

HKT

HKT TRUST

*(A TRUST CONSTITUTED ON 7 NOVEMBER 2011 UNDER THE LAWS OF HONG KONG
AND MANAGED BY HKT MANAGEMENT LIMITED)*

AND

HKT LIMITED

*(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)
(STOCK CODE: 6823)*

Code of Conduct

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HKT - a PCCW Group member

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1. INTRODUCTION

1.1 Introduction

HKT Limited (“HKT” or the “Company”) and its subsidiaries, affiliates and associated companies, in Hong Kong and internationally (collectively the “Group”) are committed to maintaining an important standard of corporate governance, the principles of which serve to maintain a high standard of ethics, trust, reputation, transparency, responsibility, and integrity in all aspects of its business, and to ensure that its affairs are conducted in accordance with applicable laws and regulations as well as, taken into consideration of social and environmental needs for achieving sustainable business and strategic long-term success.

In order to uphold based on the expectations from stakeholders and to align their expectations with the Group’s business practice, this Code of Conduct (the “Code”) is established to set out the important principles to achieve and to adhere to high professional standard and ethical behaviour.

All employees, officers (including principal officers) and directors (“Employees”) are expected to strictly comply with the Group’s policies and procedures when acting on behalf of the Group, whether dealings with customers, third parties, regulators, authorities, or the general public. In this regard, it must be understood that laws, rules, regulations and practices applicable to the Company are also valid and be observed by Employees.

The Group always has ZERO tolerance of any acts, behaviours, conducts or practices which are illegal, unethical, inconsistent with the Group’s corporate values and culture, and/or which may cause reputational damage. Should there be an actual/suspected occurrence of the aforementioned conduct involving a member of the Group, such matters are to be investigated and dealt with efficiently in an appropriate, transparent and independent manner while the confidentiality of the whistleblower will be properly protected.

Any Employee found to be in breach of this Code, the Group policies and procedures may be subject to disciplinary actions or summary dismissal, where applicable, in accordance with relevant Group policies and procedures.

1.2 Purpose

This Code sets out standards for the way in which Employees, of the Group must observe and adhere to demonstrate the highest professional standard and ethical behaviour of the Group. Please note that this Code is not intended to be and is not exhaustive in respect of subject matters covered — all Employees must refer also to Company policies issued in respect of each specific subject matter.

1.3 Scope

This Code applies to all:

- Employees of the Group and its operations worldwide; and
- Consultants, contractors, sub-contractors, agents and other individuals (Associated Party or Associated Parties) acting in any capacity for or on behalf of the Group and their respective operations worldwide.

1.4 Review and Approval of this Policy

The Board of Directors (“BoD”) of HKT has the ultimate accountability and responsibility over this Code. This Code is reviewed regularly by the BoD, or its delegates and is revised where necessary. The latest policy will be communicated to all relevant parties, where applicable.

2. COMPLIANCE

The Group is committed to recognise the core value in building trust with our global business partners and stakeholders with transparency while placing great importance on conducting business ethically. The Group adopts an Enterprise Risk Management framework which is guided by the “Three-Line of Defence” model that integrates both top-down and bottom-up risk management process. To achieve this, strict compliance on individual obligations must be undertaken to ensure robust corporate governance in place by the Group and all of its stakeholders, including each of the Employees.

2.1 Act in Compliance with Laws and Regulations

The Group is strongly committed to adherence to business practices with high standards of ethics and integrity, which generally extends beyond strict interpretation of the law. Whatever the law may permit, Employees must observe and comply with all applicable laws and regulations in the jurisdictions where we operate, without undue influence at all times.

In the event where employees have concerns of whether a particular action is lawful, they should consult the Group Legal Office or any other appropriate senior management.

2.2 Act in Compliance with Group-issued policies, procedures and guidelines

Employees must adhere to and comply with all Group policies, procedures and guidelines (some of the key policies and procedures are highlighted in this policy) which are readily available to all Employees.

Enforcement of this Code will at all times be dealt with in a prompt and consistent manner, giving full protection to those persons reporting questionable behaviour.

Any questions relating to the Group policies and procedures should be referred to the responsible functional heads that own the relevant policies and procedures.

3. BUSINESS ETHICS

3.1 Anti-Bribery and Corruption

The Group is committed to preserving a culture free of bribery and corruption and acting ethically in all aspects of our business with the highest standards of honesty and integrity. The Board adopts zero tolerance policy on any bribery and corruption related activities.

Offering or promising to give or accept any gift or hospitality, whether in cash or otherwise, to reward or retain a business, or recognise any bribery or corruption in any business dealings that involve the Group, government or public officials, political parties or political candidates, customers, suppliers, or employees are strictly prohibited. Furthermore, all charitable contributions from the Group funds and resources must follow pre-defined approval process as described in relevant policies and procedures.

For further guidance, please refer to the Group Anti-Bribery and Corruption Policy.

3.2 Anti-money Laundering and Counter-terrorist Financing

The Group is committed to promote the safety and stability of human communities by combatting Money Laundering and Terrorist Financing practices which threaten the integrity and ethics of the Group and its reputation.

All Employees of the Group are required to follow an effective and systematic Anti-Money Laundering and Counter-Terrorist Financing framework in their business dealings and daily operations.

For further guidance, please refer to the Group Anti-Money Laundering and Counter-Terrorist Financing Policy.

3.3 Conflict of Interests

Conflicts of interest, or even the perception thereof, would expose the Group to criticism as a public Company resulting to financial and reputational damage to the Group.

All Employees, as much as is feasible, should avoid any situation that may lead to a conflict of interest, whether actual, potential or perceived. Where such situations are unavoidable, employees must, as soon as possible, disclose all relevant interests and/or relationships leading to a conflict between individual interests and those of the Company, and take mitigation actions as soon as possible.

In the event where personal interest is conflicted with the Group when handling a particular matter, such as a material financial interest in the entity with whom the employee is negotiating a contract on behalf of the Group, or are legally precluded¹, the Employee concerned must not be involved in the transaction, and should not be involved or be consulted.

All contracted persons of the Group must not use corporate property, inside information or position for personal gain and must not compete with the Group. Competing with the Group may involve engaging in the same line of business as the Group, or any situation where the Employee, takes away from the Group opportunities for sales or purchases of property, products, services or interests.

All connected transactions² are prohibited, and employees must not hold any position or have any interest in or dealings with any of the Group competitors, suppliers or customers — or other parties with whom the employee is engaged in a business relationship on behalf of the Group which might, or might appear to, create a conflict of interest, or impair the judgements made in the course of employment with the Group.

¹ E.g. a "U.S. Person" cannot be materially involved in a matter involving a U.S. embargoed entity.

² Connected transactions in this Code means those where a person is able to control or influence the Group to enter into transactions with him/it or other persons closely associated with him/it.

For any enquiries or concerns in relation to conflict of interest, Employees shall seek for clarification and obtain prior authorisation from management before engaging in any outside business/employment.

Reporting and escalation is crucial in any of the above-mentioned circumstances pertaining to conflict of interest, whether actual, potential or perceived, to responsible party, including but not limited to line manager, Group Human Resources, and Company Secretary.

For details, please consult Group Human Resources or Group Legal Office and Corporate Secretariat.

3.4 Safeguard of Corporate Information

All Employees, to the greatest extent, must avoid misusing inside information³ and other proprietary Company information⁴ as this is illegal in many countries in which the Group operates and is prohibited under the employment terms and conditions with the Group.

- **Safeguard of the Confidentiality of Company Information**
All Employees are expected to safeguard the information received during their course of employment and are prohibited to disclose such information to any person, either an employee or an outsider, unless they have a need to know and are authorised to know such information.
- **Anti-Competitive Behaviour**
All Employees must not knowingly participate in, promote or conceal knowledge of any anti-competitive conduct, or conduct which may be interpreted as intending to unfairly manipulate a market, in relation to any of the Group businesses. No false or deceptive statements made about the Group products and services or make false and deceptive comparisons of other companies' products and services.

There are laws in most countries governing co-operation between companies operating in the same field. For detailed guidance over relevant competition laws, please seek advice from the Group Legal Office when anti-competition and related questions arise.

- **Safeguard of the Confidentiality of Inside Information**
As a public Company listed on the Hong Kong Stock Exchange (HKEX), the Group and their Employees must abide by the requirements of the securities codes of HKEX and/or other laws and regulations relating to inside information and insider dealing in Hong Kong, and may be subjected to similar laws in other jurisdictions, where applicable.

All Employees must take all reasonable precautions to prevent the accidental or deliberate unauthorised disclosure of inside information and must ensure that the information is kept strictly confidential until it is publicly disclosed. Individuals are further required to refrain from trading the shares of the Company and Pacific Century Premium Developments Limited and the Share Stapled Units of HKT Limited at certain times and under certain conditions.

In the event where employee become aware of or have valid reason to suspect that inside information may have been accidentally or deliberately disclosed without appropriate authorization, they should immediately inform Group Legal Office and Corporate Secretariat and the appropriate senior management [of the Group and/or the Board of Directors.

³ Inside Information are specific information that may have a material effect on the trading price and/or volume of any shares or other securities and which has not been made generally available to persons or entities that are likely to deal in such shares or other securities. It may include information in relation to any Group entities, including HKT Group companies, or other companies which may be a party to or subject of a potential or actual material transaction in which you are involved on behalf of the Company or any other Group entities.

⁴ These information, include but not limited to, trade business activities, operations, financial details, dealings, business methods, business strategies, market plans, manpower plans, customer and supplier lists or details, trade secrets, intellectual property rights, technology, systems, programming, products and services relating to the companies within the Group.

Failure to safeguard the inside information may expose the Group to an increased risk to insider dealing, and may result in, amongst other things, significant damage to the Group's reputation and/or market position, as well as prosecution of HKT and/or any person or persons involved in the unauthorised disclosure. Breaches of the aforementioned laws and regulations would lead to severe consequences, including civil or criminal liability.

For further details related to inside information and dealing in securities of the Group, please consult Group Legal Office and Corporate Secretariat and refer to Group Code of Conduct for Securities Transactions by Directors, Senior Management, and Nominated Persons (the "Group Code").

4. INTELLECTUAL PROPERTY RIGHTS

The Group respects creativity and is committed to protecting the intellectual property rights of the Group as well as that of customers, suppliers and business partners.

To ensure strict compliance with relevant laws and regulations, the Group established an [Intellectual Property Rights Policy] setting out expectations and providing guidance to various stakeholders on intellectual property rights in respect of the Group's reputation, brand name, trademark, intellectual property, and patents.

In the same way, the Group is committed to respect the intellectual property rights of others, where inappropriate use of others' intellectual property may expose the Group to reputational damage, litigations, fines and penalties.

Employees must ensure all intellectual property is protected and only used for authorised purposes. For further details related to the intellectual property of the Group, please consult Group Legal Office.

5. GROUP COMMUNICATION

To ensure the Group operating in a considerate and responsible manner, all Employees must follow strict guidelines for handling communications including contact with the media, news releases, speeches, conference appearances, social media conduct, and the use of Group's branding assets including logos, visual tools, and proprietary marketing materials for authorised business purposes in support of the operations of the Group.

The Group proprietary information must be handled with due care. Employees have the responsibility to maintain strict confidentiality with respect to all Group affairs and make public comments only consistent with legal and regulatory obligations, contractual confidentiality obligations, and in accordance with the Group policies.

As a public Company to allow effective communications which are factually correct, timely, appropriate to outsiders, only Group authorised spokespeople may address the media and financial community on the Group's matters.

For any doubt on the enquiries handling from or release to the media or external community, please refer them to Group Communications for detailed policies.

6. DATA AND INFORMATION

6.1 Data Integrity, Accuracy, and Completeness

The Group is committed to uphold stakeholders' expectations with the provision of accurate, complete and integrous data and information.

All employees are responsible for safeguarding information integrity and accuracy in the course of their work with the Group in accordance with Group policies and applicable laws and regulations.

6.2 Data Security and Protection

The Group have strict internal policies, procedures, and compliance guidelines in governing the collection, usage, processing, retention and protection of data and information, such as business deals, proprietary information and personal data, to ensure compliance with applicable laws and regulations. These policies and guidelines have clearly defined roles and responsibilities for handling data and information, and stipulate appropriate security measures to achieve confidentiality, integrity, and availability.

6.3 Financial Controls and Keeping of Records

The Group is committed to keeping proper and sufficient accounting records and preparing them in accordance with the International Financing Reporting Standards. All Company books, accounts, records and other documents must be properly retained with reasonable detail to support the financial statements to give a true and fair view of the financial positions and the financial performance of the Group and the Company.

Employees have to stay vigilant when handling Company data and systems and maintain effective cybersecurity controls to safeguard the confidentiality of business information, records and sensitive data, including those from customers, business partners and stakeholders.

For further details on Data Security and Protection, please refer to the Personal Data Privacy Policy, Information Technology and Security Policy and Group Accounting Manual.

7. ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

To embrace good corporate governance and embed the right corporate culture on Environmental, Social and Governance (“ESG”) the Group’s governance framework has established a solid foundation to ensure corporate practices are undertaken in a responsible and sustainable manner within the business for creating long term shared values for our stakeholders. In terms of social practice, the Group embraces a culture of integrity, respect, collaboration, diversity, equality and inclusion, where business units are committed to continuous innovation and pursuit of excellence for the good of the Company and community at large.

7.1 Environmental Protection

The Group is committed to protecting the environment of the global community and to mitigate related sustainability risks by ways of, including but not limited to the followings:

- Setting environmental targets and conducting series of annual review to evaluate the actual performance against those targets;
- Exploring different energy saving options to reduce electricity and power consumption; and
- Developing a series of green solutions targeting the specific initiatives outlined in the Government’s Climate Action Plan 2050 to combat climate change and support Hong Kong to achieve carbon neutrality.

7.2 Sustainability Practice

The Group strives to maintain a strong corporate governance framework which integrates the management of sustainability into business operations and decision-making process for safeguarding the best interest of all stakeholders. For instance, the Group has established the Supplier Code of Conduct setting out clear expectations for suppliers to maintain the same underlying principles for conducting business ethically in line with global compliance standards.

Further, a set of Group Policy and Principles for supplier selection and management process has been formulated and adopted across the Group providing guidance to facilitate the implementation of control points on each of the supply chain processes to transform the Group into a responsible organisation and setting out criteria for the Group to manage the procurement practices effectively and align with the Group’s corporate and social responsibilities.

For details of the sustainability practice in relation to supply chain management, please refer to the Supplier Code of Conduct and Group Purchasing Policy and Principles.

7.3 Health & Safety

The Group is committed to foster the well-being of the community and to build a healthy and safe living environment by ways of, including but limited to the followings:

- Regular monitoring and assessment on the Group’s Occupational Safety and Health (“OSH”) performance and disclosure of a Statement of Safety and Health detailing the Group’s commitment on preventing accidents and injuries at work; and
- Continuous monitoring of electromagnetic field emittance from the Group’s facilities to ensure compliance with standards relevant to radiation safety, as well as monitoring on the latest industry developments and guidelines from relevant regulatory bodies and authorities to ensure the safety of customers and community at large.

Employees should strive to make a positive contribution to the environment and community by respecting the nature, upholding corporate responsibility in the supply chain and maintaining high standards of business ethics and promoting health and safety in the workplace.

7.4 Diversity, Inclusion and Equality

The Group is committed to foster the values of diversity, inclusion, and equality and strive to eliminate discrimination by taking care of the people living in the community regardless of their gender, disability, family status, race, colour, descent, nationality or ethnic origins, religion, age, sexual orientation, trade union membership or other condition recognised by law via:

- Supporting the community via monetary and in-kind community contribution in various aspects, such as Arts & Culture, Telecom & Digital, Environment, Education and Social Inclusion; and
- Strictly adhering to all relevant labour laws and regulations in Hong Kong and other jurisdictions where the Group operates.

Employees should behave professionally with mutual respect towards all personnel encountered in the course of the business and adhered to the same standards of human rights in their interactions with any third party.

For details of Diversity, Inclusion, Equal Opportunities & Anti-Discrimination/Harassment Practices related to Group employment, please consult Group Human Resources.

8. WHISTLEBLOWING

To maintain good corporate governance practice within the Group, all internal and external stakeholders are encouraged to report actual or suspected improper conduct in confidence to the Audit Committee via Group Internal Audit.

All whistleblowing cases are treated in strict confidence to the extent practicable and legally permissible. When a report has been made in good faith and with reasonable grounds for believing such improper conduct occurred, the Company shall take no unfair or retaliatory actions against the whistleblower.

For details, please refer to the Group Whistleblower Policy and Procedures Manual.

9. CONTACT POINTS FOR CODE OF CONDUCT

Executive Committee Representative	
<p>Susanna Hui Group Managing Director</p> <p>Tel: (852) 2888 7390</p> <p>Add: 42/F PCCW Tower TaiKoo Place, Quarry Bay Hong Kong</p>	
Audit Committee Representative	
<p>Sunil Varma Chairman of the Audit Committee of the Board of Directors</p> <p>Add: C/o. The Head of Group Internal Audit 39/F PCCW Tower TaiKoo Place, Quarry Bay Hong Kong</p>	
Group Functions	Responsible Person
Group Legal Office & Corporate Secretariat	Group General Counsel and Company Secretary
Group Finance	Chief Financial Officer
Group Risk Management & Compliance	Group Chief Risk Officer
Group Human Resources	Group Chief Human Resources Officer
Group Internal Audit	Head of Group Internal Audit
Group Communications	Head of Group Communications and Brand
Group Regulatory Affairs	Head of Group Regulatory Affairs
Corporate Security and Fraud Management	Head of Corporate Security and Fraud Management