Enhanced Customer Engagement and Experience

Customer engagement is crucial to building brand loyalty. Through interactions with its customers, the Group identifies areas of improvement for its long-term sustainability. The Group connects with its customers through a wide range of communication channels such as customer service centres, social networking platforms, service hotlines, live webchat, online enquiry, email, websites and mobile applications.

The Group's website at [three.com.hk](http://three.com.hk) and the My3 application not only connect the Group to its customers, but also build long-lasting relationships by connecting to its customers anywhere, anytime. Through these digital media, customers can access information on the Group's latest promotions and offers, manage their data and call time usage, top-up or pay their bills, manage roaming services, purchase handsets and accessories, and reach the 24/7 online 3iChat customer interface.



The Group connects with its customers through a wide range of communication channels.

The Group values customer feedback to guide improvements to the customer experience and to empower positive change in its businesses. The Group has established guidelines to ensure consistency in handling customer enquiries and complaints. Customer service representatives are trained to professionally address customer concerns. Complaints received are acknowledged, investigated, and duly followed up. Reviews and analyses of complaints are conducted periodically for continuous improvement. Details of the service performance targets and actual performance of the Group on areas such as service hotline performance and complaints handling are available on the website at [three.com.hk](http://three.com.hk).

## 3.2. Data Privacy and Information Security

### 3.2.1. Commitment

The rapid development of regulations on data privacy and security is increasingly affecting the telecommunications industry, posing a growing challenge for operators in maintaining customer relationships. As such, the protection of personal data is fundamental to preserving customer trust.

The Group is committed to protecting customers' personal data. Employees must collect and use personal data only in accordance with applicable data protection laws, the Group policies, procedures and guidelines pertaining to data privacy and security. Employees must not disclose any

confidential information on the operation of the Group, nor that of its customers, suppliers, business partners or shareholders, except when disclosure is authorised in accordance with the Information Security Policy.

### 3.2.2. Enhancement of Data Privacy Policies and Control Systems

The Regulatory Advisory Committee, supported by the Data Protection Committee, is responsible for the Group's data governance structure and oversees personal data protection. The Policy on Personal Data Privacy Compliance and Information Security Policy together with the Code of Ethics and other related policies, procedures and guidelines of the Group, set out the governance framework for safeguarding customers' personal data. These policies are reviewed and updated periodically to allow timely communication with employees. Employees are required to submit a self-declaration annually to acknowledge and confirm compliance with all applicable Group policies.

The Group is also committed to ensuring effective customer data management. Legislative and regulatory requirements concerning personal data processing are embedded in all business activities. Appropriate technical and organisational measures have also been implemented. These measures are designed to implement data privacy principles effectively.

## Data Privacy Principles

<b>Data Collection</b>	<ul style="list-style-type: none"> <li>Collect only necessary and relevant personal data for specified, clear and legitimate purposes</li> </ul>
<b>Use of Data / Data Access</b>	<ul style="list-style-type: none"> <li>Use personal data in a lawful, fair and transparent manner</li> <li>Provide a clear, transparent, understandable and updated Privacy Notice</li> <li>Ensure the use of personal data in compliance with applicable data protection laws</li> <li>Restrict employee access to personal data on a need-to-know basis only</li> </ul>
<b>Data Accuracy</b>	<ul style="list-style-type: none"> <li>Take appropriate steps to ensure personal data held are accurate and up-to-date</li> </ul>
<b>Data Security</b>	<ul style="list-style-type: none"> <li>Use encryption techniques to retain, use and transmit personal data</li> <li>Maintain stringent and adequate security measures to protect personal data from unauthorised or unlawful access</li> <li>Review security measures regularly to ensure protection level is appropriate</li> </ul>
<b>Data Retention</b>	<ul style="list-style-type: none"> <li>Keep only personal data that are necessary for the fulfilment of the purposes for which they are being used, and in accordance with internal guidelines for document retention periods</li> <li>Erase personal data from the system that are no longer required for the purpose for which they were collected</li> </ul>
<b>Rights of Individuals</b>	<ul style="list-style-type: none"> <li>Process personal data in accordance with the rights of individuals under applicable data protection laws</li> <li>Handle requests from customers to access, amend or delete their personal data in a manner compliant with applicable data protection laws</li> </ul>

### 3.2.3. Data Privacy Guidelines and Awareness Campaign

All employees are required to fully adhere to the Policy on Personal Data Privacy Compliance, Internal Guidelines on Record Retention and Access to Personal Data as well as other relevant policies, procedures and guidelines of the Group. Access to physical or computer records containing personal data is strictly controlled and requires management approval granted only on a “need-to-know” basis.

Regular trainings are organised to ensure that employees staying up-to-date on the latest requirements and developments of the relevant rules and regulations. The Group issues operational guidelines, handbooks and periodic internal communications and conducts workshops to reinforce the importance of customer data protection among its customer-facing employees. The Group also conducts regular privacy risk assessments to evaluate prevailing privacy risks and the adequacy of mitigating controls.

### 3.2.4. Data Security and Incident Management

Data Security Incidents (“DSIs”) have increased in frequency, scale and severity in recent years globally. Loss or leakage of data, including customers’ or employees’ personal data as well as technical and trade information, could have significant consequences on the operations of the Group and could result in third-party claims and regulatory investigations.

The Cyber Security Working Group, chaired by the Chief Financial Officer, comprises relevant technical specialists from the Information Technology department and the Business Assurance & Compliance function. It oversees the cyber security defences of the Group to ensure that its efforts are effective, coherent and well-coordinated. The Cyber Security Working Group also monitors the cyber threat landscape to gain insights into emerging and existing attacks and their implications. For more information on its key responsibilities, please refer to Section 1.6 Cyber Security Working Group.

In the event of a DSI involving personal data, the Group will respond immediately according to applicable procedures to mitigate the potential consequences and secure personal data from further unauthorised access, use or damage. The Group’s Legal Department will be alerted and the relevant authorities and affected individuals will be notified if required. Guidance on handling DSIs and the notification process is reviewed and updated periodically.

To raise cyber security awareness among employees, periodic training workshops are held. These equip them with adequate skills in handling customer and company information, as well as knowledge relating to the development of relevant cyber security rules and regulations. Through issuing security alerts, the Group also keeps its employees up-to-date and vigilant against fraudulent and phishing emails. Internal measures and policies are in place to minimise the risks associated with data exfiltration by restricting the use of mobile devices and removable drives.



The Group organised periodic training workshops to raise the awareness on cyber security among employees.

## 3.3. Anti-Corruption

### 3.3.1. Commitment

The Group has zero-tolerance for bribery, corruption and fraud in any form. Stringent policies, guidelines and procedures are in place to uphold high standards of business ethics and integrity. All business partners, suppliers and third-party representatives are also encouraged to adopt the standards.

### 3.3.2. Anti-Fraud & Anti-Bribery (“AFAB”) Policy and Code of Ethics

All employees must comply with the ethical standards and legal requirements set out in the AFAB policy, the Code of Ethics, and other relevant policies and guidelines of the Group. All employees are required to annually declare their acknowledgement and compliance with the Code of Ethics and related policies. The Code of Ethics, AFAB and other relevant policies are available on the Company’s website and intranet.

### 3.3.3. Confidential Whistleblowing Mechanism

The Group has monitoring measures and procedures in place to detect bribery, fraud or other acts of malpractice. Employees and all other relevant stakeholders are encouraged to raise their concerns of suspected acts of misconduct, malpractice or fraud through the Group's whistleblowing mechanisms. All cases will be investigated and followed up independently and reported by the internal audit function of the Group to the Audit Committee and senior management. All cases will be treated in a highly confidential manner and whistleblowers will be protected from unfair treatment.

### 3.3.4. Monitoring Compliance

The Group is committed to ensuring that it operates in compliance with all applicable local laws, rules and regulations of the jurisdictions in which it operates. Regulatory frameworks within which the Group operates are scrutinised and monitored, whereby relevant internal policies are prepared and updated accordingly. Periodic trainings and workshops are conducted to strengthen employee awareness and understanding of the internal controls and compliance procedures of the Group.

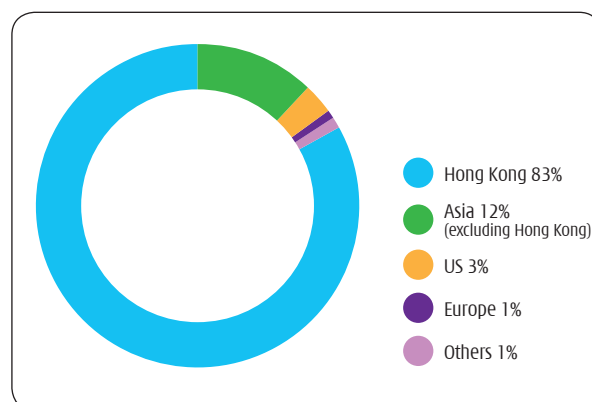
For more information, please refer to the Company's Corporate Governance Report on pages 50 to 71.

## 3.4. Supply Chain Management

### 3.4.1. Commitment

The Group engages a broad range of business partners and suppliers in its operations. In 2020, the Group conducted business with over 400 suppliers, of which approximately 83% were based in Hong Kong. The Group is committed to maintaining the integrity of its supply chain by managing associated complex legal, social, ethical and environmental risks. Through regular dialogue and cooperation, the Group extends its high level of business ethics and integrity standards to its business partners and suppliers. As a responsible industry leader, the Group is a proponent of sound environmental performance, social well-being and sustainable practices.

### Suppliers by Geographical Region



### 3.4.2. Sourcing Responsibly and Engaging Suppliers

The Group recognises its far-reaching influence on its supply chain. The Supplier Code of Conduct sets out the standards expected of its business partners and suppliers, encompassing specific criteria and standards in terms of quality, environmental performance, ethics, health and safety, and regulatory compliance. The Supplier Code of Conduct is also addressed in the Human Rights Policy and Modern Slavery and Human Trafficking Statement of the Group.

Suppliers are required to acknowledge compliance with the Supplier Code of Conduct in the course of their business activities with the Group. Regular assessments and thorough evaluations are also conducted on the business partners and suppliers of the Group.

### 3.4.3. Approach to Supply Chain Management

The Group follows international best practices and employs a fair, unbiased and transparent tendering process. All tenderers are required to declare any conflicts of interest and be vigilant against fraud, bribery and misconduct. Supplier relationships will be suspended or terminated if breaches are discovered.

The Group encourages business partners and suppliers to consider the risks posed to their operations by climate change, and be proactive in mitigating the environmental



impact of their activities. The Group also invites business partners and suppliers to emulate the standards, practices and principles outlined below, as well as those contained in the Environmental Policy of the Group:

- Abiding by relevant environmental legislation and ensuring environmental preservation;
- Minimising energy consumption and carbon footprint through implementation of environmental policies and management systems;
- Encouraging use of environmentally-friendly technology to reduce energy consumption;
- Minimising business travel, reducing reliance on resources such as paper;
- Advocating use of environmentally-friendly, recycled and/or sustainably sourced products; and
- Promoting recycling and ensuring compliance with legislation on the handling or disposal of hazardous materials.

3.4.4. Monitoring Compliance

Group policies including but not limited to the Purchasing Policy, Business Partner Evaluation Policy and AFAB Policy, in conjunction with various controls and procedures, provide direction and guidelines on evaluating and engaging with business partners and suppliers. The procurement teams of the Group are trained to apply these policies and procedures with due care and diligence when engaging with business partners and suppliers.

4. Our People

4.1. Commitment

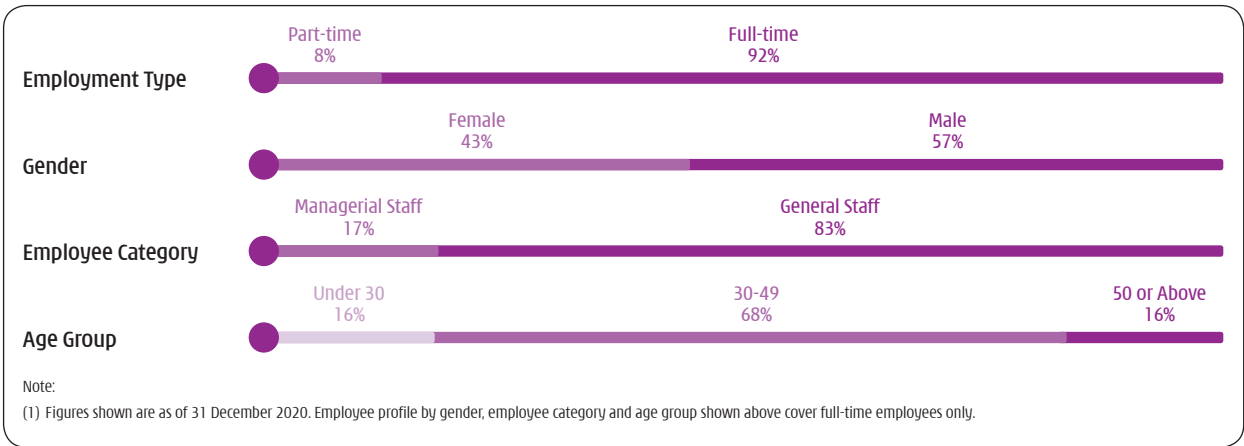
The Group aims to create superb customer experiences that connect people. To do so, the Group is committed to fostering a collaborative and diverse working environment for its employees, underpinned by the principle of treating people with dignity and respect, and by offering equal opportunities to all stakeholders.

As of 31 December 2020, the Group had approximately 990 employees in Hong Kong and Macau. The Group believes that effective talent management is critical to maintaining market leadership and sustaining long-term success. The Group strives to be an employer-of-choice through cultivation of talents with ongoing skills development, training and workplace inclusivity. The success of its employment practices is reflected by the variety of awards the Group has received over the years.

4.2. Talent Development and Training

The performance of the Group and its customers' experience are dependent on its ability to attract, retain and develop suitable talents in a competitive labour market. The Group is committed to creating opportunities for youth and providing them with aspirational goals. The Group works closely with educational institutions to recruit young talents that can support its growth. The Group also offers internship opportunities to university students who are interested in pursuing careers in telecommunications.

Employee Profile <sup>(1)</sup>



Interactions with youth enable the Group to share its vision of the future while kindling a passion for the industry and the communities it serves. The process of empowering and engaging youth includes participation in the Group's businesses and interactions with management as they begin to establish business contacts. Exposure to the workplace facilitates participants to learn the importance of collaboration, develop leadership qualities, and grow as responsible individuals with an awareness of the social implications of their work.

During the year, the Group recruited 31 high-calibre university graduates to its one-year Management Trainee Programme, which aims to groom the future leaders of the telecommunications industry. New recruits participate in cross-functional rotations, with their placement enhanced with comprehensive training and mentoring. Mentors assigned to the management trainees are all experienced executives of the Group with an interest in nurturing the leaders of tomorrow. The management trainees are encouraged to develop new perspectives, contribute with different skillsets, and share their knowledge of shifting trends. The mentors will continue to be a resource to the management trainees beyond the year-long programme, especially as the trainees navigate the early stages of their careers. Upon completing the programme, the management trainees will take on different roles as they bring new impetus to the growth of the Group. Apart from traditional mentoring by experienced executives, the management trainees also act as reverse mentors for the executives. This programme facilitates the exchange of insights on social media, culture, technology,

business ideas and trends.

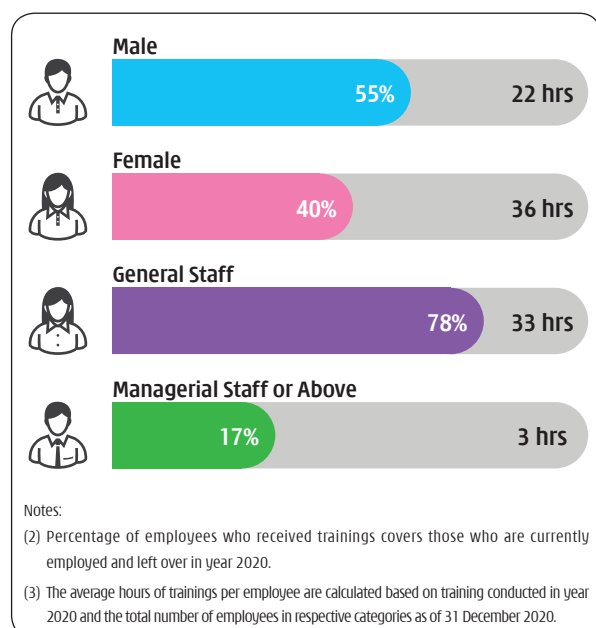
The Group recognises that building employee skills through continuous development programmes is essential for driving business performance and sustainability. Employees are encouraged to broaden their horizons with further knowledge by participating in the Group's comprehensive training programmes (including industry knowledge, information technology, digital skills and interpersonal communication skills), stimulating personal growth and supporting their job functions. In addition, site visits of the mobile telecommunications operations facilities as well as other operations within the CKHH Group were organised for employees to understand the needs of different industries.

#### 4.3. Connecting with Employees

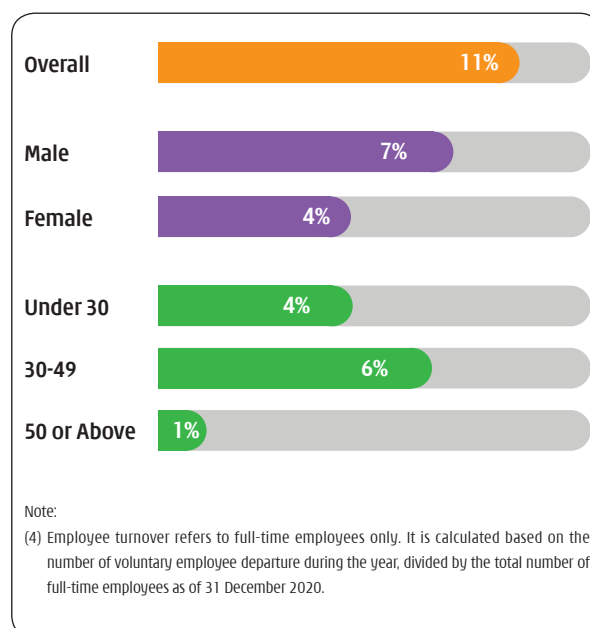


One-year Management Trainee Programme aims to groom future leaders of the telecommunications industry.

#### Training participation <sup>(2)</sup> and average hours of trainings <sup>(3)</sup>



#### Employee Turnover <sup>(4)</sup>



The Group respects the rights of its employees to express their views. The Group has established a number of communication channels, including seminars and workshops, which are designed to facilitate open dialogue with employees. Employees are encouraged to exchange viewpoints and ideas through these media. Feedback and suggestions from employees are important in shaping the talent management practices of the Group.

The Group regularly shares latest business development information with employees via emails and newsletters. The intranet and 3Connect mobile application platforms not only connect employees but also enhance their digital experience. Employees can also access the latest Group policies and guidelines as well as comprehensive information on topics such as office mobility, staff welfare and shuttle bus schedules. 3recreative, comprising a group of employees from different departments, was formed in late 2019 to enhance staff engagement with focus in five elements, namely communication, relationship, recognition, wellness and growth. It also reinforces employees' sense of belonging by organizing events, sharing sessions and group purchases. In the event of crisis, the Crisis Management Team distributes critical real-time information to alert and protect employees while ensuring business continuity.

#### 4.4. Health, Safety and Well-being

The health, safety and well-being of employees is an integral part of the Group's culture. It is a core value for the delivery of superior network performance and exceptional customer experience. The Group offers a robust welfare programme to employees which covers a broad range of areas related to well-being, including work-life balance, physical health, fitness and sports, balanced and nutritious diets, and mental health. The Group also provides flexible paid leave entitlements to its employees.

The Group is committed to creating a safe and healthy workplace that allows employees to enjoy a quality of life while driving performance and productivity. Health and safety management programmes and related trainings are offered to employees based on the nature of their work and applicable safety standards. Employees can also access the latest health and safety information on the intranet. Periodic refresher courses are provided to employees to stress the importance of the relevant safety guidelines.

During the COVID-19 pandemic, the Group has taken a variety of precautionary measures to protect employee health and safety. Arrangements were made for non-frontline and non-customer facing employees to work from home in an effort to reduce the risk of spreading COVID-19 in the workplace and the community. Cleaning and sanitising procedures have been strengthened in all offices and retail shops to maintaining a safe working

environment. Employees required for duty at offices and retail shops are supplied with surgical masks and hand sanitisers.

#### 4.5. Monitoring Compliance

The Group is committed to providing a positive, respectful and safe working environment for its employees. The Group adheres to fair employment practices and promotes diversity and equal opportunity in its recruitment and promotion processes. Employees are hired and selected based on their skillsets and abilities, regardless of their race, gender or religion.

The Group has zero tolerance for discrimination and harassment of any kind, including but not limited to unwelcome and offensive conduct (whether verbal, physical or visual) based on a person's gender, marital status, disability or otherwise. The Group also strictly prohibits the use of child and/or forced labour. Rigorous measures and audits are taken to prevent these unethical practices.

The Group complies with all applicable labour standards, employment guidelines and regulations, and all labour-related legislation relevant to its operations. Regulatory frameworks within the Group are also evaluated and monitored, with internal policies prepared and updated accordingly. The employment policies, the Code of Ethics and other related policies, procedures and guidelines of the Group, collectively form a governance framework for ensuring regulatory compliance and protecting employee rights and benefits. The Group holds dedicated workshops to strengthen employee awareness and understanding of its internal controls and compliance procedures.



The Group offers a robust welfare programme to employees covering a broad range of areas related to their well-being.

## 5. Our Environment

### 5.1. Managing GHG Emissions

#### 5.1.1. Commitments and Challenges

The Group is conscious of the environmental impact associated with its business activities. It strives to be a positive contributor to environmental sustainability and is committed to protecting the environment by managing its footprint across its network and operations.

Climate change is a global challenge that poses an imminent threat to communities and businesses. Its impacts present both risks and opportunities to the assets and businesses of the Group. The Group strives to be more resilient to risks attributable to climate change by integrating climate change considerations across its businesses and actively identifying and developing strategies to address challenges.

HTHKH is a member of CK Hutchison Group Telecom Holdings Limited ("CKHGT"), which comprises the telecommunications business units of the CKHH Group in Austria, Denmark, Ireland, Italy, Sweden and the UK (under 3 Group Europe), Hong Kong and Macau. One of the CKHGT's key initiatives is the establishment of a Climate Working Group to drive and accelerate climate-related mitigation and policy adoption across business units and set emission reduction targets.

The Environmental Policy of the Group represents its ongoing effort to instil operational efficiency whilst managing environmental impact. The Group encourages its suppliers, business partners and customers to respect the practices outlined in its policy.

#### 5.1.2. Energy Efficiency Improvement for Network Infrastructure

The operations of the Group rely heavily on a network infrastructure which requires a continuous supply of power. As the number of connected devices and amount of transmitted data grow, energy consumption correspondingly increases. This

is the most substantial challenge to the telecommunications industry seeking to reduce its carbon footprint.

Energy efficiency is a key in managing GHG emissions. The mobile network infrastructure accounts for the bulk of the total energy consumption of the Group. The Group is proactive in upgrading network equipment and installing energy-saving features to reduce energy usage, such as setting optimal temperature environments at offices and general facilities. The Group is increasingly employing energy-efficient technology while reducing the number of asset locations. As a result of these initiatives, the Group reduced its electricity consumptions from 110,157,880 kwh in 2019 to 109,432,820 kwh in 2020. This reflects the Group's efforts to of the Group address GHG emissions issues without compromising network infrastructure performance.

GHG Scope 1 and 2 Emissions <sup>(5)</sup> (tonne CO<sub>2</sub>e)





### 5.2. Optimising Resource Use

The Group endeavours to cut waste in its operations through reduction, reuse and recycling. Its continuous efforts to this end include streamlining procedures and processes to increase efficiency, digitalising internal workflows to reduce consumption of supplies such as paper, and procuring from recycled or sustainable sources.

Aside from managing the environmental impacts of its operations, the Group encourages its customers to adopt a sustainable lifestyle. Customers can contribute to sustainability efforts at ease. The Group offers a one-stop trade-in service that includes complimentary handset content transfer and content and setting clearance on old handsets in stores. In addition to trade-in service made convenient to customers, customers can help to protect the environment through "Recycling Handsets and Accessories" programme by simply disposing their old or unwanted handsets and accessories (such as batteries, chargers, headphones, earpieces, USB cables, stylus pens) in recycling boxes located at selected 3Shops. Items collected under this programme are passed onto the "Computer and Communication Products Recycling" programme run by the Government, industry and other voluntary organisations involved in recycling or reuse practices. Equipment still in working condition is refurbished and donated to people in need, while remaining parts and useful materials are recycled.

The Group also provides innovative digital services and solutions to enable customers in making environmentally responsible choices on how they live and work. For example, as part of the Group's long-term commitment to reducing paper consumption and its carbon footprint, customers are encouraged to opt for electronic

billing via email or SMS. Alternatively, customers are encouraged to view their account billings through the My3 application.

The Group has been awarded the Energywi\$e and Wastewi\$e Certificates by the Hong Kong Green Organisation Certification of the Environmental Campaign Committee for consecutive years in recognition of its ongoing adoption of measures to reduce waste and conserve energy. During the recent assessment period, the Group received Energywi\$e and Wastewi\$e Certificates at the Excellence Level and Basic Level respectively.

### 5.3. Ensuring Environment and Monitoring Compliance

The Group aims to set a positive example for stakeholders in environmental protection, and endeavours to integrate sustainability and climate change impact considerations into its business activities. The Group seeks to share this vision with its business partners, and aims to build a more sustainable future collectively. This is achieved by raising business partners' awareness of environmental issues, eco-friendly practices and professional environmental considerations as outlined in the Supplier Code of Conduct of the Group.

The Group conducts its businesses in accordance with applicable environmental laws, rules and regulations. Regulatory frameworks within the Group are analysed and monitored, with internal policies prepared and updated accordingly. The Group strives to cultivate a greater internal awareness of environmental issues as it spearheads reductions in energy consumption and waste production. Internal communications, training and workshops are used to bolster employee awareness. Internal policies and compliance procedures are in place to reinforce understanding while stimulating change in employee behaviour.

## 5.4. Environmental Key Performance Indicators

		2020	2019
<b>Emission</b>			
Scope 1 emissions	tonne CO <sub>2</sub> e	2,373	3,889
Scope 2 emissions <sup>(6)</sup>	tonne CO <sub>2</sub> e	63,409	63,996
GHG Scope 1 and 2 emissions <sup>(6)</sup>	tonne CO <sub>2</sub> e	65,782	67,885
GHG Scope 1 and 2 emissions <sup>(6)</sup> intensity	tonne CO <sub>2</sub> e/revenue HK\$'000	0.014	0.012
<b>Energy</b>			
Electricity	kWh	109,432,820	110,157,880
Gasoline and diesel	kWh	125,040	156,074
Total energy consumption intensity	kWh/revenue HK\$'000	24.1	19.8
<b>Paper</b>			
Paper	tonne	36	44
Paper recycled	tonne	13	12
<b>Water</b>			
Water	m <sup>3</sup>	1,903	4,384
Water consumption intensity	m <sup>3</sup> /revenue HK\$'000	0.0004	0.0008
<b>Waste management</b>			
General office waste	tonne	62	59
Computer and network equipment	piece	2,796	914
Note: (6) 2019 GHG Scope 2 emissions figures shown above have been restated with revised conversion factors to better reflect the underlying energy consumption.			

## 6. Our Community

### 6.1. Commitment and Achievements

The Group is dedicated to making the local community a better place and creating long-lasting value for its stakeholders. The Group seeks to maintain long-term partnerships with local communities and charities by developing programmes that are mutually beneficial to its businesses and the communities. The Group also encourages employees to participate in volunteering opportunities to amplify its positive contribution.

In line with sound corporate governance practice, donations and contributions are subject to internal compliance guidelines and controls to protect stakeholders' interests. During the year, cash and in-kind donations to charitable organisations benefitting community projects in Hong Kong and Macau amounted to approximately HK\$2.7 million.

The Group has been granted "Caring Company" status for many consecutive years by the Hong Kong Council of Social Service. This is a remarkable recognition of its achievement in incorporating social responsibility and environmental protection

into its business operations. The Group will remain committed to its mission of building a sustainable community with an outlook for the future.

### 6.2. Overcoming the Pandemic Together

Since the beginning of 2020, the COVID-19 pandemic has made a devastating impact on individuals and businesses around the world. During these challenging times, the Group has remained strongly committed to maintaining its outstanding service level, while at the same time continuing its outreach initiatives to support those adversely affected in the community.

The Group is concerned about the disruptions to the education of needy students due to school closures during the pandemic. The Group has donated telecommunications service packs to students from up to 1,000 primary and secondary schools under the "Bandwidth Support for E-learning at Home Scheme" initiated by The Hong Kong Jockey Club along with the assistance of the Hong Kong Federation of Youth Groups and The Boys' and Girls' Clubs Association of Hong Kong. These included free accounts for Zoom classrooms and mobile data services to students in need to facilitate online learning with

a stable and fast internet connection. The Group has also sponsored a project jointly organised by Hong Kong Lutheran Social Service, Lutheran Church – Hong Kong Synod and V Foundation Hong Kong to give away one-year data SIM cards to students in need.



The Group has donated telecommunications service packs to students from up to 1,000 primary and secondary schools under the "Bandwidth Support for E-learning at Home Scheme" initiated by The Hong Kong Jockey Club.

In March 2020, the Group collaborated with Microsoft Hong Kong to provide corporate customers with free subscriptions to Microsoft Office 365 applications and services. This initiative is part of Microsoft Hong Kong's "#EmpowerHK Work-From-Anywhere Support Programme" to help enterprises transcend geographical constraints and enable staff to work from home with peace of mind and remain connected.

### 6.3. Other Community Outreach Initiatives

Giving back to the communities it serves is part of the Group's philosophy. The Group takes advantage of the connective nature of its business to bring community members closer together via its outreach initiatives. These initiatives are broad and diverse, encompassing arts, education, youth engagement and more. The Group's efforts reflect its sense of the role of CSR in collectively realising sustainable community development.

#### 6.3.1. Inspiring Entrepreneurship & Empowering Youth

The Group recognises the importance of entrepreneurship and innovation in driving future sustainable development. The Group proudly supports the "Jumpstarter 2021" Global

Pitch Competition organised by the Alibaba Entrepreneurs Fund. This event supports young start-ups by giving them a platform where business ideas can be showcased and connecting them with industry leaders or investors. It is an empowering platform where ideas can be tested, developed and subsequently realised. Cultivating entrepreneurial spirit is a priority for the Board and management of the Group. Notably the Chief Executive Officer is a mentor of the Alibaba Entrepreneurs Fund, taking a hands-on approach in sharing his expertise and providing valuable guidance to future entrepreneurs.

#### 6.3.2. Cultural Contributions

In June 2020, the Group organised Hong Kong's first 5G 4K live streaming Chinese music charity concert with the Hong Kong Chinese Orchestra ("HKCO"). Entitled "5G. Syncs with the Power of Drums", this initiative was one key means of exploring the role of telecommunications technology in the advancement of culture. The Group tailored the 5G LIVE Up Broadcasting Solution for the orchestra, demonstrating the power of 5G in delivering high-quality content at ultra-fast speeds as well as the applications of such technology in widening access to the arts. Young professional wind and percussion players from the HKCO delighted viewers with their performances, encouraging the Hong Kong audience at home to stay strong during the pandemic. The concert was solely sponsored by HSBC, with all proceeds after deducting production costs donated to The Community Chest of Hong Kong.



The Group brings community members closer together through its outreach initiatives encompassing arts, education, youth engagement and more.



Senior citizens from a number of charitable organisations continue to benefit from the Group's Lo-Yau-Kei Monthly Service Plans Sponsorship.

### 6.3.3. Connecting with the Elderly and Vulnerable

The year 2020 marked the 10th anniversary of the Group's Lo-Yau-Kei Monthly Service Plans Sponsorship. Senior citizens from a number of charitable organisations continue to benefit from this "waiver-of-service-fee" scheme, which has enabled more senior citizens to stay connected with friends and family during the COVID-19 pandemic.

The Group supported Yan Chai Hospital's Smart Electronics Product Recycling Programme by donating display handsets to low-income families and senior citizens, along with a one-year service fee waiver.

Since 2017, the Group has sponsored the Hong Chi Association's ("Hong Chi") hc:Corner. Hong Chi is a non-profit organisation dedicated to serving people of all ages and all grades of intellectual disability. hc:Corner offers light food and beverages in a relaxing environment for employees in the Hutchison Telecom Tower, and in return provides job opportunities and assists Hong Chi's trainees in developing to their full potential.

### 6.3.4. Advocating Energy Saving Habits

As part of a city-wide effort in promoting innovation, the Group joins force with HK Electric to develop a solution that enhances consumers' understanding of electricity consumption habits. The solution takes advantage of 3 Hong Kong's supreme mobile network to provide secure and reliable data transmission to HK Electric's Advanced Metering Infrastructure scheme, which commenced in April 2020. Once deployed, the information available will facilitate customers to optimise their energy use, empowering them to protect the environment and supporting Hong Kong's transformation into a smart city.

### 6.3.5. Leveraging Network Capabilities to Widen Accessibility to Information

Leveraging the strengths of its network and extensive customer base, the Group disseminates free text messages for the Hong Kong Committee for UNICEF's "for every child, hygiene" campaign on information about child face mask giveaways. Other organisations, including the HKCO, the Narcotics Division of the Security Bureau, WWF - Hong Kong and Sheng Kung Hui St Christopher's Home, have also benefitted from free SMS and MMS disseminations.

In Macau, the Group continued to support charitable events organised by the Charity Fund from the Readers of *Macao Daily News*. 3 Macau made cash donations and offered free donation platforms that enabled customers to make contributions to the fund. 3 Macau's employees and their friends and family continued to participate in the annual charity "Walk for a Million" virtual walk to raise funds for the underprivileged.



## 7. References to the HKEx ESG Guide

The ESG Guide Content Index set out below contains information about the extent to which the Group has applied the HKEx ESG Guide and cross-references the Group policies and initiatives outlined in this Report.

A. Environmental			
Aspect A1: Emissions		Section	Remarks
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 GHG, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.1 5.1 5.3	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility Policy <a href="#">↗</a></li> <li>• Environmental Policy <a href="#">↗</a></li> <li>• Supplier Code of Conduct <a href="#">↗</a></li> </ul> <p>The Group complies with relevant environmental laws and regulations that have a significant impact on it in the markets that it operates.</p>
KPI A1.1	The types of emissions and respective emissions data.	5.1 5.4	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG (in tonnes) and, where appropriate, intensity.	5.1 5.4	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	-	Not applicable
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	5.4	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	5.1 5.2 5.3 5.4	
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.	5.2 5.3	
Aspect A2: Use of Resources		Section	Remarks
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	2.1 5.1 5.2 5.3	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility Policy <a href="#">↗</a></li> <li>• Environmental Policy <a href="#">↗</a></li> <li>• Supplier Code of Conduct <a href="#">↗</a></li> </ul>
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	5.1 5.4	
KPI A2.2	Water consumption in total and intensity.	5.4	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.1 5.2 5.3	
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.	-	Not applicable
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	-	The Group is primarily engaged in provision of mobile telecommunications and other related services.
Aspect A3: The Environment and Natural Resources		Section	Remarks
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.1 5.1 5.2 5.3	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility Policy <a href="#">↗</a></li> <li>• Environmental Policy <a href="#">↗</a></li> <li>• Supplier Code of Conduct <a href="#">↗</a></li> </ul>
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.1 5.2	

## A. Environmental

Aspect A4: Climate Change		Section	Remarks
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	5.1 5.2 5.3	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility Policy <a href="#">↗</a></li> <li>• Environmental Policy <a href="#">↗</a></li> <li>• Supplier Code of Conduct <a href="#">↗</a></li> </ul>
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.	5.1 5.2 5.3	

## B. Social

## Employment and Labour Practices

Aspect B1: Employment		Section	Remarks
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, anti-discrimination, and other benefits and welfare.	2.1 4.1 4.3 4.5	<ul style="list-style-type: none"> <li>• Code of Ethics <a href="#">↗</a></li> </ul> <p>The Group complies with relevant employment and labour laws and regulations that have a significant impact on it in the markets that it operates.</p>
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	4.1	Not applicable for geographical region.
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	4.3	Not applicable for geographical region.
Aspect B2: Health and Safety		Section	Remarks
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.	2.1 4.4	<ul style="list-style-type: none"> <li>• Health and Safety Policy <a href="#">↗</a></li> </ul> <p>The Group complies with relevant health and safety laws and regulations that have a significant impact on it in the markets that it operates.</p>
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	-	No such case recorded in each of the past three years including the reporting year.
KPI B2.2	Lost days due to work injury.	-	No significant work injury recorded during the reporting year.
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.4	<ul style="list-style-type: none"> <li>• Health and Safety Policy <a href="#">↗</a></li> </ul>
Aspect B3: Development and Training		Section	Remarks
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	2.1 4.2	
KPI B3.1	The percentage of employees trained by gender and employee category.	4.2	
KPI B3.2	The average training hours completed per employee by gender and employee category.	4.2	

B. Social			
Aspect B4: Labour Standards		Section	Remarks
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.	2.1 4.5	<ul style="list-style-type: none"> <li>Human Rights Policy <a href="#">↗</a></li> <li>Modern Slavery and Human Trafficking Statement <a href="#">↗</a></li> <li>Supplier Code of Conduct <a href="#">↗</a></li> </ul>
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.5	The Group complies with relevant laws and regulations that have a significant impact in relation to preventing child and forced labour.
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.5	

Operating Practices			
Aspect B5: Supply Chain Management		Section	Remarks
General Disclosure	Policies on managing environmental and social risks of the supply chain.	2.1 3.4	<ul style="list-style-type: none"> <li>Human Rights Policy <a href="#">↗</a></li> <li>Modern Slavery and Human Trafficking Statement <a href="#">↗</a></li> <li>Supplier Code of Conduct <a href="#">↗</a></li> </ul>
KPI B5.1	Number of suppliers by geographical region.	3.4	
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.	3.4	<ul style="list-style-type: none"> <li>Purchasing Policy</li> <li>Business Partner Evaluation Policy</li> <li>Policy on Appointment of Third Party Representatives <a href="#">↗</a></li> </ul>
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.4	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.4	
Aspect B6: Product Responsibility		Section	Remarks
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.	2.1 3.2	<ul style="list-style-type: none"> <li>Code of Ethics <a href="#">↗</a></li> <li>Policy on Personal Data Privacy Compliance <a href="#">↗</a></li> </ul> <p>No substantial complaints regarding health and safety, advertising, labelling and privacy matters relating to the provision of products and services are recorded during the reporting period.</p>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	-	Not applicable
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	3.1	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	-	Not applicable
KPI B6.4	Description of quality assurance process and recall procedures.	-	Not applicable
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	3.2	<ul style="list-style-type: none"> <li>Information Security Policy <a href="#">↗</a></li> <li>Policy on Personal Data Privacy Compliance <a href="#">↗</a></li> </ul>

Operating Practices			
Aspect B7: Anti-corruption		Section	Remarks
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.	2.1 3.3 3.4	<ul style="list-style-type: none"> <li>• Code of Ethics <a href="#">↗</a></li> <li>• Anti-Fraud and Anti-Bribery Policy <a href="#">↗</a></li> <li>• Policy on Appointment of Third Party Representatives <a href="#">↗</a></li> </ul> <p>No recorded cases of non-compliance with laws and regulations relating to anti-fraud and anti-bribery during the reporting period.</p>
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.	3.3	No such cases recorded during the reporting period.
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	3.3	<ul style="list-style-type: none"> <li>• Procedures for Reporting Possible Improprieties in Matters of Financial Reporting or Internal Control <a href="#">↗</a></li> </ul>
KPI B7.3	Description of anti-corruption training provided to directors and staff.	3.3	

Community			
Aspect B8: Community Investment		Section	Remarks
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.	2.1 6.1	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility Policy <a href="#">↗</a></li> </ul>
KPI B8.1	Focus areas of contribution.	6.2 6.3	
KPI B8.2	Resources contributed to the focus area.	6.1 6.2 6.3	