中国电信
CHINA TELECOM

China Telecom Corporation Limited

SSE Stock Code : **601728**
HKEx Stock Code : **728**

AI FOR AN INCLUSIVE FUTURE

2025
Sustainability (ESG) Report

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CHAIRMAN'S STATEMENT

Ke Ruiwen

Chairman and
Chief Executive Officer

2025 marks the conclusion of the 14th Five-Year Plan period, as well as a truly remarkable year in the Company's development. China Telecom resolutely fulfilled its responsibilities in building China's strength in cyberspace, science and technology, Digital China, as well as safeguarding network and information security. It accurately grasped and rode the trends in technological innovation and industrial development, advanced the upgrade of its corporate strategy toward Cloudification, Digital Transformation and AI for Good, and fully embraced AI technologies, injecting new impetus into the sustainable development of the economy and society.

First, pursuing digital and intelligent empowerment and leading the future with innovation. The Company continuously drove the innovation and development of AI, and further consolidated its digital foundation. It fully completed the construction of the world's largest 4/5G co-built and co-shared network, with over 1.54 million 5G mid-/high-band base stations and over 1 million low-band base stations in use and over 110,000 5G-A carrier aggregation base stations and over 650,000 RedCap base stations deployed in more than 300 cities. The Company built the world's largest Gigabit fibre network, with over 10 million 10G PON (passive optical network) ports. The Company launched the renewal and upgrade of backbone optical cables, and established the world's largest 100G/400G all-optical network integrating national and provincial backbone cables. The Xingchen Large Model System and e-Surfing Artificial Intelligence

of Things (AIoT) were respectively named as part of the "2025 Top Ten National Mega-Projects of State-owned Central Enterprises" and the "Top Ten Super Projects of State-owned Central Enterprises for 2025". The Company advanced the construction of a national integrated computing power network, and built China's first commercial super-node cluster at a hub node in the GBA. Its self-owned intelligent computing power reached 46 EFLOPS, and accessed computing power 91 EFLOPS. With its No.1 technology "Xirang" as the core, the Company leveraged the advantages of cloud-network integration, accelerated research on core technologies, and built a five-sphere intelligent cloud system integrating computing power, platform, data, model, and application. The Company accelerated external empowerment. Focusing on the needs of key scenarios such as production, daily life and social governance, the Company deepened the integration of CHBG scenarios, promoted the scenario linkage and capability upgrade for smart communities, digital villages and Internet of Video Things (IoVT), and developed more than 110 industry-specific large models and over 350 industry-specific agents, serving more than 37,000 industrial customers, and expanding the application of AI to empower more households and industries. Based on quality management, the Company upheld a customer-centric approach and concentrated on brand building, taking its service quality to a higher level.

Second, driving green and secure development to foster a distinctive hallmark of development. The Company implemented China's "carbon peaking and carbon neutrality" strategy, and continuously optimised its "1248" green development model, reducing greenhouse gas emissions by over 16 million tonnes in the year, and cutting greenhouse gas emissions per unit of the total volume of telecommunications services by 13% year-on-year. The Company built a green cloud network, completing the green renovation of more than 800 facility buildings and over 50,000 base stations. It advanced the transformation of its energy consumption structure, using 4.2 billion kWh of green electricity, up by 56% year-on-year. It sped up green technology innovation and standard formulation, independently developing more than 10 energy-saving products, and leading the release of 24 international and domestic standards. The Company vigorously developed circular economy, and continued to promote an integrated platform for the disposal of waste and idle materials. To empower the green development of the economy and society, the Company advanced the development of a green and energy-saving product system and scenario upgrades, and guided the public to adopt a green lifestyle. It fully applied the holistic approach to national security, transitioning security capability building to prioritise both operation and construction. It continued to provide security products and services, unveiling the "Jianwei"(「見微」) large model, with the security capability pool covering more than 170 prefecture-level cities across 31 provinces. The Company successfully provided communications support for 45 disaster prevention, mitigation and relief operations, including those in the magnitude-6.8 earthquake in Dingri County, Xizang, 9 typhoons including Typhoon Ragasa, the July 25 floods in the Beijing-Tianjin-Hebei region and the August 4 debris flow in Yuzhong, Gansu. It also completed communications support for major events such as the Fourth Plenary Session of the 20th CPC Central Committee and the military parade marking the 80th anniversary of the victory in the Chinese People's War of Resistance Against Japanese Aggression. The Company strengthened production safety management, effectively fulfilled its primary responsibility for production safety, and continuously drove the digitalisation of production safety management.

Third, championing inclusiveness and sharing and shouldering responsibilities with commitment. Adhering to the people-oriented philosophy, the Company protected employees' rights according to law, smoothed the channels for career development, built a comprehensive employee support system, and rallied efforts to create a home for employees, achieving common growth with its employees. Upholding openness and collaboration, the Company carried out broader and more intense cooperation with industrial chain partners in technology, cloud network, data, capital, new digital information infrastructure and other fields, to foster a co-built, co-shared and mutually beneficial digital ecosystem. To support rural revitalisation, the Company has provided paired assistance to 1,312 villages in 46 townships of 12 counties nationwide, continuously improving the supply

of communications infrastructure in border and rural areas to drive the modernisation of agriculture and rural areas. The Company promoted the elderly-friendly upgrade of products and services with AI technology, helping the elderly people overcome the digital divide. Throughout the year, the Company held 200,000 elderly support activities, serving 3.68 million people in total. Leveraging the strengths of its "Love from e-Surfing" volunteer service brand, the Company carried out regular public welfare programmes and volunteer activities, providing services for more than 11 million people including outdoor workers, the elderly and young people. The Company engaged in the high-quality Belt and Road cooperation, deepened international cooperation in the information and communication sector, promoted the development and connectivity of digital information infrastructure worldwide, and supported the development of overseas communities in terms of community construction and support for disadvantaged groups, demonstrating the global responsibility of Chinese enterprises.

Fourth, pursuing modernisation of governance to build a solid foundation for development. The Company continued to improve its modern corporate governance. Pursuing scientific, rational and efficient governance, it further strengthened the operation of the Board of Directors, fostered sound and interactive investor relations, and placed great importance on shareholder returns, to ensure that corporate operations serve the long-term interests of the Company and all shareholders. The Company stepped up reforms in key areas including technological innovation, strategic emerging businesses and talent development, and successfully completed the campaign to deepen and upgrade state-owned enterprise reforms. The Company has been rated Grade A in the assessment of state-owned central enterprises in terms of key reform initiatives for four consecutive years, ranking second among state-owned central enterprises in 2024, with the vitality of high-quality development increasingly enhanced. The Company drove operations in compliance with laws and regulations, turning compliance requirements from external constraints into internal motivation. The Company has established and improved the mechanisms of education and prevention, institutional supervision, punishment and accountability, mistake tolerance and correction, and inspection and oversight for the fight against corruption, forming a rigorous internal control system. The Company pushed ahead with comprehensive risk management, put in place a well-structured risk management organisation with clear rights and responsibilities, and built a "Three Lines of Defence" risk management system, to ensure risk control covers all aspects and all levels and thus forge a solid risk barrier for high-quality development.

2026 marks the beginning of the 15th Five-Year Plan period. China Telecom will always keep in mind the country's top priorities, and work toward the goal of becoming a leading AI service provider. It will fully implement the "Cloudification, Digital Transformation and AI for Good" strategy, further deepen reform and opening-up on all fronts, enhance corporate governance capabilities, and accelerate high-quality corporate development. The Company will continue to work with all stakeholders to shoulder more responsibilities and make greater contributions to the sustainable development of the economy and society, and strive to write a new chapter for the telecommunications industry in the course of Chinese modernisation.

ABOUT CHINA TELECOM

COMPANY PROFILE

China Telecom Corporation Limited ("China Telecom" or "the Company") is a listed company controlled by China Telecommunications Corporation. The Company's A Shares and H Shares are listed on the Shanghai Stock Exchange and the Main Board of The Stock Exchange of Hong Kong Limited respectively. It mainly provides digital information services including mobile communications, wireline communications, and satellite communications, Internet access, cloud computing and computing power, Big Data, AI, quantum, ICT integration, etc.

COMPANY STRATEGY

China Telecom resolutely fulfils its responsibilities in building China's strength in cyberspace, science and technology, Digital China, as well as safeguarding network and information security. With the aim of becoming a leading AI service provider, the Company fully implements its "Cloudification, Digital Transformation and AI for Good" strategy. Insisting on the customer-oriented approach, it strengthens the core capabilities of sci-tech innovation and speeds up the construction of new information infrastructures. The Company builds a big platform for empowering digital and intelligent transformation of the economy and society, provides customers with intelligent, convenient, green, secure and high-quality information services, further deepens reform and opening up on all fronts, comprehensively improves corporate governance capabilities, continuously enhances corporate values, customer values and employee values, and accelerates the building of a world-class enterprise.

EXECUTIVE DIRECTORS AND MANAGEMENT OF THE COMPANY

KE RUIWEN

Executive Director, Chairman and Chief Executive Officer

LIU GUIQING

Executive Director, President and Chief Operating Officer

TANG KE

Executive Director and Executive Vice President

LI YINGHUI

Executive Director, Executive Vice President, Chief Financial Officer and Secretary of the Board

LIU YING

Executive Vice President

HUANG ZHIYONG

Executive Vice President

THE STATEMENT OF THE BOARD OF DIRECTORS

During the reporting period, the Board of Directors (the "Board") of the Company has participated in the evaluation, prioritisation and management of environmental, social and governance (ESG) related matters, including risks of the Company's business. The Board has reviewed the Company's original ESG indicator system and the level of completion of key performance, considered the working group's suggestions on the adjustment and optimisation of various original indicators in accordance with relevant requirements of the Listing Rules of the Hong Kong Stock Exchange, and finally approved the 2025 version of the ESG indicator system and the disclosure plan of key performance indicators.

The Board attaches great importance to risk management and has incorporated key ESG risks into the Company's comprehensive risk management system. The Company regularly keeps track of environmental goals and negative indicators and leverages risk assessment, risk process management and control, and response to risk incidents to promote comprehensive risk management and control covering all processes and all employees. The Board has reviewed various indicators, noted relevant management measures adopted by the Company and made recommendations on the effectiveness of the management measures.

In accordance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial), Guidance No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Preparation of Sustainability Report and the Environmental, Social and Governance Reporting Code* as set out in Appendix C2 to the *Listing Rules of the Hong Kong Stock Exchange*, and with reference to United Nations Sustainable Development Goals (SDGs) and the GRI Standards released by the Global Reporting Initiative (GRI), the Company has evaluated important ESG issues related to the Company's business operations from two dimensions, i.e. the materiality of the impact of such issues on the economy, society and environment and the materiality of the impact of such issues on the Company's finance, selected material issues and set ESG-related goals relevant to business operations. The Board has reviewed and discussed the material issues and ESG-related goals and provided disclosure recommendations.

This Report has strictly complied with the relevant requirements of the Shanghai Stock Exchange and the Hong Kong Stock Exchange. Please refer to the index of this report for the compliance of the relevant ESG reporting guide.

This report has been reviewed and approved for publication by the Board.

ESG GOVERNANCE

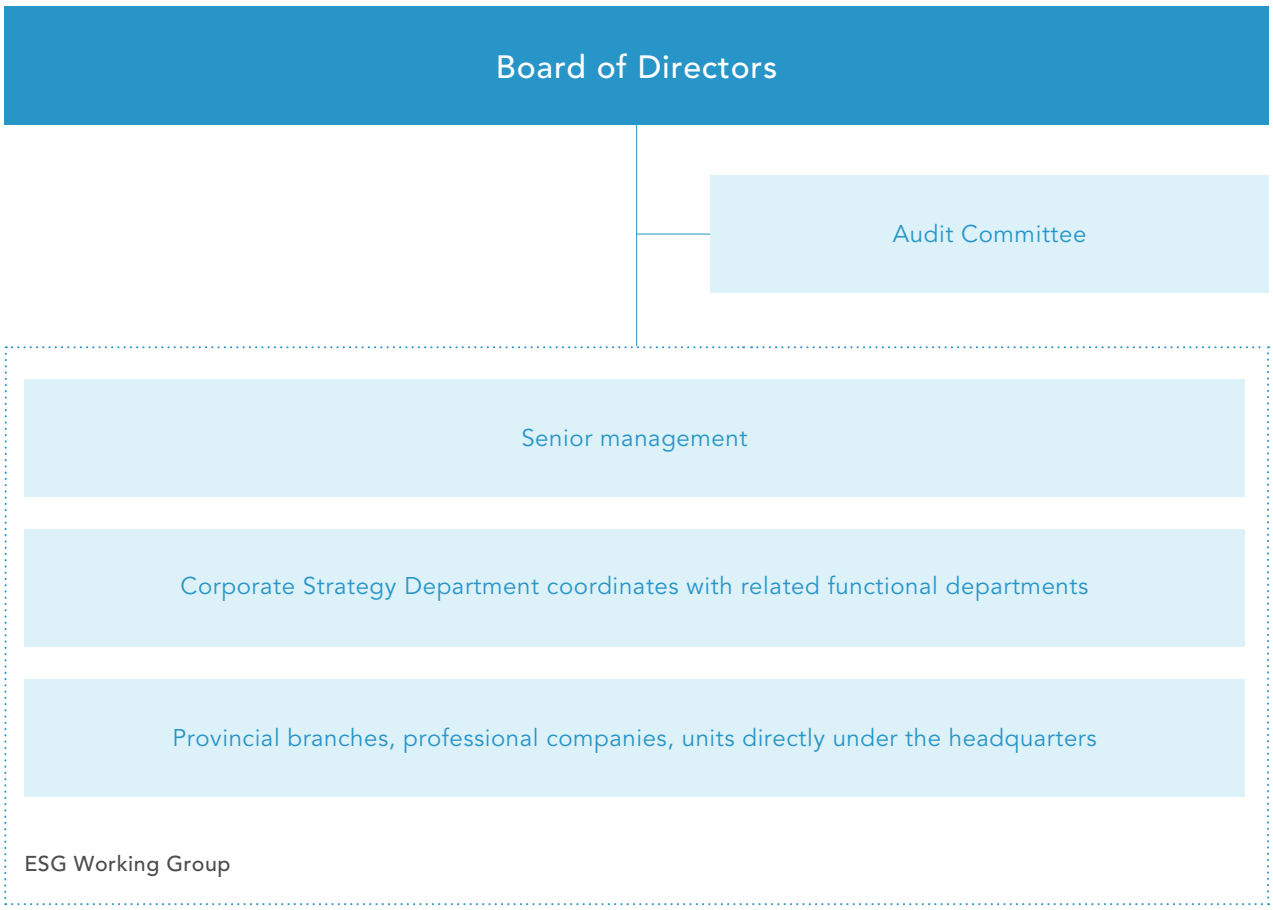
RESPONSIBILITY PERFORMANCE PHILOSOPHY

Upholding the philosophy of "AI for an Inclusive Future", the Company integrates sustainable development into its governance. Focusing on national strategies, shareholder returns, customer value, employee growth, environmental protection, and public welfare and charity, it deepens responsibility performance with digital and intelligent empowerment as the engine, green and secure development as the bottom line, inclusiveness and sharing as the guide, and modernisation of governance as the support. By deeply engaging in livelihood services, empowering all industries, and bringing together partners to jointly cultivate an open and win-win ecosystem, the Company continuously contributes to the achievement of the UN SDGs and the coordinated development of the economy, society and environment.

GOVERNANCE FRAMEWORK

Adhering to the principles of sustainable development, service strategy, complete integration and harmonic co-creation, the Board of the Company is responsible for formulating the Company's ESG management policies and strategies including evaluating, prioritising and managing the Company's ESG-related matters, to ensure that the Company has established an effective ESG risk management and internal control system. The Board has set up the Audit Committee, which is responsible for assisting the Board to oversee ESG matters. The Company has established an ESG working group, which is headed by senior management, driven by the Corporate Strategy Department in collaboration with relevant functional departments in the headquarters, and comprises members from the provincial branches, professional companies and units directly under the headquarters. The working group is authorised by the Board to be responsible for implementing ESG strategies.

The working group is responsible for preparing ESG reports and promoting ESG performance management, information disclosure and relevant fundamental work. The working group regularly reports and makes suggestions to the Audit Committee in areas such as material ESG issues, revision of indicator system as well as indicator tracking and management. The Board and the Audit Committee provide the management and the working group with opinions for optimisation through means such as listening to ESG related work reports on a regular basis, reviewing the Company's performance as well as reviewing the Company's ESG reports and other relevant materials, to ensure continuous enhancement of the Company's responsibility performance.



COMMUNICATIONS WITH STAKEHOLDERS

The Company promotes communications with its investors, customers, employees, government and regulatory authorities, communities and other stakeholders through various channels including announcements, reports, meetings, seminars, visits, service hotlines, questionnaires and events. The Company earnestly listens to the expectations and needs of the stakeholders, sorts out the opinions and suggestions from all parties and actively responds to the concerns raised.

STAKEHOLDERS' EXPECTATIONS ON THE COMPANY AND OUR RESPONSE

Stakeholders	Communications Mechanism and Methods	Expectations on China Telecom	China Telecom's Response
 Investors	• Statements and announcements • Visits • Daily communications • Investor conferences • Investor relations column on the Company's website • Reverse roadshows for investors	• Asset value retention and appreciation • Regulating corporate governance • Operational risk prevention • Regulating information disclosure	• Operate steadily and continue to create value for shareholders • Enhance corporate governance level and continuously enhance internal control system • Protect the rights of investors, especially small and medium investors, in accordance with laws • Disclose corporate information in strict accordance with regulatory rules
 Customers	• Customer service hotline • Customer managers' visits • Customer surveys • Customer communications activities	• Suitable and quality services and products • Enhancement of service quality • Tariff reduction • Harmful information prevention • Personal privacy protection	• Promote service and products innovation • Promote transparent consumption • Set reasonable and preferential tariff • Regulate value-added service cooperation management • Protect customer information in accordance with laws
 Employees	• Employee representative congress • Employee-management conversations • Employee opinion surveys • Complaints and grievances	• Legal rights protection • Realisation of professional development • Management participation • Caring for employees	• Regulate labour management • Optimise income distribution and welfare protection mechanism • Reinforce employee training and enhance career development • Count on the function of employee representative congress • Enhance work conditions

Stakeholders	Communications Mechanism and Methods	Expectations on China Telecom	China Telecom's Response
Government and Regulatory Authorities	• Meetings • Statements or reports • Briefings and visits	• Compliance with laws and regulations • Implementation of government management requirement • Facilitation of industry development • Promotion of employment	• Govern the Company in accordance with laws, and operate with integrity • Pay taxes in accordance with laws, and foster employment opportunities • Innovate digital products and services, promote high-quality economic and social development • Actively provide advice and suggestions
Industrial Chain	• Business communications • Business trainings • Seminars or forums	• Equal and mutually beneficial cooperation • Co-creation of value • Promotion of industry development	• Cooperate with integrity, create mutual benefit and achieve win-win • Actively create an industrial ecosphere and promote industry development
Peers	• Forums or conferences • Dispute coordination and resolution • Special topic working groups • Visits	• Lawful and fair competition • Reinforce communications and cooperation, promote healthy development of the industry	• Actively communicate and exchange experience • Promote inter-connection and inter-communications • Actively engage in co-building and co-sharing
Community	• Community communication activities • Community co-building activities • Social welfare activities	• Environmental protection • Telecommunications universal services • Emergency communications assurance • Helping the poor, the disabled and the underprivileged	• Implement energy conservation and carbon reduction as well as environmental protection measures • Actively promote universal services • Maintain smooth communications • Create social welfare services brands such as "Caring Stations"

DOUBLE MATERIALITY ASSESSMENT

The Company attaches great importance to ESG issue management and conducts identification of material issues on an annual basis. In 2025, the Company carried out assessment, prioritisation and screening of ESG issues related to its business operations in two dimensions: the materiality of impact on the economy, society and the environment, and the materiality of the impact on the Company's finance.

Identification of issues

In accordance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial) and the Environmental, Social and Governance Reporting Code* as set out in Appendix C2 to the *Listing Rules of the Hong Kong Stock Exchange*, with reference to United Nations Sustainable Development Goals (SDGs) and the GRI Standards released by the Global Reporting Initiative (GRI), while taking into consideration stakeholders' needs based on the characteristics of our business and the industry, the Company identified 25 sustainability issues in total.

Materiality assessment

Taking into account the nature of sustainability issues, the Company conducted an assessment of the 25 issues in terms of the materiality of the impact on the economy, society and the environment and the materiality of the impact on the Company's finance, based on the results of stakeholder questionnaire surveys and expert evaluations.

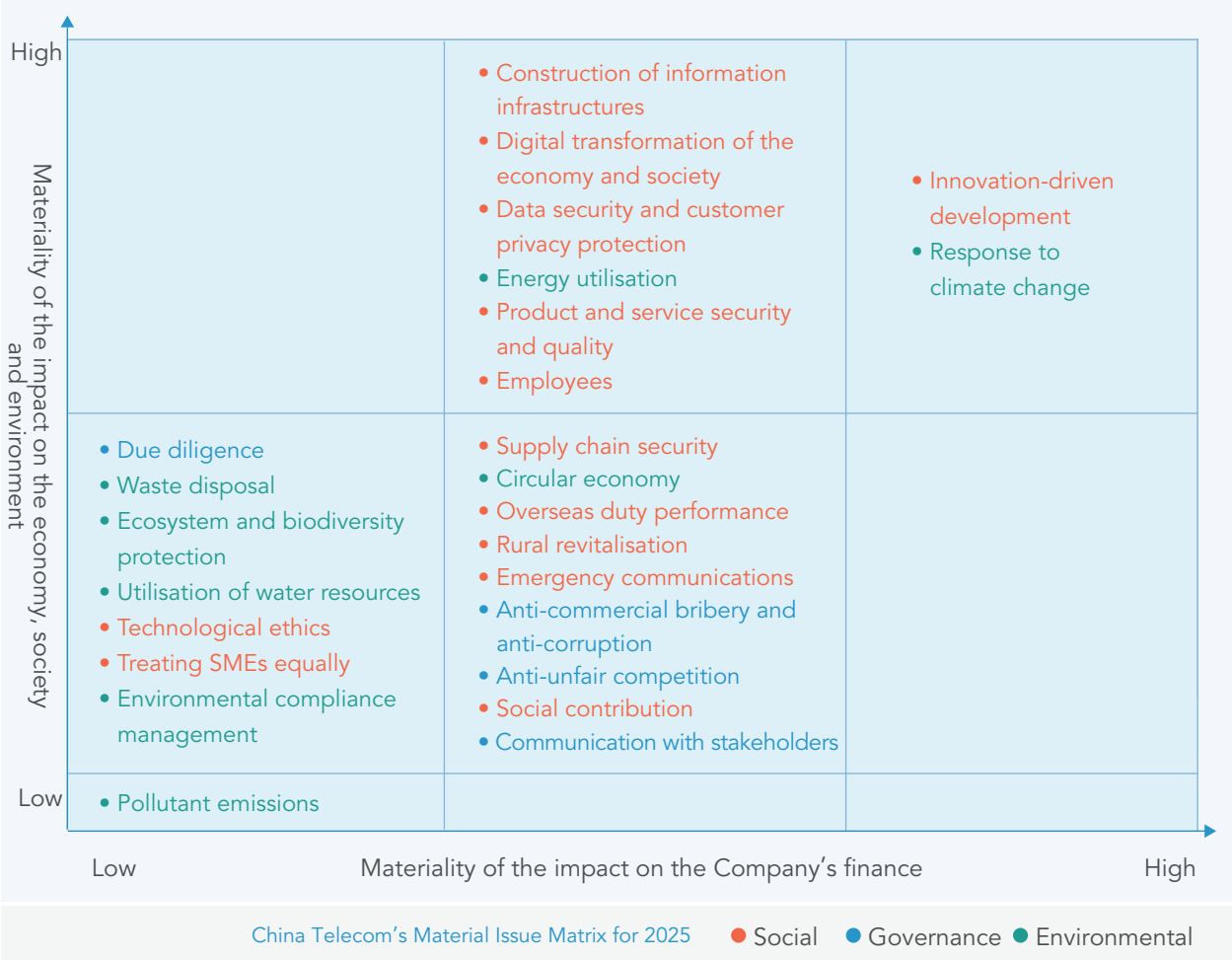
- **Materiality of the impact on the economy, society and the environment:** The potential positive and negative impact arising from China Telecom's performance on sustainability issues were assessed in two dimensions: magnitude of impact and likelihood of occurrence.
- **Materiality of the impact on the Company's finance:** The magnitude of impact of the risks and opportunities associated with sustainability issues on China Telecom's business models, operations, development strategy, financial position, etc. as well as their likelihood of occurrence.

Issue analysis

Quantitative analysis was conducted based on the results of double materiality assessments, and materiality thresholds were set for each issue at >1/3 and >2/3 respectively, according to which issues were classified into three levels of materiality: low (less than 1/3), medium (equal to or greater than 1/3 but less than 2/3), and high (equal to or greater than 2/3).

Confirmation and approval

Based on the above assessment methods and quantitative analysis, China Telecom's material issue matrix for 2025 was formulated upon review and confirmation by the Board of Directors. A total of 24 issues were identified as material issues for 2025, among which 2 issues carry double materiality, namely innovation-driven development and response to climate change.



Given the fact that neither the Company nor its subsidiaries are listed as enterprises subject to mandatory environmental disclosure requirements, the assessment results of pollutant emissions are neither material in impact nor material to finance. Consequently, this issue is deemed non-material.

DIGITAL AND INTELLIGENT EMPOWERMENT
LEADING THE FUTURE WITH INNOVATION

At present, AI technologies are evolving at a faster pace, profoundly transforming the way we produce and live and reshaping the global industrial landscape. Promoting the sound and orderly development of AI in a beneficial, safe and fair manner has become an important mission entrusted by our era. China Telecom fully embraces AI, and advances the upgrade of its corporate strategy toward Cloudification, Digital Transformation and AI for Good. Advancing development through technological innovation, the Company further consolidates the foundation for new digital information infrastructure, continuously scales up the application of "AI+" in production, life and social governance, and facilitates the deep integration of the digital economy and the real economy.

CONSOLIDATING DIGITAL AND INTELLIGENT FOUNDATION

The Company accelerates the development of new digital information infrastructure featuring cloud-network integration, builds the integrated intelligent computing service platform Xirang, and consolidates the foundation for the development of AI, so as to empower high-quality development of the economy and society.

Capabilities of various networks

The Company accelerated the upgrade of dual-Gigabit networks. In terms of mobile network, 165,000 new 5G mid-to-high frequency base stations were built, bringing the total number of China Telecom and China Unicom stations to 1.54 million. The 5G network achieved continuous coverage of all towns and above across the country. In terms of broadband network, with over 10 million 10G PON ports having been built, the Gigabit fibre network covered over 97% of urban housing. The Company actively carried out pilot projects and innovative applications of the 10-gigabit fibre network, promoting the continuous evolution of the network toward ultra-high speed, large capacity and intelligence.

The Company accelerated the all-optical upgrade of networks. G.654E new-type fibre was adopted for all the inter-province backbone optical cables, supporting the deployment of long-distance and high-speed transmission network. For the backbone 400G all-optical transport network, deployment of the optical layer/electrical layer integrated equipment was expanded to realise flexible scheduling of the entire waveband. The Company further deepened the regional integrated networking, with 400G high-speed ports deployed in hotspot regions, and built a world-leading interconnected network of broadband, with the average latency reducing by 3% nationally. The superior government-enterprise OTN (optical transmission network) covered all cities nationwide and key China Telecom Cloud resource pools.

Accelerating the construction of 5G base stations to build a denser urban communication network

CASE

In 2025, China Telecom's Nantong Branch accelerated the construction of 5G network by deploying more than 300 800MHz low-frequency 5G base stations across Nantong, helping to consolidate the digital information infrastructure in the region. Based on network optimisation analysis, the Company precisely adjusted tower antenna parameters and scientifically controlled coverage distance and orientation, while strengthening public mobile communication network coverage in cities, towns, rural areas and remote areas, providing low-latency, highly reliable network for emerging application scenarios such as industrial Internet and telemedicine, and empowering the high-quality development of digital economy across the region.

Workers are commissioning 5G base stations

Guangdong Branch launches its first 10-Gigabit experience hall in Shenzhen

CASE

In May 2025, the first 10-Gigabit fibre broadband experience hall of Guangdong Branch was officially put into use in Shenzhen Information Hub Building. On site, several new "10-Gigabit + AI" digital and intelligent life scenarios were opened to the public, covering applications such as intelligent healthcare with real-time fall alarm, cloud e-sports/cloud audio-visual service without high-end equipment, and 3D immersive live streaming, intuitively demonstrating the high-quality digital life experience brought by the integration of 10-Gigabit fibre network and AI.

A staff member of China Telecom introduces the 10- Gigabit broadband + cloud audio-visual service to citizens

China Telecom unveils its first cross-border hollow-core fibre and ultra-low latency commercial transmission system

CASE

In December 2025, China Telecom unveiled its first cross-border hollow-core fibre and ultra-low latency commercial transmission system, which connects Dongguan, Shenzhen and Hong Kong with a total length of 110 kilometres. Meanwhile, its self-developed ultra-low latency OSU service forwarding technology was deployed on a large scale. This landmark achievement set a new latency benchmark for various businesses in the AI era, precisely meeting the core needs of latency-sensitive industries such as finance and intelligent computing, and further demonstrating China Telecom's technological leadership and innovation capability in the global cross-border communication field.

China Telecom officially unveils its first cross-border hollow-core fibre and ultra-low latency commercial transmission system

Ubiquitous computing services

The Company thoroughly implemented the national project of "East-to-West Computing Resource Transfer". It completed the construction of cloud-intelligent computing power infrastructures with unified training-inference capabilities, built two fully liquid-cooling 10,000-GPU pools respectively located in the Beijing-Tianjin-Hebei region and the Yangtze River Delta, deployed 1,000-GPU pools in Guangdong, Jiangsu, Zhejiang, Inner Mongolia, Guizhou, among other areas, and launched super nodes in Inner Mongolia, Guangdong, Sichuan and Jiangsu, etc., bringing the intelligent computing power to 46 EFLOPS.

China Telecom unveils the world's first commercial intelligent computing Ascend super node

CASE

In April 2025, China Telecom officially unveiled the world's first commercial intelligent computing Ascend super node in GBA (Shaoguan) Computing Cluster. As the next-generation homegrown intelligent computing infrastructure, the Ascend super node is built on a new self-developed high-speed bus architecture, enabling integrated, collaborative and high-speed operation across multiple GPU servers. Its DeepSeek inference performance exceeds 2,000 TPS[1] per card, and the training efficiency of hundred-billion and trillion parameter MOE large models increases by 2.7 times, with the performance reaching or even surpassing that of mainstream intelligent computing devices abroad such as H100. This achievement breaks the foreign technology blockade by establishing an independent, innovative, secure and trustworthy domestic AI computing foundation, marking another leap forward in homegrown foundational technologies.

The unveiling conference for China Telecom's intelligent computing Ascend super node in GBA

[1] TPS (Transactions Per Second) is an indicator that measures the number of independent service requests a system can process per unit of time.

China Telecom Cloud fully ushered into a new stage of intelligent cloud development, providing comprehensive, intelligent services under the "Xirang" brand. As an integrated intelligent computing service platform, "Xirang" has embarked on a comprehensive upgrade with the focus on three core areas, i.e. foundational technologies, AI application ecosystem, and platform architecture, to deliver intelligent computing services integrating computing power, platform, data, model, and application, and provide AI infrastructure services for the whole society.

With a continued focus on the independence and controllability of homegrown foundational technologies, the platform marks a leap from the independence and controllability of key technologies in local links to the integration of basic software and hardware and the independence and controllability of the entire industrial chain. It fosters a new AI application ecosystem, upgrades the AI application centre, launches AI agents for scenarios such as government administration, education, scientific research and management, and builds a developer ecosystem on Modelers to accelerate the implementation of AI applications. With the focus of architecture upgraded from "resource management" to "user value", it covers scenarios across the AI development process including data processing, training and inference, and agent construction, and achieves the core breakthrough of being resource-irrelevant, framework-irrelevant, and tool-irrelevant for Triless.

EMPOWERING DIGITAL AND INTELLIGENT TRANSFORMATION

Riding on the momentum of the new round of technological revolution and industrial transformation, the Company deepens the collaborative innovation and deep integration of network, cloud, AI and big data technologies, and promotes the implementation of AI application scenarios in all fields of production, life and governance, contributing to the digital, network-based, intelligent and green transformation of the economy and society.

Fostering industrial upgrading

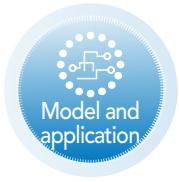
Continuously enhancing AI capabilities

In 2025, focusing on the five-sphere intelligent cloud system integrating computing power, platform, data, model, and application, the Company continuously improved its industry-specific AI capabilities.

The basic computing power base was fully upgraded into an AI-native computing power base. Relying on the elastic, integrated general-purpose, AI, HPC and quantum computing, AI unified data storage and high-performance AI cloud network, the Company significantly improved the collaborative efficiency of cloud and intelligence integrated computing, storage and networking, forming a large-scale AI token production capacity with high concurrency, high throughput and high computing efficiency.

The Company has built a Triless platform, achieving triple decoupling of resources, frameworks and tools. As of now, the total scale of self-owned and accessed intelligent computing power has reached 91 EFLOPS. The Company has also made breakthroughs in technologies including multi-level caching, heterogeneous computing and model routing optimisation, providing tooling services for various large models.

The Company has developed high-quality datasets and a trusted data circulation toolchain, promoting the deeper integration of self-owned, open-source and third-party datasets. It has aggregated general large model corpus data exceeding 10 trillion tokens, as well as high-quality datasets covering more than 14 industries, with a total volume of over 500 TB.



The Company continued to optimise the Xingchen large model system, the first full-modality, full-size, fully homegrown large model system among state-owned central enterprises. The Company built a standardised AI product portfolio, and launched industry-specific large models and agent services tailored to diverse scenarios, making AI more flexibly accessible and user-friendly, while continuously empowering the digital and intelligent transformation of the economy and society.

China Telecom develops China's first DeepSeek large model for the agricultural industry

CASE

In 2025, China Telecom developed "Xiongxiaonong", the first AI large model for the agricultural industry in China, which incorporates DeepSeek capabilities and provides agricultural services to the public. Leveraging the Xingchen · Shennong No.1 Large Model, this model aims to develop intelligent interaction scenarios, and serves as an important vehicle for the exploration of the "network + cloud + AI + applications" integrated model. It integrates four core technologies: an agricultural technology knowledge graph, a multimodal pest and disease identification engine, an agricultural product price prediction model, and a policy think tank. At the production level, it integrates expert experience, historical data and other resources to form a standardised agricultural technology knowledge base, providing farmers with scientific guidance on planting and pest and disease control. At the sales level, it forecasts the market prices of agricultural products based on big data analysis and machine learning algorithms, supporting variety selection, crop rotation arrangement and brand building.

"Xiongxiaonong" AI large model for the agriculture industry

Driving digital and intelligent transformation of industries

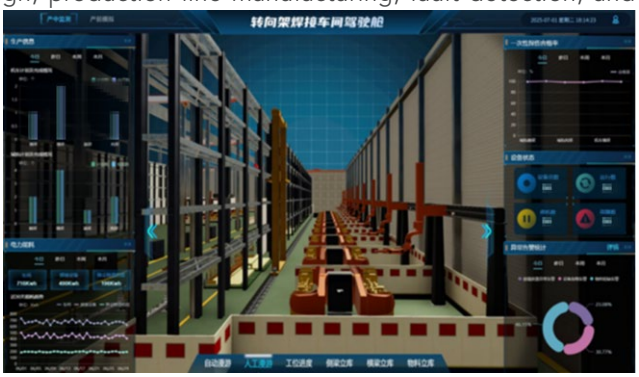
The Company developed the Xingchen platform series for key industries, which cover digital government, people's wellbeing, industrial economy, among other fields, continuously enhancing the capabilities of its digital platforms to empower the digital and intelligent transformation and upgrades of industries.

SMART MANUFACTURING

Empowering the development of CRRC's AI system through large and small industry-specific models + data acquisition & control

CASE

In 2025, leveraging its Xingchen large model and MaaS platform, China Telecom built a "1+1+13" AI system architecture for CRRC (China Railway Rolling Stock Corporation). The two parties actively carried out joint innovation and research focusing on vertical Large Model, platform tools and scenario-based applications, and developed CRRC's Zhuolun large model, which has become one of the first benchmark projects for "AI + manufacturing" recognised by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council. Meanwhile, China Telecom further empowered CRRC with large models in high-value scenarios such as R&D and design, production line manufacturing, fault detection, and energy conservation management. In energy supply forecasting and production line regulation scenarios, more than 100 small models are used for rapid data analysis; the energy conservation management large model performs analysis for decision-making; and data acquisition and control tools rapidly execute control strategies. All this has achieved remarkable results, including a 5%–8% improvement in system energy efficiency, fault location within one minute, and a 90% increase in abnormal recovery efficiency.



Bogie welding workshop cockpit

Building benchmark digital factories to empower the intelligent upgrade of the manufacturing industry

CASE

In 2025, the "Digital Factory" project jointly built by China Telecom's Xiaoxian Branch and a technology company in Anhui was successfully put into operation. With the intelligent visual large screen at the core, the project has put in place a whole-process digital management system, realising digital monitoring and intelligent analysis across the chain from real-time monitoring of production equipment operation and lifecycle tracking of orders, to control of product quality at critical nodes. It has significantly improved production efficiency and resource utilisation rate, setting a benchmark for promoting the intelligent upgrade of the local manufacturing industry.

Workers monitor and debug equipment operation

SMART AGRICULTURE

"Lingrui AI + Drone" completes first cross-regional long-distance survey of 10,000 mu of farmland

CASE

In December 2025, the "Lingrui AI + Drone" developed by Xin Chan (信產公司) successfully completed the cross-regional long-range flight survey of 10,000 mu of farmland in Gong'an Town, Zhongshan County, Hezhou City. This operation marked the first use of an industrial-grade fixed-wing drone, which efficiently completed the survey of over 10,000 mu of farmland across complex terrains, realising a closed loop of flight survey, AI results output and delivery on the same day.

Based on 460,000 km of flight data, over 4 million of aerial photos and 540,000 high-precision maps that covered 19 million mu of land, as well as AI model training in multiple scenarios such as agriculture, forestry, industry, and urban governance, the "Lingrui AI + Drone", combined with the remarkable intelligent computing power of China Telecom Cloud and the capabilities of Xingchen AI large model, achieved efficient and precise data processing, providing solid support for large-scale, intelligent and efficient operations.

China Telecom workers operate fixed-wing drones

Technology empowers agriculture, intelligence leads rural revitalisation

CASE

In 2025, China Telecom's Tongzhou Branch fully leveraged digital means to help farmers achieve efficient planting management. At the smart agriculture demonstration base in Dongshe Town, Tongzhou, farmers can realise remote monitoring of crop growth with high-definition cameras and AI technology, precisely regulate the temperature and humidity in greenhouses with IoT sensors, and achieve water and fertiliser conservation with intelligent water and fertiliser integrated machines. This has not only boosted crop yields, but also slashed planting costs.

Workers demonstrate the operation of intelligent water and fertiliser integrated machines for farmers

Empowering traditional agriculture with digital "wings"

CASE

In 2025, at the rice demonstration base in the Jinggangshan National Agricultural High-Tech Industrial Demonstration Zone in Jiangxi Province, China Telecom built a smart agriculture system covering the entire process from farming, planting, management and protection to harvesting. With over 200 5G IoT sensors collecting 12 indicators such as soil moisture content and fertility in real time, minute-level farmland data monitoring was achieved. This system, combined with the 5G+Beidou drone plant protection system, boosted operating efficiency by 50 times. Moreover, digital twin technology was adopted to optimise planting decisions as well. This has set an example for the digital transformation of agriculture.

Workers debug agricultural drones in the field

SMART HEALTHCARE

Weaving a 5G smart nursing network to keep nursing services always available

CASE

In 2025, to further streamline nursing procedures, China Telecom's Rudong Branch in Jiangsu deployed a 5G dedicated mobile nursing network for the inpatient wards of local hospitals. Using 5G handheld PDAs, medical staff can efficiently complete drug verification, patient care data collection, ward rounds and other tasks. This innovative application enables medical staff to access patient information more easily, thus completing various nursing tasks efficiently and enhance both work efficiency and service quality.

Medical staff conduct ward rounds using 5G handheld PDAs

Launching the Yiwen Smart Triage project and setting a benchmark for AI healthcare

CASE

In 2025, Peking University First Hospital launched Yiwen Smart Triage, a smart triage large model built on the Xingchen·Jishi large model independently developed by China Telecom for the healthcare sector. The project deeply integrates professional medical knowledge with AI technologies. It has served 2 million residents in the region, handled more than 1,000 consultations on a daily basis, and helped raise the hospital's general practise consultation rate by 18.6%, effectively streamlining medical consultation procedures and boosting diagnosis and treatment efficiency. As a benchmark for AI healthcare application, the project has set an example among the top 10 hospitals nationwide. Featuring lightweight deployment and low-cost implementation, the project can precisely meet the core needs of intelligent guidance and triage at all levels of medical institutions.

The "Health Consultation" interface of Yiwen Smart Triage

SMART EDUCATION

From blackboards to the cloud: Powering traditional education with a "smart engine"

CASE

To address management challenges during new student registration, China Telecom's Sichuan Branch launched the "Onboarding Agent". By simply scanning a QR code, new students and their parents can interact with the system via voice or text to inquire about registration procedures, document preparation, fee standards, class assignment results and other information, and the system will provide clear responses within 10 seconds. In addition, the Sichuan Branch has also rolled out a variety of AI application platforms: The AI smart fire protection system comprises automatic alarm devices deployed in key areas. Upon detection of potential fire risks, it issues both SMS and voice alerts; the AI smart class monitoring system collects data through high-definition cameras and intelligent sound pickups in classrooms, providing data support for teaching quality evaluation; the AI anti-bullying system conducts real-time monitoring of "hidden corners" that traditional surveillance fails to cover, effectively identifying abnormal voices related to bullying and violence and issuing warnings instantly.

Smart campus monitoring screen

China Telecom × DeepSeek unlocks the code for educational innovation

CASE

In 2025, China Telecom introduced DeepSeek and launched a "Smart Campus + DeepSeek" project. In terms of scientific research and teaching, the "DeepSeek + AI Research Assistant", based on the China Telecom Cloud computing infrastructure, integrates the school-based knowledge repository to create a safe and controllable campus intelligent knowledge hub. In terms of student work, the "DeepSeek + AI Intelligent Counsellor" seamlessly connects with the campus portal, unified authentication system, student work system and other platforms. It is accessible around the clock to handle common student questions at any time, significantly improving response speed and the quality of educational services while reducing manual work. This innovative project has produced remarkable results in universities such as Central South University and Sichuan University, bringing higher service efficiency, better learning experience and stronger innovation capabilities to the campuses.

The DeepSeek campus experience edition for the Central South University

SMART TRANSPORTATION

China Telecom and TravelSky jointly launch "Gongxiang Ruixing" large model for the civil aviation sector

CASE

With an innovation consortium focused on cloud computing as the core cooperation model, China Telecom and TravelSky deeply integrated their respective technological strengths and industry expertise, achieving a series of breakthroughs in AI technologies. Leveraging the full-stack domestic computing power support, data annotation, MaaS platform and other service capabilities of China Telecom's intelligent computing platform, the two parties jointly developed "Gongxiang Ruixing", a large language model for the civil aviation sector. The model was officially released at the Digital China Summit in Fujian in April 2025. Enabled by natural language interaction and RAG technology, it provides round-the-clock intelligent services including passenger ticket booking, inquiries and flight status tracking. Agreements on model application are expected to be signed with 12 airlines.

The signing ceremony for the memorandum of understanding on the AI+ Innovation Consortium

Helping Xiong'an New Area build a new benchmark for digital roads

CASE

In October 2025, AI-powered traffic lights acting as "intelligent traffic commanders" were officially put into use on the digital roads in the Rongdong District of Xiong'an New Area, enabling second-level smooth passage at complex intersections. As one of the first pilot cities under the national strategy of "Building a Country with Strong Transportation Network", Xiong'an New Area has planned and deployed intelligent transportation systems across the entire region since its inception. China Telecom has fully supported the development of Xiong'an New Area as a digital city and pioneered the high-quality development of transportation infrastructure. By empowering intelligent transportation through digitalisation, the Company successfully built the country's first district-level digital road system with full-coverage sensing capabilities in Xiong'an New Area, establishing a new benchmark for smart transportation featuring interconnected "vehicle-edge-cloud" systems.

Staff members monitor the operation of AI traffic lights in back office

SMART CULTURE AND TOURISM

Pingxiang Branch empowers intelligent upgrade of a scenic area in Lianhua County to build a digital model for rural tourism

CASE

In 2025, relying on 5G and cloud-network integration technologies, China Telecom's Pingxiang Branch initiated an intelligent upgrade of Jintan Yunwu Scenic Area in Gaozhou Township, Lianhua County. It aims to build a system of "digital brain + featured applications", supporting transformation of scenic area's operation model from traditional sightseeing to smart culture and tourism. In terms of platform development, a "1+6+N" smart culture and tourism system is established, comprising six core systems respectively for unified user authentication, transportation and geographic information, and emergency response command, etc. to enable passenger flow analysis, safety warning, and intelligent management. In terms of visitor services, the portal website and new media matrix is upgraded to provide multilingual virtual tours and intelligent guide. Based on the "Yipiaoyou" platform, one-stop booking for tickets, hotels and local specialties is realised to improve travel convenience and visitor experience. Upon completion of the project, the scenic area's annual tourist reception is expected to increase by more than 30%, driving a 25% growth in the income of village collective economy.

Workers debug 5G intelligent monitoring equipment

"AI Guangzhou Tour" assistant sets a new benchmark for culture and tourism services

CASE

In 2025, leveraging innovative applications such as the travel planning agent and the cultural heritage explanation assistant, China Telecom promoted cross-industry data integration and scenario innovation. Relevant projects covered 228 cities in 31 provinces, with more than 1,400 implemented in total. As a benchmark project, "AI Guangzhou Tour" deeply integrates large models and multimodal interaction capabilities. It incorporates over 6,300 culture and tourism POI entries and a sports event database, and pioneers the service model of "travel along with events", where customised travel routes are automatically generated based on event schedules, transportation, catering and intangible cultural heritage resources are integrated, and an "AI peak avoidance" algorithm is developed to dynamically optimise itineraries. As a core carrier of smart services for the 15th National Games, the project has served more than 3 million visitors. Its "event-tourism-culture integration" model has set a standardised model for culture and tourism services associated with major sports events, helping Guangzhou build itself into an international hub of culture and tourism consumption.

The "AI Guangzhou Tour" assistant

Serving the digital society

The Company has always taken improving people's well-being as the starting point and ultimate goal of information-based development. It is committed to deeply embedding AI technologies into all scenarios of digital life, so that technological innovation can truly deliver benefits to people's livelihood.

Upgrade of digital homes

Under the "Beautiful Home" brand, the Company continuously built the product system of "One All-fibre Network, One Intelligent Cloud and One Beautiful Home", delivering a better life experience for users.

The Company launched the next-generation e-Surfing Smart Screen, a brand-new home AI entry point based on the Xingchen large model that integrates voice interaction, AI ecosystem aggregation and intelligent control, to create a series of smart AI applications for education, healthcare, companionship and other scenarios.

The Company accelerated the upgrade of home broadband toward FTTR (Fiber to the Room), integrating core capabilities such as intelligent fault diagnosis, remote operation and maintenance management and cybersecurity protection, and providing home networking services with lower latency and more stable connections.

The Company developed innovative products such as fully connected digital homes and e-Surfing AI HD under the "Beautiful Home" brand.

The Company leveraged the capabilities of community and rural platforms and built an integrated GBHC[2] service system.

China Telecom achieves a breakthrough in the large-scale development of home services

CASE

E-surfing Digital Life Technology Co., Ltd. (天翼数字生活科技有限公司) upgraded its Digital Life platform to Version 2.0 and fully revamped its "Beautiful Home" system. Centring on "One All-fibre Network, One Intelligent Cloud and One Beautiful Home", it provides users with smart and inclusive services across various scenarios. As of the end of November 2025, the cumulative number of pan-intelligent terminals connected to China Telecom's "Beautiful Home" system reached 560 million; the number of Xiaoyi Butler users amounted to 270 million, home networking users 190 million, e-Surfing Cloud Drive members 190 million, and e-Surfing HD users 130 million. Since its launch on September 19, e-Surfing Smart Screen has gained market favour for its differentiated smart interactive experience, with more than 300,000 new activated users in total.

The launch ceremony for AI applications and Digital Life Platform 2.0

[2] GBHC refers to the collaborative model among governments, businesses, homes and consumers.

AI-powered upgrade of e-Surfing IoVT

The Company leveraged technological innovation and AI to drive the large-scale and intelligent development of IoVT. Focusing on key areas including digital government, smart cities and social governance, it developed national-level video infrastructure and created a customer-centric, end-to-end integrated solution of "platform + AI + terminals + operation and maintenance", helping modernise the urban governance system and governance capabilities.

As of the end of 2025

- e-Surfing IoVT covered **31** provinces nationwide
- Extended into **450,000** villages
- Connected with nearly **90** million terminals

The "Transparent Kitchens and Stoves" platform intelligently empowers whole-chain supervision and protects food safety

CASE

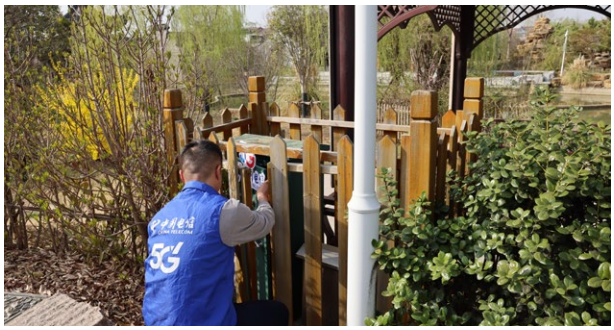
Based on its technological and platform strengths, e-Surfing IoVT has deeply engaged in market regulation and social governance by innovatively developing a smart supervision platform named "Transparent Kitchens and Stoves". Breaking the limits of traditional supervision scenarios, the platform has expanded supervision coverage from kitchens to food production and sales. By integrating core technologies such as high-definition video capture and AI recognition, the platform enables end-to-end, traceable and smart management of food production and operation activities. It has served more than 500,000 merchants and enterprises, setting a benchmark for empowering market supervision with technology and safeguarding food safety for the people.

The alert notification function of e-Surfing IoVT's "Industrial Monitoring and Care" solution

E-Surfing AI IoVT invites you to a garden tour

CASE

The Hu's Garden in Xinhe Town, Shuyang County, Jiangsu Province, reputed as the "top garden in Huaihai", is known for its exquisite architectural art and profound historical heritage. China Telecom's Shuyang Branch optimised wireless network coverage to support the construction of an AI IoVT system and a passenger flow counting system in the garden. After entering the garden, visitors can access audio introduction services about scenic spots and historical stories provided by the "AI tour guide" through the IoVT system, experiencing the fun of tech-enabled garden tours while travelling between the past and present.



Staff conduct inspection and maintenance on communication facilities

Upgrade of smart communities

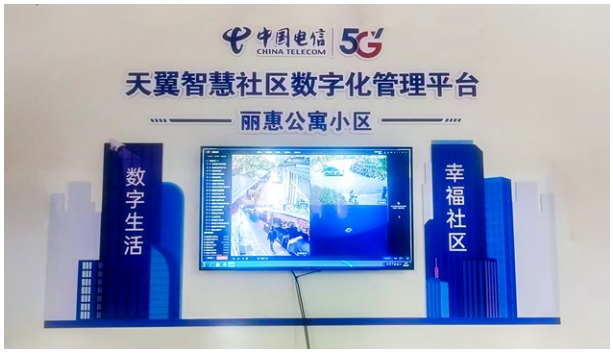
The Company fully promoted the upgrade of e-Surfing Smart Community, unlocking governance efficiency with AI and empowering a better life with intelligence.

AI governance	AI connectivity	AI sharing
Street Cloud provides applications including video convergence, AI grid management and emergency notifications, safeguarding peace and safety for homes via the cloud.	Smart Community offers intelligent tools such as smart screen access, AI surveillance and smart lighting, building smart homes with AI.	It provides residents with services including community smart eye, family care, and the 15-minute living circle, helping them access a happy life with ease.

"Smart Eye" guards homes, ensuring safer and smarter communities with AI technologies

CASE

Fully leveraging the technological strengths of the Street Cloud of Smart Community Platform, China Telecom's Yunnan Branch installed more than 300 AI-enabled cameras on main roads and in key areas of Linkou Township, Zhenxiong County, Zhaotong. Integrating over 10 AI algorithms for facial recognition, vehicle recognition, trajectory analysis and early warning, etc., the platform has helped the government improve street governance efficiency. Meanwhile, the Yunnan Branch also built "Lihui Smart Apartments", the first community in Lijiang featuring fully AI-enabled scenarios. Equipped with functions such as facial recognition access control, smart parking, AI monitoring inside and outside the community, online smart public services and the "15-minute living circle", an integrated smart operation and management platform has been established for the residents, fully safeguarding their travelling and living safety.



E-Surfing smart community digital management platform

Supporting digital government administration

The Company integrated quality products capabilities in the field of government administration, and deeply engaged in the construction of major digital government administration projects across the country, continuously empowering governments at all levels through intelligence. Focusing on key areas including government hotline services, smart cities, and smart elderly care, it built an industry-leading digital technology foundation, government administration data systems, core hub platforms, and industry-specific applications. Relying on capabilities in consulting and planning, integrated implementation and operational services, the Company established a full-stack capability system covering the entire lifecycle of digital government administration. The Company independently developed core products such as the Xingchen government administration large model, Xingchen smart government administration platform, and Xingchen intelligent city hub platform, and created customised solutions for sectors including food safety supervision, smart elderly care, and digital social work, fully supporting the digital transformation of governments at all levels.

Guangxi Luchuan Branch develops digital government service robots

CASE

In March 2025, China Telecom's Luchuan Branch in Guangxi, in collaboration with the Luchuan County Big Data Bureau, successfully launched the digital government service robot "Xiaolu" and the intelligent assistant "Luxiaozhi", making Luchuan County the first county in the region to deploy digital government service robots. Relying on China Telecom's Cloud resources and the DeepSeek algorithm model, "Luxiaozhi" and "Xiaolu" are equipped with functions such as intelligent Q&A and business guidance, providing round-the-clock government services. Adopting a "dual-line integration" model, the platform migrates high-frequency government consulting services to intelligent terminals, enabling one-click access to policy information and real-time inquiry of service guides. To date, the system has covered common government services such as business registration, social security and medical insurance.

"Xiaolu", the intelligent robot for digital government services

LEADING TECHNOLOGICAL INNOVATION

In line with the strategy of building China's strength in cyberspace, science and technology, the Company continuously advanced high-level self-reliance and strength in science and technology, moved faster to drive breakthroughs in core and key technologies, strengthened the supply of high-quality scientific and technological products, and further stepped up deployment in national strategic scientific and technological areas as well as input in technological innovation. It also intensified efforts to cultivate, introduce and make full use of talents, while deepening industry-academia-research user collaboration in innovation. The Company has taken a solid step toward a technology-oriented enterprise, providing robust innovation momentum for the endeavour to build Digital China.

Governance

The Company continuously strengthened the development of its technological innovation mechanism, and has formed a well-structured R (applied basic research), D (applied technology R&D) and O (operational development) innovation system. It promoted breakthroughs in technological innovation and talent mechanism, and actively explored policies in support of original and exploratory technological innovation, including those about patient capital and the lump-sum research funding. The Company improved incentives for the commercialisation of scientific and technological achievements and talent incentives in new development zones. The Company deeply implemented the project of promoting corporate strength through talents, building young, high-calibre research teams with top-notch talents at the core, and strengthening talent training in areas of key and core technologies.

Strategy

Risk/opportunity type		Risk/opportunity descriptions	Time range	Response strategy
Risks	Technology security risk	Large models involve native security risks such as data contamination, while the misuse of AIGC can easily lead to problems including the spread of false information. Cross-domain integration of technologies makes security threats more pervasive and concealed, raising the bar for security protection.	Medium term	Build a large model security governance platform and a proactive defence system covering cloud, network, edge and terminals, and strengthen large model guardrails and AIGC authentication capabilities, to achieve high attack interception rate and precise forgery detection.
	Technology iteration risk	Cutting-edge technologies such as AI and quantum communication are evolving at a fast pace. Breakthroughs in core and key technologies involve long cycles, great difficulties and substantial capital investment. Any failure to keep pace with technological developments can lead to the loss of first-mover advantage and market competitiveness.	Medium term	Establish a mechanism for dynamically tracking and forecasting cutting-edge technologies, and increase input to drive breakthroughs in core and key technologies; focus on key areas such as integrated computing power scheduling and acceleration of large model training and inference, to build technological barriers; promote industry-academia-research collaboration in innovation, and improve the efficiency of technology commercialisation.
Opportunities	Opportunities arising from the new round of technological revolution and industrial transformation	With the accelerated maturation and penetration of cutting-edge technologies such as AI and cloud computing, the digital and intelligent transformation of all industries has entered a stage of large-scale implementation. This aligns with the Company's core strategy of "Cloudification, Digital Transformation and AI for Good", creating vast market potential.	Long term	Consolidate the five-sphere intelligent cloud infrastructure featuring computing power, platform, data, model and application, and further empower all industries through AI; collaborate with industry, academia and research institutes to build a technological innovation ecosystem and accelerate the transformation of technology value.
	Opportunities arising from national strategies and policies	With the ongoing advances of national strategies including the Digital China initiative and the East-to-West Computing Resource Transfer project, state-owned central enterprises have clear digital transformation mandates. Cyber security policies and regulation are increasingly strengthened, providing policy support and market opportunities for the Company's core businesses.	Long term	Actively undertake the construction and scheduling tasks for the national computing power network, deeply engage in the market segments of government cloud and digital transformation of state-owned central enterprises, strengthen the deployment of security products such as Cloud Dam and Zero Trust, and consolidate the market foundation by leveraging favourable policies.

Impact, risk and opportunity management

The Company actively undertook major national science and technology tasks and the construction of innovation platforms, deeply implemented the project of promoting corporate strength through talents, and advanced enterprise-led industry-academia-research cooperation. It has achieved a series of breakthroughs in four major technology directions, fully completed the layout of seven strategic emerging businesses, and basically formed an echelon pattern of sci-tech talents, playing a significantly enhanced role in the national innovation system.

Breakthroughs in core technologies

Cloud computing

- The Company was the first in the industry to realise full-stack technology independence and controllability, and its China Telecom Cloud server operating system CTyunOS passed the national security and reliability evaluation;
- The Company achieved breakthroughs in technologies such as integrated computing power scheduling and training & inference acceleration, and pioneered the Triless platform architecture;
- The Company built the "Xirang" intelligent cloud system that integrates computing power, platform, data, model and application.

AI

- The Company developed the independently controllable, full-modality, full-size and fully homegrown XingChen large model, built a nationally leading super-humanoid dialect speech generation model and a speech recognition model covering more than 80 dialects, and innovatively launched full-modality and interpretable forgery detection capabilities. It won three championships at top international competitions including IJCAI 2025[3].
- The Company innovatively constructed the AI Flow technical system, tackling three key technologies, i.e. generative intelligent transmission, familial homologous models, and intelligent emergence based on connection and interaction.

[3] The 34th International Joint Conference on Artificial Intelligence 2025, one of the top academic conferences in the AI field.

Quantum/Security

- The Company unveiled the world's first distributed cryptosystem integrating QKD and PQC, providing users with end-to-end quantum computing-resistant key distribution and lifecycle key management services.
- The Company built the world's most technologically advanced and largest-scale quantum metropolitan area network. It launched the "Tianyan-287" superconducting quantum computer equipped with the same chip as the "Zuchongzhi-3" and boasting the strongest comprehensive performance in China. The computer is connected to the "Tianyan" quantum computing cloud platform, realising the quantum supremacy of cloud services for the first time globally.
- The Company released China's first open-source basic security guardrail for large models, with protection capabilities reaching the industry-leading level.

Network

- Six core technological outcomes, including new fibre high-speed, large-capacity all-optical transmission and 50G PON multi-generation coexistence and convergence, have reached international leading levels.
- The Company completed the industry's first semantic communication trial for HD video via high-orbit satellites and the industry's first on-orbit verification of medium-orbit NTN at an altitude of 20,000 kilometres, laying a critical foundation for 6G aerial-ground integrated networking.

China Telecom Cloud server operating system CTyunOS passes the national security and reliability evaluation

CASE

The security and reliability evaluation is the highest-level and most authoritative national evaluation for the independence and controllability of basic software and hardware products. In March 2025, the China Information Technology Security Evaluation Centre and the National Secrecy Science and Technology Evaluation Centre jointly issued an announcement on the results of the security and reliability evaluation. China Telecom Cloud server operating system CTyunOS V2.0 (kernel version 4.19) passed the evaluation and was rated Level I for security and reliability. This indicates that the product's performance and security have been recognised by national authoritative institutions, and also signifies a major breakthrough achieved by China Telecom in the field of basic software.

With a restructured CTKernel subsystem and a number of self-developed kernel features and external components, the China Telecom Cloud CTyunOS achieved key technological breakthroughs in virtualisation engines. Its basic performance indicators are over 15% higher than those of CentOS, a mainstream foreign operating system, enabling full substitution of the latter. As the first operator to pass national security and reliability certification in the basic software sector, China Telecom has created a fully domestic technical solution for cloud computing infrastructure and a comprehensive set of independently controllable products and services through China Telecom Cloud for key industries including government administration, finance and energy, further strengthening its advantages in the field of IT application innovation.

China Telecom unveils China Telecom Cloud Xirang interconnected computing power scheduling platform 2.0

CASE

In December 2025, China Telecom unveiled China Telecom Cloud Xirang interconnected computing power scheduling platform 2.0, completing the comprehensive upgrade from resource management to user value creation, and covering the whole AI development process from data processing, training and inference to agent construction. Based on the Triless architecture, the platform has achieved the core breakthroughs of being resource-irrelevant, framework-irrelevant, and tool-irrelevant. It improves resource scheduling efficiency through computing-network integration scheduling, thus being resource-irrelevant; it breaks the technical bottleneck where training and inference frameworks are constrained by chip ecosystems and high adaptation costs are involved, thus being framework-irrelevant; it addresses fragmentation in development toolchains and enables flexible configuration and rapid delivery, thus being tool-irrelevant. To date, Xirang has pooled intelligent computing power from across China, including Xinjiang, Inner Mongolia and Guizhou, serving customers in sectors such as government administration, healthcare, education, energy and transportation, laying a solid foundation for the large-scale deployment of AI in all industries.

China Telecom Cloud Xirang interconnected computing power scheduling platform 2.0 is unveiled

China Telecom launches "Tianyan-287", the superconducting quantum computer with the strongest comprehensive performance in China

CASE

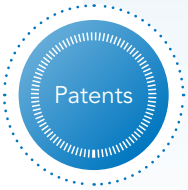
In November 2025, China Telecom launched "Tianyan-287", a superconducting quantum computer equipped with the same chip as "Zuchongzhi-3". This quantum computing system features quantum computational supremacy, with the speed of processing specific problems 450 million times faster than that of the fastest supercomputers available now. It will subsequently be connected to the "Tianyan" quantum computing cloud platform and offer application services globally for the first time. Also, this will be China's first quantum computing cloud platform with quantum computational supremacy, providing strong support for scientific research institutions, enterprises and universities, and accelerating the process of quantum computing research and industrialisation.

"Tianyan-287" superconducting quantum computer

Intellectual property protection

The Company focused on the cultivation of high-value invention patents, accelerated the patent authorisation process, and promoted the commercialisation and application of patents. It drove the output of patents related to standards and products in close alignment with international standards and key products, and strengthened patent layout, while stepping up overseas patent layout and application, to enhance the international influence and core competitiveness of intellectual property.

- The Company recorded 123 ITU-T approved projects, ranking first among global operators.
- The Company secured six more key positions in 3GPP, ITU-T, IETF and FSAN, an optical network organisation, further enhancing its influence in the industry.



- The Company strengthened overseas patent layout with the focus on key areas such as cloud computing, optical network, satellites, and IoVT, as well as overseas business, filing 436 PCT applications and granted 54 patents overseas.
- Through centralised examination, priority examination, patent pre-examination and other approaches, the Company drove the accelerated approval of patents, with the annual number of granted patents steadily increasing to 3,009.

Glory 2025

One of the **Top 3** operators globally by the number of annual granted patents

5G core patent won the Silver Award of China Patent Awards for **three** consecutive sessions

Anhui Branch launches an intellectual property law education campaign

CASE

On April 26, 2025, which marked the 25th World Intellectual Property Day, China Telecom's Huaibei Branch in Anhui launched an intellectual property law education campaign focused on copyright, trademarks and AI-related content by setting up display boards and distributing leaflets, to educate users on the protection of personal information and AI video copyright. Under the theme of "Intellectual Property and Artificial Intelligence", Lu'an Branch popularised knowledge on the protection of data intellectual property and the prevention against the abuse of AI technologies among users. Meanwhile, it offered analysis of new online fraud schemes with typical cases and answered hot issues such as personal information protection on site.

Anhui Huaibei Branch launches a centralised intellectual property law education campaign

Deepening cooperation on technological innovation

The Company deepened industry-academia-research collaboration in innovation and cooperation with global ecosystem partners, promoted the efficient integration of upstream and downstream resources across the industrial chain, and deeply engaged in international standardisation organisations. It comprehensively upgraded the World Broadband Association (WBBA) platform, strengthened global industrial collaborative innovation, and built an open and shared industrial ecosystem.

Industry-Academia-Research

- Leveraging its key role in innovation, the Company further deepened the industry-academia-research collaboration mechanism. Based on the "4+1+N" cooperation pattern, it stepped up cooperation with four national laboratories, the Chinese Academy of Sciences, and over ten top universities including Tsinghua University and Peking University. It co-undertook major national science and technology projects, and drove the deployment and application of major research achievements.

International cooperation on science and technology

- The World Broadband Association (WBBA), established by the Company together with domestic and international enterprises, has grown to include over 220 members spanning nearly 50 countries and regions.
- The Company released the *2025 Global Cloud-Network Broadband Development Index Report*, which offers a comprehensive analysis of the digital infrastructure capabilities of 73 countries and provides important guidance and recommendations for industrial development.
- The Company established the Global Cloud-Network Broadband Excellence Awards, selecting six categories of leading achievements out of more than 150 outstanding cases from 26 countries worldwide.
- The Singapore Overseas Research Centre was officially put into operation, focusing on international exchanges and technical cooperation in fields including 6G and AI.

WBBA Broadband Development Congress 2025 held in Brazil

CASE

In October 2025, the WBBA Broadband Development Congress took place in São Paulo, Brazil. Under the theme of "Smarter Broadband for South America: Unlocking Connection and Growth Potential Empowered by AI and Cloud", the event invited top experts and renowned scholars worldwide to jointly promote smarter, more efficient and more inclusive broadband connectivity in South America. WBBA, together with nearly 20 industrial partners including WBBA members such as China Telecom, Huawei and ZTE, as well as operators and major internet service providers in South America, jointly signed the *Declaration on Promoting the Development of Intelligent Cloud-Network* (referred to as the São Paulo Declaration), to boost the prosperity of the digital economy in South America.

WBBA Broadband Development Congress

Abiding by ethical codes

During technological R&D and application, the Company strictly adhered to the science and technology ethics, and observed the due values, social responsibilities and codes of conduct. It fully evaluated the potential impacts and reliability of new fields and new technologies, and actively tapped the positive effects of science and technology. In strict accordance with relevant regulatory opinions such as the *Opinions on Strengthening the Governance of Science and Technology Ethics*, the *Measures for the Review of Science and Technology Ethics (for Trial Implementation)* and the *Interim Measures for the Administration of Generative AI Services*, the Company conducted R&D in AI, big data, generative AI security and other fields, ensuring equal emphasis on technological innovation and ethical governance.

The Company actively participated in and led the development of standard systems related to AI security and governance, and continuously consolidated the ethical and security foundation for the R&D and large-scale application of technologies. It deeply engaged in the formulation of a number of industrial and national standards in the field of AI security and governance, and developed the *Security Evaluation Standards of China Telecom for Generative Artificial Intelligence*, providing a unified, quantifiable and implementable security evaluation basis for the application of internal large models and agents. Through ongoing efforts to advance standardised and regulated operations, the Company proactively integrated ethical principles and security requirements into the whole process of model design, architecture building and application, making AI governance increasingly engineered, institutionalised and enforceable instead of just being confined to the advocacy of principles.

Metrics and Targets

The Company issued the *Three-Year Action Plan of China Telecom for Scientific and Technological Innovation*, which sets out the guiding principles and action objectives for scientific and technological innovation. Centring on "Nine Major Initiatives", including deepening application-oriented basic research, fully driving breakthroughs in key technologies, comprehensively enhancing strategic emerging products, steadily advancing the industrialisation of technological achievements, deepening the development of scientific and technological innovation platforms, promoting ecosystem cooperation on innovation in all aspects, strengthening all-round support for R&D resources, accelerating the cultivation of scientific and technological talents, and actively fostering an innovation culture, the Company strived to forge a strategic scientific and technological force for the country and provide strategic support for building China's strength in science and technology.

PROVIDING HEARTFELT SERVICES TO CUSTOMERS

The Company upheld the philosophy of "Customer First, Service Foremost". Focusing on people's needs for a better digital life, the Company delivered higher-quality digital products and services, and strove to enhance people's sense of gain, happiness and security in the field of information communication.

Strengthening quality management

The Company continued to strengthen the construction of the quality management and assessment system for the entire product lifecycle, improved relevant management measures and implementation rules, and clarified the requirements for product quality assessment and management in processes such as product R&D, launch, operation, and withdrawal from market. It built a product quality assessment model from the customer perspective, covering over 30 assessment indicators in five dimensions including scenario satisfaction, function integrity and user friendliness. Internal testing by all and sampling quality inspection were carried out before product launch; experience benchmarking was conducted regularly during operation, and problems were continuously followed up for closed-loop resolution. In 2025, four product quality assessments were carried out, and more than 170 problems and demands were included in the closed-loop follow-up process. In addition, the Company improved the problem and demand response mechanism, and launched a digital dispatching system for product problem and demand response, achieving graded handling of problems and demands. The Company also built a product health assessment model, assessing product effectiveness based on their existing performance and growth potential, taking targeted measures, and developing requirements for closed-loop management. In 2025, 118 products were withdrawn from market.

The Company has built a comprehensive service system featuring thoughtful, reassuring and satisfying services, and upheld the mission of serving the people. It deepened the "All Customers' Say" service mechanism, addressed the urgent and pressing concerns of customers, and carried out quality management and service enhancement initiatives.

Service culture development

- The Company built a Party building brand for customer services themed "Wholeheartedly Serving the People, Striving for Excellence in Service", deeply integrated service education into the Company's high-quality development, and encouraged units at all levels to take up responsibility and strive for excellence.
- The Company launched the campaign themed "Every Request from the People Shall be Answered". It rolled out nine measures under the "General Managers Deliver Practical Results" initiative, the first of its kind in the industry. General managers at all levels took the lead to visit frontline teams, soliciting more than 55,000 opinions and suggestions from employees and customers in total.

Public service initiatives

- The Company fully implemented the "Ten Practical Measures for Heartwarming Information and communication Services", and launched a series of service initiatives including upgrading elderly-friendly services, optimising broadband installation and maintenance services, and enhancing intelligent customer services.
- The Company carried out the "Transparent Application, Reliable Usage" campaign. It strictly implemented tariff filing and public disclosure, optimised consumer reminders, standardised marketing practises, and effectively improved tariff transparency and service standardisation.

Long-term service mechanism

- The Company clearly defined the management responsibilities of all units and departments, improved the long-term supervision and control mechanism for service quality, and continuously implemented customer complaint supervision, accountability for major service incidents, preliminary service review, and a red-light mechanism for non-compliant businesses, driving product and service optimisation.

The Company fully promoted the deep integration of AI into the operation of the 10000 service hotline, and advanced the combination of online customer service with the 10000 hotline, as well as automated service with human service, to provide customers with a convenient, efficient and brand-new service experience.

Multimodal access service

- The Company promoted the integration and upgrade of hotline and online services and the optimisation of service structure, and enhanced the capability of problem-solving through combined adoption of self-service, online customer service and human voice support. Intelligent customer service robots and agents covered 13 scenarios, and the accuracy rate of multimodal robots reached 90.1%.

Zero human intervention in key scenarios

- The Company achieved zero-human intervention in broadband troubleshooting and night shifts. In the zero-human broadband fault reporting scenario, the rate of escalation to human agents dropped to 3.79%, a decrease of 17.2 percentage points from the end of 2024.
- Intelligent customer service has fully taken over night shifts, resulting in a year-on-year reduction of 16,000 man-days in on-site staffing.

Online customer service

- The Company expanded online service functions by adding nine new features including out-of-package data suspension and overseas call/SMS blocking, as well as eight customer service capabilities such as dedicated engineer inquiries, bringing the total online service portfolio from 161 to 178 items.
- For foreign customers, the foreign language version of China Telecom's APP recorded 815,000 visitors and addressed 3.91 million service requests throughout the year.
- For elderly people with limited mobility, the Company provided "Face-to-Face, One-on-One" video-based services, completing 150,000 customer requests in total.

Protecting the rights and interests of customers

The Company earnestly implemented the relevant laws and regulations, such as the *Civil Code of the People's Republic of China*, the *Law of the People's Republic of China on Protection of Consumer Rights and Interests*, and the *Advertising Law of the People's Republic of China*, and provided products and services in compliance with laws and regulations. The Company regulated tariff management, continuously optimised the service registration form displayed to customers, enhanced the integrated review and approval procedure relating to the price of goods, and made prompt response to market and customers' demands. Meanwhile, it further strengthened the compliance management of advertising and publicity, and stepped up investigations, supervision and accountability of improper conducts, such as violating advertisement management, infringing upon consumers' rights, and false publicity, thus effectively protecting rights and interests of customers.

The Company actively listened to customers, continuously expanded channels for users to provide feedbacks, carried out targeted governance on issues strongly reflected by customers, and strengthened its capabilities to quickly accept and properly handle customer complaints.

Keeping compliant channels accessible

The Company provided channels, including China Telecom's online business hall, China Telecom APP, the WeChat account of "China Telecom Customer Service", the WeChat mini programme of "China Telecom Complaint Platform", and the 10000 hotline of provincial branches, to handle customer complaints.

Refining handling standards

The Company responded to customer complaints the first time within two hours, communicated with the customers within 48 hours, and developed solutions based on customer demands to properly handle customer complaints.

Strengthening traceability governance

Based on customer complaints, the Company conducted in-depth analysis of the root causes of the problems, advanced effective governance of key service problems, deepened the traceability of typical cases, and established a red-light mechanism for pre-service review and non-compliant businesses, to advance the resolution of one type of problems by handling one complaint.

Building an outstanding brand

The Company deeply embedded brand building into overall sustainable development. Focusing on brand-led initiatives, the Company comprehensively enhanced the professionalism of brand operation and management. Through four major measures, i.e. value shaping, communication empowerment, ecosystem prosperity, and standardised governance, it continued to forge an outstanding brand featuring both technological strength and a strong sense of social responsibility.

Deepening brand value

- The Company promoted the coordinated development of corporate, product and service brands in an integrated manner. Focusing on social responsibility areas such as scientific and technological innovation, digital benefits for the people, and green development, it drove the deep integration of brand value and social value.
- In 2025, China Telecom ranked 8th in the 2025 Central Enterprise Brand Strength List, 15th in the Brand Value List, and 15th in the Brand Building Capability List. It also ranked 12th in Brand Finance's Most Valuable Telecom Operator Brands list, maintaining its dual-leading position in brand value.

Driving brand communication

- The Company showcased its cutting-edge technologies in network, cloud, AI and other fields, as well as the outcomes of digital empowerment at major industry events such as the Intelligent Computing Cloud Ecosystem Conference, Digital Technology Ecosystem Conference and WAIC.
- Leveraging cooperation with sports IPs such as the Chinese National Badminton Team, the National Games, and the World Games, the Company organised nationwide brand communication campaigns, integrating sports spirit with corporate culture to narrow the emotional distance between the brand and the public.

Forging an international brand

- The Company promoted the standardisation of overseas corporate brand logos and international brand architecture, strengthened the overseas media communication system, and built a multi-dimensional, multilingual overseas communication matrix.
- The Company facilitated the globalisation of high-quality product and service brands, launched the One Growth international ecosystem cooperation initiative, and worked with global partners to build an open and win-win international digital ecosystem, to continuously enhance the brand's international recognition and influence.

Strengthening brand management

- The Company strictly standardised the full lifecycle of brand operations to ensure compliance with laws and regulations, strengthened trademark registration, application and protection, and built a robust line of defence for the brand's legitimate rights and interests.
- Focus on improving the capabilities of the brand team, the Company innovatively carried out campaigns such as the "AI + Public Opinion" and brand promotion competition, and training sessions for improving brand operation capabilities, to comprehensively enhance the professional competence and comprehensive management capabilities of the staff in the brand line, and provide solid talent and institutional support for brand building.

China Telecom awarded the 30-Year Outstanding Contribution Commemorative Medal by China Trademark magazine

CASE

As an executive member unit of the China Trademark Association, China Telecom fully showcased its brand image and continuously enhanced its brand influence through the association's national publication China Trademark magazine, as well as events such as the Trademark Brand Festival and the Trademark Annual Conference. In June 2025, China Telecom attended the symposium marking the 30th anniversary of China Trademark, where it was awarded the 30-Year Outstanding Contribution Commemorative Medal by the magazine.

China Telecom was awarded the 30-Year Outstanding Contribution Commemorative Medal by China Trademark magazine

GREEN AND SECURITY
FOSTERING A DISTINCTIVE HALLMARK OF DEVELOPMENT

China Telecom actively implements the national "dual carbon goals" and the overall outlook on national security, and steadfastly pursues a high-quality development path that prioritises green transformation and national security. The Company continuously optimises the "1248" green development pattern, fully integrates green and low-carbon concepts into the construction and operation process of new types of digital infrastructures, accelerates energy structure transformation, expands green products and services, and enhances the cybersecurity safeguard system and capacity building, contributing to green transformation across society and a community of shared future in cyberspace.

RESPONSE TO CLIMATE CHANGE

The Company actively implements the *Guidelines for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy*, the *Action Plan for Carbon Dioxide Peaking Before 2030*, the *Opinions on Promoting the Gradual Shift from Dual Control of Energy Consumption to Dual Control of Carbon Emissions*, the *Opinions of the CPC Central Committee and the State Council on Comprehensively Promoting the Construction of a Beautiful Country*, the *Opinion on Accelerating the Comprehensive Green Transition in Social and Economic Development* and other policy documents of relevant ministries and commissions, keeps improving the "1248" green development pattern, and actively tackles climate change challenges to make contribution to addressing global climate change.

Governance

To address climate change, the Company has set up a three-level governance structure comprising decision-making level, management level and implementation level. In 2025, the Company renamed the "Carbon Dioxide Peaking and Carbon Neutrality" leadership group as the "Energy Conservation and Ecological Environment Protection" leadership group (hereinafter referred to as the "leadership group"). The leadership group is jointly chaired by the Chairman of the Board and the General Manager, with members comprising principal persons-in-charge of 16 departments including the General Office, Corporate Strategy Department, Cloud Network Development Department (International Department), among others. A leadership group office and a dedicated taskforce for green development have been established under the leadership group, with routine work under the centralised management of the Cloud Network Development Department (International Department). The leadership group is responsible for implementing requriements of national laws and regulations concerning energy conservation and ecological environment protection, as well as deliberating on plans, investment budgets and other related matters. Each member entity shall incorporate tasks related to energy conservation and ecological environment protection into its own work plan, and report work progress and completion status to the leadership group office on schedule. The leadership group monitors the progress and completion of relevant works through plenary meetings of the leadership group and special meetings of the leadership group office. In principle, a plenary meeting of the leadership group shall be convened once a year, and special meetings of the leadership group office shall be held every six months.

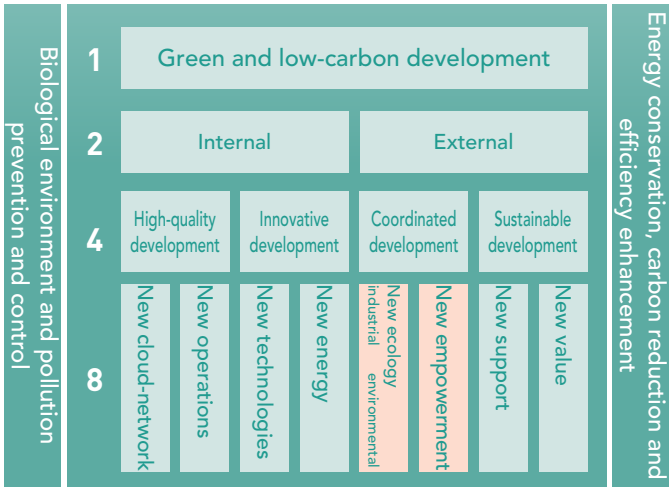
The Company continues to improve the green development assessment and incentive mechanisms, which incorporates key green development performance indicators into the performance assessment for the heads of the member entities under the leadership group. The Company formulated the *Green Development Work Assessment Rules of China Telecom in 2025*, incorporating the key work of green development into the operational performance assessment system for persons in charge of provincial branches and professional companies, and linked the results with their remuneration.

The Company continues to improve its organisational structure for green development efforts. A green development division under the Cloud Network Development Department (International Department) was set up, while it maintained the original operational mode of green development taskforce to organise the routine green development efforts through horizontal departmental coordination and vertical "top-down" task implementation mechanisms.

Governance level	Accountable department	Main responsibilities
Decision-making level	The "Energy Conservation and Ecological Environment Protection" leadership group	Implement the national laws, regulations and relevant work requirements on energy conservation and ecological environment protection; deliberate on the three-year rolling plan for green development, the strategic planning during the 15th Five-Year Plan and the green development investment budget; and make decisions regarding major matters concerning energy conservation and ecological environment protection.
Management level	The office of the "Energy Conservation and Ecological Environment Protection" leadership group	Implement and promote the arrangements of superior departments and the leadership group for energy conservation and ecological environment protection, study important issues in the work, supervise the implementation of specific work tasks, regularly evaluate the progress of work and report to the leadership group.
Implementation level	The departments responsible for green development and related business departments of each subordinate unit	Include energy conservation and ecological environment protection tasks into the work plan of the related unit, and report the work progress and status to the management and the decision-making levels; track climate change-related risks and opportunities in real time, and provide recommendations to management and decision-making levels based on practical experience.

Strategy

The Company fully implements the national strategy for "carbon peaking and carbon neutrality", anchors the goal of carbon peaking, and continuously deepens the "1248" green development model. It fully integrates climate change response into the entire process of planning and construction, production and operation, and value creation, driving the evolution of green development from standalone emission reduction to a systematic transformation featuring "all factors, all processes, and full life cycles". The Company takes green development as the underlying foundation for implementing the "Cloudification, Digital Transformation and AI for Good" strategy. It advances the construction of green and smart new-type information infrastructure, the development of a green industrial ecosystem and a green energy consumption system, and continuously improves the energy efficiency of key infrastructure such as computing facilities, networks and base stations. It steadily increases the proportion of renewable energy application and speeds up the transformation of the energy structure. In collaboration with upstream and downstream partners in the industrial chain, the Company systematically carries out key initiatives including green procurement, green logistics, carbon disclosure and carbon footprint management, environmental protection and climate governance, empowering the green and low-carbon development of the economy and society.



"1248" green development pattern

Climate-related impact evaluation process

Climate-related impact identification

The Company's "Energy Conservation and Ecological Environment Protection" leadership group takes the lead, identifies climate-related strategic planning and business activities by tracking climate-related policy dynamics and sorting out enterprise practises every year, and further analyses positive or negative impacts of its business operation modes and emission reduction plans on stakeholders in terms of economic development, environmental protection and social factors.

Impact importance evaluation

The office under the "Energy Conservation and Ecological Environment Protection" leadership group holds a special meeting every year, and invites stakeholders and climate experts to evaluate the importance of the identified climate-related impacts.

- **Positive impact evaluation:** The quantitative evaluation is conducted in dimensions of "impact scale", "impact scope" and "possibility", with each dimension rated on a three-level scale (scored 1-3 points), and the final score is the sum of the scores. A higher score means a higher positive impact importance of the business activity.
- **Negative impact evaluation:** The quantitative evaluation is conducted in dimensions of "impact scale", "impact scope", "possibility" and "irremediability", with each dimension rated on a three-level scale (scored 1-3 points), and the final score is the sum of the scores. A higher score means a higher negative impact importance of the business activity.

Impact importance activity analysis and response

The impact importance threshold is set to be 75% or more of the full score. The office of the "Energy Conservation and Ecological Environment Protection" leadership group reports the climate-related business activities identified with major impacts to the "Energy Conservation and Ecological Environment Protection" leadership group. Then the leadership group will make decisions and develop response measures.

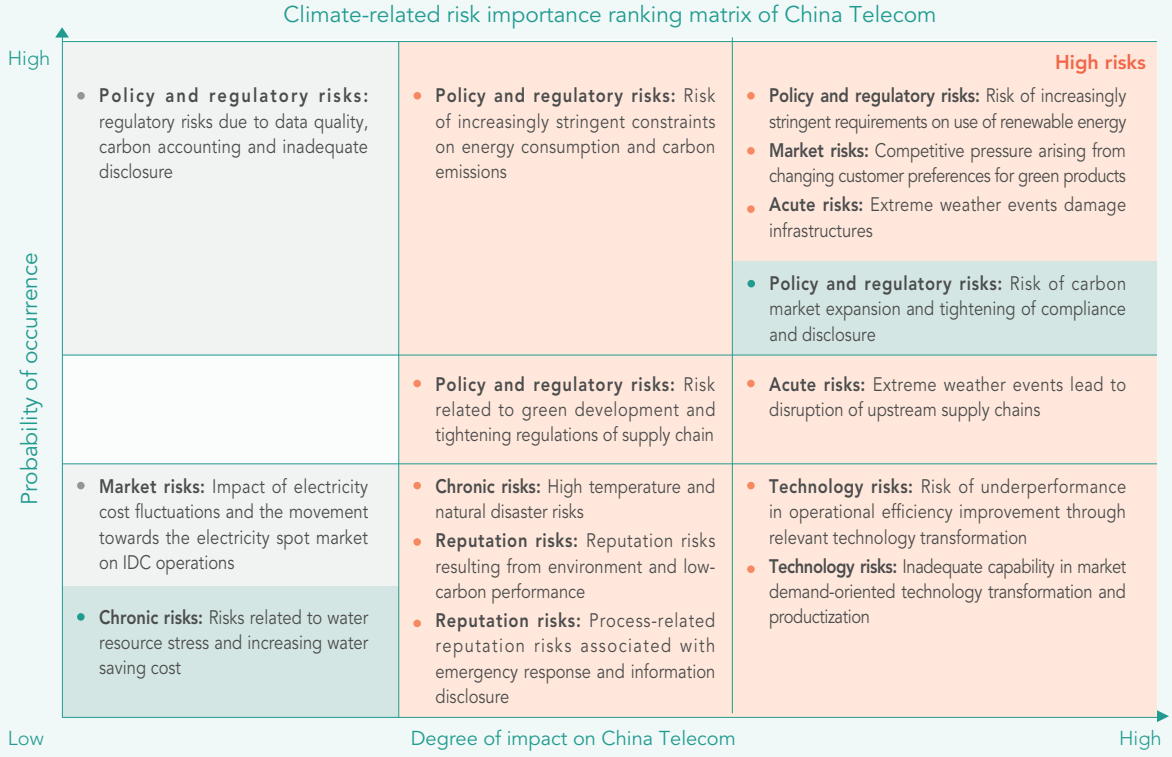
Impact importance activity disclosure

The process and results of the climate-related impact evaluation are disclosed in the annual sustainability report (i.e. the ESG Report) to respond to the concerns of stakeholders.

Climate-related risk and opportunity analysis and evaluation

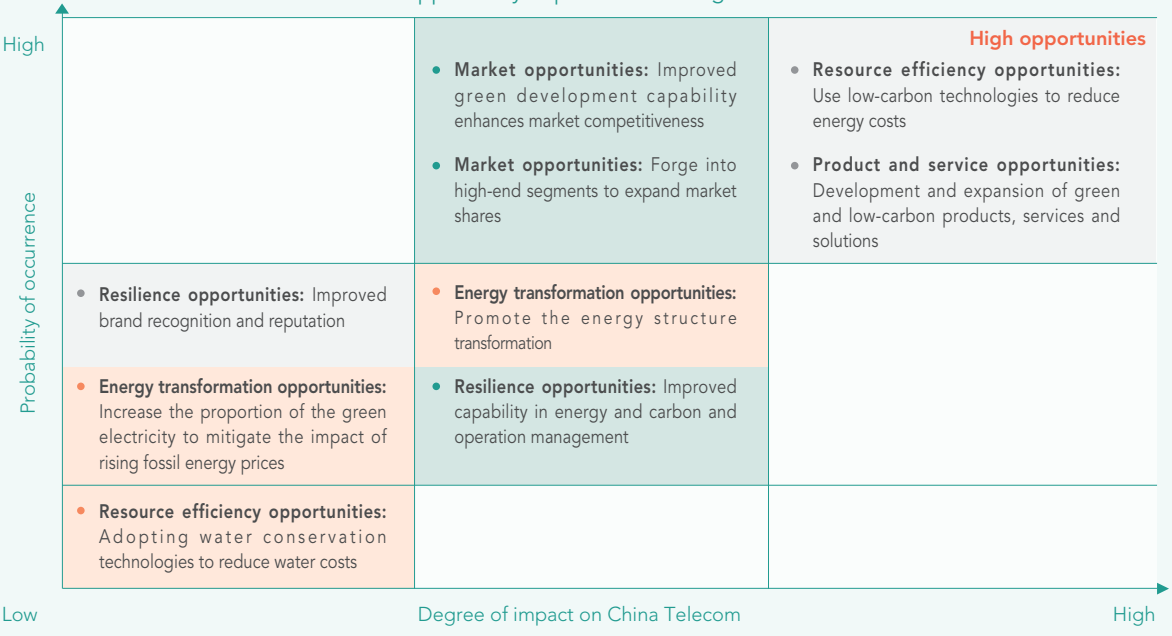
In 2025, the Company identified and evaluated climate-related risks and opportunities through the systematic process. The matrix below shows the importance levels for all climate-related risks/opportunities identified in the year and the detailed analysis regarding high risks and high opportunities.

Climate-related risk importance ranking matrix of China Telecom



Notes: The colours of the boxes indicate the time frame for the corresponding risks Short term (1-3 years) Medium term (3-5 years) Long term (5+ years)

Climate-related opportunity importance ranking matrix of China Telecom



Notes: The colours of the boxes indicate the time frame for the corresponding opportunities Short term (1-3 years) Medium term (3-5 years) Long term (5+ years)

Through a dual materiality assessment, i.e., the materiality of the impact on the economy, society and environment and the materiality of the impact on the Company's finances, climate-related risks have been identified as high-level, high-priority risks in the current operational risk profile of China Telecom. A dedicated taskforce for green development has been undertaking work related to climate risk and opportunity management. In addition, a talents station for green development has been established to address gaps in specialised expertise and enhance capabilities in climate risk and opportunity management.

Given the Company's large and widely distributed asset base as well as its extensive business operations with broad coverage, at the current stage it is not feasible to quantify the amounts and percentages of assets or business activities which are vulnerable to climate-related transition risks and physical risks, as well as those aligned with climate-related opportunities, without incurring unnecessary costs or efforts.

Due to factors such as measurement complexity and the high degree of business integration which makes segregation of financial accounting currently impracticable, this report only provides qualitative descriptions of the impacts of climate-related risks and opportunities on capital expenditure, financing or investment amounts, as well as on financial position, financial performance and cash flows, without quantitative disclosures. The qualitative descriptions of the impacts of the Company's material climate-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period and in the short term are consistent with those for the medium and long term.

The Company primarily pays for green environmental rights and interests through the procurement of renewable electricity, and only a small number of its branches are covered under local carbon markets. Accordingly, the Company has not established an internal carbon pricing mechanism for the purpose of decision-making.

Major climate-related risks faced by China Telecom and its response measures

Risk type	Risk description	Financial impact	Value chain	Time frame	Probability of occurrence	Degree of impact	Response measures
Physical risks	Against the backdrop of global warming, the frequency and intensity of extreme weather events have increased, exerting persistent impacts on infrastructure. For instance, heavy rainfall and urban flooding may result in water ingress into facility buildings, facility rooms and edge nodes; typhoons and strong winds may cause damage to towers and antenna systems; and geological disasters may lead to disruptions of transmission lines.	Higher operating costs, and higher capital expenditures	Direct operation + downstream value chain	Medium term	Virtually certain	High	The Company continues to improve the emergency response plans for material extreme weather events and establishes a response mechanism featuring coordination at the Group level, implementation at the provincial level, and collaboration across business lines. By leveraging its nationwide operation and maintenance teams as well as organisational mobilisation capabilities, the Company enhances the efficiency of emergency repairs and service restoration, thereby strengthening operational stability under extreme weather conditions such as heavy rain, waterlogging, typhoons and strong winds.
Policy and regulatory risks	With the continual progress towards the "dual carbon" goals, national and local authorities have imposed stricter requirements on key energy consumers and energy-intensive infrastructure regarding the share of renewable energy. These requirements are gradually being linked to project approval, operational supervision and performance evaluation, exposing the Company to risks associated with renewable energy utilisation.	Higher operating costs, and higher compliance costs	Direct operation	Medium term	Virtually certain	High	The Company closely follows government policies, ensures the power supply architecture and formulates policies for renewable energy utilisation. It explores feasible models for computing-power and electricity synergy, promotes them from pilot sites to wider application, and further achieves cost reduction and green development. The Company improves refined, intelligent and multi-level mechanisms for electricity utilisation and management to enhance production and operation efficiency. It deepens cooperation with power generation enterprises, and builds a strategic foothold in green power resources through innovative or pilot projects.
	The Beijing, Shanghai and Guangdong branches have been included in the regional carbon emission trading markets. Meanwhile, the Ministry of Ecology and Environment has initiated preliminary preparations for extending the coverage to industries such as chemicals, petrochemicals, civil aviation and papermaking. Going forward, the Company's data centres face a high probability of being incorporated into the national carbon emission trading market. The scope of compliance and regulatory requirements are expected to expand further, exposing the Company to risks of a broader carbon market and stricter compliance obligations.	Higher compliance costs	Direct operation	Long term	Virtually certain	High	The Company improves the carbon emission and carbon asset management system, strengthens refined accounting and data management for key emission points in data centres, raises the proportion of green power, and enhances compliance and fulfillment capability. In 2025, the Beijing Branch and Shanghai Branch achieved a surplus of carbon allowances, while the Guangdong Branch fulfilled its carbon allowance obligations through the purchase of a small volume of allowances.

Major climate-related risks faced by China Telecom and its response measures

Risk type	Risk description	Financial impact	Value chain	Time frame	Probability of occurrence	Degree of impact	Response measures
Market risks	Internet companies, multinational corporations and large state-owned central enterprises are stepping up their own ESG governance and low-carbon requirements for supply chains. Government and other industrial clients have imposed higher standards on green power usage and energy efficiency for data centres. Energy efficiency, green power use and carbon emission transparency of data centres have been included in the supply chain access criteria of customers. Green capabilities are gradually evolving from a "bonus item" into a necessary requirement of customers for supply chain access.	Higher operating costs, higher capital expenditure, and potential revenue decrease	Direct operation + downstream value chain	Medium term	Virtually certain	High	The Company continues to promote the application of new technologies such as high-efficiency cooling and high-efficiency power supply, increase the proportion of green electricity, strengthen green certification for data centres, and consolidate the foundational conditions to meet the customers' low-carbon access requirements. In response to policy and market demands, the Company refines the green construction and design specifications for data centres as well as green supply chain management, so as to further guide the development of green data centres.

Major climate-related opportunities faced by China Telecom and its response measures

Opportunity type	Opportunity description	Financial impact	Value chain	Time frame	Probability of occurrence	Degree of impact	Response measures
Resource efficiency opportunities	Low-carbon technologies, including high-efficiency cooling solutions such as liquid cooling, natural cooling sources and fresh air coupling, highly available, high-concurrency and high-density efficient power supply technologies, as well as AI-enabled energy conservation and simplified equipment and site configuration, are used to improve energy efficiency. These measures will help reduce the operating costs of such infrastructure as data centres, communication facility buildings, base stations and office buildings.	Decreased operating costs	Direct operation	Medium term	Virtually certain	High	The Company actively promotes the application of green and low-carbon technologies, and constructs data centres in accordance with the standard featuring "Two-Elastic-One-Optimised" to meet the requirements for highly efficient and elastic power supply, highly efficient and elastic cooling, and airflow optimization. This will ensure that the PUE of data centres complies with national and local regulatory requirements. The Company continues to advance renovations of facility rooms, the application of AI-powered energy-saving technologies for facility rooms, base stations and cloud hosts, as well as the minimalist transformation of base stations, and the decommissioning of outdated equipment.
Product and service opportunities	National strategies such as the "3060" carbon goals and the Beautiful China initiative are driving the green transformation of industries and society, boosting demands for green products and services, such as carbon management, green manufacturing, green data centres, zero-carbon parks, and digital and green transformation. The green industry is embracing strategic opportunities and considerable market potential.	Higher revenue from product and services	Direct operation + downstream value chain	Medium term	Virtually certain	High	The Company develops green products for individuals, households, enterprises and government authorities, and promotes the scaled-up application of proven green products. It expands application scenarios, and fosters smart and green industrial applications for sectors including industrial manufacturing and ecological and environmental protection. It strengthens the integration of full-domain capabilities, deepens synergy between core and supporting entities, and delivers one-stop integrated solutions of carbon consulting, carbon infrastructure and carbon services to support the green industrial transformation.

Climate change scenario analysis

In 2025, based on the pathways proposed by the IPCC (RCP4.5, RCP8.5) and the energy transition scenario (IEA B2DS), the Company conducted a systematic analysis of the physical risks and transition risks faced by its operations amid intensifying extreme weather events and deepening low-carbon transition. It assessed the magnitude of impacts of such risks on asset safety, operating costs and business continuity, and accordingly evaluated the Company's overall resilience level under existing governance and response measures, as well as its medium-term to long-term improvement directions.

	RCP 4.5 (medium emissions scenario)
Coverage	Throughout the Group
Scenario description	Under this scenario, climate change in China is characterised by "gradual intensification", with no non-linear shifts in the frequency and intensity of extreme events. However, its impacts on the long-term operating conditions of infrastructure are cumulative.
Key assumptions	• The national average annual temperature will rise by approximately 1.2°C by 2030 and by around 2.0°C by 2050; • The intensity of heavy precipitation will increase by about 8% by 2030 and by roughly 15% by 2050; • The national average number of high-temperature days in summer will increase by about 5 days by 2030 and by approximately 12 days by 2050.
Impact analysis	• High temperatures increase the cooling load of communications infrastructure, while rainstorms and waterlogging in some areas cause periodic damage to facility rooms and pipelines; • Rising temperatures place greater pressure on the operating conditions and energy efficiency of communications infrastructure, translating into stricter requirements for energy efficiency management and equipment reliability.
Response measures	• Continuously improve the adaptability of facility rooms, base stations and networks to climate changes such as high temperatures and heavy precipitation by carrying out hierarchical and classified retrofitting of existing facilities and raising design standards for new projects. • Put long-term priorities on the optimization of power supply and cooling systems, as well as the application of AI-enabled energy conservation, and keep advancing energy efficiency improvement and energy structure optimization.

RCP 8.5 (high emissions scenario)

Coverage	Throughout the Group
Scenario description	Under this scenario, rising average temperatures and more frequent extreme high temperature events, coupled with heightened risks of heavy rainfall and flooding across regions such as South China, East China and the Yangtze River Basin, pose substantial challenges to the continuous operation of infrastructure.
Key assumptions	• The national average annual temperature will rise by approximately 1.5°C by 2030 and by around 3.2°C by 2050, with extreme summer temperatures exceeding 40°C for prolonged periods in some regions; • The intensity of heavy precipitation will increase by about 15% by 2030 and by roughly 30% by 2050, accompanied by a notable rise in short-duration intense rainfall events; • The national average number of high-temperature days in summer will increase by about 10 days by 2030 and by approximately 25 days by 2050, with hot and humid compound extreme weather more frequent; • Risks associated with compound extreme events are on the rise, including typhoons, geological disasters and forest fire risks.
Impact analysis	• The increasing frequency of extreme weather events raises the risk that infrastructure damage may evolve into frequent, cross-regional systemic risks, leading to a significant rise in the frequency of emergency repairs and resource deployment needs; • The growing occurrence of high-temperature weather will continuously drive up the cooling load of data centres and communication facility buildings, imposing stricter requirements for energy efficiency management and power supply guarantee; • Amid the climbing of summer grid loads, the risks of local power rationing, voltage fluctuations or unstable power supply are on the rise, significantly amplifying energy security and cost risks.
Response measures	• The Company has integrated risks arising from high temperatures, flooding and extreme weather into the priorities of facility planning and operation and maintenance. By advancing disaster prevention capacity building, optimising operational strategies and improving emergency plans, the Company enhances its operational resilience under high physical risk scenarios; • The Company promotes the application of high-efficiency cooling technologies such as liquid cooling and natural energy sources based on local conditions, strengthening resilient power supply capacity; • Leveraging AI algorithms and big data modelling, the Company conducts in-depth analysis such as electricity price trend forecasting and load behaviour simulation to reduce power supply instability and energy costs.

	IEA B2DS (accelerated transition scenario)
Coverage	Throughout the Group
Scenario description	This scenario is designed to control global temperature rise within 2°C and approach the goal of 1.5°C as closely as possible through a deep energy transition.
Key assumptions	• The energy system is accelerating its decarbonization, with electricity gradually becoming the dominant form of terminal energy; • Both the installed capacity and the usage of renewable power continue to rise; • Requirements for energy efficiency and carbon emission become increasingly stringent; • The costs associated with carbon emissions become increasingly visible in the medium-term to long-term.
Impact analysis	• Energy and carbon constraints become core variables affecting operations, and the adjustment of energy consumption structure becomes an important factor influencing costs and expansion capability; • With the expansion of the carbon market coverage, the tightening of quotas and the strengthening of price signals, higher requirements are placed on carbon emission accounting, compliance management and information disclosure; • Customer demands for green services are releasing rapidly, and green capabilities have become important conditions for market access and competition.
Response measures	• Accelerate the green upgrading of communication facility buildings, promote the construction of green data centres, green base stations, and green networks, and further drive the improvement of infrastructure energy efficiency; • Continuously expand green electricity trading and the development of distributed energy facilities, and explore diverse energy supply models such as direct supply of green electricity; • Improve the systems for carbon emission accounting, compliance management and information disclosure, and make early arrangements for the reserve of CCER emission reduction projects to strengthen carbon management capabilities.

Impact, risk and opportunity management

In response to the intensification of global climate change, the Company has strengthened the identification, analysis, evaluation and management of climate change-related risks and opportunities, established an effective and comprehensive climate change response management system, and integrated climate change issues into all stages of risk and opportunity management.

Climate-related risk and opportunity management process of China Telecom

Climate-related risk identification

The "Energy Conservation and Ecological Environment Protection" leadership group, together with the responsible departments for green development and business departments of the Company's subordinated units, conducts climate-related risk and opportunity identification on an annual basis. Considering factors such as policies, regulations, strategies, resource layout, markets, technologies, operations, and the value chain in a comprehensive manner, it systematically collects, compiles and classifies climate change-related information, and identifies short-term, medium-term and long-term climate risks and opportunities relevant to the Company.

Climate-related risk evaluation

Compile a list of climate-related risks and opportunities, introduce exposure-based quantitative models and multi-scenario analysis models, and analyse the impacts of climate risks and opportunities. The office of the "Energy Conservation and Ecological Environment Protection" leadership group takes the lead and organises relevant departments to conduct comprehensive evaluation, defines the materiality of the impacts of climate-related risks and opportunities, and prioritise each risk and opportunity from the two dimensions of "probability of occurrence" and "degree of impact".

Climate-related risk response

For the identified major climate-related risks and opportunities, the "Energy Conservation and Ecological Environment Protection" leadership group takes the lead in organising all relevant professional departments to conduct internal analysis and discussions, and clarify reasonable response plans, including the responsible departments, response measures and time schedules.

Climate-related risk monitoring and disclosure

The Company regularly monitors the performance of key risk indicators and discloses risk identification and management practises to stakeholders through the annual sustainability (ESG) report, including qualitative and quantitative financial impacts, risk management processes and management performance.

Indicators and goals

In 2025, the Company's total greenhouse gas (GHG) emissions from its own operations (Scope 1 and Scope 2) reached 13.73 million tonnes. Through various measures such as co-building and co-sharing, green renovation of facility buildings, AI-powered energy saving, and minimalist transformation of base stations, the Company reduced GHG emissions by more than 16 million tonnes throughout the year. The GHG emissions per unit of total volume of telecommunications services decreased by 13% year on year, exceeding the planned target by 5 percentage points. During the "14th Five-Year Plan" period, the Company reduced GHG emissions by more than 61 million tonnes through various energy conservation measures, doubling the emission reduction target set for the "14th Five-Year Plan" period. Considering factors such as the difficulty in obtaining data and in ensuring accuracy, this Report does not disclose Scope 3 data for the time being. The Company commits to continuously reducing the intensity of its overall comprehensive energy consumption and GHG emissions in 2026[4]. Due to high uncertainties related to factors such as the total telecommunications business volume and mandatory green power consumption policies, this Report does not disclose future quantitative targets for Scope 1 and Scope 2 GHG emissions.

Scope 2 GHG emissions by geographical region in 2025

Region	Carbon Dioxide Equivalent (tCO_2e)	Region	Carbon Dioxide Equivalent (tCO_2e)
Guangdong	1,616,607	Hebei	283,761
Jiangsu	1,465,468	Shandong	275,288
Sichuan	1,096,292	Gansu	251,718
Zhejiang	977,569	Jiangxi	234,092
Shanghai	698,697	Henan	213,598
Anhui	602,796	Inner Mongolia	158,592
Beijing	597,243	Ningxia	143,548
Hubei	550,719	Hainan	131,713
Fujian	548,353	Liaoning	122,991
Hunan	530,211	Heilongjiang	118,974
Guangxi	521,453	Shanxi	96,619
Shaanxi	489,797	Jilin	87,300
Guizhou	453,808	Qinghai	78,676
Yunnan	422,636	Tianjin	64,451
Xinjiang	387,842	Xizang	36,204
Chongqing	343,268		

[4] In light of the characteristics of the Company's business, greenhouse gas emissions are mainly composed of carbon dioxide, while also including other greenhouse gases such as methane and nitrous oxide.

PRACTISING LOW-CARBON OPERATION

The Company has always regarded green and low-carbon development as an important part of high-quality development. Under the guidance of the "1248" green development model, the Company has been promoting green cloud-network, green energy use, green sci-tech innovation, green office and recycling, among others, constantly tapping its own carbon reduction potential to become a resource-saving and environment-friendly enterprise.

Environmental compliance management

Committed to a concept that prioritises ecological protection and green development, the Company continues to improve the environmental management system and work mechanism and has established the "Energy Conservation and Ecological Environment Protection" leadership group to coordinate the green development. The parent company issued the *Measures for Energy Conservation and Ecological Environment Protection Management of China Telecommunications Corporation*, integrating ecological environment protection into the assessment of responsible persons of subordinate units to ensure the implementation of work.

Green construction management

The Company deepens the whole-process environmental protection supervision of project construction, complies with the requirements of national and local laws and regulations, strictly implements pollution prevention and control measures for dust, noise, wastewater and solid waste, promotes the resource utilisation of construction waste, establishes and improves the environmental monitoring system, and ensures that the environmental quality of construction sites is controllable.

Dust control >>> Besides existing measures such as closed construction, material coverage and sprinkling for dust suppression, the Company introduces an intelligent monitoring and automatic spray linkage system to achieve targeted control and meet local dust pollution prevention and control regulations.

Noise control >>> The Company fully implements the requirements of the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution*, scientifically optimises the construction layout and operation time periods, strengthens the management of night construction, and achieves rapid response through the automatic monitoring equipment, effectively reducing interference to the surrounding environment.

Waste water treatment >>> The Company strictly implements national emission standards such as the *Discharge Standard for Pollutants from Urban Sewage Treatment Plants*, strengthens daily maintenance, promotes standardised operation and regular monitoring, and ensures the stable water quality and the compliant discharge.

Solid waste management >>> The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and relevant regulations, adheres to the principles of reduction, recycling and harmlessness, establishes and improves a sound system for classified collection, storage and resource utilisation of solid waste, strengthens compliant transportation and disposal, and continuously improves the level of circular utilisation.

Electromagnetic radiation management

The Company attaches great importance to the environmental protection of base stations, continuously strengthens the standardised management of electromagnetic radiation, and improves the electromagnetic radiation management system and risk prevention mechanism. In accordance with the requirements of Decree No. 820 of the State Council, the *Regulation on Ecological and Environmental Monitoring*, the Company continuously improves the data quality management system regarding the environmental monitoring of electromagnetic radiation from base stations at all levels, strictly fulfills the filing responsibility, and solidly carries out monitoring work. The monitoring completion rate has been steadily improved for five consecutive years, and special inspections have been carried out in two provinces, Xinjiang and Chongqing, to promote the improvement of the electromagnetic environment management capability of provincial branches. At the same time, the Company strengthens the construction of the talent system, sets up the professional certification for electromagnetic radiation for the first time, organises national-level training on environmental protection of electromagnetic radiation from base stations, and actively communicates with the public, effectively preventing and controlling the environmental risks caused by electromagnetic radiation from base stations. In 2025, the Company had no major environmental incidents.

Qinhuangdao Branch held publicity activity for electromagnetic radiation from base stations

CASE

In order to further raise the public awareness of the electromagnetic radiation from communication base stations, Qinhuangdao Branch brought a science education class on electromagnetic radiation from base stations to local communities. Through various forms such as distributing publicity brochures, on-site explanations and playing popular science videos, it intuitively and vividly explained electromagnetic wave knowledge to citizens, and invited the public to participate in on-site electromagnetic radiation tests of common electrical appliances such as mobile phones, computers and induction cookers, helping them develop a correct understanding of electromagnetic radiation.

Staff members popularizing science on electromagnetic radiation from base stations to the public

Promoting energy saving and emission reduction

The Company integrates the concept of energy conservation and emission reduction into the entire process of production and operation. Through technological innovation, structural optimization and management upgrading, it builds a full-link energy-saving and carbon-reducing system to achieve green and high-quality development.

Green cloud-network

Green data centres and facility buildings

The Company integrates the concept of green development throughout the entire life cycle of data centres, deepens the application of new green energy-saving technologies, focuses on business development needs, coordinates hidden danger rectification, comprehensive improvement and intelligent computing construction, continuously promotes the green upgrades of facility buildings, and constructs low-carbon and efficient data centres and a modern communication facility building system.

2025

Facilities recognised as national-level green computing power facilities
15

Numbers of facilities recognised in total
43

Ranks
No.1 in industry by number

Completed green upgrades for more than
140 A and B class facility buildings

Estimated to save over
140 million kWh of electricity a year

Reduced
75,000 tonnes of carbon emissions

Sichuan Branch built China's first high-altitude, cavern-based AIDC

CASE

Sichuan Branch, in cooperation with State Development and Investment Corporation (SDIC) Yalong River Basin Hydropower Development Co., Ltd., has built China's first high-altitude cavern-based computing cabin AIDC in Lianghekou, Ganzi Prefecture, Sichuan Province. As a pilot demonstration project for building the "1+4+N" development pattern integrating computing-power and electricity in Ganzi Prefecture, it explores a new model of coordinated development between computing power and electric power, and promotes the synergy of the digital economy and green energy. Relying on the safety and constant temperature advantages of the cavern, the project has a seismic fortification intensity of 8 degrees and a PUE of less than 1.2; it adopts integrated water, wind and solar power supply, applies 100% green energy, converts green energy into green computing power on-site, and realises "zero-carbon computing power" supply; the construction period is shortened by 70%, and the operation cost is 60% lower than that of traditional AIDCs. The first phase has built 5 cabins with a capacity of 1.5MW, which can be expanded to 10MW, creating a benchmark for computing-power and electricity integration with an innovative model.

China's first high-altitude, cavern-based AIDC

AI empowered refined operation and maintenance, green power forged low-carbon future

CASE

China Telecom's ASEAN International Information Park No. 2 Data Centre adheres to refined operation and maintenance management, and applies technologies such as cold plate liquid cooling and AI-powered energy conservation, achieving an annual operating PUE as low as 1.22. Specifically, the AI-powered energy conservation system not only significantly enhances intelligent management and control but also reduces the debugging cycle to less than half of that required by traditional models, thereby more than doubling overall efficiency. In addition, the data centre achieves 100% green power supply through methods such as purchasing green power certificates and engaging in green power transactions.

China Telecom's ASEAN International Information Park No. 2 Data Centre

Minimalist base stations

The Company fully promotes the green and low-carbon transformation of base stations and strengthens the application of green technologies in wireless networks. By adopting energy-saving equipment such as blade power supplies and outdoor integrated cabinets, it accelerates the large-scale minimalist transformation of existing base stations and advances the simplified deployment of new base stations, thus significantly increasing the energy efficiency of wireless networks.

2025

Completed minimalist transformation of additional

21,000

base stations

Saved over

160 million kWh

of electricity a year

Completed minimalist transformation of

51,000

base stations in total

Reduced

85,000 tonnes

of carbon

Jilin Branch advances minimalist transformation of base stations

CASE

Jilin Branch actively implements the national "dual carbon" strategy, focusing on green innovation in key areas such as base stations. By continuously optimising the network structure and comprehensively promoting the minimalist transformation and construction of base stations, it has achieved multiple benefits, including a clearer network architecture, significantly improved operational efficiency, and continuously optimised operating costs, effectively driving down energy consumption. Currently, the annual electricity saving per base station reaches 2,000 kWh, demonstrating significant energy-saving results.

Jilin Branch's minimalist transformation of base stations

AI-powered energy conservation

Adhering to the industry's requirements for green and low-carbon development, the Company makes full use of the advantages of the intelligent cloud-network infrastructure energy conservation platform with national integration and cloud-edge synergy based on AI algorithms, big data processing, edge computing and other capabilities, achieving precise energy saving for 4/5G base stations, communication facility rooms and datacentres. This achievement has won more than 20 national, provincial and ministerial honours as well as industry accolades at home and abroad. It has been selected as an outstanding case of green transformation by the Ministry of Industry and Information Technology, the State-owned Assets Supervision and Administration Commission of the State Council, the International Telecommunication Union and other institutions, and has been widely reported by mainstream media, establishing a digital and green benchmark for the industry.

2025

Accumulated
6 million 4/5G base station sectors under management

More than
9,000 facility rooms

Saved over
1 billion kWh of electricity a year

Reduced
500,000 tonnes of CO_2 emissions

Co-building and co-sharing

In 2025, China Telecom and China Unicom signed the *Memorandum of Understanding on Further Deepening Openness and Sharing Cooperation in an All-Round Way*. Building on the successful practise of co-building and co-sharing of mobile networks, the cooperation between the two parties is further expanded to areas such as computing power networks and new technologies, thus promoting deeper, higher-level and broader openness and sharing of new-type information infrastructure, systematically improving the allocation efficiency of infrastructure resources, reducing redundant construction, and driving the green and high-quality development of the economy and society.

2025

165,000
5G base stations newly activated

More than
1.54 million
5G mid-/high-band base stations

More than
2 million
4G mid-band co-shared base stations

Provided more than
17,159 kilometres
of co-shared pole line

Provided
2,174 kilometres
of co-shared pipelines

5G/4G co-building and co-sharing led to over
RMB**390** billion
savings in investment

Saved more than
RMB**45** billion
of operating cost a year

Saved
24.9 billion kWh
of electricity

Reduced more than
13 million tonnes
of carbon emissions

Green energy use

The Company continues to promote the transformation of energy use structure and actively participates in the electricity market transactions. Drawing on regional resource characteristics and business development needs across provinces, it has formulated a green energy plan featuring phased planning, scenario-based deployment and step-by-step implementation. For two consecutive years, the Company has been ranked among the China Top 100 Enterprises for Green Power Consumption, securing the first place in the industry. In 2025, the Company promoted the coordinated development of computing power and electric power, and actively explored new power supply models such as integrated "source-grid-load-storage" systems, direct green power supply and nearby consumption. It has built landmark innovative projects including the world's first wind-powered underwater data centre (Shanghai) and China's first high-altitude cavern-based AIDC (Sichuan), leading the industry toward green and low-carbon development.

2025

4.2 billion kWh
obtained through green power transactions and green certificate trading

56%
year-on-year growth, with proportion of green power used by data centres increasing steadily

Green office

The Company advocates green and low-carbon office practises, integrating the philosophy of green development into all aspects of daily operations. It has strengthened publicity and education on energy conservation and emission reduction, continuously raised employees' awareness of energy conservation, fostered sound energy-saving habits among staff, and encouraged and mobilised all employees to actively adopt a green and low-carbon lifestyle.

Make full use of new technologies and applications such as AI to enhance refined energy management in office buildings, phase out old and energy-intensive equipment and facilities, and improve energy utilisation efficiency.

Promote the recycling of production water, reuse of reclaimed water and treatment of wastewater discharge to improve water resource utilisation efficiency; carry out regular inspection and maintenance on all links of the water supply system to prevent water waste such as long-running taps and running, dripping, leaking and seeping phenomena.

Leverage AI technology to optimise document layout and reduce paper consumption; promote the application of e-procurement and e-orders to realise the full electronic procurement process; improve the electronic accounting archive system and the application of electronic invoices, and achieved paperless reimbursement through the intelligent reimbursement system, thus establishing a comprehensive paperless office system.

Green sci-tech innovation

The Company adheres to enhancing in-house R&D capabilities and strengthening industrial collaboration externally. Driven by architectural innovation and technological leadership, it has upgraded green and energy-saving technologies, integrated the application of green and intelligent technologies, promoted the green and intelligent transformation of infrastructure, and strengthened its core technological competitiveness.

Build a new AIDC foundation for the intelligent era. Upholding the philosophy featuring "high IT output rate, high density, flexible expansion, and flexible construction", the Company drives the transformation toward green and intelligent datacentres through architectural innovation. This not only meets the extreme demands for high bandwidth and low latency in AI large model training, but also realises rapid modular and prefabricated deployment, significantly reducing energy consumption and carbon footprint.

Strengthen green self-developed technologies to empower energy efficiency improvement. The Company has intensified research on key green technologies and independently developed more than 10 energy-saving products, including the "Yi An Neng" (「翼安能」) smart energy storage system and the "Yi Ji Bing" (「翼極冰」) precision cooling and energy-saving module. Moreover, the Company has made efforts to develop key technologies such as 800V high-voltage direct current, liquid cooling decoupling and vertical immersion liquid cooling. It has played an active role in formulating the green standard system and taken the lead in issuing a total of 24 international and domestic standards, providing solid support for energy efficiency optimization of information infrastructure.

"Smart Cube" in Shanghai Lingang created engine for green computing power

CASE

China Telecom's Intelligent Computing Valley in Shanghai Lingang has built an industry-leading liquid-cooling intelligent computing cluster with ten-thousand GPUs in one single pool. Adopting an innovative "cube-like" architecture with centrally deployed networks and hierarchical computing power, the cluster enables 10,000-GPU high-speed connectivity within a single cluster, meeting the multi-node/multi-GPU parallelism and lossless high-throughput communication, among other requirements, for trillion-level parameter LLM training. It achieves decoupling of functional modules, and eliminates the need for electromechanical renovation for tenant access, thus significantly shortening the delivery cycle. In addition, the cluster is equipped with new-generation liquid-cooling intelligent computing DC modules, which improve both the energy efficiency of the data centre and the computing efficiency of the intelligent computing cluster and provide intelligent and elastic green computing power for the "AI+" initiative.

Domestically developed liquid-cooling intelligent computing cluster facility building with ten-thousand GPUs in one single pool in the Intelligent Computing Valley in Shanghai Lingang

Green management

The Company continues to enhance the green development management level, improves management system functions based on "dual carbon goals", and strengthens green development data governance. It built well-established scientific MRV (Monitoring, Reporting and Verification) mechanisms, provided enterprises with efficient and low-cost carbon reduction means, and facilitated forming cross-level, cross-regional, cross-department and cross-business collaborative management mechanisms, maximising the potential of energy efficiency and carbon reduction in all fields. Meanwhile, the Company established a talent station for green development to make up for the shortage of professionals based on "dual carbon goals", enhancing its green management level in an all-round way.

Developing circular economy

The Company strictly implements the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Management Measures for Hazardous Waste Transfer* and other national laws and regulations and standards, and actively responds to the requirements of the *Action Plan for the Comprehensive Treatment of Solid Waste* issued by the State Council, focusing on safe and compliant disposal requirements. Through system construction and digital platform construction, the Company continues to promote waste and green packaging recycling, boosting the development of circular economy.

In 2025, the Company continued to strengthen the professional management of solid waste treatment, adhered to the principle of "recovering as much as possible", promoted the adoption of public auction for waste disposal, and improved revenue from recycling and reuse. It continued to refine and promote the integrated platform for waste and idle materials disposal. Internally, the platform was connected with the asset system, logistics system, procurement system and contract system; externally, it was linked to the platforms of auction service providers, realising the online, compliant and efficient operation of the whole process. Throughout the year, it earned over RMB800 million from centralised disposal of waste and idle materials and reduced carbon emissions by more than 100,000 tonnes.

Building an integrated platform for waste and idle materials disposal

CASE

China Telecom built and promoted the integrated platform for waste and idle materials disposal, enabling the efficient and standardised disposal of such materials nationwide and improving resource utilisation efficiency. The platform defines 3 major phases, 16 procedural steps, 14 standard templates and 26 risk control points to ensure the entire disposal process is compliant and controllable. In terms of disposal methods, the Company prioritises public auctions supplemented by bidding and comparison, which has effectively improved both resource utilisation efficiency and asset recovery rates.

EMPOWERING GREEN DEVELOPMENT

The Company develops intelligent and green solutions by taking advantage of next-generation digital technologies, such as cloud computing, Big Data, IoT, AI and blockchain to facilitate green transformation of all industries, boosting harmonious coexistence between human and nature and promoting the green and intelligent development of both the economy and the society.

Green industrial transformation

The Company continues to strengthen the supply of green products and services, advance the development of its green and energy-efficient product portfolio and scenario upgrades, and develop products including green lighting, energy-saving air conditioning, energy consumption metering and environmental sensing. Driven by AI, 5G, edge computing and IoT technologies, and centred on the AI tidal energy-saving intelligent agent, the Company has promoted the transformation of industrial parks, commercial buildings, transportation hubs (airports and subways), hospitals, schools, hotels, supermarkets and other buildings from "disordered energy consumption" to "proactive energy conservation", and built a new green digital ecosystem to empower the "green + industry" transformation.

2025

Delivered more than
5,000
green energy-saving projects nationwide

Provided services to more than
4,400
customers

Saved
130 million
kWh of electricity

Reduced more than
73,200 tonnes
of carbon emissions

China Telecom empowered the construction of Qujing Economic Development Zone's national zero-carbon park

CASE

China Telecom played a key role in the construction of the national zero-carbon park in Qujing Economic Development Zone. Leveraging 5G, cloud computing, Big Data and other technologies as the foundation, the Company built two major platforms: one for energy and carbon data factor-based services and another for product carbon footprint assessment and certification services. It has developed a zero-carbon park solution featuring "technology empowerment, data as a driver and ecosystem collaboration", providing enterprises with one-stop services including energy and carbon monitoring, carbon footprint accounting and certification, as well as energy-saving and carbon-reduction decision support. The platforms integrate multi-source data and digitally restructure the carbon footprint certification process, realising full online and standardised procedures, which significantly shortens the certification cycle and reduces costs. In cooperation with international certification institutions, a mechanism of "one-time accounting, global mutual recognition" has been established, which has helped photovoltaic modules, lithium iron phosphate and other products obtain dual certifications. AI algorithms are adopted to optimise energy strategies, improve the energy and carbon management in the park, and provide solid support for enterprises to go global in a green manner, thus forming a replicable and scalable model for zero-carbon park construction.

Smart energy and carbon management platform of Qujing Economic Development Zone

Protecting the ecological environment

Focusing on key scenarios such as lake management and environmental protection, the Company leverages its core technologies including China Telecom Cloud, 5G, AI and the IoT to build diversified and intelligent ecological environment governance solutions. Through technological innovation, it addresses pain points in governance and expands its value boundaries via industrial synergy, achieving the organic integration of ecological, economic and social benefits, and providing strong digital support for the development of a Beautiful China.

Digital green governance of blue algae empowered ecological restoration of plateau lake

CASE

To address ecological challenges such as eutrophication and frequent cyanobacterial blooms in Dianchi Lake, a plateau lake in Yunnan, China Telecom developed the "Dianchi Smart Eye" solution to build an intelligent monitoring and governance system featuring space-aerial-ground integration. Based on the China Telecom Cloud AI platform, the project integrates 5G-A, RedCap and digital twin technologies, and pioneers an AI-based cyanobacteria identification model. Combined with equipment such as unmanned aerial vehicle patrols and fixed monitoring devices, it enables dynamic cyanobacteria monitoring, intelligent warning and precise dispatch, significantly improving emergency response and governance decision-making efficiency. The project innovates a governance paradigm of "monitoring–warning–disposal–industry linkage", builds multiple standardised factory-style algae treatment stations processing more than 5 million tonnes of algae-laden water annually, and forms a green industrial chain of "algae-laden water treatment–organic fertiliser production–agricultural recycling", boosting job growth and increasing farmers' incomes. Currently, the project has achieved algae removal, carbon reduction and ecological carbon sequestration, helping stabilise the overall water quality of Dianchi Lake at Grade IV and significantly enhance biodiversity.

Intelligent "space-aerial-ground integrated" monitoring network

"Environmental Protection Cloud Platform" empowered modernization of county-level environmental governance

CASE

To address pain points in county-level eco-environmental governance such as insufficient data, weak supervision, fragmented platforms and inadequate funding, China Telecom has built a comprehensive environmental protection cloud platform based on its China Telecom Cloud infrastructure. The platform adopts an architecture of "seven horizontals and two wings" and a "1314" service system, providing lightweight, low-cost intelligent supervision solutions in the SaaS mode. By deeply integrating AI large models, IoT and Big Data technologies, the platform combines multi-source data regarding air quality, water environment and pollution sources, among others, realising full-process coverage of core scenarios such as the "Blue Sky Defence War", "Clear Water Defence War" and "Pollution Source Supervision". With functions including "one-map" visual supervision, AI warning and traceability, and dynamic deployment of emergency resources, it drives the transformation of environmental protection from "experience-driven" to "data-driven". To date, the platform has been deployed in 88 districts and counties and processed a total of 809,800 tasks, effectively improving regional eco-environmental quality and fostering a green ecosystem featuring collaborative governance by the government, enterprises and the public.

Ecosystem panorama of Environmental Protection Cloud

Advocating green living

The Company embraces green living and low-carbon concepts while pursuing corporate development and serving people's livelihood. Through diverse forms such as themed public welfare activities, green service upgrades, and the implementation of low-carbon scenarios, it guides the public to follow green and low-carbon concepts, take small steps to gather green power, and makes the concept of green living deeply rooted in people's hearts and put into practise.

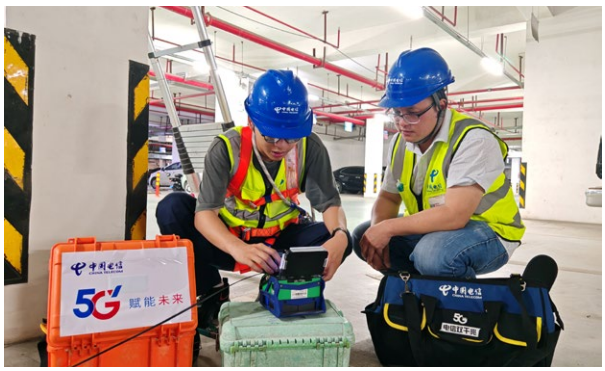
China Telecom built Fujian's first intelligent scenic spot for "dual carbon" science popularisation

CASE

In Keshan Park, Hui'an, Quanzhou, Fujian, China Telecom built the province's first intelligent scenic spot for "dual carbon" science popularisation, where nearly 30 interactive "dual carbon" educational devices were installed to encourage visitors to learn about "dual carbon" concepts through physical activities. Additionally, green digital intelligent facilities such as AI smart screens, smart street lighting, 360° AI signposts, and one-button alarm systems were deployed to help implement low-carbon concepts and achieve a deep integration of science education with green practises.

Technicians were debugging 360° AI signposts

Jiangsu Tongzhou Branch organised environmental protection themed activity



Lipu Branch implemented green lighting upgrades

STRENGTHENING SECURITY SUPPORT

Currently, the rapid evolution of new technologies, new scenes and new applications results in the continuous expansion of boundaries of cyberspace security, leading to increasing complexity, concealment and destructiveness of risks and challenges. China Telecom has consistently incorporated security development in the entire chain of its production and operation in all procedures and scenes, and builds a firm network and information security defence line with an improved system, outstanding governance capability, reliable technical capabilities and premium services.

Maintaining network and information security

Strengthening cybersecurity capabilities

The Company has strictly implemented the requirements of the *Network Security Law of the People's Republic of China* and the *Regulations on the Security Protection of Key Information Infrastructure*, fulfilled its entity responsibility as a key information infrastructure operator, and systematically strengthened the technologies protecting network security. In 2025, the Company promoted the upgrade of its situational awareness system and achieved the deployment and application of AI agents across multiple secondary entities. It also upgraded the visualisation capability based on the cyberspace geography and improved the capabilities for 13 scenarios, including the threat intelligence management platform, host security protection system, and integrated digital dispatch platform. The development of security capabilities has shifted to a model that emphasises both operation and construction. Through regular effectiveness verification with respect to coverage, identification accuracy, operational efficiency and other indicators, the Company has significantly enhanced the countermeasures for its security systems, such as threat identification and proactive interception.

Data security and customer privacy protection

The Company strictly complies with the provisions of the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China* and other laws and regulations. It has formulated and revised the *Measures for the Security Management of Data Exposure Surface (Trial)*, the *Emergency Response Plan for Data Security Incidents*, and the *Guidelines for Data Security Capabilities of Provincial Specialised Companies (2025 Edition)*, thereby building a strong barrier for personal information and data security.

The Company has innovatively introduced the "data exposure surface" concept and the security governance philosophy, and accelerated the development of capabilities including account and permission management, operational behaviour auditing, and data usage control to prevent the risks of data leakage and illegal use. It continuously strengthens the protection of personal information by conducting APP compliance testing and addressing the improper collection and use of personal information. The Company regularly updates its testing strategies and strictly adheres to the principles of minimization, reasonableness, and necessity. Regarding the privacy policy, the Company clearly informs users of matters related to the collection and use of personal information and obtains their consent.

Rectifying illegal and harmful information

The Company earnestly implemented the *Anti-Telecom and Online Fraud Law of the People's Republic of China* and other laws and regulations, continuously improved its anti-fraud governance system, strengthened the governance of illegal and harmful information, carried out the mechanism of releasing after reviewing for information security, and conducted regular monitoring of illegal and harmful information, contributing to maintaining a clean cyberspace.

The Company continued to press ahead with major business compliance initiatives, advanced the stratified and classified control over unsolicited commercial electronic messages including harassing calls and spam text messages, and continuously improved technical protection capabilities. It continued to allow users to set interception service according to their personal preferences, and launched the "do not disturb" service for overseas incoming calls and text messages, intercepting a total of 3.97 billion harassing calls and 6.37 billion spam text messages throughout the year. The "Do Not Disturb Service for Incoming Calls and Text Messages – e-Surfing Anti-Harassment" recorded 441 million users. The Company took solid steps to prevent communication and online fraud, continuously enhanced technical protection capabilities, and strengthened supervision over key businesses, blocking 108,000 fraudulent IP addresses and shutting down 15,000 involved numbers in the year. The Company carried out both online and offline outreach, and its anti-fraud awareness videos have recorded over 100 million views.

Providing security services

The Company takes products such as anti-D[5], website security, security brain and classified protection assistant as its core offerings. Relying on the Qianmo (阡陌) security data middle platform and the endogenous security application platform empowered by the Xingchen Jianwei (星辰·見微), a large model for security, it has further expanded its managed security operation services.

In 2025, the Company made breakthroughs in three core capabilities and built four key platforms, ranking among the global leaders in the construction of an aerial-ground integrated cybersecurity system. Its security capability pool covers more than 170 prefecture-level cities across 31 provinces, with distributed proximal anti-DDoS capability exceeding 18 Tbps. AI-enabled security operations have achieved remarkable results, enabling minute-level detection and hour-level response to security threats, with an automatic disposal rate as high as 80%.

Yunmai SASE was included into the Recommended Catalogue of Scientific and Technological Innovation Achievements of Central Enterprises of SASAC

CASE

China Telecom's Yunmai SASE, China's first carrier-grade SASE solution based on the zero-trust concept, is positioned as a next-generation integrated office security platform. It addresses the pain points of isolated deployment, lack of coordination, and management blind spots among multiple enterprise security products, and provides integrated services including zero-trust network access, data outbound control, and endpoint security, offering comprehensive support for enterprises to build a secure, trusted and efficient office environment. In 2025, Yunmai SASE was successfully selected for the *Recommended Catalogue of Scientific and Technological Innovation Achievements of Central Enterprises (2024 Edition)* by the SASAC, and China Telecom was recognised as a representative ZTNA vendor in China by Gartner in 2024 by virtue of this product.

Yunmai SASE included in the Recommended Catalogue of Scientific and Technological Innovation Achievements of Central Enterprises of SASAC

[5] Anti-D is short for Anti-DDoS (Distributed Denial of Service) attack protection. A DDoS attack refers to an attack in which an attacker controls a large number of compromised devices to send massive invalid requests to a target server or network link, exhausting the target's bandwidth or server resources and rendering it unable to provide services to legitimate users.

China Telecom launches Jianwei large model for security

CASE

In 2025, China Telecom focused on building a one-stop large model platform for security capabilities. It prioritised developing three core capabilities: precise awareness of the security posture for large model applications, efficient detection via large model security scanners, and standardised protection through the basic guardrail of large models, thereby establishing a multi-level and three-dimensional security system.

Application security posture awareness of Jianwei large model

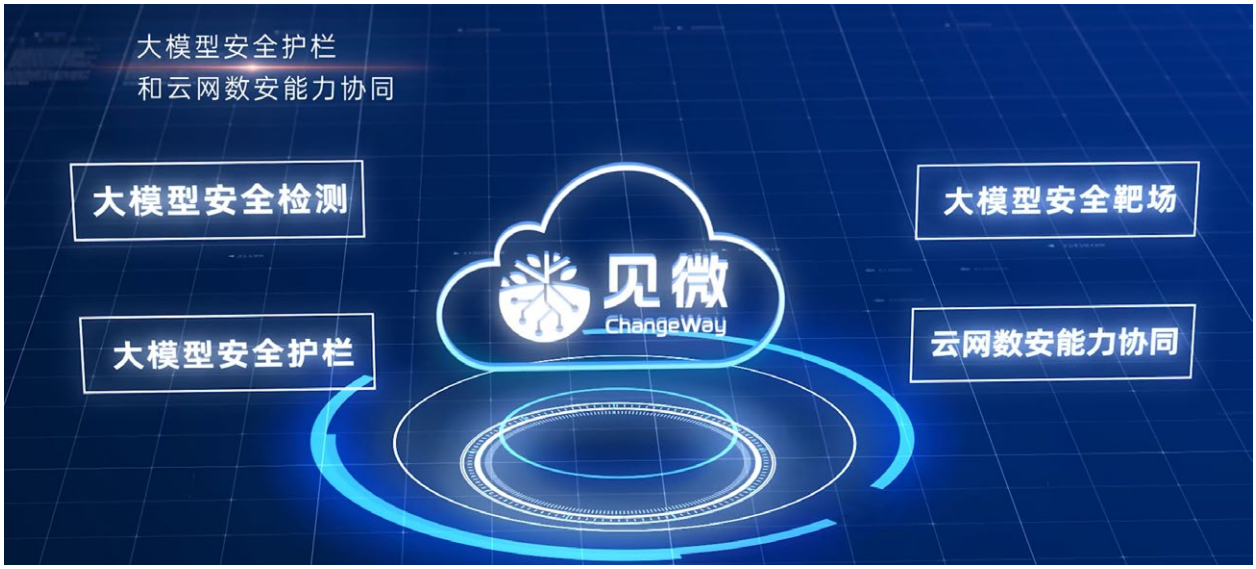
It possesses the capability to issue security risk warnings for large model applications across China and the global scope. It can conduct in-depth analysis around key dimensions such as platform count, model distribution, and component vulnerabilities, comprehensively presenting the risk profile of large models, thereby supporting the industry in achieving refined trend analysis and decision-making.

Security scanner of Jianwei large model

Designed for government and enterprise intranet environments, it enables efficient detection, security compliance, and extreme adaptability. The scanner supports fully offline operation, is compatible with mainstream architectures, and offers the advantage of extremely lightweight deployment. Equipped with a multi-threaded parallel engine, it achieves second-level response for single requests, meeting the demands of real-world scanning scenarios.

Security guardrail of Jianwei large model

As the world's first open-source solution focused on prompt injection attack detection in Chinese-language scenarios, it centres on input-side attack prevention and control. It features three core technical highlights: accurately identifying various complex prompt injection strategies, deep adaptation to the IT application innovation ecosystem, and evaluation performance surpassing similar domestic and international products.



Security guardrail of Jianwei large model

Assuring emergency communications

By integrating high-quality resources, optimising its organisational structure and improving its support system, the Company has forged synergy under the working model of "on-site command by the Group leadership, implementation led by China Telecom Emergency Communications Co., Ltd (China Telecom Emergency), and coordinated operations across the entire network", realising a closed-loop operation of emergency support that is professional and systematic. China Telecom Emergency has established a full-process management mechanism covering "pre-event monitoring and warning, in-event overall coordination and dispatching, and post-event review and optimization", ensuring every task is "deployed, implemented and followed up", and comprehensively enhancing its capabilities in rapid response and on-site disposal for emergency communications.

In 2025, the Company's nationwide network successfully achieved the "Three Zeros" goal: zero large-scale long-duration outages at the county and township levels, zero communication disconnections at the township level, and zero major negative public opinions. Communication services in all disaster-affected areas were fully restored within the required timeframe, building a solid national emergency communications defence line with professional support capabilities. Throughout the year, the Company successfully completed 45 communications support tasks related to disaster prevention, mitigation and relief, including the 6.8-magnitude severe earthquake in Dingri County, Xizang, nine typhoons including Typhoon Ragasa, the "July 25 Beijing-Tianjin-Hebei floods", and the "August 4 debris flow in Yuzhong, Gansu". It also successfully fulfilled 7 Level-A key communications support tasks, including the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China, the military parade marking the 80th anniversary of the victory in the Chinese People's War of Resistance Against Japanese Aggression, the Asian Winter Games, and the National Games, earning high recognition from governments at all levels, media outlets and the general public.

China Telecom spares no effort to secure the emergency network "Lifeline" for disaster relief in Dingri County

CASE

On January 7, 2025, a 6.8-magnitude earthquake struck Dingri county in the city of Shigatse, Xizang, severely damaging communication infrastructure across 26 townships in 5 counties. China Telecom responded immediately, mobilising efforts in organisation, network operations, services, and supplies to ensure emergency communication support for disaster relief. Within one hour of the earthquake, emergency support vehicles and supplies were dispatched to the frontline. Within 18 hours, communication was restored to pre-earthquake levels in 17 isolated villages of Dingri County. Within 22 hours, all 35 affected out-of-service base stations returned to normal operation. For this relief mission, a total of 10 repair teams were deployed, along with 26 communication repair and emergency communication vehicles, 22 emergency generators, 3 mobile power units, and 19 satellite phones. These efforts provided full support to ensure uninterrupted communication for local governments, emergency rescue units, and other key organisations.

The emergency support team from Xizang Branch deployed portable satellite base stations at the disaster site

China Telecom Emergency fights against Typhoon Ragasa, ensuring communications services through nationwide coordinated efforts

CASE

On September 24, 2025, Typhoon Ragasa made landfall along the coast of Hailing Island. China Telecom Emergency quickly activated its emergency response mechanism and achieved rapid resource coordination through the Yifeng (翼鋒) Emergency Command and Dispatch Platform, forging a solid communication lifeline with a nationwide coordinated approach. China Telecom Emergency coordinated resources nationwide, deploying 13 mobile generators of 15kW or above from other provinces, 64kW and 400kW power supply vehicles, 30 Tiantong satellite phones, 50 Tiantong modems, 2 drone operators, 38 portable satellite stations, and 9 emergency communication vehicles, providing solid support for communication restoration. As of 16:00 on September 24, Guangdong Branch had dispatched a total of 8,057 support personnel, 2,322 support vehicles, and 384 generator units; Hainan Branch had dispatched 1,713 emergency personnel, 383 emergency vehicles, and 18 sets of emergency communication equipment, providing strong support for communication assurance and disaster relief in disaster-stricken areas.

China Telecom deployed emergency communication vehicles and portable satellite equipment in a disaster-stricken area

Strengthening production safety

The Company has conscientiously and strictly implemented the *Production Safety Law of the People's Republic of China* and other relevant laws and regulations, and carried out the three-year production safety control and rectification action (2024-2026), effectively fulfilled its production safety responsibilities, strengthened process-based assessment of safe production, refined the institutional mechanisms and promoted their implementation and effectiveness. It strengthened safety risk warning prompts and potential hazard investigations and rectifications, emphasising potential hazard analysis and notification, organising production safety publicity, education and training, and building potential safety hazard reporting and reward mechanisms, for the purpose of dynamic clearing of various potential accident hazards. In 2025, there were no general or major production safety liability accidents.

Clarification of Production Safety Responsibility

- The Company entered into the *Production Safety Responsibility Letter* with provincial companies and departments of the headquarter, and promoted the signing of the responsibility letter by each unit at all levels.
- The Company carried out annual work safety assessment and management evaluation, and strengthened work safety process assessment as well as incentives and penalties.

Institutional Mechanism Construction and Implementation

- The Company established a full-chain management mechanism for "One Task," adhered to a problem-oriented approach, thoroughly identified weaknesses and deficiencies, promptly addressed shortcomings, and prevented workplace safety accidents.
- The Company set up a work safety risk and potential hazard management platform to further promote the construction of a dual prevention mechanism for hierarchical risk control and potential hazard investigation and rectification.
- The Company continued to implement the safety management responsibility system for building leaders, optimise the building fire safety management system, and conduct ongoing supervision and dynamic management over inspection results and rectification progress of potential hazards by building leaders. In total, more than 160,000 building inspections have been completed, and all identified hazards have been included in the system for closed-loop management.
- The Company refined the safety management systems across various professional domains, and issued the *Safety Management Measures of China Telecom Corporation for Overseas Employees*, the *Management Measures for China Telecom 10000 Hotline Operation Safety*, and the *Management Measures of China Telecom for Work Safety of Comprehensive Maintenance and Installation Operation (Trial)*. It revised the *Management Measures of China Telecom for Work Safety of Communication Construction Engineering* and the *Management Measures of China Telecom for Construction of Communication Projects*.

Potential Hazard Investigation and Remediation

- In light of the actual situation, the Company has successively organised and carried out various special campaigns, including potential hazard investigation and rectification related to work safety and natural disasters, the "zero casualties in high-risk operations such as aerial work and live electrical work", the investigation and rectification of major potential hazards in information and communication construction projects, the "Thunder Action" for work safety, and the investigation and rectification of hidden fire hazards, achieving dynamic clearing of various potential safety hazards.
- The Company encouraged all employees to report potential production hazards for incentives, receiving a total of 347,000 reports throughout the year and offered cash awards of more than RMB2.89 million.

Inspection, Supervision and Warning Notification

- The Company dispatched 27 inspection teams to conduct safety inspections across 18 provinces, 4 professional subsidiaries and 2 overseas units, notifying typical problems and potential hazards, and promoting good practises and experience.
- The Company printed and issued the safety risk warning prompts and meteorological disaster warning notices based on previous cases, 15 notices on risk prevention during holidays and severe weather, and forwarded 115 copies of weather risk prevention guidelines, making every effort to ensure safety risk prevention and response.

Education, Training and Emergency Drills

- The Company organised "Safety Production Month" and "Fire Safety Publicity Month" activities, produced posters and videos for identifying potential safety hazards, and issued the *China Telecom Guideline for Scenario-Based Work Safety Hazard Lists*. It encouraged all employees to identify potential safety hazards in their workplaces, and conducted publicity, education, training and emergency drills, with a total of 544,000 participants.
- The Company organised production safety and labour competition themed "Digital Intelligence Empowering Innovation in Work Safety Management" to motivate employees to actively take part in work safety initiatives.
- The Company held work safety management training courses and conducted practical fire safety drills and training on theoretical policy interpretation, with a total of 176 safety management employees participating. This effectively improved the participants' theoretical knowledge and practical capabilities.

Digital Construction

- The Company constructed electrical fire monitoring systems in communication buildings, driving all entities to enhance their capability to prevent electrical fire risks.
- The Company further promoted the "fire safety cloud" construction. All core facility rooms at or above the prefectural level have been connected to the platform, and the coverage rate of core facility rooms at the district/county level reached 96%, effectively improving the fire safety monitoring and warning capability of facility rooms.

INCLUSIVENESS AND SHARING
SHOULDERING RESPONSIBILITIES WITH COMMITMENT

China Telecom upholds the philosophy of openness, cooperation, inclusiveness and co-sharing, working with stakeholders to empower the sustainable economic and social development. Adhering to the people-oriented principle, the Company strives for mutual growth with employees, deepens industrial cooperation and co-builds prosperous industrial ecosystems with partners, expands the digital boundaries to support rural revitalization, facilitates elderly-friendly care initiatives and promote public welfare. In its overseas development, China Telecom advances global network interconnection, deeply integrates into local communities, and fully demonstrates the sense of responsibility and the commitment to the mission of a Chinese enterprise in the new era.

CO-CREATING A HOME FOR EMPLOYEES

Attaching great importance to the development of its talent pool, the Company protects employees' rights in accordance with the law, provides professional development pathways, and builds a comprehensive employee care system, striving to create a home for employees and share development progress with employees.

Protecting employees' rights and interests

The Company upholds the values of "respect labour, respect knowledge, respect talent and respect creation", gives full consideration to equal opportunities, inclusiveness and diversity throughout the entire talent development process, and continues to enhance the benefits and well-being of all employees.

Sticking to equal employment

The Company takes action to ensure legal and compliant employment practises. Adhering to the principles of equality, free will, and mutual agreement, it signs written labour contracts with employees in accordance with laws and regulations including the *Labour Law of the People's Republic of China*, the *Law of the People's Republic of China on Labour Contracts, and* the *Trade Union Law of* the *People's Republic of China*. The labour contracts clearly define the conditions for termination and are executed in compliance with legal requirements, safeguarding employees' fundamental rights. It continues to improve working conditions and protections, refines management standards for labour dispatch, strictly supervises the signing of contracts between labor dispatch agencies and dispatched employees, as well as their payment of social insurance contributions, ensures timely payment of salaries.

China Telecom recruits talents from the whole society in full compliance with the *Employment Promotion Law of the People's Republic of China*, making job opportunity information available through diverse channels with due respect to fairness, openness and impartiality offering diverse recruitment channels to attract a wide range of outstanding talents. The Company offers equal opportunities to all applicants in its recruitment without discrimination against ethnicity, race, gender, age, region, marital or childbearing status and physical condition, and offers suitable employment opportunities for persons with disabilities according to their individual characteristics, guaranteeing equal employment opportunities effectively.

The Company adheres to equal pay for equal work and provides employees with promotion in their positions and smooth career development paths. The Company handles and uses its employees' personal information in compliance with laws and firmly protects their privacy and security of related information. China Telecom strictly implements the relevant requirements of the *Regulations on the Prohibition of Child Labour*, prohibits child labour and forced labour in accordance with laws, and it strictly checks the age of candidates to avoid child labour at its source. No instances of child labour or forced labour occurred during the year.

Ensuring remuneration and benefits

By strictly observing the remuneration and benefits policies, the Company ensures the timely and full payment of employee salaries and the statutory contributions to social insurance. It comprehensively implements regulations on paid leave and working hours management, and safeguards employees' lawful rights and interests. The Company optimises its total payroll management mechanism with a market-oriented approach, applying precise classification and differentiated allocation of total wages. It also advances internal income distribution mechanism reforms, directing compensation towards research and development personnel, business units, front-line staff, and those in demanding or hazardous roles, thus fully unlocking the potential of key staff and core talents.

Managing occupational health

Complying with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other regulations, the Company has established and refined internal systems on occupational health and labour protection for female employees. China Telecom also implements an Employee Assistance Programme (EAP) to safeguard employees' occupational safety and physical and mental well-being.

Improving democratic management

The Company has continuously improved its enterprise democratic management system with the employees' representative congress as its basic form, safeguarding employees' rights to know, participate, express and supervise. It has built a harmonious labour relationship to promote enterprise management, reform and development. In December 2025, the Company held the fourth session of its second employee representative congress.

Ensuring development of female employees

The Company strictly abides by relevant national laws and regulations, formulates and implements the *China Telecom Labour Protection Measures for Female Employees* to safeguard the legitimate rights and interests of female employees. Care facilities such as rest rooms and nursing rooms are set up for units with a relatively high percentage of female employees. The Company attaches great importance to the career development of female employees, fully implements the "Women's Campaign for Scientific and Technological Innovation", and stimulates their innovative vitality and enthusiasm for making achievements in an all-round way. It actively selects and publicises role models to continuously enhance the social influence of female employees.

2025

2 female employees were honoured as National Model Worker

1 female employee was awarded the title of National March 8th Red-Banner Pacesetter

17 female employees were awarded the titles of Provincial Model Worker, May 1 Labour Medal, and Master Artisan, among others.

Supporting employees' development

The Company believes that talent is the primary resource. It deeply implements the strategy of strengthening the enterprise through talent and deepens reform of the three key institutional mechanisms to comprehensively cultivate, attract and use talents, thus achieving the mutual growth of both the enterprise and its employees.

The Company recruited top-tier and leading scientific talents in major fields such as cloud computing, AI, Big Data and quantum technologies. At the same time, it vigorously advanced the "Elite Talent Development Programme" to attract outstanding graduates.

The Company advanced training empowered by AI, and developed a course on the "3-stage, 8-step" methodology for the implementation of AI applications, reaching more than 300,000 participants. Focusing on strategic scenarios such as customer service, sales channels, and cloud networks, the Company created a series of "AI+" training programmes benefiting over 190,000 employees. It launched an online learning session for the AI course library, which has attracted more than 260,000 visits for learning.

The Company carried out tiered professional skill certifications for 97 disciplines, reaching more than 400,000 participations. The Company aimed to cultivate engineers in industrial digitalization, R&D, and cloud network, so as to establish a strong talent pool for further development.

China Telecom successfully concluded the DeepSeek training (Session 1) based on large-scale sci-tech innovation facility for cloud-network integration

CASE

In March 2025, in response to the business development needs of provincial branches, China Telecom launched a four-day practical training programme on DeepSeek based on the intelligent computing platform of the large-scale sci-tech innovation facility for cloud-network integration. The training attracted participants from provincial branches including Shaanxi and Zhejiang, covering various positions such as R&D/development/operations engineers, system/business/cloud network architects, and product managers. Focusing on the core technology implementation and application of DeepSeek, the programme adopted a diversified approach including theoretical lectures, system demonstrations and hands-on practise guidance. It provided participants with full-chain empowerment from technical principles to business practise, helping all provincial branches build a well-structured talent echelon for AI technologies.

DeepSeek training programme based on the large-scale sci-tech innovation facility for cloud-network integration

China Telecom held job-specific innovation training course for workforce in 2025

CASE

In June 2025, China Telecom held job-specific innovation training course for workforce at Shaanxi Post and Telecommunication College. In response to the needs of national digital economic development, the pain points of corporate transformation and upgrading, and the aspirations of employees for professional growth, the training adopted a three-dimensional model integrating "theory+practise", "classroom+on-site learning" and "discussion+roadshow". Focusing on core topics including the operation and management of model worker innovation studios, job innovation and secondary development practises, the training aimed to cultivate pioneers of the digital era who are proficient in technology, good at innovation and brave in taking responsibilities. Supported by online live streaming, the training enabled a total of 12,000 participants to study both online and offline, effectively stimulating innovation vitality among all employees.

China Telecom's job-specific innovation training course for workforce in 2025

China Telecom vigorously promotes the spirit of model workers, labour and craftsmanship. It has launched the "Pioneering the Future – New Era Model Workers and Craftsmen Development Initiative" and established a system for cultivating exemplary workers. The Company conducts its own recognition of exemplary teams, model workers, Telecom Craftsmen and "Four Excellence" model innovative teams — those excelling in innovation awareness, innovation activities, innovation atmosphere and innovation achievements. In 2025, a total of 26 employees were awarded the title of National Model Worker, 3 were honoured as National Master Artisan, and 10 innovation studios were conferred the title of "National Model Worker and Artisan Innovation Studio" by the All-China Federation of Trade Unions. The Company received a total of 189 provincial and ministerial-level or higher honours in the year.

In 2025, the Company deepened the reform of the industrial workforce development, and strived to build a large industrial workforce equipped with extensive knowledge, skills and innovative spirit. It established platforms for employees to innovate and create, improved their professional skills, and formulated an advanced development mechanism from "skilled workers" to "master craftsmen". The Company coordinated and launched 17 Group-level labour and skills competitions to empower the development of strategic emerging businesses. It supported professional leading talents and skilled technicians in establishing innovation studios, and encouraged the formation of cross-discipline innovation studio alliances to stimulate innovation vitality at the grassroots level. More than 400 online and offline activities were organised, including "Model Workers and Craftsmen Supporting Enterprise Growth", "Model Worker Lectures", "Model Workers Entering Campuses" and "Innovation Studio Achievement Exhibitions", covering over 100,000 employees. Through exemplary leadership, the Company promoted innovation and creativity among all staff and helped more frontline employees improve their skills.

China Telecom launched first workshop for training craftsman candidates

CASE

In July 2025, China Telecom commenced the first workshop for training craftsman candidates. A total of 102 craftsman training candidates from branches at all levels embarked on a growth journey themed "Enhancing Five Competencies, Building Dreams with Craftsmanship Spirit". Centred on promoting the craftsmanship spirit, the programme adopted diverse forms including revolutionary education tours, specialised lectures, collaborative research on key projects, practical study at training bases, and cross-industry exchanges. It comprehensively strengthened candidates' competences in terms of leadership, hands-on operation, innovation, problem-solving, and heritage, injecting new craftsmanship-driven momentum into the high-quality development of the Company.

China Telecom's first workshop for training craftsman candidates

China Telecom hosted 2nd Employee New Skills Competition

CASE

In November 2025, to further stimulate the job-specific innovation vitality among all employees and forge a high-quality talent team, the final of China Telecom's 2nd Employee New Skills Competition and Exhibition of Job-specific Innovation Achievements were successfully held at Zhejiang Post and Telecommunication College. A total of 62 contestants from 31 provincial branches and 240 leaders of innovation studios with 82 innovation achievements competed and exchanged ideas on the stage, fully demonstrating the spirit of striving for progress and pursuing innovation.

The final of China Telecom's 2nd Employee New Skills Competition

Implementing Employee Care

Committed to the employee-first concept, the Company establishes a regular communication mechanism with employees, proactively addresses their urgent concerns and difficulties. It also carries out ongoing care and support initiatives to promote employees' physical and mental well-being, enhance their sense of fulfilment, happiness and security and foster a harmonious and positive workplace atmosphere.

Strengthening communication with employees

- The Company created the "Bridge Connecting Hearts" mechanism and platform to address the concerns of employees with the assistance of AI thus improving their satisfaction.

Enhancing employees' physical and mental well-being

- The Company launched "Heart Connection" (心翼通) platform to provide round-the-clock (24/7) mental care services, helping employees relieve pressure related to work and life.
- It also organised mental health seminars and provided psychological training to officers of the trade union to help promote employees' mental well-being.

Strengthening employee care and support

- The Company showcased the achievements in the "Four Smalls" initiative (which originally referred to canteens, bathrooms, toilets, and recreational rooms), and continued to improve front-line working conditions and living environments.
- It implemented targeted support initiatives and launched caring programmes including "Worry-Free Research Support", "Love in Telecom", and Caring for Frontline Staff, Service for Development".

Enriching employees' cultural life

- The Company organised the "e-Surfing Cup" sports games to foster a positive workplace atmosphere.
- It also organised such programmes as the"e-Surfing Talent Show", encouraging employees to showcase their talents, cultivate their sentiments, and enrich their spiritual and cultural lives.

Hunan Branch held the "Staying Ahead" marathon

Hubei Branch held the balloon volleyball competition

Guangxi Branch held a walkathon for all employees in the region

Bozhou Branch organised an outing and cycling event

CO-BUILDING AN INDUSTRY ECOLOGY

China Telecom remains committed to the philosophy of opening up and collaboration, bringing together a digital technology industry ecosystem. Focusing on the development of strategic emerging and future industries, as well as supply chain management, it continuously enhances the resilience and security level of industrial and supply chains. By broadening cooperation with partners along the industry chain, the Company fosters a co-built, co-shared and mutually beneficial digital ecosystem.

Responsible supply chain

The Company places great emphasis on the social and environmental impact of its supply chain and integrates sustainability principles throughout its supply chain management. It is committed to building a resilient, secure, value-driven, digitally empowered and eco-friendly supply chain management system. This approach effectively mitigates and addresses various supply chain risks, ensuring supply chain stability and security.

Supply chain management system

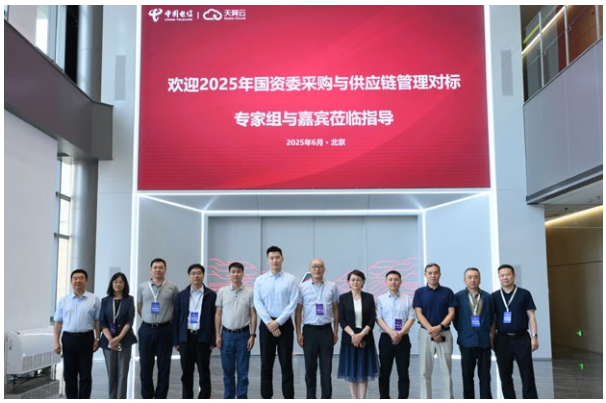
Advance full-process compliance management in supply chain	The Company strictly implements procurement-related laws and regulations, including the *Tendering and Bidding Law of the People's Republic of China*. In 2025, the parent company revised and issued policies including the *Guiding Opinions of China Telecommunications Corporation on Remote and Offsite Bid Evaluation* and the *Notice on Further Strengthening the Management of Business Outsourcing Procurement and Suppliers*, promoting an efficient, standardised, fair and open market environment.
Enhance supply chain resilience and security	It conducts supply risk assessments and warnings and thoroughly analyses supply risk factors across the entire industrial chain for key cloud-network products, including raw materials, core components, packaging and testing. Risk ratings are assigned to planned materials, and tailored supply strategies are formulated. Additionally, it reinforces supply chain quality and safety management through product life-cycle quality management, ensuring the secure construction and operation of digital infrastructure.

Strengthen the value creation capacity of supply chain	A two-tier centralised procurement model — at the headquarter and provincial levels — has been established to improve economies of scale in procurement. By adopting rational procurement strategies and Total Cost of Ownership (TCO) management, the Company enhances cost efficiency, effectively reducing the overall cost of digital infrastructure development and supporting the high-quality growth of industrial digitalisation services.
Accelerate supply chain digital transformation	The Company achieves end-to-end digitalization and full-process online visibility across sourcing, procurement, decision-making, contracting, delivery and inventory management. It has built large-model intelligent-assisted bid evaluation, enhancing evaluation efficiency and management capabilities. Digital compliance management of the supply chain has been strengthened, enabling real-time and precise risk prevention across key business areas such as procurement and tendering through the structuring of procurement documents, ensuring safe, efficient and compliant supply chain operations, and ensuring secure, efficient and compliant supply chain operations.
Promote a green and low-carbon supply chain	The Company strengthens life-cycle energy consumption management for materials, incorporating the green and low-carbon indicators into the evaluation system for bidding procurement projects. Green procurement has been fully adopted, with digital platforms enabling remote and online bid evaluation. For products with potential environmentalb and resource-consumed risks in their production processes, the Company has incorporated requirements such as ISO 14000 environmental management certification, ISO 50001 energy management certification, government environmental assessment reports and the Ministry of Industry and Information Technology's "Green Factory" list into bidding procurement projects consistently increasing the design, procurement, deployment and application of energy-efficient and low-carbon products, effectively reducing network energy consumption and emissions.

China Telecom rated A-Class in Central SOE procurement and supply chain management benchmarking assessment

CASE

In August 2025, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) announced the results of the 2025 Central SOE procurement and supply chain management benchmarking assessment. China Telecom received an A rating, securing a leading position among state-owned central enterprises. Leveraging the integrated application of Big Data, AI and other technologies, China Telecom has built an end-to-end integrated supply chain operation and management platform (CTSC) centred on full-process digitalization and intelligentization. The platform achieves full coverage of the entire supply chain business across all processes, links and nodes, significantly improving supply chain response efficiency. As a result, China Telecom's achievements were recognised as a benchmark case for Central SOEs and were widely promoted across all Central SOEs by SASAC.



SASAC's expert panel for procurement and supply chain management benchmarking visited China Telecom

Supplier management and cooperation

The Company continues to advance its supplier management system, and conducts supplier management and cooperation in accordance with such policies as the *Supplier Management Measures of China Telecommunications Corporation* and the *Supplier Misconduct Management Measures of China Telecommunications Corporation*. By combining positive incentives with disciplinary actions, the Company deepens long-term, stable cooperation with high-quality suppliers, refines the misconduct management mechanism and works actively with its suppliers to build a responsible supply chain.

The Company strengthens supplier misconduct management. Upon discovering any misconduct of suppliers, the Company performs timely verification, handles in accordance with relevant policies, and imposes measures such as procurement bans within a specified time frame or procurement restrictions on the involved suppliers. It integrates misconduct alerts into the procurement workflow, ensuring the effective enforcement of disciplinary measures. Additionally, it continues to share information on non-compliant and dishonest suppliers with major telecommunications operators in China, fostering a competitive and well-regulated ecosystem. In 2025, the Company addressed 2,149 cases of supplier misconduct involving 2,018 suppliers, implementing measures such as temporary bans or market share adjustments in accordance with regulations.

Opening up, cooperation and win-win

National cloud ecology

Maintaining its role as an industry leader, the Company focuses on strategic emerging industries and future industries and builds a coordinated empowerment model featuring "platform + ecosystem", boosting high-level opening up and cooperation across the industrial chain. During the 8th Digital China Summit Cloud Ecological Conference, it released the upgraded "China Telecom Intelligent Cloud Capability System", launched the Xirang Innovation Promotion Programme and the China Telecom Cloud-based Domestic Basic Software and Hardware Ecosystem Prosperity Programme. It also unveiled the "Tianshu Cloud" industry application platform jointly developed with CNOOC (China National Offshore Oil Corporation), joining hands with industry partners to build a new AI ecosystem.

China Telecom launched innovation cooperation programme, joining hands with industry partners to build a new AI ecosystem *CASE*

During the 8th Digital China Summit Cloud Ecological Conference from 28 April to 4 May 2025, China Telecom launched its China Telecom Cloud Xirang Innovation Promotion Programme. Leveraging China Telecom Cloud Xirang, the Company built an ecosystem featuring resource sharing, joint technological innovation, co-research on application scenarios, and win-win cooperation, addressing the challenges of high computing costs, low efficiency, and difficult implementation in AI applications. To accelerate the development of the domestic industrial chain, the Company also launched the China Telecom Cloud-based Domestic Basic Software and Hardware Ecosystem Prosperity Programme at the conference. Based on the strategy of "basic platform+core capabilities+industrial ecosystem", the programme integrates R&D and innovation of basic software and hardware, and joins hands with industrial chain partners to build an independent and controllable innovation system.

Launch ceremony of Xirang Innovation Cooperation Programme

Digital and intelligent technology ecology

Guided by the strategy of "Cloudification, Digital Transformation and AI for Good", the Company promotes the deep integration of sci-tech innovation and industrial innovation, and develops new quality productive forces in light of local conditions. At the 2025 Digital Technology Ecosystem Conference, the Company released *China Telecom 2035 Technology White Paper for Cloud-Network Integration* and held four cooperative ceremonies: the launch ceremony of the Xirang Intelligent Cloud Ecosystem Alliance, the launch ceremony of the Trusted Data Space for Central State-owned Enterprises, the launch ceremony of Xingchen Agent Ecosystem Alliance, and the launch ceremony of the China Telecom Information Technology Application Innovation Industry Alliance, in an effort to build an open and win-win digital intelligence technology ecosystem with ecological partners.

China Telecom established Xingchen Agent Ecosystem Alliance with partners

CASE

In December 2025, at the Digital Technology Ecosystem Conference themed "Intelligence Leads the Way, Benefits Foster Symbiosis", China Telecom, together with more than a dozen partners including Alibaba Cloud, Umetrip and ZTE, officially established the Xingchen Agent Ecosystem Alliance. Leveraging capabilities in modelling, memory, tools and security, the alliance provides users with an intelligent experience of "Word as a Service" (一语即服务). It will integrate upstream and downstream enterprises in the industrial chain, research institutions and developers to promote technological innovation of AI agents, accelerate the implementation of scenario-based applications and advance the development of the digital intelligence ecosystem.

Inauguration ceremony of the Xingchen Agent Ecosystem Alliance

Capital cooperation

The Company actively advances its strategic planning with a focus on strategic emerging industries and future industries, and is actively expanding in AI, security, cloud computing and computing power, Big Data, digital platforms and next-generation information and communication technology. It gives full play to the important role of capital as a key production factor, gathers an ecosystem through capital, coordinates equity financing of professional subsidiaries, explores the external capital infusion to enhance market-oriented operations. In October 2025, the Company hosted the Capital Ecosystem Cooperation Forum under the theme "Telecom Safeguards Secure China". The forum served as an efficient platform for partner exchanges, promoting enterprise-investor synergy, fostering cooperation with capital ecosystem enterprises in business, products and technological innovation, and empowering the high-quality development of industries.

CO-SHARING DEVELOPMENT ACHIEVEMENTS

Upholding the original aspiration of technology for good, China Telecom continues to harness digital information infrastructure to drive economic and social development, bridge the "digital divide", enhance digital inclusiveness, promote the universally beneficial, inclusive digital technologies, ensuring that people from all backgrounds benefit from digital waves.

Serving rural revitalisation

Clarifying work framework

The Company fully implements General Secretary Xi Jinping's important expositions on work related to agriculture, rural areas and farmers, draws on the experience of the "Thousand Villages Demonstration and Ten Thousand Villages Renovation Project" and adheres to the "12345" rural revitalisation framework. With digital technology as its core support, the Company helps poverty-alleviated areas firmly hold the bottom line of preventing large-scale relapse into poverty and new poverty, comprehensively elevates rural industrial development, rural construction and rural governance, and contributes to the accelerated modernization of agriculture and rural areas with China Telecom solutions.

China Telecom's "12345" rural revitalisation framework

Conducting research on rural revitalisation initiatives

In April 2025, a delegation led by China Telecom Chairman Ke Ruiwen visited Guangxi to investigate rural revitalisation efforts. They conducted an in-depth inspection of the Company's designated assistance projects in Tianlin County, met with frontline employees, and engaged with local Party and government officials to explore ways to effectively integrate poverty alleviation achievements with rural revitalisation initiatives.

In October 2025, a delegation led by China Telecom's General Manager Liu Guiqing visited Xinjiang to investigate rural revitalization efforts. They conducted an in-depth inspection of the Company's designated assistance projects in Shufu County, Kashgar, including the Jiangguoguo industrial assistance programme, the AI digital human e-commerce live-streaming training base, and the Shufu County Science and Technology Museum. They also met with local people lifted out of poverty and assistance cadres.

Rural revitalization achievements·2025

Undertook nationwide assistance tasks across

12 counties

46 townships

1,312 villages

Deployed a total of

3,621

full-time and part-time rural revitalisation officers

The "Workwear Aid for Xinjiang" initiative procured

RMB **30.29** million

worth of Xinjiang-made clothing

The Group undertook assistance for the

4

targeted poverty alleviation counties

2

assistance tasks for the targeted support counties

Invested

RMB **188** million

in non-repayable assistance funds

RMB **420** million

in repayable assistance funds

Introduced

RMB **105** million

in non-repayable assistance funds

RMB **450** million

in repayable assistance funds

Trained

153,000

grassroots officials, rural revitalisation leaders and technical professionals

Directly purchased or facilitated the sale of agricultural products worth

RMB **887** million

Implementing assistance initiatives

Carrying out consumption assistance

The Company has consistently prioritised consumption assistance as a key approach to consolidate and expand the poverty-alleviation achievements and advance the rural revitalization. It actively participated in special assistance initiatives such as the SASAC's "Central SOEs' Cohesion Action on Consumption Assistance", "Agricultural Revitalisation Week" and "Spring Festival Assistance Campaign". In 2025, the Company purchased RMB402 million worth of agricultural products from poverty-alleviated areas and facilitated the sale of an additional RMB485 million in agricultural products from these regions, both recording a new high.

Holding the first campaign of the "Central SOEs' Cohesion Action on Consumption Assistance" initiative in 2025 *CASE*

In March 2025, under the guidance of the Bureau of Social Responsibility of the SASAC, China Telecom, in collaboration with COSCO Shipping, China Minmetals and China Railway Group, hosted the "Meet in Hunan for Prosperity of Farmers and Agriculture" shopping festival in Xiangxi, Hunan Province. As part of the "Central SOEs' Cohesion Action on Consumption Assistance", the event, through online and offline channels, achieved purchases and sales of agricultural products exceeding RMB 60 million, playing a key role in supporting the development of special industries and increasing the incomes of local farmers in the poverty-stricken areas.

China Telecom and relevant partners jointly launched the shopping festival campaign

Digital-intelligent countryside construction

The Company continues to promote the deep integration of "AI+5G+Cloud+Applications" in agriculture and rural areas, and enriches application scenarios such as the Xingchen large model, DeepSeek large model and digital humans. Focusing on social governance, smart education, telemedicine, smart agriculture and other fields, it develops multi-scenario information-based solutions to help improve the modernization of agriculture and rural areas.

Rural revitalization achievements·2025

Built

490,000
digital villages

100%
4G network coverage at township level

99%
4G network coverage at administrative village level

100%
5G network coverage at township level

88%
5G network coverage at administrative village level

AI+ grassroot governance services reached over

170,000 villages

Helped

120 million
villagers enjoy smart and beneficial life

Constructing the 5G smart agriculture project at the Aishan Grape Manor in Tianlin, Guangxi

CASE

China Telecom has built the Aishan Modern Agricultural Industrial Park in Tianlin, Guangxi, introducing the shine-muscat grape industry. It has developed a digital planting platform and an agricultural product quality and safety traceability application to realise standardised, digital and visualised grape cultivation. Supporting facilities include 24 planting greenhouses, as well as cultural tourism facilities such as a visitor centre and homestays. An innovative development model of "tourism boosted by agriculture and agriculture promoted by tourism" has been adopted, deeply integrating the strengths of the traditional "Rice Cultivation" culture with smart digital agricultural elements. The project won the first prize in the 1st Guangxi "Xinggui Cup" Digital Rural Innovation Competition.

Employees of Guangxi Branch installed intelligent control equipment at the Aishan Modern Agricultural Manor

Supporting the infrastructure renovation project for Yanyuan Ethnic Middle School in Sichuan Province

CASE

China Telecom, together with the CPC Yanyuan County Committee and the government of Yanyuan County, carried out overall planning and upgrading renovation of the Ethnic Middle School. With a total investment of over RMB40 million, the Company aimed at aiding the construction of such core infrastructure as a multi-functional complex, sports field, student dormitories, classroom buildings, gymnasium and smart campus security platform. During construction, the "cloud-based supervision" technology was innovatively introduced to effectively monitor construction safety, project quality and progress, ensuring the high-standard and on-time delivery of the project. In the meantime, a "Telecom Innovation Experimental Class" was established. Leveraging a self-developed cloud platform for teaching videos, 5G synchronised courses and AI live classrooms have been set up, realising internet-based teaching in every class and covering all 100 classes of the school, thus facilitating the sharing of high-quality educational resources.

Class of Ethnic Middle School in Yanyuan County, Sichuan Province

Universal telecom services

The Company is committed to enhancing telecommunications infrastructure in border and rural areas. It has implemented the 10th and 11th phases of the universal telecom service project and advanced the "Broadband Borderland" initiative to improve the network coverage in border and rural areas, promote economic prosperity, and strengthen the stability and security of border regions, thereby supporting rural revitalisation. Additionally, the Company continues to expand co-building and co-sharing efforts. In collaboration with China Unicom, it has expanded the 4/5G access network sharing. This initiative provides various solutions for expanding construction methods in rural and border areas and achieving the coverage target faster.

Improving telecommunications infrastructure in border areas and disaster-stricken regions

CASE

In 2025, China Telecom allocated approximately RMB13.7 billion of investment in provinces and regions including Qinghai, Yunnan, Sichuan, Gansu, Xizang and Xinjiang, effectively supporting ethnic stability, unity, long-term stability and leapfrog development in the Three Regions and Three Prefectures. In addition, to support post-earthquake reconstruction in Dingri County, rectification of hidden dangers in cloud and network infrastructure, and network construction for the Xinjiang Production and Construction Corps, the Company made an additional special investment of over RMB120 million. This has effectively improved the quality of information and communication networks in agricultural and pastoral areas, bridged the "last mile" of digital services, and enhanced the working and living conditions of frontline employees in plateau and border areas.

Xizang Branch sent the emergency team to the disaster-stricken area for repair

Promoting care for the elderly

The Company actively promotes the traditional virtues of filial piety and respect for the elderly while upholding China Telecom's revolutionary heritage. It is committed to helping the elderly bridge the "digital divide" by advancing the implementation of policies and measures that safeguard their rights and interests. The Company strives to provide more convenient, user-friendly and high-quality integrated smart information services to the elderly.

In 2025, China Telecom's 10000 hotline provided over 15.03 million instances of direct access to elderly caring attendants for customers aged 65 and above. For elderly individuals and other groups with mobility difficulties, the Company facilitated over 150,000 transactions via face-to-face, one-on-one remote counter video services. Through its "Caring Station+"initiative, China Telecom offered tailored assistance to elderly users. It co-organised the 4th National Elderly Anti-Fraud Knowledge Competition under the guidance of the China National Committee on Ageing and the Criminal Investigation Bureau of the Ministry of Public Security. In collaboration with the China Ageing Development Foundation, the Company launched the public welfare screening for senior rehabilitation under the Caring Station initiative. China Telecom APP completed the elderly-friendly upgrades for 90% of its core functions, with AI services accounting for more than 20%.

2025

Held **200,000** elderly support service activities

Benefited **3.68** million people

The "Caring Service Counters" were deployed across **22,000** self-operated outlets

99.9% deployment rate

Over **8,500** outlets providing barrier-free services

China Telecom implemented elderly-friendly upgrade of AI Caring Assistant

CASE

To effectively ensure service experience for the elderly, China Telecom has comprehensively implemented the elderly-friendly upgrade of its AI Caring Assistant in four dimensions: closed-loop service system, content recommendation, interface adaptation, and interaction methods.

Build closed-loop service system

Focusing on the 12 most frequently used inquiry services, the Company completed closed-loop adaptation for the elderly, supported voice inquiry and broadcasting, and introduced AI large model analysis capabilities for scenarios such as recharge and payment, achieving full-process optimization and precise product recommendation.

Optimise content recommendation

High-frequency demand services for elderly users are prioritised on the homepage, with dedicated care card packages and personalised recommended packages displayed on the first screen. This ensures that key information precisely meets the needs of the elderly users.

Regulate interface adaptation

Visual presentation has been optimised in strict accordance with the elderly-friendly design specifications of the Ministry of Industry and Information Technology. The page layout is simplified, with large icons and eye-catching labels highlighting core functions. It is fully compatible with multiple terminal devices to enhance visual comfort.

Innovate interaction methods

A voice-dominated interaction model has been established, supporting the "Xiao Yi, Xiao Yi" voice wake-up command and the "Ask" entry. Elderly users can complete most operations simply by long-pressing a button or sending a voice command.

China Telecom's AI Caring Assistant

Engaging in philanthropy

The Company balances business development with social responsibility. Through its "Love from e-Surfing" volunteer service team, the Company regularly carries out public welfare projects and volunteer services, encouraging employees to embrace the spirit of dedication, friendship, mutual assistance and progress. It promotes the institutionalisation of volunteer services, actively fostering a civilised, harmonious, united and enterprising atmosphere.

Guangxi Branch held fire safety promotion activities under the Caring Station initiative, improving the safety awareness of the elderly and children

CASE

In 2025, Guangxi Branch joined hands with the Guangxi Fire and Rescue Brigade to build the fire safety publicity hubs under the Caring Station initiative. It launched the "Fire Safety for All, Life First" safety campaign at Caring Stations in more than 70 outlets across 14 prefecture-level cities in the region. Through featured activities including mini fire safety lectures, fire extinguisher hands-on drills, fun interactive games at fire safety carnivals, and visits to fire and rescue bases, fire safety knowledge was effectively delivered to the general public. More than 180 fire safety public welfare activities with over 3,000 participations were held during the year.

In Beihai, the "Fire Science Education for Every Household" campaign organised Caring Ambassadors to visit residents door-to-door. They educated elderly households on daily fire risks, distributed fire safety brochures, and helped identify potential safety hazards. In Yulin, a special "Little Firefighters Winter Training Class" was held. Fire instructors explained the "Three Shutdowns and Three Fire Source Removals" rule using real-life cases and guided children in hands-on fire extinguisher operation. In Chongzuo, an immersive study tour themed "Safety Journey for Student Protection" was organised. Students from primary and secondary school were invited to visit fire stations, where they experienced wearing fire gear, operating firefighting equipment, and conducting fire escape drills, so as to improve their emergency risk avoidance capabilities.

A fire instructor gave explanation of fire safety knowledge

Guangdong Branch was elected as an organisational member of the China Youth Volunteers Association

CASE

In 2025, the "Love from e-Surfing" Youth Volunteer Alliance of the Guangdong Branch was successfully elected as an organisational member of the 6th China Youth Volunteers Association, in recognition of its outstanding performance in volunteer services. It is the first and only entity of China Telecom to receive this honour. Founded in January 2025, the "Love from e-Surfing" Youth Volunteer Alliance of the Guangdong Branch actively practises core socialist values. It organises members of the Chinese Communist Youth League and young employees to carry out various volunteer service activities, serving national strategies, people's livelihood, social governance and major events, and fostering civilised social norms, demonstrating the sense of responsibility of youths from a state-owned central enterprise. At present, the alliance has more than 10,000 registered volunteers, with a cumulative total of over 210,000 hours of volunteer services.

Young volunteers demonstrated drone operations to the children

The Company upgrades its Caring Stations public service system. Focusing on the "upgraded venues, expanded services, and collaborative ecosystem development", the Company deepens "Caring for the Elderly and Children" initiative, innovates the fire safety education campaigns and expands service content and scenarios, thus further promoting a positive image of China Telecom that addresses people's concerns with tangible actions.

For teenagers

The Caring Station, together with China Telecommunications Museum, held a public welfare science popularisation campaign with a theme of "China Telecom Science Popularisation Empowering Knowledge Tour of Teenagers". The event told the stories of China Telecom, introduced popular science knowledge such as radio, signal transmission and satellite communication, and organised fun career experience activities. It helped cultivate digital literacy among youths, bringing communications and information technology as well as the history of the red spirit of China Telecom into children's study and daily life.

For the elderly

The Company enriches the Smart Assistance to Elderly+ offerings. As the only one in the Industry, China Telecom co-organised the National Elderly Anti-Fraud Knowledge Competition and the National Elderly Health Knowledge Competition. In collaboration with the China Ageing Development Foundation, it set up health screening stations for the senior rehabilitation under the Caring Station initiative, providing arteriosclerosis screening, AI health education and other services.

2025

Joined hands with national fire and rescue authorities to hold **1,076** science popularisation activities themed "Caring Station for Fire Safety Carnival" in 203 cities across 27 provinces

The "Fire Safety Education for Every Household" campaign covered **15,000** households

Public welfare services provided through **80,000** urban and rural outlets

19,000 hours of volunteer services contributed by employees

Benefited over **11** million people through the year, including outdoor workers, the elderly and youth

CO-WRITING THE OVERSEAS CHAPTER

China Telecom deeply participates in the high-quality advancement of the Belt and Road Initiative (BRI) to foster the high-quality economic and social development of countries along the BRI through digital technologies, while effectively fulfilling its overseas responsibilities. Committed to strengthening international cooperation in the information and communication sector, the Company continuously enhances its global cloud-network infrastructure and boosts the construction of the global digital information infrastructure. It pays great attention to the development of local communities, promotes cross-cultural exchange and integration, and helps build a more vigorous, inclusive and prosperous regional development environment.

Improving international communication services

The Company attaches great importance to international cooperation in the information and communication sector, drives the development and connectivity of global digital information infrastructure, and facilitates the overseas availability and application of key strategic emerging businesses, empowering the development of the global digital economy. By the end of 2025, the Company had established a presence in more than 190 countries and regions, and partnered with over 400 international carriers to provide international, Hong Kong-Macau-Taiwan mobile roaming services across more than 200 destinations worldwide.

The Company has strategically invested in the Asia-Pacific region and countries and regions along the BRI, establishing a large-scale global network and forming a differentiated development pattern, with a focus on the Asia-Pacific region alongside Africa and the Middle East, Europe and the Americas. By the end of 2025, China Telecom had participated in the investment and construction of over 50 international submarine cables, with international and Hong Kong-Macau-Taiwan backbone transmission relay capacity reaching 178T, including over 87T in the BRI regions. It also operates 256 overseas points-of-presence (POPs).

China Telecom launched handset direct-to-satellite connectivity in Laos

CASE

In May 2025, China Telecom held a joint event with Lao Telecommunications Limited (ETL) to launch the Tiantong handset direct-to-satellite service, marking the implementation of satellite-enabled smartphone connectivity services in the country. This project represented the first large-scale overseas commercial use of China's self-developed satellite communications technology. It not only provides convenient communication services for people in remote areas of Laos, but also supports the country in advancing universal telecommunications services and effectively bridging the digital divide. During the conference, China Telecom Satellite Communication Branch signed a cooperation agreement with ETL on the launch of Tiantong Satellite in Laos. The two parties will jointly provide dedicated satellite equipment and services to comprehensively enhance emergency communication support capabilities in remote villages across Laos.

Business cooperation signing ceremony between China Telecom Satellite Communication Branch and ETL

Asia-Pacific connectivity further accelerates, and ADC submarine cable empowers digital future

CASE

In March 2025, the launch ceremony of ADC submarine cable's commissioning was successfully held at the Everbright Centre in Hong Kong. As the only international submarine cable initiative launched in the Asia-Pacific region over the past nine years, it was jointly constructed by China Telecom and other international carriers including Singapore Telecom. Spanning 9,988 kilometers, the ADC submarine cable links China (including Chinese Mainland and Hong Kong), Japan, Singapore, and multiple other countries and regions across the Asia-Pacific. Designed with an open cable architecture and cutting-edge high-capacity optical transmission technology, it features a total system capacity surpassing 160 Tb/s. Upon completion, the project will effectively enhance regional network infrastructure connectivity and redundancy protection. It will provide solid support for the development of emerging technologies such as cloud computing and large models, meet the demand for cross-border high-bandwidth and high-traffic services, and fully drive the high-quality development of the digital economy in the Asia-Pacific region.

Launch ceremony of ADC submarine cable commissioning

Supporting development of local community

When pursuing overseas expansion, the Company is consistently committed to local community development, focusing on community construction and caring for vulnerable groups, among others. It actively contributes its resources, and builds a sustainable governance framework to help create more vibrant, green, inclusive and prosperous local social environment.

Macao Branch held anti-fraud training session for the elderly to build a strong defence line

CASE

In July 2025, Macao Branch, in collaboration with the Burma Overseas Chinese Association, held a lecture on telecom fraud prevention and smartphone application training for the elderly. Through systematic explanations and vivid case studies, the event revealed the latest fraud tactics to elderly participants, effectively corrected misunderstandings, helped them make rational judgements about various risks and strengthened their awareness of prevention. In addition, interactive sessions were arranged to teach participants how to seek help in the event of fraud and to provide practical mobile phone tips, effectively enhancing the elderly's digital literacy and self-protection capabilities, thereby building a solid defence line for their digital lives.

Telecom fraud prevention lecture and smartphone application training session for the elderly

Broadening job choices for youths, boosting local development, and strengthening China-Kenya cooperation and exchange

CASE

Kenya Branch actively participated in the "LEAP" Job Fair for Talents held by the Kenya-China Economic and Trade Association at the University of Nairobi. It engaged with over 100 graduates, collected their resumes and conducted preliminary interviews with more than 40 candidates. As a representative employer, China Telecom was interviewed by Kenya's NTV Television, sharing its experience and achievements in promoting local digital construction and socio-economic development. Going forward, China Telecom will continue to implement its localised talent strategy of "local recruitment and local cultivation", improve its talent development system, and contribute more to Kenya's information technology progress and regional economic prosperity.

"LEAP" Job Fair for Talents held at the University of Nairobi

Fulfilling overseas public welfare responsibilities

The Company actively integrates into local social development, fully supports disaster relief, conveys warmth through giving back to society, and enhances mutual trust through cultural exchange. It earnestly fulfills its overseas social responsibilities to promote people-to-people bond and common development.

Standing together in solidarity: supporting medical treatment and relocation for disaster-affected residents in Tai Po

CASE

In November 2025, a fire broke out at Wang Fuk Court in Tai Po, Hong Kong. China Telecom immediately launched emergency support operations, standing side by side with Hong Kong compatriots to overcome the difficulties through all-round assistance. To ensure the smooth progress of rescue and resettlement efforts, the Company urgently deployed emergency communication resources. Free Wi-Fi was fully installed across the entire "Qihang 1331" resettlement site before the affected residents moved in, guaranteeing zero blind spots and uninterrupted connectivity. China Telecom Global donated emergency daily necessities including windproof jackets, warm trousers and suitcases, and also provided HK$5 million for post-disaster reconstruction. In addition, the Company mobilised employees to join volunteer teams, participate in blood donation and make voluntary donations. Through tangible actions, China Telecom supported the affected residents and conveyed warmth and care to society.

Staff members distributed emergency communication devices to the affected residents

China Telecom Global's Cambodia Branch held public welfare donation activity

CASE

In May 2025, China Telecom Global's Cambodia Branch visited Vessnvana Primary School in Siem Reap Province to carry out a public welfare donation activity. At the event, the staff engaged in deep exchanges with teachers and students, learning in detail about their study and living conditions, as well as the local educational situation and practical difficulties. In response to the school's needs, the company donated a batch of books and school supplies to empower education and growth of local young people, allowing knowledge and care to transcend language and cultural boundaries. The company will continue to support the basic education in the community, fulfill its corporate social responsibility through practical actions, and contribute to the improvement of people's livelihood in countries along the Belt and Road.

Public welfare donation event

MODERNISATION OF GOVERNANCE
BUILDING A SOLID FOUNDATION FOR DEVELOPMENT

China Telecom continues to refine its modern corporate governance and deepens its efforts to tackle key challenges in reform to activate internal momentum for development. The Company has achieved new breakthroughs in organisational efficiency, procedural mechanisms, and talent development. By consistently adhering to compliant operations and comprehensively enhancing its risk prevention and mitigation capabilities, the Company has built a solid foundation for its high-quality development.

REFINING CORPORATE GOVERNANCE

The Company continuously enhances its corporate governance methodology, standardises its operations, strengthens its internal control mechanism and implements sound governance and disclosure measures, to ensure that its operations align with the long-term interests of the Company and its shareholders as a whole.

Strengthening the construction of the Board of Directors

With the objective of building a scientific, rational, and efficient Board, the Company continued to deepen the development of its Board. As of 31 December 2025, the Board consisted of 10 directors, including 4 Executive Directors, 1 Non-Executive Director, 4 Independent Non-Executive Directors, and 1 Employee Representative Director. There is no relationship (including financial, business, family, or other material relationships) among the Board members. The Audit Committee, Remuneration Committee and Nomination Committee under the Board consist solely of Independent Non-Executive Directors, which ensures that the committees are able to provide sufficient checks and balances and make independent judgements effectively to protect the interests of the shareholders and the Company as a whole.

Regulated and Efficient Operation of the Board

◎ In 2025, the General Meeting of Shareholders, the Board, and the Supervisory Committee operated in a regulated and effective manner. Through lean management and prudent operations, the Company drove its high-quality development to new heights, while continuously optimising internal controls and comprehensive risk management to ensure stable operations.

◎ During the year, the Board held seven meetings, the Audit Committee held six, the Remuneration Committee held one, the Nomination Committee held four, and the independent directors held three special meetings, resulting in the continuous enhancement of corporate governance.

Board Diversity

◎ The Company continues to implement its Board Diversity Policy. When determining the Board's composition, multiple dimensions are considered, including gender, age, educational background, professional experience, skills, knowledge, length of service, and time commitment. All Board appointments adhere to the principle of meritocracy. Final decisions are made following an objective assessment of diversity factors, based on a comprehensive evaluation of a candidate's strengths and their potential contribution to the Board.

◎ The Nomination Committee is responsible for monitoring the implementation of the diversity policy, reviewing it periodically, and recommending amendments to the Board. The Board comprises professionals from fields including telecommunications, accounting, finance, management, economics, and technology. With two female directors and a diverse mix of gender, age, and tenure, the Board ensures a comprehensive and balanced perspective in its decision-making.

Development of Subsidiary Boards

◎ The Company actively encourages subsidiaries at all levels to establish rational governance structures – comprising either a board of directors or a sole director – tailored to their specific business characteristics and developmental stages. We also continue to refine director selection and appointment mechanisms. As of the end of 2025, 63 subsidiaries had established boards of directors, all of which maintain a majority of external directors, creating a more standardised and efficient governance structure.

◎ Subsidiaries at all levels have established and enhanced institutional frameworks centred on their Articles of Association. Priority has been given to appointing personnel with professional backgrounds in law and finance, strengthening support for directors and safeguarding the management's exercise of authority. Concurrently, the Company leverages digital means to optimise governance processes and improve decision-making efficiency.

◎ Subsidiaries have fully implemented systems for the board to delegate authority to management and for management to report back to the board, which stimulates operational vitality and enhances efficiency. By increasing the delegation of authority to its subsidiaries, the Company has effectively boosted their development momentum and significantly enhanced governance efficacy.

Protecting the rights and interests of investors

The Company strictly adheres to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines for the Articles of Association of Listed Companies*, the *Guidelines for Investor Relations Management of Listed Companies*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*. It also adheres to the relevant regulations of securities regulatory authorities and stock exchanges in its listing jurisdictions, as well as the *Articles of Association of China Telecom Corporation Limited and the Investor Relations Management Measures of China Telecom Corporation Limited*. These efforts are aimed at effectively protecting the legitimate rights and interests of investors, strengthening information exchange with both existing and potential investors, deepening their understanding and recognition of the Company, and fostering a positive, interactive relationship with the investment community.

The Company's management actively attends results announcements and proactively addresses investor concerns. Through diverse channels — including both physical and online investor briefings, earnings presentations, and roadshows — the Company provides essential information to the capital markets and the media. Simultaneously, the Company makes full use of digital platforms, such as the investor relations hotline, the dedicated IR section of the official website, and the WeChat official account and mini-programme, ensuring that investors have timely and convenient access to corporate news while enhancing daily engagement.

The Company attaches great importance to shareholder returns. Starting from 2024, the Company will gradually increase its cash dividend payout ratio to over 75% of the profit attributable to equity holders within three years, continuing to create greater value for its shareholders.

COMPREHENSIVELY DEEPENING REFORM

The Company has thoroughly implemented the decisions and deployments of the CPC Central Committee and the State Council regarding the deepening of SOE reforms. By incorporating reform tasks from the *Notice on Further Deepening Reforms in Several Key Areas* into the *Working Ledger for the Deepening and Enhancing Action of SOE Reform*, the Company ensured integrated progress and a successful conclusion to the initiative. For four consecutive years, the Company has been awarded a "Grade A" rating in the assessment of key reform tasks for state-owned central enterprises, ranking second among all central enterprises in 2024.

• Deepening the Reform of Industry and Specialised Companies	The Company strengthened the functional positioning of specialised companies/industry companies as the primary entities for technological innovation, product development, and capability building. The Company formulated plans to further deepen the reform of industry companies and facilitated the introduction of strategic investors and employee equity incentives for the AI and Security Companies. The Cloud Computing Branch was designated as the primary entity for strategic intelligent computing investment and construction. Furthermore, the Company participated in the development of the "Quantum Talent Sci-tech Innovation Space for Central State-owned Enterprises" and developed plans to deepen the reform of the research institutes and specialised companies.
• Deepening the Reform of Provincial and Municipal Companies	The Company reinforced the roles of provincial and municipal companies as the primary entities for the large-scale development, autonomous delivery, and operation of strategic emerging businesses/industrial digitalisation; accelerated team transformation and the redeployment of personnel to frontline units, strengthened the smart enterprise engineer workforce, and enhanced local capabilities for the implementation and scale promotion of strategic emerging and industrial digitalisation businesses; and drove the primary process optimisation for provincial and municipal companies—using the cloud middle-end platform as the hub—and extended this framework to the county level.
• Deepening Synergy Mechanisms between Provincial and Specialised (Specialised and Specialised) Companies	The Company strengthened the coordinated development of "Excellent Products" by holding dedicated workshops and clarifying the priority list of products and platforms for promotion; enhanced the demand-response mechanism between provincial and specialised branches by launching a dedicated "key product demand-response system;" established and refined an internal open-source sharing mechanism for proprietary products to reinforce synergy; enhanced our end-to-end integrated delivery and operational service standards, while simultaneously upgrading the centralised integrated delivery platform; and optimised the settlement mechanisms between provincial and specialised companies and established a robust internal market-based settlement process for specialised products.
• Deepening the Reform of the Performance Assessment System	A dedicated task force was established to conduct in-depth research across 12 Specialised Companies, 3 provincial companies, and 6 headquarter departments. Adhering to a problem-oriented approach, the task force optimised the assessment frameworks for headquarter departments, provincial companies, and specialised companies, resulting in a comprehensive proposal for the reform of the performance assessment system.

ADHERENCE TO LAWS AND REGULATORY COMPLIANCE

The Company adheres to the philosophy of "lawful and honest operations," strictly complies with national laws and regulations, regulatory requirements, and industry standards, as well as its Articles of Association and relevant internal policies. It comprehensively strengthens compliance management, abides by the principles of fair competition, and utilises a rigorous internal control system to escort its high-quality development.

Compliance management

The Company promotes lawful and compliant operations by deeply embedding the philosophy of "compliance by everyone, in everything and every moment." It continuously refines its compliance management system, driving the transformation of compliance requirements from "external constraints" into "intrinsic values," and constantly enhancing its management capabilities.

Strengthening organisational leadership

The Company is advancing the coordinated and systematic integration of its legal, compliance, internal control, and risk management functions, ensuring horizontal synergy and vertical penetration to effectively foster compliant operations and robust risk mitigation.

Enhancing system development

The Company issued compliance guidelines for the management of internal rules and regulations, ensuring that 100% of such rules undergo a thorough legality and compliance review.

Improving operational mechanisms

The Company strengthened compliance reviews and issued risk prevention guidelines for Strategic Emerging Businesses, focusing on new scenarios and business models within emerging and future industries and providing legal safeguards and compliance recommendations for major projects and special initiatives.

Adopting a problem-oriented approach

The Company conducted domestic and international compliance inspections and evaluations of the effectiveness of compliance management, using these inspections to drive rectification, and encouraged units at all levels to enhance their compliance management standards.

Fostering a compliance culture

The Company strengthened its compliance teams and conducted continuous, multi-level training and awareness campaigns to translate compliance principles into the conscious actions of our staff, reinforcing company-wide awareness of compliance.

Anti-monopoly and fair competition

The Company strictly adheres to the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and other laws, regulations, and regulatory requirements. It upholds the principle of fair competition, operates in accordance with the law, protects consumer rights and interests and promotes the healthy development of the industry. The Company continuously strengthens corporate self-discipline, actively participates in and drives the improvement of self-regulation mechanisms for market conduct, resists unfair competition practises, such as false advertising and the restriction of user choice, maintains fair competition order and protects users' legitimate rights and interests. The Company emphasises fair competition, implementing the Ministry of Industry and Information Technology's initiative for telecommunication services to be "transparent and reliable." It enhances the management of tariff disclosures, continues to standardise marketing and promotional activities, and consistently improves service quality. The Company bolsters training and awareness programmes on anti-monopoly and competition compliance by holding dedicated workshops. These sessions, covering compliance, internal controls, risk management, and market competition, have integrated anti-monopoly and competition compliance into the curriculum to raise all employees' awareness of lawful and compliant operations.

Anti-corruption and integrity building

The Company strictly adheres to the *Supervision Law of the People's Republic of China* and other anti-corruption laws and regulations and maintains a zero-tolerance policy towards corruption. It has established and refined five key mechanisms: anti-corruption education and prevention, institutional supervision, accountability enforcement, fault tolerance and correction and inspections and audits, to strictly prevent issues such as bribery, extortion, fraud, and money laundering.

★ **Strengthening integrity risk prevention and control.** The parent company issued the *2025 List of Key Integrity Risks and Control Measures*, identifying 23 specific integrity risk points and solidifying principal responsibilities. We have integrated these risk scenarios into the Group's intelligent, full-level, and "transparent" supervisory platform for monthly progress monitoring. The headquarter conducted targeted risk assessments in key areas to refine prevention measures. The headquarters conducted key integrity risk assessments, identifying and analysing risks in critical areas, strengthening root cause analysis and implementing targeted risk prevention measures. All secondary units have developed and refined integrity risk control mechanisms tailored to their operations, ensuring comprehensive coverage. In 2025, various business lines issued over 30 policies and regulations, including the *Work Plan for Strengthening Transparent Prevention and Control of Network and Data Related Risks in China Telecom's Cloud-Network Operations* and the *Notice on the Special Rectification of Irregularities in PCDN Business*, to continuously enhance integrity risk management across professional domains.

★ **Deepening integrity education and conduct development.** Training materials, including guidelines on anti-corruption and anti-bribery laws and regulations, were distributed to all directors. The Company provides integrity and disciplinary and legal education for management and employees, holding regular warning education conferences to publicly disclose typical cases by name, using these cases to alert, drive rectification, and improve governance. The Company continuously fosters a culture of integrity through in-depth educational programmes on the spirit of the Central Government's Eight-point Regulation to promote normalised and long-term improvements in conduct. Adhering to a stringent approach, the Company implements the 'Four Close Watches' requirement and conduct thorough political inspections through specialised supervision. The Company continues to advance long-term, effective rectification of issues identified in Central Government inspections. Furthermore, the Company explores digital and intelligent methods to enhance the identification of issues and the oversight of corrective actions, having preliminarily established an information system for our inspection processes.

★ **Ensuring accessible whistleblowing channels.** China Telecom has set up a whistle-blowing postal mailbox and hotline to handle reports and accusations against its personnel, appeals regarding related decisions, as well as criticisms, opinions and suggestions concerning integrity building and anti-corruption efforts. The Company strictly implements the *Work Rules for Discipline and Supervision Organs in Handling Reports and Accusations*, ensuring that relevant accusations and charges are handled in accordance with the rules, disciplines and regulations, while strictly maintaining confidentiality to protect the rights of whistle-blowers.

Tax management

Adhering to the principle of "paying taxes in accordance with the law and operating with integrity," the Company strictly complies with all tax laws and regulations, which ensures its tax management is both efficient and compliant, providing a solid foundation for the Company's high-quality development.

- Monitoring national fiscal and tax policy directives, tracking the latest developments in areas such as VAT legislation, and strengthening policy analysis to ensure precise and effective implementation.
- Adhering to the principle of lawful and compliant operations, accurately identifying potential tax risks by considering industry characteristics and the Company's specific circumstances, and promptly formulating countermeasures.
- Deepening the integration of business operations and tax affairs, adhering to compliance management requirements, standardising tax-related conduct, and strengthening governance at the source of risk and dynamic control throughout the process.
- Developing a digital tax management system, enhancing the smart tax management platform, and optimising tax administration processes to achieve standardised and intelligent tax handling.
- Organising multi-level and varied training and informational sessions to enhance the legal and compliance awareness of all employees, and ensuring the precise and efficient implementation of all tax policies.
- Fully promoting the launch of digital e-invoices, and digitally empowering the enhancement of quality and efficiency and improving the efficiency and quality of tax management.

Financial and audit supervision

The Company continues to enhance its internal control management system. In response to changes in internal and external environments and corporate management requirements, it focuses on addressing internal control deficiencies identified through central inspections, national audits, the Ministry of Industry and Information Technology's efforts to improve industry conduct and rectify malpractice, special internal control rectifications for information security and internal inspections and audits. The internal control manual and authorisation list have been updated promptly to improve the effectiveness of internal control measures.

- **Continuously enhancing financial oversight capabilities.** Established a group-level financial shared services centre to centralise and standardise accounting, strengthen the analysis and monitoring of accounting information quality, mitigate related financial risks such as those affecting accounting information quality, and implement top-down, look-through financial and accounting oversight across the Group; Leveraging our treasury management and big data risk control systems, the Company developed an end-to-end, closed-loop management framework. This enhances dynamic perception of financial risks and streamlines their resolution, while continuously upgrading our financial supervision models for greater specificity, precision, and intelligence to advance our digital and smart oversight capabilities.
- **Focusing on improving audit supervision efficiency.** The Company has conducted audits around priorities in major strategic decisions, operational management challenges, and reform bottlenecks to ensure the effective implementation of major strategies and the mitigation of significant risks across all levels of the organisation.

COMPREHENSIVE RISK MANAGEMENT

The Company has established a risk management organisational structure with well-defined responsibilities and a comprehensive framework. It fully leverages the Board of Directors' core decision-making role in "risk prevention" and strengthens the management's responsibility for execution. A "Three Lines of Defence" risk management system — comprising business management, risk management, and supervision departments — has been established, strictly enforcing the duties of each party to ensure risk control is thorough and pervasive, thereby building a solid foundation for the Company's high-quality development. Throughout the year, the Company maintained stable operations and kept risks under control, with no major operational risk events occurring.

Strengthening the "foundational pillars" of the governance system

Adhering to a "systems-first" philosophy, the Company strictly aligns its practises with national laws, regulations, and regulatory requirements. In conjunction with its own corporate reform and development, it has established a comprehensive risk management framework that is systematic, well-structured, process-oriented, and effective in practise. Guided by the *Guiding Opinions on Further Strengthening Comprehensive Risk Management*, the Company has clarified its overall strategy and objectives. It has enhanced its "Four-Pronged" management mechanism, encompassing comprehensive risk analysis, holistic decision-making assessment, coordinated prevention and control, and full-scope accountability. Strengthened process control based on the *Four Systems and One Mechanism for Preventing and Mitigating Major Risks*, codifying major risk management requirements into standard systems and formal procedures. Strictly implemented the *Reporting System for Major Operational Risk* Incidents to ensure the early detection, rigorous handling, and prompt resolution of major risks.

Strengthening the "Three Lines of Defence" in process control

Fulfilling the primary responsibility of the first line of defence

Upholding the principle that "managing business requires managing risk," the Company reinforced the role of business departments as the first line of defence. Risk management is embedded into all business processes, ensuring that business development and risk control are planned and implemented concurrently to achieve source-level governance and proactive mitigation.

Strengthening coordinated management of the second line of defence

Leveraging the risk management department's leading role to enhance cross-departmental collaboration and professional guidance, the Company coordinated the annual forecast and assessment of major operational risks. The Company established a major risk prevention and control ledger and utilised the joint conference mechanism to ensure the entire risk control process is closed-loop, comprehensive, and highly efficient.

Deepening supervisory collaboration of the third line of defence

Focusing on key areas and core business operations, the Company conducted in-depth supervisory inspections and special audits to promptly identify and disclose potential risks. Adhering to the principle of prioritising both inspection and rectification, the Company has established a problem remediation ledger and a tracking and feedback mechanism. This transformed supervisory findings into enhanced management effectiveness, supporting the Company's compliant and stable operations.

Strengthening end-to-end "protective safeguards"

Adhering to the principle of "extending risk prevention and control wherever business develops," the Company enhances integrated risk management, clarifies requirements and standards, and strengthens the reach and execution of its control measures. A three-level "Headquarter-Provincial-Municipal" coordinated mechanism has been built to ensure management requirements are implemented at all levels without diminishing in effect. Through regular risk inspections and targeted supervision, the Company holds entities at all levels accountable for their primary responsibilities. The Company guides all units to rigorously forecast and assess major operational risks, establish classified and tiered ledgers for risk prevention and control, and deeply embeds process controls throughout the entire business lifecycle. Concurrently, the Company further enhances the major operational risk reporting system across all organisational levels by optimising reporting channels and standardising timelines. This ensures risk information flows effectively between all levels and is shared in real-time, thereby building a rigorous, closed-loop risk control framework with comprehensive horizontal and vertical coverage to effectively contain and prevent potential risks.

Activating "new engines" for digital and intelligent empowerment

The Company proactively adapts to the wave of digital and intelligent transformation, leveraging cutting-edge technologies like big data and artificial intelligence to build an intelligent, multi-level, and penetrating regulatory platform that integrates monitoring, warning, and response. The Company has advanced cross-departmental and cross-hierarchical data governance to break down "data silos." Leveraging technologies such as our proprietary Xingchen large model, the Company has built over 50 regulatory models and implemented direct frontline dispatches for scenarios like IDC business risks, significantly enhancing risk control capabilities. By fully utilising digital tools, the Company has improved the precision of risk identification and the agility of our response, transforming risk management from "post-event remediation" to "pre-event prevention" and from "manual-passive" to "intelligent-proactive", thereby injecting robust technological momentum into our risk management framework.

TABLE OF THE INDICATORS

Issues	No.	Name of Indicators	Unit	2025	2024
Emissions	1.	Scope 1: Direct greenhouse gas emissions[1]	million tonnes CO_2e	0.13	0.14
	2.	Scope 2: Indirect greenhouse gas emissions[1]	million tonnes CO_2e	13.6	14.21
	3.	Total greenhouse gas emissions[1]	million tonnes CO_2e	13.73	14.35
	4.	Greenhouse gas emissions per unit of information flow	tonnes CO_2e/TB	0.0101	0.0114
	5.	Greenhouse gas emissions per unit of total volume of telecommunications services[1]	tonnes CO_2e/RMB million	16.26	18.64
	6.	Greenhouse gas emission reductions	million tonnes CO_2e	16.00	15.30
	7.	Sewage emissions[2]	million tonnes	28.80	30.83
	8.	SO_2 emissions[2]	tonnes	15.80	21.15
	9.	Non-hazardous waste produced[4]	tonnes	22,973.98	23,232.06
	10.	Non-hazardous waste produced per unit of operating revenue	tonnes/RMB million	0.0434	0.0439
	11.	Hazardous waste produced[4]	tonnes	39,521.71	25,571.57
	12.	Hazardous waste produced per unit operating revenue	tonnes/RMB million	0.0746	0.0483
	13.	Electronic waste produced[4]	tonnes	30,525.61	38,362.77
	14.	Electronic waste produced per unit operating revenue	tonnes/RMB million	0.0576	0.0725
Use of Resources	15.	Electricity consumption[5]	MWh	29,301,703.19	27,992,222.94
			tce	3,601,179.32	3,440,244.20
	16.	Green electricity consumption[6]	MWh	4,208,089.41	2,705,784.08
			tce	517,174.19	332,540.86
	17.	Proportion of green electricity consumption	%	14.36	9.67
	18.	Natural gas consumption[5]	MWh	92,716.23	91,073.71
			tce	11,388.83	11,187.07
	19.	Coal consumption[5]	MWh	6,698.41	8,967.78
			tce	822.82	1,101.58

Issues	No.	Name of Indicators	Unit	2025	2024
Use of Resources	20.	Gasoline consumption[5]	MWh	305,240.42	332,023.18
			tce	37,493.52	40,783.32
	21.	Diesel consumption[5]	MWh	111,512.36	136,346.98
			tce	13,697.34	16,747.83
	22.	Purchased heat consumption amount[5]	MWh	341,030.76	325,360.90
			tce	41,889.49	39,964.73
	23.	Overall energy consumption	MWh	30,158,901.37	28,885,995.49
			tce	3,706,471.32	3,550,028.73
	24.	Overall energy consumption per unit of information flow	MWh/TB	0.0221	0.0230
			tce/TB	0.0027	0.0028
	25.	Overall energy consumption per unit of total volume of telecommunications services	MWh/RMB million	35.72	37.51
			tce/RMB million	4.39	4.61
	26.	Power consumption per carrier frequency at base stations	kWh/carrier frequency	1,239.44	1,289.77
	27.	Water consumption[7]	million tonnes	33.88	36.27
	28.	Water consumption per unit operating revenue	tonnes/RMB million	63.97	68.52
	29.	Reclaimed water consumption[7]	tonnes	311,607.54	293,694.64
The Environmental and Natural Resources	30.	Investment in energy saving and environmental conservation[8]	RMB million	2,580.25	2,153.15
Product Responsibility	31.	Countries and regions of mobile data international roaming and roaming in Hong Kong, Macau and Taiwan	–	246	245
	32.	Domestic administrative village fibre broadband coverage	%	98.70	98.33
	33.	Domestic administrative village mobile network coverage[9]	%	100	97.50
	34.	Internet backbone network interconnection bandwidth	Gbps	75,080.00	61,280.00
	35.	International interconnection bandwidth	Gbps	27,588.51	15,163.09
	36.	Call drop rate of mobile communication[10]	%	0.03	0.03
	37.	Call completion rate of mobile communication network[10]	%	99.34	99.34

Issues	No.	Name of Indicators	Unit	2025	2024
Product Responsibility	38.	Call completion rate for access line	%	90.92	89.19
	39.	Packet loss rate of broadband Internet ChinaNet backbone network	%	0.00	0.03
	40.	Mobile service satisfaction[11]	points	83.04	81.82
	41.	Fixed broadband satisfaction[11]	points	83.37	82.09
	42.	Wireline voice satisfaction[11]	points	92.22	91.14
	43.	Percentage of in-time response to international customer repair reports[12]	%	99.52	99.58
	44.	International customer satisfaction[13]	points	93.90	93.80
	45.	Number of new patents granted	–	3,009	2,561
	46.	Number of new invention patents granted	–	2,863	2,494
	47.	R&D investment amount	RMB million	18,603.87	17,792.11
	48.	Proportion of R&D investment in main business revenue	%	3.60	3.71
	49.	Number of R&D personnel	–	47,164	43,255
	50.	Proportion of R&D personnel	%	16.97	15.58
	51.	Number of fraudulent IPs blocked[14]	–	107,556	117,408
	52.	Number of customer complaints and reports[15]	person-times	187,131.0	–
	53.	Customer complaint and report rate[15]	person-times/million users	243.3	–
Anti-corruption	54.	Number of corruption cases[16]	–	3	3
	55.	Number of directors receiving anti-bribery and anti-corruption training	–	10	11
	56.	Proportion of directors receiving anti-bribery and anti- corruption training	%	100	100
	57.	Number of management personnel receiving anti-bribery and anti-corruption training	–	8	6
	58.	Proportion of management personnel receiving anti-bribery and anti-corruption training	%	100	100
	59.	Number of employees receiving anti-bribery and anti-corruption training	–	269,541	265,330
	60.	Proportion of employees receiving anti-bribery and anti-corruption training	%	96.99	97.55

Issues	No.	Name of Indicators	Unit	2025	2024
Supplier	61.	Total number of suppliers[17]	–	32,272	28,976
	62.	Number of suppliers in Mainland China[17]	–	30,967	28,416
	63.	Number of suppliers in regions of Hong Kong, Macau and Taiwan of China[17]	–	357	218
	64.	Number of suppliers from other countries and regions[17]	–	948	342
	65.	Amount of overdue outstanding payments	RMB10,000	0	0
Employment	66.	Proportion of female managers	%	22.76	22.25
	67.	Total number of employees[18]	–	277,911	277,674
	68.	Number of full-time employees[18]	–	272,807	272,385
	69.	Number of part-time employees[18]	–	5,104	5,289
	70.	Number of employees under the age of 30	–	46,259	46,542
	71.	Number of employees aged 30–49	–	147,976	153,393
	72.	Number of employees aged 50 and above	–	83,676	77,739
	73.	Number of male employees	–	191,411	191,083
	74.	Number of female employees	–	86,500	86,591
	75.	Number of employees in Mainland China	–	275,772	275,518
	76.	Number of employees in Hong Kong, Macau, Taiwan and overseas branches	–	2,139	2,156
	77.	Percentage of ethnic minority employees	%	7.10	7.07
	78.	Number of new employees[18]	–	10,380	12,026
	79.	Percentage of female among new employees[18]	%	32.85	29.98
	80.	Turnover rate of employees under the age of 30[19]	%	3.11	2.77
	81.	Turnover rate of employees aged 30–49[19]	%	0.85	0.73
	82.	Turnover rate of employees aged 50 and above[19]	%	0.23	0.28
	83.	Turnover rate of female employees[19]	%	1.00	0.97
	84.	Turnover rate of male employees[19]	%	1.05	0.93
	85.	Turnover rate of employees in Mainland China[19]	%	0.99	0.90
	86.	Turnover rate of employees in Hong Kong, Macau, Taiwan and overseas branches[19]	%	7.39	7.00
	87.	Signing rate of employment contract[18]	%	100	100
	88.	Coverage rate of social insurance[18]	%	100	100

Issues	No.	Name of Indicators	Unit	2025	2024
Safety and Health	89.	Amount of investment in work-related injury insurance	RMB 10,000	19,968.46	17,752.02
	90.	Coverage rate of work-related injury insurance[18]	%	100	100
	91.	Serious injury rate per 1,000 employees[20]	number of serious injuries/thousand	0	0
	92.	Loss of working days due to work- related injury[20]	days	0	0
	93.	Number of participants in safety emergency drills	person-times	544,376	541,685
	94.	Number of participants in health and safety trainings	person-times	702,542	599,594
	95.	Participation rate of employee health checkup[18]	%	94.21	94.31
	96.	Number of work-related fatalities[20]	–	0	0
	97.	Fatality rate per 1,000 employees[20]	number of deaths/ thousand	0	0
Training and Development[21]	98.	Training expenses per employee	RMB/person	3,426.24	3,954.22
	99.	Number of internal trainers	–	12,252	14,729
	100.	Total number of participants trained	10,000 person-times	229.60	159.80
	101.	Number of senior management trained	person-times	2,054	2,513
	102.	Number of middle-level management trained	person-times	307,719	264,167
	103.	Number of general employees trained	person-times	1,986,227	1,331,328
	104.	Number of male employees trained	person-times	1,549,098	1,074,830
	105.	Number of female employees trained	person-times	750,033	523,178
	106.	Number of employees passed skill certification exams	person-times	59,262	59,649
	107.	Average training time per employee	hours/person	136.39	101.67
	108.	Average training time per senior management	hours/person	182.33	146.81
	109.	Average training time per middle-level management	hours/person	142.48	153.21

Issues	No.	Name of Indicators	Unit	2025	2024
Training and Development[21]	110.	Average training time per general employee	hours/person	135.48	94.56
	111.	Average training time per male employee	hours/person	137.19	103.19
	112.	Average training time per female employee	hours/person	134.98	98.25
	113.	Proportion of senior management participating in training	%	95.22	99.54
	114.	Proportion of middle-level management participating in training	%	93.51	99.50
	115.	Proportion of general employees participating in training	%	86.99	95.89
	116.	Proportion of male employees participating in training	%	86.90	96.02
	117.	Proportion of female employees participating in training	%	89.76	97.02
Community	118.	Total service time of volunteers	10,000 hours	80.55	78.70
	119.	Number of participants in volunteering activities	10,000 person-times	23.21	21.05
	120.	Number of volunteering activities	sessions	25,989	26,149
	121.	Volunteer service activities input amount	RMB million	17.27	17.48
	122.	Number of participated pole line co-built[22]	kilometres	4,681.22	5,788.00
	123.	Number of provided pole line co- shared[22]	kilometres	17,159.35	13,385.00
	124.	Number of co-built pipelines participated[22]	kilometres	7,232.18	8,006.00
	125.	Number of co-shared pipelines provided[22]	kilometres	2,174.04	1,266.00
	126.	Number of co-built indoor distribution systems participated[22]	–	38,893	44,945
	127.	Personnel involved in emergency communication support	person-times	229,596	452,726
	128.	Number of emergency communication equipment dispatched	set-times	34,502	67,915
	129.	Number of emergency communication vehicles dispatched	vehicle-times	44,541	95,738
	130.	Number of emergency public service messages sent[23]	million pieces	32,575.16	19,443.76

Notes:

1. In this report, Scope 1 direct greenhouse gas (GHG) emissions = Σ (fossil fuel consumption × calorific value coefficient × GHG type emission factor × global warming potential); Scope 1: direct greenhouse gas emissions include the greenhouse gas emissions from use of natural gas, coal, gasoline and diesel; Greenhouse gas is measured based on the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* of World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* of Intergovernmental Panel on Climate Change (IPCC) and the *Fourth Assessment Report 2007* of Intergovernmental Panel on Climate Change (IPCC), etc.;

In this report, Scope 2 indirect greenhouse gas emissions are calculated as: (total purchased electricity - green electricity consumed) × national average CO_2 emission factor for electricity + purchased heat consumed × CO_2 emission factor for heat; Scope 2: indirect greenhouse gas emissions include the greenhouse gas emissions from purchased electricity and heating power, where the electricity emissions factor shall refer to the national average CO_2 emission factor for electricity in 2022 (0.5366t CO_2/MWh), as disclosed in the *Announcement on the 2022 Electricity CO_2 Emission Factor (《生態環境部、國家統計局關於發佈2022年電力二氧化碳排放因子的公告》)* issued by the Ministry of Ecology and Environment of the People's Republic of China and the National Bureau of Statistics; and the emissions factor for heat shall refer to the *Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions from Industrial and Other Industries Enterprises (Trial) (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》)* issued by the General Office of National Development and Reform Commission of the People's Republic of China;

Total greenhouse gas emissions shall be the sum of Scope 1 (direct greenhouse gas emissions) and Scope 2 (indirect greenhouse gas emissions).

The total volume of telecommunications services represents the sum of respective indicators of volume of each service multiplied by the corresponding constant unit price, whereas the constant unit price refers to the constant unit price of telecommunications services in 2020 released by the Ministry of Industry and Information Technology.

2. The quantity of sewage emissions is measured based on water consumption, and the wastewater discharge coefficient shall be based on GB50318–2017: *Code of Urban Wastewater Engineering Planning of the National Standards of the People's Republic of China (《中華人民共和國國家標準城市排水工程規劃規範》)* and relevant documents of the National Bureau of Statistics of the People's Republic of China.

3. SO_2 emissions refer to the SO_2 emissions arising from coal use. The SO_2 emission coefficient calculated using the material balance method by reference to GB/T 2589–2020: the *National Standardised General Principles for Calculation of Comprehensive Energy Consumption of the People's Republic of China (《中華人民共和國國家標準綜合能耗計算通則》)* and relevant documents issued by the State-owned Assets Supervision and Administration Commission of the State Council.

4. Non-hazardous waste includes domestic waste. The quantity of domestic waste produced is measured based on the per capita household waste output coefficient, following GB/T 50337-2018: *Standard for Planning of Urban Environment Sanitation Facilities (《城市環境衛生設施規劃標準》)*. Hazardous waste only includes the volume of disposed waste batteries. Electronic wastes include waste telecommunications equipment, waste cables, waste terminals, and waste electronic office supplies.

5. Statistics on electricity consumption, natural gas consumption, coal consumption, gasoline consumption, diesel consumption, purchased heat consumption cover the Company's headquarters, 31 provincial branches and professional companies; the conversion coefficient for each energy consumption shall refer to GB/T2589-2020: *the National Standardised General Principles for Calculation of Comprehensive Energy Consumption of the People's Republic of China (《中華人民共和國國家標準綜合能耗計算通則》)*;

Electricity consumption refers to non-renewable electricity purchased that was generated by fossil fuels as well as green electricity.

6. Statistics on green electricity consumption covers 31 provincial branches of the Company. The statistical scope encompasses electricity obtained through green certificate transactions and green electricity transactions. Green electricity transactions refer to wind and photovoltaic power generation with "integration of trading of permit and electricity".

7. The water source used by the Company comes from municipal tap water supply or purchased reclaimed water, and there is no problem in obtaining water source.

8. Investment in energy saving and environmental conservation comprises of two categories: the Company's contribution and contractual energy management.

9. Domestic administrative village mobile network coverage rate refers to the consolidated coverage of 4G and 5G networks in domestic administrative villages at the end of the reporting period.

10. VoLTE data was used for call drop rate of mobile communication and call completion rate of mobile communication network.

11. Data is sourced from a third-party assessment commissioned by the Company.

12. Percentage of in-time response to international customer repair reports refers to the percentage of work orders which are completed by China Telecom Global within the required time limit of service recovery for customers to the total number of work orders.

13. The data sources of international customer satisfaction are from a third-party consultation company, who conducted annual satisfaction surveys on enterprise customers to whom China Telecom Global provided services during the survey cycle.

14. Number of fraudulent IPs blocked is the number of fraudulent IPs blocked by the Company during the reporting period in accordance with requirements by the relevant state authorities.

15. Data is sourced from the Telecom User Complaint Acceptance Centre of the Ministry of Industry and Information Technology. Since May 2025, the calculation for the number of customer complaints and the Customer Complaint Rate will be based on accepted complaints, excluding duplicate reports, invalid reports, and others that do not meet acceptance criteria. The data sources for the number of customer complaints and reports (person-times) and the customer complaint and report rate (person-times/million users) in 2024 are unadjusted full-scope statistical data for the customer complaints and reports.

16. Number of corruption cases refers to the number of corruption cases filed against the Company or its employees and the judgement of which has been received during the reporting period. This year, three corruption cases have been concluded, with three individuals involved sentenced to fixed-term imprisonment.

17. The total number of suppliers, number of suppliers in Mainland China, number of suppliers in regions of Hong Kong, Macau and Taiwan of China, number of suppliers from other countries and regions refer to the centralised procurement suppliers of China Telecom.

18. The total number of employees includes the number of contract workers, part-time employees, dispatched employees and other employees by the end of the reporting period, of which, contract employees are counted as full-time employees, whereas dispatched employees, part-time employees and other employees are counted as part-time employees.

Number of new employees, percentage of female among new employees, participation rate of employee health checkup, signing rate of employment contract, coverage rate of social insurance, and coverage rate of work-related injury insurance are calculated based on contract employees.

19. Turnover rate of employees = (number of employees turnover during the reporting year/number of employees at the end of the reporting period)*100%.

The statistical calibre of turnover rates of employees by gender and age group and the statistical calibre of turnover rates of employees in Mainland China, Hong Kong, Macau, Taiwan and overseas branches during the reporting period are consistent with those used for the total number of employees.

20. Serious injury rate per 1,000 employees, loss of working days due to work-related injury, number of work-related fatalities and fatality rate per 1,000 employees are the data on injuries and fatalities of on-the-job contract employees resulting from safety liability accidents for which the Company is responsible. According to Appendix C2 *Environmental, Social and Governance Reporting Code* of the Listing Rules of the Hong Kong Stock Exchange, the Company is required to disclose the number and rate of work-related fatalities for each of the past three years (including the reporting year). In 2023, number of work-related fatalities was 0, and the fatality rate per 1,000 employees was 0 deaths per thousand employees.

21. Indicators related to training and development refer to the data of on-the-job contract employees participating in the Company's virtual and physical training during the reporting period.

22. Number of participated pole line co-built, number of provided pole line co-shared, number of co-built pipelines participated, number of co-shared pipelines provided and number of co-built indoor distribution systems participated refer to the number of pole lines, pipelines and indoor distribution systems co-built and co-shared which are participated in or provided by the Company during the reporting period.

23. Emergency public service messages include public service messages in relation to natural disaster warning and important events support.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

English Translation for Reference Only

Independent Practitioner's Assurance Report

Independent practitioner's assurance report serial no. 2600156

To the board of directors of China Telecom Corporation Limited

Report on selected information in China Telecom Corporation Limited's Sustainability Report 2025 (ESG Report)

Conclusion

We have performed a limited assurance engagement on the following information in China Telecom Corporation Limited's Sustainability Report (ESG Report) as of and for the year ended 31 December 2025 (hereafter referred to as "the assured sustainability information"):

Scope 1: Direct greenhouse gas emissions (million tonnes CO_2e)	Number of employees aged 30-49
Scope 2: Indirect greenhouse gas emissions (million tonnes CO_2e)	Number of employees aged 50 and above
Total greenhouse gas emissions (million tonnes CO_2e)	Number of male employees
Sewage emissions (million tonnes)	Number of female employees
SO_2 emissions (tonnes)	Number of employees in Mainland China
Non-hazardous waste produced (tonnes)	Number of employees in Hong Kong, Macau, Taiwan and overseas branches
Non-hazardous waste produced per unit of operating revenue (tonnes/RMB million)	Percentage of ethnic minority employees (%)
Green electricity consumption (MWh, tce)	Number of new employees
Proportion of green electricity consumption (%)	Percentage of female among new employees (%)
Electricity consumption (MWh, tce)	Turnover rate of employees under the age of 30 (%)
Natural gas consumption (MWh, tce)	Turnover rate of employees aged 30-49 (%)
Coal consumption (MWh, tce)	Turnover rate of employees aged 50 and above (%)
Gasoline consumption (MWh, tce)	Turnover rate of female employees (%)
Diesel consumption (MWh, tce)	Turnover rate of male employees (%)
Purchased heat consumption amount (MWh, tce)	Turnover rate of employees in Mainland China (%)
Overall energy consumption (MWh, tce)	Turnover rate of employees in Hong Kong, Macau, Taiwan and overseas branches (%)
Water consumption (million tonnes)	Signing rate of employment contract (%)
Water consumption per unit operating revenue (tonnes/RMB million)	Coverage rate of social insurance (%)
Reclaimed water consumption (tonnes)	Serious injury rate per 1,000 employees (number of serious injuries/thousand)
Countries and regions of mobile data international roaming and roaming in Hong Kong, Macau and Taiwan	Loss of working days due to work-related injury (days)
Internet backbone network interconnection bandwidth (Gbps)	Number of participants in health and safety trainings (person-times)

Mobile service satisfaction (points)	Participation rate of employee health checkup (%)
Fixed broadband satisfaction (points)	Number of work-related fatalities
Wireline voice satisfaction (points)	Fatality rate per 1,000 employees (number of deaths/thousand)
Percentage of in-time response to international customer repair reports (%)	Amount of investment in work-related injury insurance (RMB10,000)
International customer satisfaction (points)	Coverage rate of work-related injury insurance (%)
Number of new patents granted	Training expenses per employee (RMB/person)
Number of new invention patents granted	Number of internal trainers
R&D investment amount (RMB million)	Total number of participants trained (10,000 person-times)
Proportion of R&D investment in main business revenue (%)	Number of senior management trained (person-times)
Number of R&D personnel	Number of middle-level management trained (person-times)
Proportion of R&D personnel (%)	Number of general employees trained (person-times)
Number of fraudulent IPs blocked	Number of male employees trained (person-times)
Number of customer complaints and reports (person-times)	Number of female employees trained (person-times)
Customer complaint and report rate (person- times/million users)	Number of employees passed skill certification exams (person-times)
Number of corruption cases	Average training time per employee (hours/person)
Number of management personnel receiving anti-bribery and anti-corruption training	Average training time per senior management (hours/person)
Proportion of management personnel receiving anti-bribery and anti-corruption training (%)	Average training time per middle-level management (hours/person)
Number of employees receiving anti-bribery and anti-corruption training	Average training time per general employee (hours/person)
Proportion of employees receiving anti-bribery and anti-corruption training (%)	Average training time per male employee (hours/person)
Total number of suppliers	Average training time per female employee (hours/person)
Number of suppliers in Mainland China	Proportion of senior management participating in training (%)
Number of suppliers in regions of Hong Kong, Macau and Taiwan of China	Proportion of middle-level management participating in training (%)
Number of suppliers from other countries and regions	Proportion of general employees participating in training (%)
Proportion of female managers (%)	Proportion of male employees participating in training (%)
Total number of employees	Proportion of female employees participating in training (%)
Number of full-time employees	Number of emergency public service messages sent (million pieces)
Number of part-time employees	Amount of overdue outstanding payments (RMB10,000)
Number of employees under the age of 30	

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the assured sustainability information of China Telecom Corporation Limited as of and for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with the *Environmental, Social and Governance Reporting Code* as set out in Appendix C2 to the Listing Rules of the Hong Kong Stock Exchange and the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial)*.

Our conclusion on the assured sustainability information does not extend to any other information that accompanies or contains the assured sustainability information and our report (hereafter referred to as "other information"). We have not performed any procedures as part of this engagement with respect to the other information.

Basis for conclusion

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Management (ISQM)* 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Restriction on use

This report is made solely to you, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our conclusion is not modified in respect of this matter.

Responsibilities for the assured sustainability information

The management of China Telecom Corporation Limited are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the assured sustainability information such that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the assured sustainability information and appropriately referring to or describing the criteria used; and
- preparing the assured sustainability information in accordance with the *Environmental, Social and Governance Reporting Code* as set out in Appendix C2 to the Listing Rules of the Hong Kong Stock Exchange and the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial)*.

Those charged with governance are responsible for overseeing the reporting process for China Telecom Corporation Limited's assured sustainability information.

Inherent limitations in preparing the assured sustainability information

The absence of a recognised system to evaluate and measure non-financial information leads to inconsistent measurement methods and can affect comparability of data between companies.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the assured sustainability information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to you.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the assured sustainability information that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the assured sustainability information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

1) Interviews with employees from relevant departments at the headquarters of the Company involved in providing the assured sustainability information;
2) Analytical procedures;
3) Sampling inspection;
4) Recalculation; and
5) Other procedures deemed necessary.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

KPMG Huazhen LLP
Beijing, China
24 March 2026

INDEXES

The 2030 Agenda for Sustainable Development of the United Nations – 17 Sustainable Development Goals (SDGs)

SDGs	China's National Plan Regarding SDGs	Location in the Report
	• Introduce more investments in poverty-relief areas • Help other developing countries in economic development, livelihood improvement and poverty alleviation	Serving Rural Revitalisation Supporting Development of Local Community
	• Ensure that everyone has safe, nutritious and sufficient food all year • Ensure the supply of key agricultural products, increase farmers' income, and achieve sustainable agricultural development	Serving Rural Revitalisation Fostering Industrial Upgrading
	• Promote equality of and accessibility to basic medical and healthcare services • Popularise knowledge of mental health	Fostering Industrial Upgrading Serving Rural Revitalisation Implementing Employee Care Supporting Development of Local Community
	• Bridge the gap in education between urban and rural areas at a faster speed • Promote information-enabled education and develop distance education • Provide short-term education and training for other developing countries	Fostering Industrial Upgrading Serving Rural Revitalisation Engaging in Philanthropy Supporting Development of Local Community
	• Eliminate all forms of discrimination and bias against women and minor girls • Enhance the working and entrepreneurial capability of women by offering public childcare services	Protecting Employees' Rights and Interests Implementing Employee Care Supporting Employees' Development
	• Comprehensively promote the development of a water-saving society by strengthening the management over water demand and water utilisation process • Protect and restore water-related ecosystem	Green Office Protecting the Ecological Environment

SDGs	China's National Plan Regarding SDGs	Location in the Report
	• Optimise the energy structure by enhancing the utilisation rate of fossil fuel energy and increasing the proportion of clean energy consumption	Green Energy Use
	• Improve innovation capabilities and core competitiveness in key areas such as new generation of information technology and biomedicine • Safeguard workers' legitimate rights and interests such as labour remuneration, rest and holidays, social insurance, etc. • Enhance the employment and entrepreneurial service system, implement a life-long vocational skills training system, and carry out the employment promotion and entrepreneurship leadership plan for college graduates • Accelerate the management and control of safety risk levels and the inspection and elimination of hidden hazards, and carry out publicity and education activities about safety culture	Consolidating Digital and Intelligent Foundation Leading Technological Innovation Protecting Employees' Rights and Interests Supporting Employees' Development Strengthening Production Safety
	• Facilitate the upgrading and transformation of traditional industries and advance the quality and efficiency improvement of manufacturing industry • Promote low-carbon industrial energy use • Establish systematic capabilities for continuous innovation, nurture and gather strategic scientists and leading talents in science and technology • Accelerate the promotion and application of high-quality networks and urban and rural coverage	Fostering Industrial Upgrading Green Industrial Transformation Supporting Employees' Development Serving Rural Revitalisation
	• Attach great importance to providing equal opportunities and ensuring equal rights of participation and development for all people • Consistently promote growth of both resident income and the economy, as well as growth of both salary and work productivity at the same time	Protecting Employees' Rights and Interests

SDGs	China's National Plan Regarding SDGs	Location in the Report
	• Improve the social governance system, achieve positive interaction between government governance, social adjustment and residents' autonomous governance • Strengthen the monitoring and alerting systems of natural disasters as well as project defence capabilities, enhance social mobilisation mechanism in relation to disaster prevention and reduction and establish smooth channels for social participation in disaster prevention and reduction	Serving the Digital Society Supporting Digital Government Administration Assuring Emergency Communications Green Industrial Transformation
	• Strenuously develop circular economy with significant increase in the recycling of major types of wastes • Comprehensively promote the extended producer responsibility system to encourage enterprises to fully implement the concept of sustainable development in their production management	Developing Circular Economy Responsible Supply Chain
	• Enhance the capacity to withstand and adapt to climate-related and natural disasters • Popularise the knowledge about climate change and low-carbon development concepts with guidance to the general public for active participation in actions against climate change	Climate Change Tackling Assuring Emergency Communications Green Industrial Transformation
	• Carry out integrated ocean management and put more efforts on the protection of typical ecosystem	Protecting the Ecological Environment
	• Maintain ecological water levels in key wetlands and estuaries and protect and restore the biological systems in wetlands, rivers, and lakes • Restore and expand habitats for endangered animals and plants and strengthen international cooperation on wildlife protection	Protecting the Ecological Environment
	• Implement the *Law of the People's Republic of China on the Protection of Minors*, and crack down, in accordance with the laws, on the unlawful and criminal acts such as use of child and forced labour • Resolutely rectify and investigate malpractices and corruption issues that cause prejudice to the interests of the folks, and take a deeper dive into inspections and on-site supervision	Protecting Employees' Rights and Interests Anti-corruption and Integrity Building
	• Proactively participate in global development and cooperation and promote the establishment of more balanced global partnerships for development • Proactively participate in the works in relation to the establishment of mechanisms for enhancing the use of global technology • Arrange skill trainings and development experience sharing activities for other developing countries	Deepening Sci-tech Innovation Cooperation Supporting Development of Local Community

Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial)

No.	Issue	Impact Materiality Assessment	Financial Materiality Issue Assessment	Location in the Report
1	Climate change tackling	★★★★	★★★	Climate Change Tackling Practising Low-carbon Operation Green Industrial Transformation Table of the Indicators
2	Pollutant discharge	★	★	No significant correlation[2]
3	Waste disposal	★★★	★	Developing Circular Economy Table of the Indicators
4	Ecosystem and biodiversity protection	★★★	★	Protecting the Ecological Environment
5	Environmental compliance management	★★★	★	Environmental compliance management
6	Energy usage	★★★★	★★	Green Cloud-Network Green Energy Use Table of the Indicators
7	Usage of water resources	★★★	★	Green Office Table of the Indicators
8	Circular economy	★★★	★★	Developing Circular Economy Table of the Indicators

No.	Issue	Impact Materiality Assessment	Financial Materiality Issue Assessment	Location in the Report
9	Rural revitalisation	★★★★	★	Serving Rural Revitalisation
10	Contributions to the society	★★★	★★	Promoting Care for the Elderly Engaging in Philanthropy Co-writing the Overseas Chapter
11	Innovation-driven	★★★★	★★★	Leading Technological Innovation Table of the Indicators
12	Ethics of science and technology	★★★	★	Leading Technological Innovation
13	Supply chain security	★★★	★★	Responsible Supply Chain Table of the Indicators
14	Equal treatment to small and medium-sized enterprises	★★★	★	Table of the Indicators
15	Safety and quality of products and services	★★★★	★★	Strengthening Quality Management Protecting the Rights and Interests of Customers Strengthening Production Safety Table of the Indicators
16	Data security and customer privacy protection	★★★★	★★	Maintaining Network and Information Security Providing Security Services Table of the Indicators

No.	Issue	Impact Materiality Assessment	Financial Materiality Issue Assessment	Location in the Report
17	Employees	★★★★	★★	Protecting Employees' Rights and Interests Supporting Employees' Development Implementing Employee Care Table of the Indicators
18	Due diligence	★★★	★	Compliance Management[3]
19	Communications with stakeholders	★★★★	★	Communications with stakeholders
20	Anti-commercial bribery and anti-corruption	★★★	★★	Anti-corruption and Integrity Building Table of the Indicators
21	Anti-unfair competition	★★★	★★	Anti-monopoly and Fair Competition
22	Digital information infrastructure development	★★★★★	★★	Consolidating Digital and Intelligent Foundation
23	Digital transformation of the economy and society	★★★★★	★★	Empowering Digital and Intelligent Transformation
24	Emergency Communications	★★★★	★	Assuring Emergency Communications
25	Overseas corporate responsibility	★★★	★★	Co-writing the Overseas Chapter

Notes:

1. An assessment result of "★ ★ ★" or above indicates impact materiality or financial materiality.
2. Considering that neither the Company nor its subsidiaries are included in the list of enterprises required by law to disclose environmental information, the assessment result for pollutant discharge has neither impact materiality nor financial materiality.
3. Due diligence on negative impacts or risks related to sustainable development is described in the relevant sections addressing specific topics.

Environmental, Social and Governance Reporting Code in Appendix C2 to the Listing Rules of the Hong Kong Stock Exchange

Aspect	Content	Location in the Report
Part B: Mandatory Disclosure Requirements		
	Governance Structure	For details, please refer to "The Statement of the Board of Directors"
	Reporting Principles	For details, please refer to "About the Report"
	Reporting Boundary	For details, please refer to "About the Report"
Part C: "Comply or Explain" Provisions		
A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Response to Climate Change Practising Low-carbon Operation Developing Circular Economy
	A1.1 The types of emissions and respective emissions data.	Table of the Indicators
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Table of the Indicators
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Table of the Indicators
	A1.5 Description of emission target(s) set and steps taken to achieve them.	Response to Climate Change Practising Low-carbon Operation Developing Circular Economy
	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.	Developing Circular Economy

Aspect	Content	Location in the Report
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Response to Climate Change Practising Low-carbon Operation
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Table of the Indicators
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Table of the Indicators
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Response to Climate Change Practising Low-carbon Operation
	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.	Green Office Table of the Indicators
	A2.5 Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	No significant correlation[1]
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental compliance management
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental compliance management
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Protecting Employees' Rights and Interests Supporting Employees' Development Implementing Employee Care
	B1.1 Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	Table of the Indicators
	B1.2 Employee turnover rate by gender, age group and geographical region.	Table of the Indicators

Aspect	Content	Location in the Report
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Protecting Employees' Rights and Interests Implementing Employee Care Strengthening Production Safety
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Table of the Indicators
	B2.2 Lost days due to work injury.	Table of the Indicators
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Protecting Employees' Rights and Interests Implementing Employee Care Strengthening Production Safety
B3 Development and raining	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Supporting Employees' Development Strengthening Production Safety Anti-monopoly and Fair Competition
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Table of the Indicators
	B3.2 The average training hours completed per employee by gender and employee category.	Table of the Indicators
B4 Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Protecting Employees' Rights and Interests
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Protecting Employees' Rights and Interests
	B4.2 Description of steps taken to eliminate such practices when discovered.	Protecting Employees' Rights and Interests

Aspect	Content	Location in the Report
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Responsible Supply Chain Developing Circular Economy
	B5.1 Number of suppliers by geographical region.	Table of the Indicators
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Supply Chain
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Supply Chain Developing Circular Economy
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Supply Chain
B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Protecting the Rights and Interests of Customers Maintaining Network and Information Security
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No significant correlation[2]
	B6.2 Number of products and service related complaints received and how they are dealt with.	Table of the Indicators Protecting the Rights and Interests of Customers
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
	B6.4 Description of quality assurance process and recall procedures.	No significant correlation[2]
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting the Rights and Interests of Customers Maintaining Network and Information Security

Aspect	Content	Location in the Report
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption and integrity building
	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.	Table of the Indicators
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption and integrity building
	B7.3 Description of anti-corruption training provided to directors and staff.	Anti-corruption and integrity building
B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure that its business activities take into consideration the communities' interests.	Co-sharing Development Achievements
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Co-sharing Development Achievements
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Table of the Indicators
Part D: Climate-related Disclosures		
D-I Governance	Information about the governance body(ies) or individual(s) responsible for oversight of climate-related risks and opportunities	Response to Climate Change
	Information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Response to Climate Change
D-II Strategy	Climate-related risks and opportunities	Response to Climate Change Green Industrial Transformation
	Business model and value chain	Response to Climate Change Green Cloud-Network
	Strategy and decision-making	Response to Climate Change Practising Low-carbon Operation
	Financial position, financial performance and cash flows	Response to Climate Change
	Climate resilience	Response to Climate Change

Aspect	Content	Location in the Report
D-III Risk Management	The processes and related policies the issuer uses to identify, assess, prioritise and monitor climate-related risks	Response to Climate Change
	The processes and related policies the issuer uses to identify, assess, prioritise and monitor climate-related opportunities	Response to Climate Change
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process	Response to Climate Change
D-IV Metrics and Targets	Greenhouse gas emissions	Table of the Indicators Response to Climate Change
	Climate-related transition risks	Response to Climate Change
	Climate-related physical risks	Response to Climate Change
	Climate-related opportunities	Response to Climate Change
	Capital deployment	Response to Climate Change
	Internal carbon prices	Response to Climate Change
	Remuneration	Response to Climate Change
	Climate-related targets	Response to Climate Change Green Cloud-Network Green Energy Use Green Industrial Transformation

Notes:

1. There is no significant correlation between the indicator of "packaging materials used for the finished products" and the Company's business. Through the identification of material issues, the Company mainly reported the recycling and reusing of the main resources such as storage batteries, cables, terminals that are used in operations and services. For more details, please refer to the "Developing Circular Economy" section.
2. There is no significant correlation between the indicator of "recalling products" and the Company's business. Through the identification of material issues, the Company mainly reported on customer services and security services. For more details, please refer to the "Strengthening Quality Management", "Protecting the Rights and Interests of Customers" and "Providing Security Services" sections.

ABOUT THE REPORT

Reporting Scope

The Report is a yearly report which covers the policies, measures and performance on the ESG-related issues of the Company and all of its subsidiaries (branches) for the period from 1 January to 31 December 2025 (the reporting period).

Reporting Principles

The Report proactively complies with the reporting principles of "materiality", "quantitative", "balance" and "consistency" of ESG information disclosure. Based on the materiality principle, the Board of the Company determined the importance of ESG issues, and this Report disclosed our communications with stakeholders, the identification process of the material issues and the materiality matrix. Based on the quantitative principle, the Company strove to quantify its ESG performance indicators as much as possible. The statistical standards, methodology, assumptions and calculation tools, as well as the sources of conversion factors for quantifying the key performance indicators were all disclosed in this Report. Based on the balance principle, this Report strove to provide an unbiased picture of the Company's ESG performance during the reporting period and avoided selection, omissions or presentation formats that may inappropriately influence the decision or judgement of the readers. Based on the consistency principle, the Company kept the statistical methods used for the data disclosed in this Report consistent, and if there was any inconsistency, explanations were made.

Content Description

The Report responds to the main concerns of the Company's stakeholders to the largest extent. The data and cases herein are mainly collected from internal sources while some of the cases refer to public media reports. Unless otherwise stated, all amounts herein are in RMB.

Reference Standards

The *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial)*; the *Guidance No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Preparation of Sustainability Report*, the *Environmental, Social and Governance Reporting Code* in Appendix C2 to the Listing Rules of the Hong Kong Stock Exchange, the *2030 Agenda for Sustainable Development* of the United Nations, the *Sustainability Reporting Standards* of the Global Reporting Initiative (GRI), and the *Reporting Guidelines for Chinese Corporate Social Responsibility (CASS-ESG6.0)* of China Enterprise Reform and Development Society and CSR Cloud Research Institute.

Reliability Assurance

The Report, the information in which is accurate, strives to give an objective and comprehensive picture of the economic, social and environmental performance of the Company's operation. KPMG Huazhen LLP has been engaged to provide assurance services and issued an independent assurance report.

Ways of Reporting

The Report is published in simplified Chinese, traditional Chinese and English, which is available for downloading at the website (https://www.chinatelecom-h.com) of China Telecom Corporation Limited.

Readers Feedback

If you have any suggestion or advice about the Report, please feel free to contact us through:

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