SUSTAINABILITY REPORT

The Group is committed to contributing to sustainable living by providing connectivity and innovative services to its customers, while engaging in responsible and ethical business actions that build trust with all its stakeholders.

Sustainability Report

1. About this 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 2021.

The Group is a pioneer in mobile data communication technologies, offering diverse and innovative mobile telecommunications and data solutions that create new digital value and unprecedented opportunities to consumers and businesses in the ever-changing digital landscape. The collaborative approach of the Group combined with its supreme network and advanced technology, such as artificial intelligence, Internet of Things ("IoT") and big data, enables the delivery of secure, 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 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 engaging in responsible and ethical business actions that build trust with all its stakeholders.

Reporting Period
This Report covers the year from 1 January to 31 December 2021, unless otherwise specified.

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 was prepared in accordance with mandatory disclosure requirements and the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide (the "ESG Guide") as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The ESG content index set out in Section 9. HKEx ESG Guide Content Index to this report outlines how the ESG Guide has been applied.

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

Feedback
The Group values feedback and suggestions from all stakeholders on this Report, its approach to sustainability and performance. Please contact us through the QR code below or email to ir@hthkh.com.

2. Reporting on What Matters
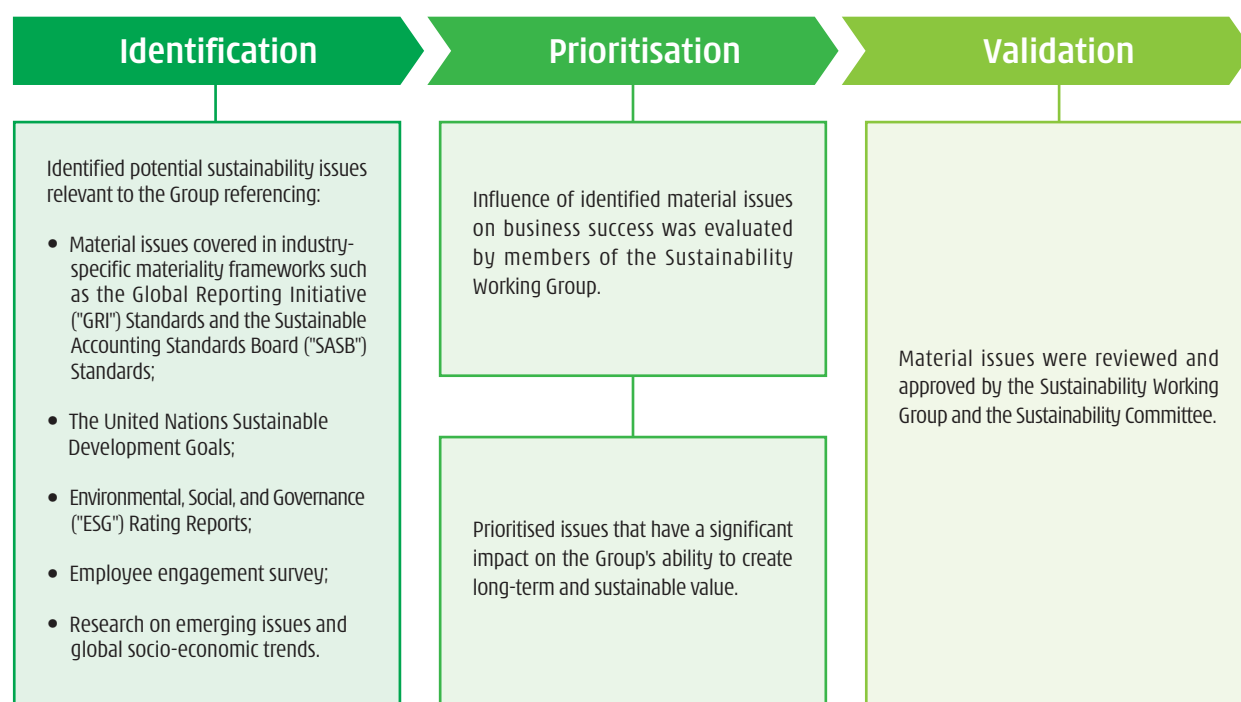
2.1. Stakeholder Engagement

As one of the leading mobile telecommunications operators in Hong Kong and Macau, the Group is committed to a wide range of stakeholders including employees, customers, suppliers and business partners, shareholders and investors, banks and creditors, governments and regulators, local communities and non-governmental organisations. 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. Understanding stakeholder views is crucial to defining a strategy that has the interests of society and the environment at heart. 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.

The Group engages in open and transparent dialogues with its key stakeholders. The Group regularly collects stakeholders' views through a variety of channels, such as meetings, workshops, surveys and feedback programmes to understand their views and meet their expectations.
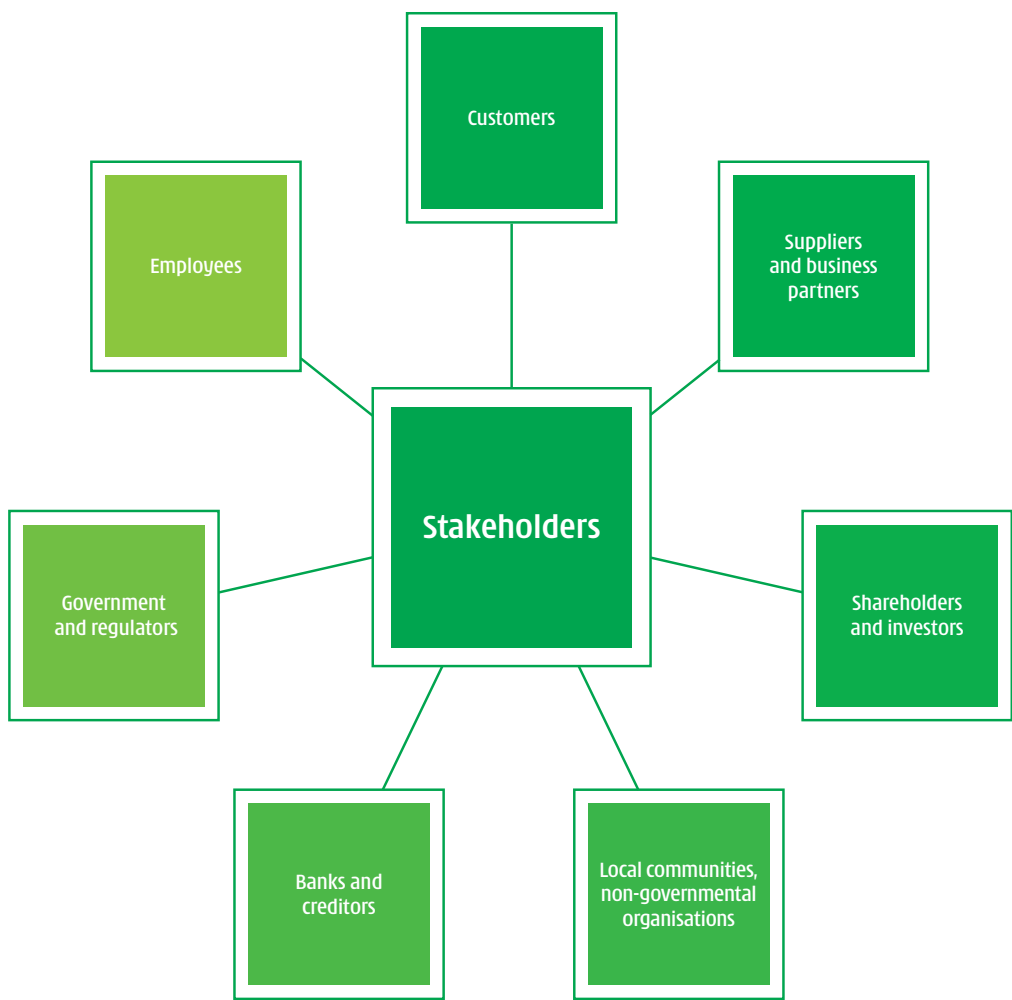
2.2. The Materiality Assessment Process

The Group conducted a materiality assessment to define the material sustainability issues faced by its operations that are perceived to be the most significant to the Group and its stakeholders. The materiality assessment of the Group is an iterative process conducted annually to account for new information and emerging trends by way of a three-step process: identification, prioritisation, and validation.

Identification	Prioritisation	Validation
Identified potential sustainability issues relevant to the Group referencing: • Material issues covered in industry-specific materiality frameworks such as the Global Reporting Initiative ("GRI") Standards and the Sustainable Accounting Standards Board ("SASB") Standards; • The United Nations Sustainable Development Goals; • Environmental, Social, and Governance ("ESG") Rating Reports; • Employee engagement survey; • Research on emerging issues and global socio-economic trends.	Influence of identified material issues on business success was evaluated by members of the Sustainability Working Group. Prioritised issues that have a significant impact on the Group's ability to create long-term and sustainable value.	Material issues were reviewed and approved by the Sustainability Working Group and the Sustainability Committee.

The following table summarises the material sustainability issues for the business by importance to stakeholders and impact on business:
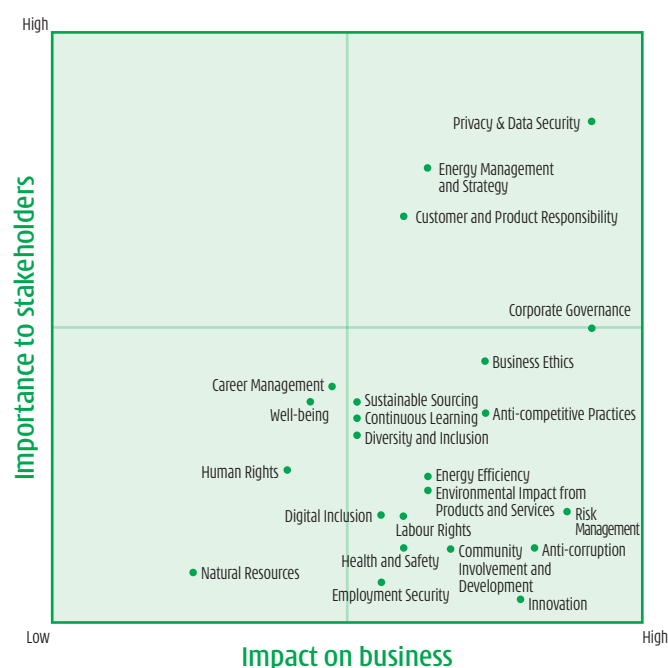
The results facilitate the Group in steering its sustainability strategies, prioritisation of its sustainability activities, and the establishment of meaningful metrics for effective performance evaluation. The Group also sets specific targets and roadmaps to achieve its sustainability mission.

3. Sustainability Framework

3.1. Enhanced Sustainability Framework

Following the three-step materiality assessment, the overall sustainability framework, approach and priorities of the Group are developed on four pillars: Governance, Environmental, Social, and Sustainable Business Model and Innovation. 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.

3.2. Group-wide Goals

The Group is committed to playing its part in achieving the United Nations Sustainable Development Goals ("SDGs") and the ambitions set out in the 2015 Paris Agreement.

Nine Group-wide goals were developed to guide the Group's sustainability strategies and initiatives. To focus on what matters the most, the Group has set out four priority focus areas for 2021-22.

While the goal — Take all steps to protect employees and support communities and other stakeholders through the pandemic — is not a perpetual goal as in the case of the others, it has been listed as a priority given the significance of the pandemic and to ensure resources are prioritised for its impacts and the path to recovery.

Governance

17 PARTNERSHIPS FOR THE GOALS

1. Embed rigorous and effective governance
- Maintain transparent corporate governance that guides the Group in making balanced decisions that benefit all stakeholders.

2. Operate responsibly with integrity
- Adhere to the highest compliance and anti-corruption standards and always act with integrity;
- Promote environments where employees feel comfortable to speak up;
- Implement leading practice approaches to data privacy and cyber security.

Enviornmental

13 CLIMATE ACTION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

3. Take action on climate change ★
- Contribute to helping the world achieve the goal set out in the 2015 Paris Agreement – to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels;
- Manage the physical and transition risks of climate change, and seize the opportunities presented as the low carbon transition continues;
- Encourage and embrace scientific and technological innovation to accelerate reductions in the carbon footprints of the Group's businesses;
- Develop carbon footprints including scope 1, 2 and 3 emissions along with the help of carbon experts;
- Set medium and long-term targets on key performance indicators ("KPIs").

4. Protect natural resources
- Conserve water, prevent pollution to land, water and air, and protect and restore biodiversity.

5. Promote a circular economy
- Integrate circular thinking into business strategies through responsible raw material sourcing, efficient production processes and product design, and inspiring sustainable consumer behaviours.

Social

10 REDUCED INEQUALITIES

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

6. Create great places to work ★
- Attract, develop and retain a high-performing and engaged workforce;
- Make work an equitable, diverse and inclusive environment that reflects the diversity of the communities in which the Group operates;
- Promote zero-harm and healthy workplaces.

7. Help to build thriving and resilient communities
- Deliver business growth that benefits the communities in which the Group operates;
- Invest in programmes for meaningful impact and foster long-term relationships.

8. Protect employees and support communities and other stakeholders through the pandemic ★
- Keep employees safe; provide employees with the tools and support to successfully work from home; support employee well-being;
- Protect the health and well-being of customers;
- Maintain focus to supporting healthcare services globally and the needs of the vulnerable;
- Prioritise health and wellness over profit whenever and wherever the Group's employees or communities are at risk.

Sustainable Business Model and Innovation

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

9. Offer customers sustainable products and invest in and embrace innovation to achieve transformational impacts ★
- Invest in innovation to provide transformational sustainability impact as well as ensure future-fit businesses;
- Adapt products and services to be more sustainable, while always ensuring the highest levels of product and service quality and safety;
- Communicate the sustainability benefits of products and services to customers with transparency and authenticity;
- Partner with suppliers that share the Group's sustainability priorities and uphold high levels of environmental and ethical conduct.

★ 2021/22 priority goals

Progress and actions to address these priority goals are discussed in the section of its corresponding pillars.

4 Governance

Goals:
- Embed rigorous and effective governance
- Operate responsibly with integrity

4.1. Sustainability Governance Structure

4.1.1. Commitment

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 Sustainability Policy (formerly known as "Corporate Social Responsibility Policy"), serves as the ultimate guiding principles for sustainability practices within Group. They are critical in translating the values of the Group into actions, reinforcing the commitments of the Group 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.
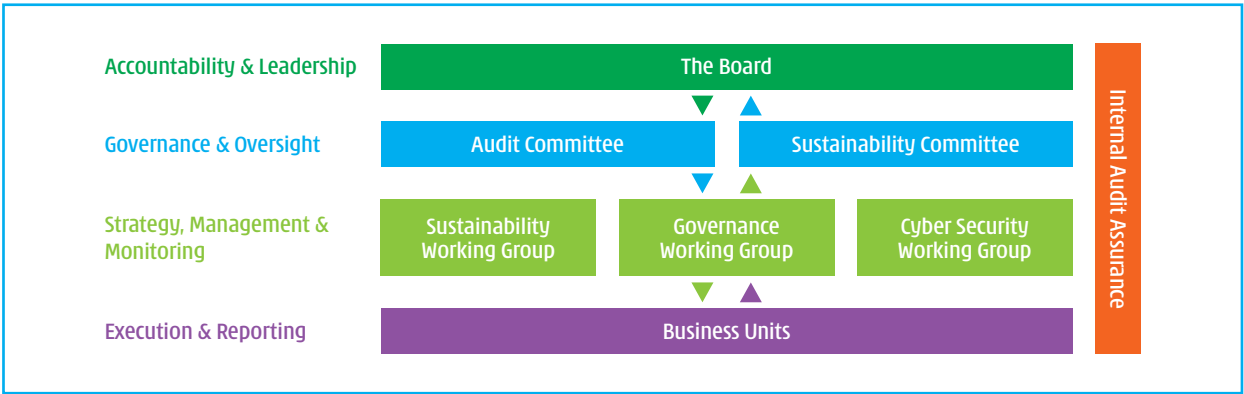
4.1.2. The Board

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.

4.1.3. Board Diversity

As at 31 December 2021, the Board comprised nine Directors, including the Chairman (Non-executive), two Co-Deputy Chairmen (Non-executive), an Executive Director and Chief Executive Officer, two Non-executive Directors and three Independent Non-executive Directors. The Nomination Committee, chaired by Dr Wong Yick Ming, Rosanna, Independent Non-executive Director, with Chairman Mr Fok Kin Ning, Canning and Independent Non-executive Director Mr Ip Yuk Keung as members, is responsible for reviewing the structure, size, diversity profile and skills set of the members of the Board. The Group values the benefits of a diverse Board that possesses a balance of skills set, expertise, experience and perspective. Appointment of Directors is based on attributes that the selected Director will bring to the Board. Female directors accounted for 22% of the Board in 2021. On the date of this report, the Board comprised nine directors of which female directors accounted for 22% of the Board.

Accountability & Leadership	The Board		Internal Audit Assurance
Governance & Oversight	Audit Committee	Sustainability Committee	
Strategy, Management & Monitoring	Sustainability Working Group	Governance Working Group / Cyber Security Working Group	
Execution & Reporting	Business Units		

4.1.4. Sustainability Committee

The Sustainability Committee, formed in 2020 as a Board Committee, is chaired by Ms Edith Shih, a Non-executive Director and the Company Secretary with Mr Koo Sing Fai, Executive Director and Chief Executive Officer, and Dr Wong Yick Ming, Rosanna, Independent Non-executive Director, as members. The Sustainability Committee advises the Board and management on and oversees the development and implementation of the 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.

During 2021, the Sustainability Committee reviewed and approved the 2020 Sustainability Report, as well as sustainability priorities and target for the Group discussed in this report. The Sustainability Committee will continue to oversee and receive updates particularly on the priority goals. For more information, please refer to the Terms of Reference ⬀ of the Sustainability Committee.
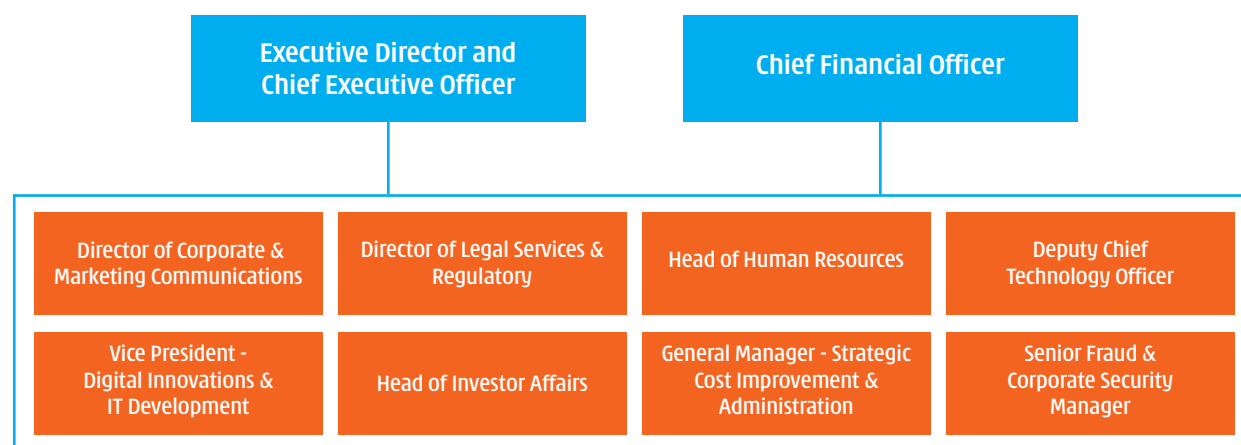
4.1.5. Audit Committee

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 per the Terms of Reference ⬀ of the Audit Committee and the Corporate Governance Report as set out on pages 47 to 71 of this Annual Report for more information.

4.1.6. 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. To further strengthen its sustainability management approaches, the Group has dedicated sustainability resources to exchange views on the sustainability risks and opportunities with key stakeholders to drive Group-wide sustainability strategies.

Sustainability Working Group Members

Executive Director and Chief Executive Officer		Chief Financial Officer	
Director of Corporate & Marketing Communications	Director of Legal Services & Regulatory	Head of Human Resources	Deputy Chief Technology Officer
Vice President - Digital Innovations & IT Development	Head of Investor Affairs	General Manager - Strategic Cost Improvement & Administration	Senior Fraud & Corporate Security Manager

4.1.7. 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.

4.1.8. 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.

4.1.9. Business Units

The everyday implementation of the sustainability approach of the Group relies on the support of its business units. Regular task force meetings are held to report on sustainability target performance and self-assessment results on the effectiveness of risk management and internal control systems in place; as well as to act and respond to sustainability risks and opportunities.

4.1.10. Internal Audit Assurance

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 including those relating to sustainability. Please refer to the Corporate Governance Report as set out on pages 47 to 71 of this Annual Report for more information.

4.1.11. Sustainability Risk Management

As part of its enterprise risk management, 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 on a half-yearly basis. A review of the goals and targets addressing sustainability issues also forms part of the self-assessment review. 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.

In 2021, climate change was given additional focus during the risk assessment process and noted as a greater priority going forward.

Crisis Management Team

Safeguarding the business

As a telecommunications service provider serving millions, the Group has a vital role in keeping communities connected. It is therefore committed to protecting its assets and data from cyber-attacks and delivering stable, effective connectivity, especially in times of crisis.

To fulfil this commitment, the Group has developed specific business continuity plans and manuals designed to maintain network resilience, as part of its wider risk management framework. These policies and manuals lay out the procedures, management responsibilities, internal and external actions and communications to be undertaken in times of crisis. A Crisis Management Team consisting of senior executives of the Group has also been established to coordinate responses and actions at a strategic or tactical level. Annual crisis drills are conducted to ensure that key members of the team are well prepared for any emergency.

The Group's solid risk management framework and associated protocols proved valuable in the face of the challenges of the COVID-19 pandemic. They enabled the Crisis Management Team to make rapid and effective decisions to protect staff infected by or exposed to COVID-19, while at the same time minimising any disruptions to services and operations.

4.2. Corporate Governance

4.2.1. Commitment

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

Accordingly, the Group has adopted and applied corporate governance principles and practices that emphasise a quality board, effective risk management and internal control systems, stringent disclosure practices, transparency and accountability. It is committed to continuously enhancing these practices and inculcating an ethical corporate culture. Please refer to the Corporate Governance Report as set out on pages 47 to 71 of this Annual Report for more information.

Corporate Governance Policies

- Anti-Fraud and Anti-Bribery Policy ↗
- Board Diversity Policy ↗
- Code of Ethics ↗
- Director Nomination Policy ↗
- Information Security Policy ↗
- Media, Public Engagement and Donation Policy ↗
- Policy on Appointment of Third Party Representatives ↗
- Policy on Personal Data Governance (formerly known as "Policy on Personal Data Privacy Compliance") ↗
- Policy on Securities Dealings and Handling of Confidential and Price-sensitive Inside Information ↗
- Shareholders Communication Policy ↗
- Whistleblowing Policy (formerly known as "Procedures for Reporting Possible Improprieties in Matters of Financial Reporting or Internal Control") ↗

Sustainability Policies

- Environmental Policy ↗
- Health and Safety Policy ↗
- Human Rights Policy ↗
- Modern Slavery and Human Trafficking Statement ↗
- Supplier Code of Conduct ↗
- Sustainability Policy (formerly known as "Corporate Social Responsibility Policy") ↗

4.2.2. Anti-Fraud and Anti-Bribery ("AFAB") Policy and Code of Ethics (the "Code")

The Code, available on the website and intranet of the Company, sets out the professional and ethical standards for the employees to observe in all business dealings, including provisions dealing with conflict of interests, fair dealings and integrity, corruption, political contribution, confidentiality, personal data protection and privacy, as well as whistleblowing procedures. All employees are required to annually declare their acknowledgement and compliance with the Code and related policies.

Employees should report the conduct or action by any employee that does not comply with the law or with the Code in accordance with the Suspected Fraud and Reportable Events Report Procedures or the Confidential Whistleblowing Mechanism.

The AFAB Policy outlines the zero-tolerance approach of the Group to bribery and corruption and guides employees in victimising the circumstances which may lead to, or give the appearance of, being involved in corruption or unethical business conduct. It includes provisions relating to kickbacks, political and charitable contributions, gifts and hospitality, and procurement of goods and services. For political donations, in accordance with the AFAB Policy as well as the Media, Public Engagement and Donation Policy, it is the general policy of the Group not to make any forms of donations to political associations or individual politicians.

4.2.3. 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 whistleblowing mechanisms of the Group. All reported incidents 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 reported incidents will be treated in a highly confidential manner and whistleblowers will be protected from unfair dismissal, victimisation or unwarranted disciplinary action.

Incidents or suspected incidents of fraud and corruption are immediately investigated. Internal Audit is responsible for reviewing every reported incident, seeking relevant stakeholders for direction or comment, determining which incident requires a more in-depth investigation, and escalating promptly to the Audit Committee if the incident is of a significant nature. A summary of the reported incidents and relevant statistics (including results of independent investigations and actions taken) is presented to the Chief Financial Officer on a quarterly basis. For concerns that are substantiated, disciplinary actions including verbal or written warning and termination of employment are taken after due management consideration. Violations of the laws and regulations are reported to the police or other law enforcement organisations.

4.2.4. Communication and Training

All employees are well informed of the Code and other relevant policies and are required to annually declare their acknowledgement and compliance with the Code and related policies. The Code, the AFAB Policy and other relevant policies are available on the website and intranet of the Company.

Digitalised Training

Knowledge shaped to individuals needs and schedules

Phase 1 of the Group's digitisation project to revitalise the training experience was completed in 2020. This involved digitising the annual compliance refresher course, and creating an on-demand format available to all employees throughout the year on the intranet. Given the flexibility of the new arrangements, the Group decided to make the on-demand training a mandatory requirement for all its staff in 2021. This has resulted in employees across the Group enhancing their awareness and understanding of the internal controls and compliance procedures of the Group, and building a shared sense of responsibility and personal empowerment. Periodic fraud alerts about new or common fraud schemes are also circulated to staff to keep them up-to-date with these significant threats to the Group's business.

4.2.5. 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. 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. Please refer to the Corporate Governance Report as set out on pages 47 to 71 of this Annual Report for more information.

4.3. Data Privacy and Information Security

4.3.1. Commitment

The rapid development of regulations on data privacy and information 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 the trust of customers and employees.

The Group is committed to safeguarding and protecting their personal data. Employees must collect and use personal data only in accordance with applicable data protection laws, the Group's 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.

▷ The Group is committed to safeguarding and protecting personal data.

4.3.2. Data Privacy Policies and Control Systems

The Regulatory Advisory Committee, supported by the Data Protection Committee, is responsible for overseeing personal data protection of the Group. The Policy on Personal Data Governance (formerly known as "Policy on Personal Data Privacy Compliance") and Information Security Policy together with the Code and other related policies, procedures and guidelines of the Group, set out the governance framework for safeguarding employees and customers' personal data of the Group. 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.

4.3.3. Data Privacy Guidelines and Awareness Campaign

All employees are required to fully adhere to the Policy on Personal Data Governance, Internal Guidelines on Data Retention and Access to Personal Data, other relevant policies, procedures and guidelines of the Group as well as applicable data protection laws. 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 are 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.

Data Privacy Principles	
Data Collection	• Collect only necessary and relevant personal data for specified, clear and legitimate purposes
Use of Data / Data Access	• Use personal data in a lawful, fair and transparent manner • Provide a clear, transparent, understandable and updated Privacy Notice • Ensure the use of personal data in compliance with applicable data protection laws • Restrict employee access to personal data on a need-to-know basis only
Data Accuracy	• Take appropriate steps to ensure personal data held are accurate and up-to-date
Data Security	• Use encryption techniques to retain, use and transmit personal data • Maintain stringent and adequate security measures to protect personal data that the Group is entrusted against unauthorised or unlawful access • Review security measures regularly to ensure protection level is appropriate
Data Retention	• 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 • Erase personal data from the system that are no longer required for the purpose for which they were collected
Rights of Individuals	• Process personal data in accordance with the rights of individuals under applicable data protection laws • Handle requests from individuals to access, amend or delete their personal data in a manner compliant with applicable data protection laws

4.3.4. 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 4.1.8. 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 Legal & Regulatory Affairs Department and the Corporate Security team of the Group 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.

5 The Environment

Goals:
- Take action on climate change ★
- Protect natural resources
- Promote a circular economy

★ 2021/22 priority goals

5.1. Energy Management Strategy

The Group is conscious of the environmental impact associated with its business activities, and especially the impact of rising energy usage as a result of ever-increasing data traffic. It is committed to managing its footprint across its network and operations to contribute positively to environmental sustainability, in particular by becoming more energy efficient.

There are two main ways in which the Group is working to enhance its energy management. One is by an increasing its use of innovative and efficient technologies, processes and systems to enhance connectivity while reducing energy usage. The other is by embracing and encouraging behavioural change, in its employees, suppliers, business partners and customers. To this end, it had developed an Environmental Policy that contains strategies for achieving a culture of efficiency and good environmental stewardship practices.

Approach to Environmental Sustainability

- Complying with relevant environmental legislations and regulations;
- Handling environmental complaints and responding to environmental inquiries in a timely manner, taking necessary actions to resolve any problems or concerns as soon as possible, and adopting preventive measures to avoid the recurrence of similar incidents;
- Implementing environmental management systems to embed and standardise good practices to both manage and reduce the environmental impact of its operations;
- Promoting and stimulating behavioural change amongst existing and potential employees through internal communication, training and other means;
- Cultivating a greater internal awareness of environmental issues to reduce energy consumption;
- Reporting on the environmental impact and performance of the Group through platforms such as the corporate website and, on an annual basis, the Sustainability Report contained in the annual report;
- Continuing to engage and consult with the stakeholders of the Group to improve its environmental performance and mitigate any adverse environmental impact from its operations.

▷ The Group is committed to contributing positively to environmental sustainability.

Managing Direct Impact

- Identifying the challenges posed by climate change and ways of addressing them;
- Developing strategies in line with global best practices to help the Group adapt to and mitigate the impact of climate change on its operations;
- Assessing climate change and the associated risks and opportunities in the Group's enterprise risk management assessments;
- Implementing measures to protect natural resources and promote a circular business model.

Managing Indirect Impact

- Influencing suppliers by raising awareness of environmental issues;
- Raising awareness of environmental issues and promoting sustainable practices in the community;
- Supporting and promoting green procurement practices.

5.2. Challenges and Opportunities

Climate change is a global challenge to communities and businesses, and to the Group. The Group is striving to integrate climate change considerations across its business practices. The Group is aware that its introduction of 5G connectivity is leading to significant growth in the number of connected devices, and the growing amount of transmitted data is leading to a corresponding increase in energy consumption. One of its key challenges is therefore to enhance the energy efficiency of its mobile networks.
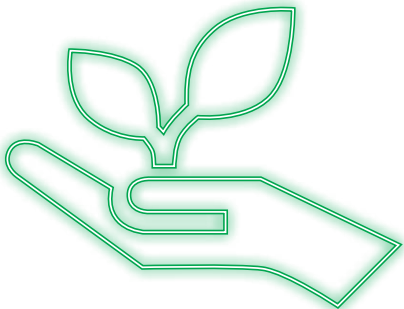
At the same time, 5G connectivity is offering data speed and capacity at a fundamentally different level from that of 4G. It is unlocking potential for applications in business, infrastructure, education, art & culture, sport and research that are expected to transform our modes of living over the next decade. In particular, it is enabling applications that have the potential to act as key drivers for the low carbon transition. In this way, highly efficient connectivity can bring sustainability benefits that more than offset the associated rise in energy usage.

5.3. Committed to contributing positively to sustainability goals

The scope 1 Greenhouse Gas emissions ("GHG") of the Group relate largely to the consumption of refrigerants for cooling, while scope 2 emissions relate to electricity consumption by its network facilities and equipment. Approximately 90% of the Group's electricity consumption relates to network infrastructure and plants which require a continuous supply of power, such as antennas and data centres, as well as air-conditioning to keep equipment within a constant and optimal temperature range. The remaining energy consumption is attributable to offices, call centres, owned stores and the corporate fleet.

The Group is committed to achieving environmental sustainability. Key performance indicators along with other Group-wide goals are helping the Group to manage the environmental impacts of its business activities without compromising network performance.

The Group 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), and in Hong Kong and Macau. One of 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 to set emission reduction targets.

Targets

Carbon Intensity Target	• 70% reduction by 2025 against 2018 baseline • 10% annual reduction
Paper consumption Target	• 40% reduction by 2025 against 2018 baseline • 2% annual reduction
Recycled Waste Target	• Achieve recycling rate of 35% for general office waste by 2022

Note: Recycled waste target only applies to waste generated from the Hong Kong office.

5.4. Enabling a low carbon transition

The Group regularly reviews its operations to enhance its operational efficiency and lower its energy consumption. Over the past few years, it has optimised floor space in its switching centres and applied energy-efficient technology to its network equipment. Other actions contributing to its transition to a low carbon future include enhanced governance reporting processes and behavioural change campaigns.

Action on Climate Change
High impact projects launched during the year

Actions to increase energy efficiency	• Floor space utilisation improved to increase energy efficiency; • Energy saving controls and features installed to reduce energy demand; • Legacy equipment decommissioned and replaced to enhance efficiency.
Reporting and Monitoring	• Target set for carbon intensity.
Third-party expert engagement	• As part of CKHGT, the Group took part in a project in 2020 with a third party expert to set a science-based target, develop a carbon footprint to identify hotspots, and conduct gap analysis against recommendations set out in the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations.
Behaviour Change Campaigns	• Recycling campaign to encourage behaviour change; • A range of initiatives and system upgrades to enable a paperless workflow; • Bring-Your-Own Cups initiative to encourage reusable cups; • Optimised automatic switch-off configurations of monitors, lighting system and copy machines.

5.5. Optimising Resource Use

The Group engages in reduction, reuse and recycling activities to reduce waste. Relevant actions include streamlining procedures and processes to increase efficiency, digitising internal workflows to reduce consumption of supplies like paper, and procuring certain items from recycled or sustainable sources.

Waste-cutting Initiatives		
Reduction	**Recycling**	**Reuse**
Ceased complimentary paper bills for new retail customers	Paper Recycle Campaign to encourage employees to recycle used paper	Bring-Your-Own cups and ceased provision of disposable cups
Default duplex printing to reduce paper consumption	Decarbonisation and Recycling Corners are set up on all floors to raise awareness and collect recyclabe items	Procured bulk packaging for common supplies

▷ Customers can help protect the environment by disposing old or unwanted handsets and accessories.

The Group was awarded the Energywi$e and Wastewi$e Certificates by the Hong Kong Green Organisation Certification of the Environmental Campaign Committee in 2020 and 2021 respectively in recognition of its ongoing adoption of measures to reduce waste and conserve energy. For the most recent assessment period, the Group received Energywi$e and Wastewi$e Certificates at the Basic Level and Good Level respectively.

Note: The Energywi$e and Wastewi$e Certificates awarded by the Hong Kong Green Organisation Certification of the Environmental Campaign Committee will expire in June 2022 and September 2022 respectively.

5.6. Adopting a sustainable lifestyle

The Group also encourages its customers to adopt a sustainable lifestyle, and makes it easy for them to contribute to sustainability efforts. For example, it provides a one-stop trade-in service that includes complimentary handset content transfer and content and setting clearance on old handsets in stores. Customers can also help to protect the environment through the Recycling Handsets and Accessories Programme, under which they can dispose of their old or unwanted handsets and accessories (such as batteries, chargers, headphones, earpieces, USB cables and stylus pens) in recycling boxes in selected 3Shops. Items collected under this programme are passed on to the Computer and Communication Products Recycling Programme run by the government with industry partners and voluntary organisations. Equipment still in working condition is refurbished and donated to people in need, while other parts and useful materials are recycled.

Second Chance for Phone Cases

Every year, millions of mobile phones are produced, and to match with the new mobile phones, different new phone cases are introduced. Unlike mobile phones, phone cases are generally made from plastic with no resale value. Every year more than one billion mobile phone cases are dumped in landfills.

During the year, the Group joined forces with CASETiFY in support of an initiative to recycle used phone cases, placing a RECASETiFY recycling box in one of its high-traffic stores, the Causeway Bay 3Supreme Shop together with promotional discount to encourage a circular economy.

The collected cases are either properly processed for environmentally-friendly disposal or rebuilt into brand new cases.

The Group also provides useful digital services and solutions to help customers make environmentally responsible choices for living and working. For instance, customers can access their bills via email or SMS and manage their account billing arrangements through the My3 application.

5.7. Ensuring Environment and Monitoring Compliance

The Group integrates considerations of sustainability and climate change impact into its business activities in order to set a positive example for its stakeholders. It also seeks to share this vision with its business partners with the aim of collectively building a more sustainable future. It is to raise 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 through campaigns to reduce energy consumption and waste. Internal communications, trainings and workshops are used to bolster employee awareness while internal policies and compliance procedures reinforce understanding and stimulate changes in employee behaviour.

▷ The Group is committed to fostering a collaborative and diverse working environment for employees.

6 Social

Goals:
- Create great places to work ★
- Help to build thriving and resilient communities
- Protect employees and support communities and other stakeholders through the pandemic ★

★ 2021/22 priority goals

6.1. Our People
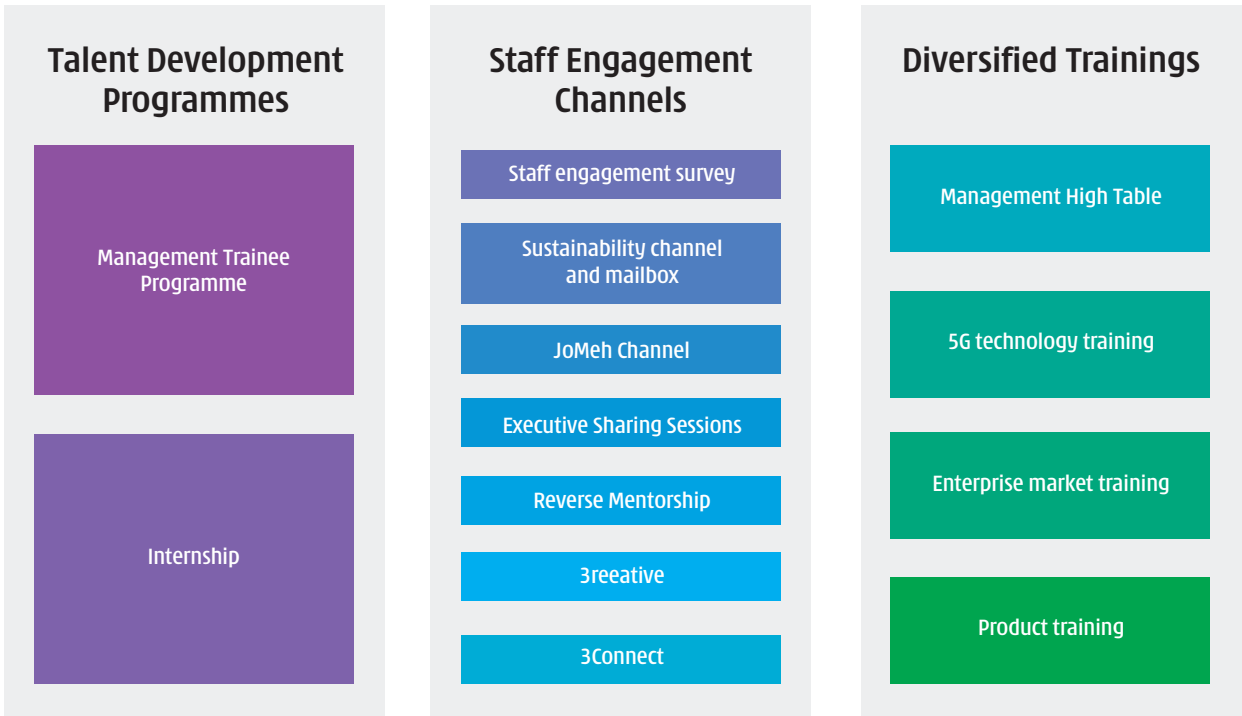
6.1.1. Commitment

The Group is committed to fostering a collaborative and diverse working environment for its employees and offering equal opportunities to all its stakeholders.

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 skill sets and abilities, regardless of 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, relationship status, disability or other factors. The Group also strictly prohibits the use of child and/or forced labour. Rigorous measures and audits are taken to prevent unethical practices. The Group complies with all applicable labour standards, employment guidelines and regulations, and all labour-related legislation relevant to its operations.

As of 31 December 2021, the Group had approximately 1,045 employees in Hong Kong and Macau (2020: 990 employees). The Group strives to be an employer-of-choice by offering its employees ongoing skills development and training and the assurance of workplace inclusivity. The success of its employment practices is reflected by the variety of awards the Group has received over the years.

1,045
employees
Up 6% from 2020

93%
full time employees
Up 1% point from 2020

29
training hours
per employee

222
lost days
Up 276% from 2020

$**1.8**m
community support

$**3**b
investment in network
since 2019

Note: Work-related injuries in 2021 includes a traffic accident which requires a relatively longer recovery time.

Talent Development Programmes

Management Trainee Programme

Internship

Staff Engagement Channels

Staff engagement survey

Sustainability channel and mailbox

JoMeh Channel

Executive Sharing Sessions

Reverse Mentorship

3reeative

3Connect

Diversified Trainings

Management High Table

5G technology training

Enterprise market training

Product training

6.1.2. Talent Development

As the Group's success depends on its ability to attract, retain and develop suitable talents in a competitive labour market, it is committed to creating opportunities for young people and providing them with goals to aspire to. The Group works closely with educational institutions to recruit talented young people who will support its growth.

2021 Management Trainee Programme

Investing in the Future

To develop a pipeline of future talent and leaders in the telecommunication sector, the Group welcomed the first intake of its annual management trainee programme for university graduates in 2020. During 2021, the management trainees established business connections and gained experience in various lines of work. A graduation ceremony was held to celebrate their year-long efforts. A number of them continued their career with the company, landing in finance, sales, marketing and corporate functional areas.

Following the success of the first round, the Group has now welcomed the second intake of the management trainee programme. The Group also offers internship opportunities to university students who are interested in pursuing careers in telecommunications.

The Group's interactions with young people enable it to share its vision of the future and kindle a passion for the industry and the communities it serves. Its management trainees participate in the Group's businesses and interact with management as they begin to establish business contacts, at the same time learning the importance of collaboration, developing leadership qualities, and growing as socially responsible individuals.

6.1.3. Learning and Development

The Group encourages its employees to broaden their horizons and acquire "future-fit" skills by participating in a comprehensive array of training programmes. Skills gaps are identified through training needs analysis, and training is provided accordingly across a wide range of areas such as digital skills, change management, negotiation, presentation, resilience, storytelling, time management, emotional intelligence, working virtually and business writing skills. Education support funds are also available to employees seeking to strengthen their career path skills sets. In addition, site visits to mobile telecommunications operations facilities and other operations within the CKHH Group were organised in the year to help employees understand the needs of different industries.

In 2021, the Group digitised its annual policy refresh workshops. Employees can now access recorded sessions on internal controls and compliance procedures on the intranet anytime, anywhere.


▷ Employees are encouraged to broaden their horizons by participating in the comprehensive training programmes of the Group.

6.1.4. Connecting with Employees

The Group has established a number of communication channels for sharing its business development initiatives and facilitating open dialogue with employees. Employees are encouraged to exchange viewpoints and ideas through these channels. Feedback and suggestions from employees are important in shaping the talent management practices of the Group.

In 2021, the Group established an internal communication channel to share business update videos. It also conducted an employee engagement survey, and implemented initiatives to address gaps identified by the survey. Feedback from employees is taken into consideration when setting sustainability priorities, and progress is communicated to employees. Other notable digitisation projects were undertaken to increase sustainability awareness, streamline compliance training and share updates on business innovations.

3reeative, comprising a group of employees from different departments, was formed in late 2019 to enhance staff engagement by undertaking initiatives focused on five elements, namely communication, relationship, recognition, wellness and growth. It reinforces employees' sense of belonging by organising events, sharing sessions and group purchases.
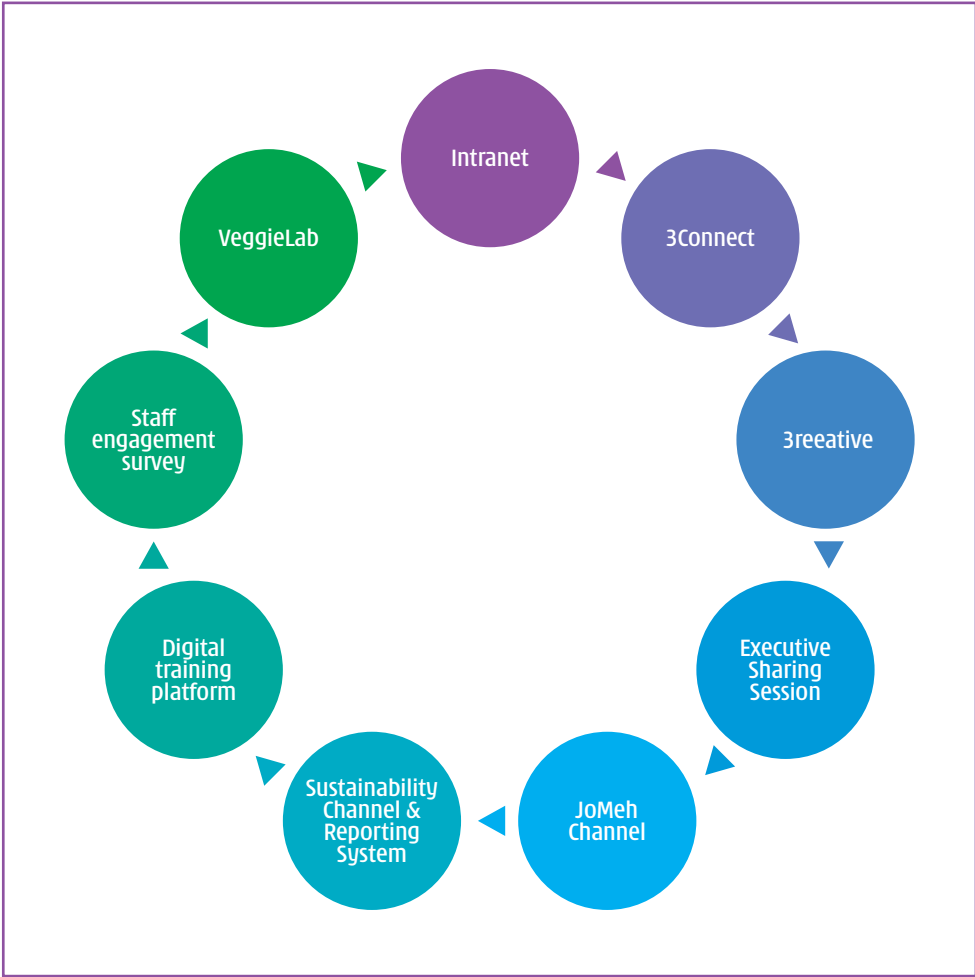
VeggieLab

Alternative Living

In November 2021, the Group launched a one-year organic farming project at VeggieLab in the roof garden of the Group's headquarters.

Participating staff take part in a bi-weekly workshop on growing vegetables, where they learn to seed and weed across the seasons. The project not only allows the team to collaborate outside the workplace while enjoying views of the Rambler Channel, it also promotes a sustainable food chain.

In addition to the initiatives discussed above, existing initiatives including Executive Sharing Session, Management High Table programme, and Reverse Mentorship programme are in place to promote conscious leadership and the exchange of ideas. The latest Group policies, and information on topics such as office mobility, staff welfare and shuttle bus schedules, are available on the intranet and via 3Connect mobile application platforms.

JoMeh

JoMeh

An Internal Communication Channel

JoMeh is an internal video communications channel launched in 2021 to provide a comprehensive look into events at the Group — from small-scale internal festivities and company announcements, to industry relevant info clips and large-scale campaign highlights. On the entertainment side, JoMeh also offers fun adaptations of the Group's key projects, including periodic behind-the-scene videos, music videos, scripted short videos, and more.

These videos are largely presented in an engaging and light-hearted manner to help staff understand the development of the Group beyond their own functional roles and responsibilities. The platform also helps new staff to familiarise themselves with the company culture.

In 2021, JoMeh released 50 videos on topics such as sustainability, 5G applications and industry updates, non-fungible tokens ("NFTs") and cryptocurrencies, many featuring the new IG characters of **3** Hong Kong - **3**FAM. On average, JoMeh attracted over 150 visitors per video.
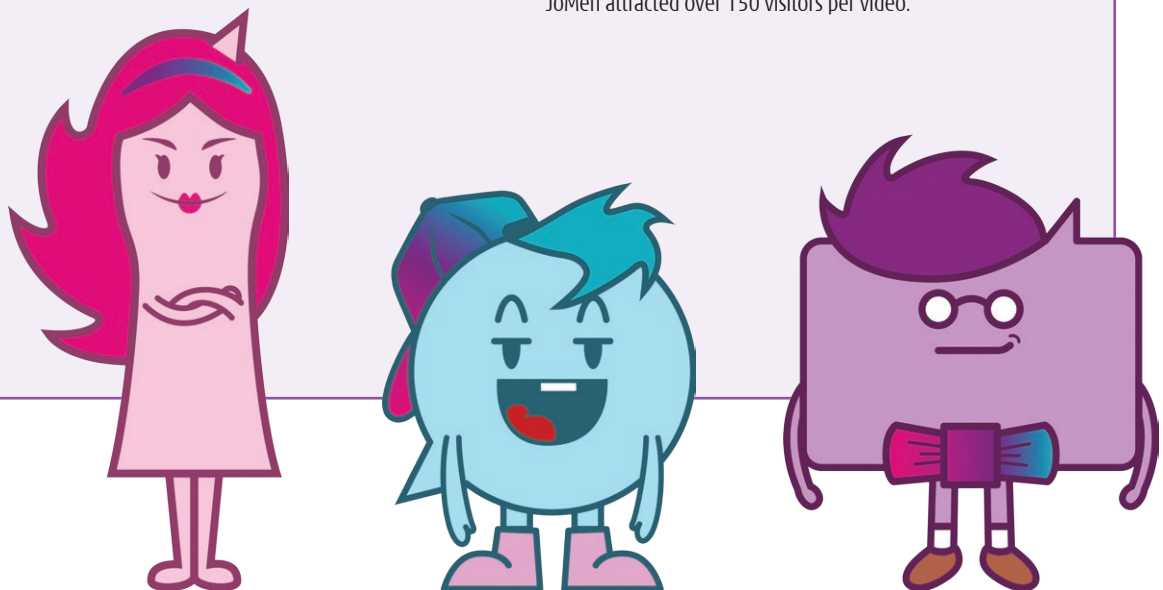
6.1.5. Health, Safety and Well-being

The health, safety and well-being of employees are core values of the Group. The Group offers employees a robust welfare programme covering a 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 provides employees with flexible paid leave and maternity and paternity leave. It also supports a 24-hour worldwide emergency hotline and medical insurance and retirement schemes as part of its extensive employee fringe benefits.

The Group is committed to providing a safe and healthy workplace. Employees are offered health and safety management programmes and related training based on the nature of their work and applicable safety standards. They can also access the latest health and safety information on the Company's intranet. Refresher courses on relevant safety guidelines are provided periodically.
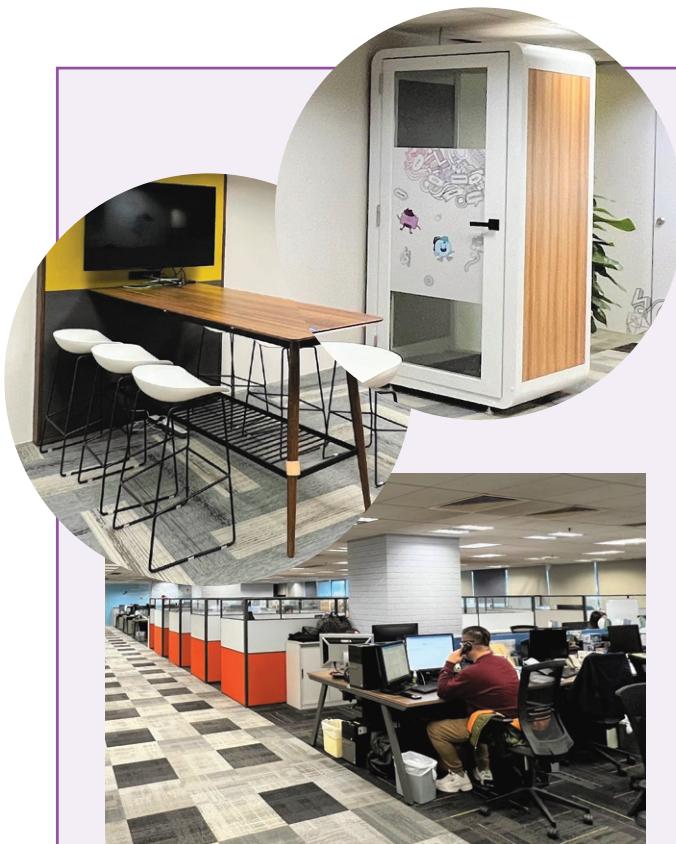
Workplace Refresh

The Group renovated its headquarters as part of its efforts to create great places to work over the last few years. Fixed walls were removed and Primary Air Handling Units were replaced to improve indoor air quality, increasingly important during the pandemic. Under the open floorplan concept, breakout areas with high tables, TVs and table tennis table were introduced to facilitate interaction and foster innovation. First aid boxes were also updated with designated staff-in-charge.

Throughout the COVID-19 pandemic, the Group has been devoted to fighting the pandemic together. A variety of precautionary measures have been put in place to protect the health and safety of employees. The Crisis Management Team, together with Human Resources, closely monitored the changing situation and introduced arrangements to reduce the risk of spreading COVID-19 in the workplace and the community. Cleaning and sanitising procedures were strengthened in all offices and retail shops to maintain a safe working environment, while employees on duty in offices and retail shops were supplied with surgical masks and hand sanitiser.

6.2. Our Community

6.2.1. Our Commitment

The Group is dedicated to making the local community a better place and creating long-lasting value for its stakeholders. It seeks to maintain long-term partnerships with local communities and charities through mutually beneficial programmes and encourages its employees to take part in volunteering activities.

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, charitable donations benefitting community projects in Hong Kong and Macau amounted to approximately HK$1.8 million.

The Group has been granted "Caring Company" status for many consecutive years by the Hong Kong Council of Social Service, in recognition of its achievements in social responsibility. The Group remains committed to its mission of building a sustainable community.

6.2.2. Diversified Community Support

The Group is committed to giving back to the communities it serves through broad and diverse outreach initiatives that encompassing activities in education, youth engagement, and elderly support among others.

Overcoming the pandemic together	• SoSIMs and 5G Broadband service offerings to minimise disruptions resulting from social distancing. • LeaveHomeSafe application tutorial workshops to safeguard the community.
Take action on climate change	• Supporting initiatives on climate change: WWF – Hong Kong's Earth Hour programme and the Climate Step Challenge of the Hong Kong Red Cross.
Digital inclusion	• Wide range of service offerings for different needs including Lo-Yau-Kee Monthly Service Plans Sponsorship, "Safety Phones" and data service sponsorship to elderly. • **3** Hong Kong supported the Jockey Club Digital Support Project for the Elderly by providing LeaveHomeSafe compatible smartphones together with 12-month free basic mobile service. User training was also provided to help the beneficiaries learn the practical skills of using smartphones and mobile applications.
Inspiring & empowering youth	• Sponsorships to inspire the youth including the Capstone Project with students from the Hong Kong University of Science and Technology and a mentorship programme with the Hong Kong Federation of Business Students.
Enabling access to opportunities	• Collboration with the Bank of America Merill Lynch's CSR initiatives. Telecoms services were also provided for Sheng Kung Hui St Christopher's Home and the Narcotics Division of the Security Bureau.
Cultural contribution	• Promoting cultural events including 5G 4K broadcast of multiple live concerts organised by the Hong Kong Chinese Orchestra. • Arts in the aiR campaign. • **3** Hong Kong supported a world-class art event – Digital Art Fair Asia – as the exclusive 5G Technology Provider, offering reliable 5G services and applications. • Providing a Customer Premise Equipment ("CPE") to help archaeologists and forensics experts uncover fragments believed to be aircraft wreckage from a US warplane that crashed in Tai Tam Country Park during World War II.

▷ Some senior citizens continue to benefit from the Lo-Yau-Kee Monthly Service Plans scheme to stay connected with friends and family during the COVID-19 pandemic.

6.2.3. Overcoming the Pandemic Together

During these challenging pandemic times, the Group has remained committed to maintaining its outstanding service level while at the same time reaching out to support those adversely affected in the community.

One concern has been the disruptions to the everyday life of the community as a result of social distancing. In response, the Group expanded its prepaid tariff plan, SoSIM, to enable its customers to work and learn anywhere and everywhere. Customers can simply plug-and-play to enjoy a hassle-free local data usage experience and can easily top up through the SoSIM mobile application or at more than 500 Fortress, ParknShop and Watson stores.

During the year the Group expanded its 5G Broadband service and coverage on a zonal basis, bringing ultra-fast and low-latency 5G network coverage to areas without fixed-line fibre connections. The Group's 5G Broadband service offers the flexibility and speed crucial for file sharing and video-conferencing, enabling people to connect through multiple channels anywhere and at all times.

The Group is committed to protecting the community. During the year, it held tutorial workshops for the elderly on using the government's LeaveHomeSafe mobile application. Special tariff plans and devices are also available for those in need.

6.2.4. Supporting Action on Climate Change

During the year, the Group supported the WWF – Hong Kong's Earth Hour programme and the Climate Step Challenge of the Hong Kong Red Cross. These encouraged employees to adopt an eco-conscious mindset at work and support climate-related disaster relief through celebrations of awareness and charitable campaigns.

6.2.5. Digital Inclusion

The year 2021 marked the 11th anniversary of the Group's Lo-Yau-Kee Monthly Service Plans Sponsorship. Senior citizens of various charitable organisations continued 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.

3 Hong Kong supported the Jockey Club Digital Support Project for the Elderly by providing 5,000 bundled packages consisting of smartphones and fee-waivers of 12-month basic mobile service plans. Smartphone workshops especially for seniors were also on offer to help the elderly use smartphones with ease, in another step towards increasing digital inclusion.

▷ The Group believes cultivation of the youth to be pivotal in driving future sustainable development.

6.2.6. Inspiring and Empowering Youth

During the year, the Group supported the Capstone Project organised by the Hong Kong University of Science and Technology. During the 6-month period, these final-year students from the university liaised with the Corporate Security team of the Group to explore the potential application of machine learning in fraud detection. The project engaged students to apply critical thinking and project management skills in corporate projects while establishing business connections.

The Group also sponsored the Mentorship programme with the Hong Kong Federation of Business Students, supporting undergraduates in the business field to develop business networks and kick start their careers.

6.2.7. Enabling Access to Opportunities

During the year, the Group supported Bank of America Merrill Lynch's CSR initiatives for the Hope of the City and J Life Foundation, in support of the underprivileged. Telecommunications services were provided to the Narcotics Division of the Security Bureau and Sheng Kung Hui St Christopher's Home.

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 made available free donation platforms for customers to contribute to the fund. Many of **3** Macau's employees and their friends and families again participated in the annual charity "Walk for a Million" virtual walk to raise funds for the underprivileged.

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 grades of intellectual disability. hc:Corner offers light food and beverages in a relaxing environment for employees in Hutchison Telecom Tower, and offers job opportunities that help Hong Chi's trainees in developing to their full potential.

6.2.8. Cultural Contributions

The inaugural edition of Digital Art Fair Asia displayed digital contemporary art by over 40 international and local artists, incorporating cutting-edge technologies such as blockchain NFT, augmented reality and virtual reality. **3** Hong Kong was the exclusive 5G Technology Provider for the fair, providing highly reliable 5G services and applications in the exhibition venue.

In November 2021, the Group provided a CPE to help Project Avenger in which an international team of archaeologists, forensics experts, along with 250 volunteers uncovered fragments believed to be aircraft wreckage from a US warplane that crashed in Tai Tam Country Park during World War II. The team conducted live webcasts with local schools in Hong Kong and also a live webinar with RTHK right in the open vegetation of the country park with good mobile signal from **3** Hong Kong's network.

▷ **3** Hong Kong has been the exclusive 5G Technology Provider for Digital Art Fair Asia.

▷ The Group provides a CPE to help Project Avenger in which an international team uncovered fragments believed to be aircraft wreckage from a US warplane that crashed in Tai Tam Country Park during World War II.

The Group live streams the "Universe in a Flower Concert" in Tsz Shan Monastery using 5G network in 4K resolution.

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"). Given the success of the inaugural event, the Group continued its collaboration with the HKCO in a concert entitled "Universe in a Flower Concert", held in Tsz Shan Monastery in 2021. The event demonstrated the power of 5G in delivering high-quality content at ultra-fast speeds, and showcased how the application of 5G technology is widening access to the arts and supporting audiences during the pandemic.

7 Sustainable Business Model and Innovation

Goals:

- Offering customers sustainable products and investing in and embracing innovation to achieve transformational impacts ★

★ 2021/22 priority goals

7.1. Commitment

As the telecommunications industry changes rapidly, it faces significant pressure from technological advances and rising consumer expectations. Operators need to build consumer trust and meet customers' growing demands for higher speeds and wider coverage. To do this, they need to do more than merely offering the latest handsets and digital devices. They must also provide customers with flexibility and choices in the services they offer, in order to complement and enrich their customers' lives.

Apart from delivering sustainable value to its customers through digital connectivity, the Group endeavours to provide safe, reliable and high-quality products and network services that meet and surpass customer expectations.

7.2. Transformative Impacts

Shortly after it rolled out its 5G network services in 2020, the Group extended its network coverage to include major highways, large shopping malls, commercial buildings, hospitals, universities and hotels. In 2021, the Group continued to expand and strengthen its network coverage on a zonal basis, bringing an ultra-fast, low-latency 5G network experience to many more users.

With territory-wide 5G coverage, 5G network services can be applied to a whole host of new solutions including solutions in data modelling, smart robots and smart parking. This is because a super-high speed and low-latency 5G network enables efficient data transmission that allows for complex data modelling and visualisation as well as real-time remote access to objects on mobile devices. For example, smart robots can be deployed in shopping malls to perform dual concierge and security guard roles, providing shoppers with customer service support during the day while guarding the facilities by capturing and reporting security breaches. Similar innovative and transformative applications of 5G-enabled technologies are streamlining and automating many processes in daily life, accelerating digital transformation and smart city development.

7.3. Digitalised Customer Engagement and Experience

Customer engagement is crucial to understanding customer expectations and building brand loyalty. The Group engages with its customers through communication channels such as its customer service centres, social networking platforms, service hotlines, live webchat, online enquiries, emails, websites and mobile applications. The Group's website at three.com.hk and the My3 application connect the Group to customers and help build long-lasting relationships with customers wherever they are. They give access to information about the Group's latest promotions and offers and allow customers to manage their data and call time usage, top up, pay their bills, manage roaming services, purchase handsets and accessories, and access the 24/7 online 3iChat customer interface. The awards that the Group has received in recent years are evidence of its success in delivering quality products and services for excellent customer experience.

The Group welcomes customer feedback, which it uses to improve customer experience and to drive positive change in its businesses. The Group has established guidelines that ensure consistency in handling customer enquiries and complaints, and customer service representatives are trained to address customer concerns in a professional manner. All complaints are acknowledged, investigated, and duly followed up, and periodic reviews and analyses of complaints are conducted for continuous improvement. Details of the Group's service performance targets and the actual performance of the Group in areas such as service hotline performance and complaints handling are available on the three.com.hk website.

7.4. Supply Chain Management

7.4.1. Commitment

The Group engages a broad range of business partners and suppliers in its operations. In 2021, the Group conducted business with over 700 suppliers including landlords and roaming partners, of which approximately 52 % 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.

Note: To better reflect the supplier base of the Group, the number of suppliers relating to the Macau operations was included in 2021 figures.

7.4.2. 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.

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. Business partners 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.

7.4.3. 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 fault, 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 as well as those contained in the Environmental Policy of the Group. For further information on the Group's Environmental Policy, please refer to Section 5.1 Energy Management Strategy.

8. Key Performance Indicators ("KPIs")

Environmental KPIs	Unit	2019 [1][2] (Restated)	2020 [1][2] (Restated)	2021
GHG emissions				
Total GHG emissions [1][2]	tonne CO_2e	92,380	94,435	101,577
Scope 1 GHG emissions	tonne CO_2e	3,889	2,373	2,294
Scope 2 GHG emissions [1][2]	tonne CO_2e	88,491	92,062	99,283
Total GHG emissions intensity [1][2]	tonne CO_2e/revenue HK$'000	0.017	0.021	0.019
Scope 1 GHG emissions intensity	tonne CO_2e/revenue HK$'000	0.001	0.001	0.001
Scope 2 GHG emissions intensity [1][2]	tonne CO_2e/revenue HK$'000	0.016	0.020	0.018
Use of energy				
Total energy consumption [1]	'000 kWh	119,553	124,819	149,304
Direct energy consumption	'000 kWh	156	125	177
Gasoline/Petrol	'000 kWh	156	125	177
Diesel	'000 kWh	-	-	-
Natural gas	'000 kWh	-	-	-
Towngas	'000 kWh	-	-	-
Other gas fuels (exclude towngas and natural gas)	'000 kWh	-	-	-
Other fuels	'000 kWh	-	-	-
Indirect energy consumption	'000 kWh	119,397	124,694	149,127
Electricity	'000 kWh	119,397	124,694	149,127
Total energy consumption intensity [1]	kWh/revenue HK$'000	21.42	27.46	27.73
Direct energy consumption intensity	kWh/revenue HK$'000	0.03	0.03	0.03
Indirect energy consumption intensity [1]	kWh/revenue HK$'000	21.39	27.43	27.70
Air emissions				
NOx emissions	kg	7.31	5.37	8.64
SOx emissions	kg	0.24	0.19	0.27
Particulate matter emissions	kg	0.54	0.40	0.64
Waste production				
Total hazardous waste produced [3]	tonne	N/A	75	65
Total hazardous waste produced intensity [3]	kg/revenue HK$'000	N/A	0.02	0.01
Total non-hazardous waste produced [4]	tonne	45	49	51
Total non-hazardous waste produced intensity [4]	kg/revenue HK$'000	0.01	0.01	0.01
Use of water				
Water consumption [5]	m^3	4,384	2,960	3,144
Water consumption intensity [5]	m^3/revenue HK$'000	0.001	0.001	0.001

Environmental KPIs	Unit	2019 [1][2] (Restated)	2020 [1][2] (Restated)	2021
Packaging material				
Total packaging material used for finished products	tonne	N/A	N/A	N/A
Plastic	tonne	N/A	N/A	N/A
Paper	tonne	N/A	N/A	N/A
Metal	tonne	N/A	N/A	N/A
Glass	tonne	N/A	N/A	N/A
Other packaging material	tonne	N/A	N/A	N/A
Packaging material intensity	tonne / products sold '000	N/A	N/A	N/A

Note:

(1)   The Group has restated its greenhouse gas emissions and corresponding intensities as a result of restated electricity consumption which better reflected the environmental impacts of the Group for the years ending 31 December 2019 and 31 December 2020.

(2)   The Group has adopted emission factors published by International Energy Agency for the year ending 31 December 2021 and emissions relating to purchased electricity have been recalculated for the years ending 31 December 2020 and 31 December 2019 for a meaningful comparison.

(3)   The Group has disclosed data relating to hazardous waste from 2020 onwards.

(4)   Non-hazardous waste produced excludes the waste generated by a business unit that is no longer under the control of the Group.

(5)   Water consumption in 2020 has been restated to reflect the usage of a faulty metre.

Social KPIs		2020	2021
Number of employees			
Total		990	1,045
By employment type	Full-time	92%	93%
	Part-time	8%	7%
Number of full-time employees			
By gender	Male	57%	58%
	Female	43%	42%
By employee category	Manager grade or above	17%	17%
	General staff	83%	83%
By age group	Under 30	16%	15%
	30-49	68%	66%
	50 or above	16%	19%
By geographical	Hong Kong	89%	90%
	Mainland China	11%	10%
	Europe	-	-
	Canada	-	-
	Asia, Australia & Others	-	-

Social KPIs		2020	2021
Turnover rate for full-time employees			
Overall		19%	37%
By gender	Male	20%	44%
	Female	17%	29%
By age group	Under 30	34%	61%
	30-49	15%	39%
	50 or above	20%	12%
By geographical region	Hong Kong	18%	40%
	Mainland China	22%	10%
	Europe	-	-
	Canada	-	-
	Asia, Australia & Others	-	-
Work-related fatalities			
Number of work-related fatalities for full-time employees		-	-
Number of work-related fatalities for contractors		-	-
Work-related fatalities per full-time employee		-	-
Lost days due to work injury			
Number of lost days due to work injury [6]		59	222
Percentage of full-time employees who received training			
Overall		95%	100%
By gender	Male	58%	60%
	Female	42%	40%
By employee category	Manager grade or above	18%	14%
	General staff	82%	86%
Average hours of training completed by full-time employees			
Overall		28 hours	29 hours
By gender	Male	22 hours	24 hours
	Female	36 hours	35 hours
By employee category	Manager grade or above	3 hours	8 hours
	General staff	33 hours	33 hours

Social KPIs		2020	2021
Number of suppliers			
Total		383	736
By geographical region [7]	Hong Kong	313	382
	Mainland China	45	333
	Europe	5	6
	Canada	1	-
	Asia, Australia & Others	19	15
Percentage of total products sold or shipped subject to recalls for safety and health reasons			
Percentage of total products sold or shipped subject to recalls for safety and health reasons		-	-
Number of complaints received			
Products related		N/A	N/A
Services related [8]		11,357	9,455
Number of concluded legal cases regarding corrupt practices			
Brought against the Group		-	-
Brought against employees		-	-
Full-time and part-time employees who received training on anti-corruption/ethics and integrity			
Number of full-time and part-time employees who received training on anti-corruption/ethics and integrity [9]		144	878
Percentage of full-time and part-time employees who received training on anti-corruption/ethics and integrity [9]		14%	84%
Number of training hours on anti-corruption/ethics and integrity completed by full-time and part-time employees [9]		144	293

Note:

(6)   Work-related injuries in 2021 amounting to 222 lost day included a traffic accident which required a relatively longer recovery time.

(7)   To better reflect the supplier base of the Group, the number of suppliers relating to the Macau operations was included in 2021 figures.

(8)   The reduction in the number of complaints received from 11,357 in 2020 to 9,455 in 2021 was due to a decrease in complaints received related to network performance as well as an improvement in customer hotline performance.

(9)   The increase in training on anti-corruption/ethics and integrity were due to the digitalisation of the annual compliance refresher course. The new on-demand training is available to all employees throughout the year on the intranet.

9. HKEx ESG Guide Content Index

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.

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.	4.2.1 5.1 5.7	• Sustainability Policy ↗ • Environmental Policy ↗ • Supplier Code of Conduct ↗ The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during the year.
KPI A1.1	The types of emissions and respective emissions data.	8	The Group has complied with the mandatory disclosure requirement.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG (in tonnes) and, where appropriate, intensity.	8	The Group has complied with the mandatory disclosure requirement.
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	8	The Group has complied with the mandatory disclosure requirement.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	8	The Group has complied with the mandatory disclosure requirement.
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	5.3 5.4	The Group has complied with the mandatory disclosure requirement.
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.	5.5 5.6	The Group is primarily engaged in provision of mobile telecommunications and other related services and is committed to reducing the generation of hazardous and non-hazardous wastes as a result of the operations.
Aspect A2: Use of Resources		**Section**	**Remarks**
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	4.2.1 5.1 5.4 5.5	• Sustainability Policy ↗ • Environmental Policy ↗ • Supplier Code of Conduct ↗
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	8	The Group has complied with the mandatory disclosure requirement.
KPI A2.2	Water consumption in total and intensity.	8	The Group has complied with the mandatory disclosure requirement.
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.2-5.4	The Group has complied with the mandatory disclosure requirement.
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.	–	The Group is primarily engaged in provision of mobile telecommunications and other related services and is committed to protecting the environment and supporting sustainable development by managing its environmental footprint.

Environmental			
Aspect A2: Use of Resources		**Section**	**Remarks**
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 and is committed to promoting a circular economy.
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.	4.2.1 5	• Sustainability Policy ↗ • Environmental Policy ↗ • Supplier Code of Conduct ↗
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.4-5.6	The Group has complied with the mandatory disclosure requirement.
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.	2.2 4.2.1 5.4-5.6	• Sustainability Policy ↗ • Environmental Policy ↗ • Supplier Code of Conduct ↗
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.	5.1-5.6	The Group has complied with the mandatory disclosure requirement.

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.	4.2.1 6.1.1	• Code of Ethics ↗ The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare during the year.
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	8	The Group has complied with the mandatory disclosure requirement.
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	8	The Group has complied with the mandatory disclosure requirement.

Social			
Employment and Labour Practices			
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.	4.2.1 6.1.5	• Health and Safety Policy ⬀ The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning providing a safe working environment and protecting employees from occupational hazards during the year.
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	8	No such case recorded in each of the past three years including the reporting year.
KPI B2.2	Lost days due to work injury.	8	The Group has complied with the mandatory disclosure requirement.
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.2.1 6.1.5	• Health and Safety Policy ⬀
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.	4.2.4 6.1.1 6.1.3 6.1.5	The Group has complied with the mandatory disclosure requirement.
KPI B3.1	The percentage of employees trained by gender and employee category.	8	The Group has complied with the mandatory disclosure requirement.
KPI B3.2	The average training hours completed per employee by gender and employee category.	8	The Group has complied with the mandatory disclosure requirement.
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.	4.2.1 4.2.5 6.1.1	• Human Rights Policy ⬀ • Modern Slavery and Human Trafficking Statement ⬀ • Supplier Code of Conduct ⬀ • Code of Ethics ⬀ The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning preventing child and forced labour during the year.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.2.1 4.2.5 6.1.1	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.2.1 4.2.3 4.2.5	

Social			
Operating Practices			
Aspect B5: Supply Chain Management		**Section**	**Remarks**
General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.2.1 7.4	• Human Rights Policy ↗ • Modern Slavery and Human Trafficking Statement ↗ • Supplier Code of Conduct ↗
KPI B5.1	Number of suppliers by geographical region.	8	The Group has complied with the mandatory disclosure requirement.
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.	7.4	• Purchasing Policy • Business Partner Evaluation Policy • Policy on Appointment of Third Party Representatives ↗
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	7.4	The Group has complied with the mandatory disclosure requirement.
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7.4	The Group has complied with the mandatory disclosure requirement.
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	• Code of Ethics ↗ • Policy on Personal Data Governance ↗ The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress during the year.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	-	The Group has complied with the mandatory disclosure requirement.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	7.3 8	The Group has complied with the mandatory disclosure requirement.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	-	• Code of Ethics ↗ The Group is primarily engaged in provision of mobile telecommunications and other related services.
KPI B6.4	Description of quality assurance process and recall procedures.	7.3	The Group is primarily engaged in provision of mobile telecommunications and other related services and is committed to delivering the highest possible levels of service quality and customer satisfaction.

Social			
Operating Practices			
Aspect B6: Product Responsibility		**Section**	**Remarks**
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.3	• Information Security Policy ⬈ • Policy on Personal Data Governance ⬈
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.	4.2.1 4.2.2 4.2.5 7.4.2	• Code of Ethics ⬈ • Anti-Fraud and Anti-Bribery Policy ⬈ • Policy on Appointment of Third Party Representatives ⬈ The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning bribery, extortion, fraud and money laundering during the year.
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.	8	No such cases recorded during the reporting period.
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	4.2.1 4.2.3	• Whistleblowing Policy ⬈
KPI B7.3	Description of anti-corruption training provided to directors and staff.	4.2.2 4.2.4	The Group has complied with the mandatory disclosure requirement.
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.	6.2.1	• Sustainability Policy ⬈
KPI B8.1	Focus areas of contribution.	6.2.2 - 6.2.8	The Group has complied with the mandatory disclosure requirement.
KPI B8.2	Resources contributed to the focus area.	6.2.2 - 6.2.8	The Group has complied with the mandatory disclosure requirement.