



Environmental, Social and Governance Report 2016

Stock Code: 0008

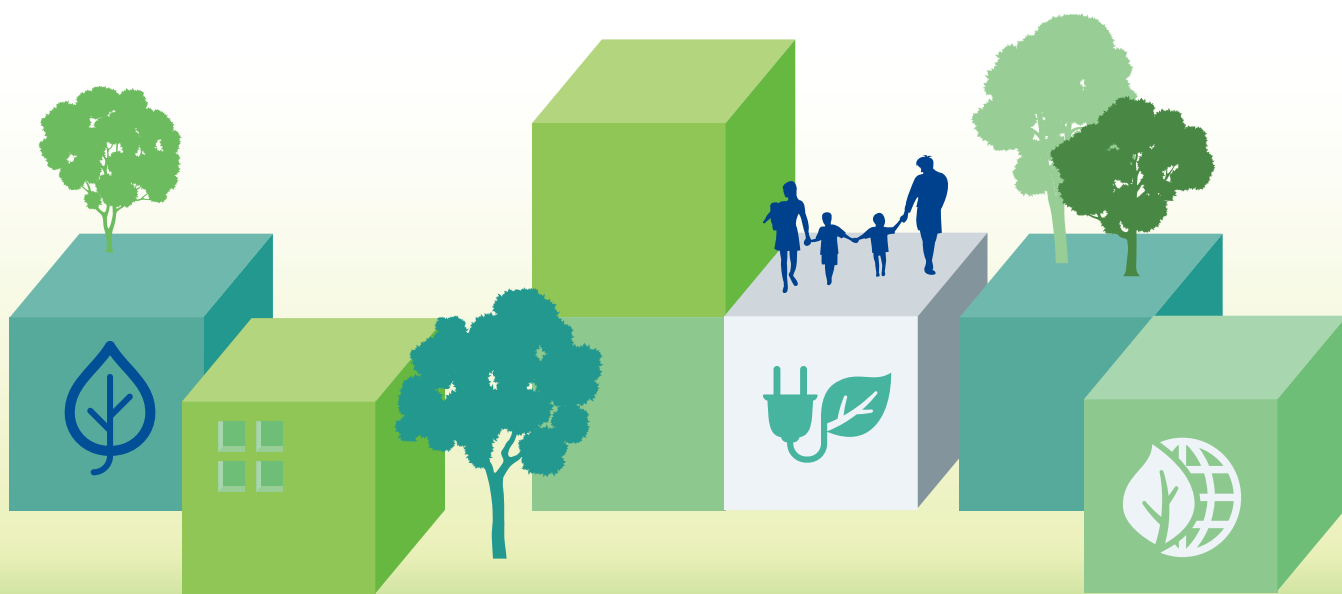


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ABOUT THIS REPORT

This is PCCW Limited's (referred to in this report as "PCCW Group" or "the Group" or "the Company" or "PCCW") (Stock code: 0008) first annual Environmental, Social and Governance (ESG) report. The report covers the financial year ended December 31, 2016 and discloses information on PCCW's ESG management approach, strategy, priorities and objectives.

The report explains how PCCW complies with the "comply or explain" provisions of the ESG Reporting Guide in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKEX ESG Reporting Guide).

This report has been reviewed and approved by PCCW's Board of Directors.

REPORT SCOPE

This report covers PCCW's core businesses in Hong Kong – namely telecommunications, media and IT solutions.

While the Hong Kong business of HKT Trust and HKT Limited ("HKT") (Stock code: 6823) – in which the Group holds a majority interest – is covered in this report, it is also issuing a separate ESG report. HKT is Hong Kong's premier telecommunications service provider and the leading operator for fixed-line, broadband and mobile communication services.

PCCW Media and PCCW Solutions – wholly-owned by the Group – are also covered in this report. PCCW Media is a fully integrated multimedia and entertainment group in Hong Kong. PCCW Solutions is a leading

The content of the report focuses on material sustainability areas – based on PCCW's most significant economic, environmental and social impacts, as well as the areas that are of the greatest interest or concern to stakeholders – identified through a comprehensive materiality assessment, which included stakeholder engagement. Details of the process are set out in the "Corporate Social Responsibility at PCCW" section of this report.

IT outsourcing and business process outsourcing provider in Hong Kong and mainland China.

Pacific Century Premium Developments Limited (Stock code: 0432) – in which the Group holds a majority interest – is not covered in this report and is issuing a separate ESG report.

References to PCCW's subsidiaries and outsourced operations activities are made, where relevant. PCCW's joint ventures are not covered in this report.

The report highlights PCCW's sustainability efforts in:

- Environmental Aspects (emissions, use of resources, the environment and natural resources)
- Social Aspects (employment, health and safety, development and training, labor standards, supply chain management, product responsibility, anti-corruption and community investment)

For details of our corporate governance, please refer to the Corporate Governance Report included in PCCW's Annual Report 2016.



HIGHLIGHTS

EMISSIONS

Company e-procurement, e-payment and e-leave systems reduce paper usage.

Around **90%** of broadband, mobile and Now TV customers receive e-bills. E-billing extended to residential fixed-line customers in November.

USE OF RESOURCES

Voluntary disclosure of carbon emission data on the Carbon Footprint Repository of Environmental Protection Department.

Continually modernizes telecom exchanges and equipment; mobile network integration achieves energy efficiency and savings.

Smart Charge electric vehicle charging solutions promotes electric mobility and a cleaner environment.

EMPLOYMENT

Receives the Duty of Care: Outstanding Employers in Hong Kong Award from the International SOS Foundation and Employers' Federation of Hong Kong.

DEVELOPMENT AND TRAINING

1,400 learning and development programs and seminars held for staff.

SUPPLY CHAIN AND PROCUREMENT

Compliance with **ISO 9001** (2008) version.

RESPONSIBLE NETWORK MANAGEMENT

Fibre-To-The-Building coverage reaches **87.6%**, with **83.5%** Fibre-To-The-Home coverage.

DATA PRIVACY AND SECURITY

ISO 27001 certified IT Security Management Systems.

COMMUNITY INVESTMENT

26 ongoing and **15** special programs in partnership with NGOs, charitable organizations and social services groups.

Over **20,000** volunteer service hours in 2016.



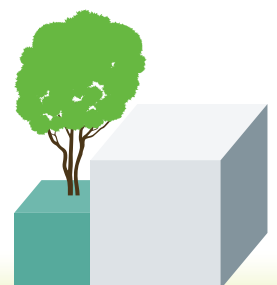
CORPORATE SOCIAL RESPONSIBILITY AT PCCW

As Hong Kong's leading information and communications technology (ICT) and media service provider, corporate social responsibility (CSR) is an integral part of our business strategy. We are committed to operating in a manner that is economically, socially and environmentally sustainable while balancing the interests of our various stakeholders and providing a valuable service to society. Meeting this commitment is an important management objective and the individual and collective responsibility of all PCCW Group employees.

CSR GOVERNANCE STRUCTURE

PCCW's Board of Directors supports our CSR commitment. The development of our CSR policies is the responsibility of the CSR Committee, which is chaired by the Head of Group Communications and comprised of representatives of the Group Functional Unit Heads. The CSR Committee meets regularly and reports directly to the Executive Committee.

Parties	CSR Responsibilities
Board of Directors	<ul style="list-style-type: none">Monitors corporate governance practices and procedures; and maintains appropriate and effective risk management and internal control systems of the Group to ensure compliance with applicable rules and regulationsApproves CSR Policy and Corporate Responsibility Policy
Executive Committee	<ul style="list-style-type: none">Operates as a general management committee with overall delegated authority from the Board
Audit Committee	<ul style="list-style-type: none">Assists the Board with ensuring the objectivity and credibility of financial reporting, and that the directors have exercised care, diligence and skills prescribed by law when presenting results to shareholdersAssists the Board with ensuring that risk management and effective internal control systems are in place and good corporate governance standards and practices are maintained
Risk Management, Controls and Compliance Committee	<ul style="list-style-type: none">Reviews procedures for preparation of PCCW's annual and interim reports and, from time to time, corporate policies of the Group to ensure compliance with the various rules and obligations of a Hong Kong-listed company, and assists directors in the review of the effectiveness of the risk management and internal control systems of the Group on an ongoing basis
CSR Committee	<ul style="list-style-type: none">Ensures that the Company operates in a manner that enhances its positive contribution to society and the environmentReviews the Company's CSR strategy, principles and policiesSets guidance and direction of and oversees CSR practices and proceduresMonitors progress on CSR and related activities
CSR Team	<ul style="list-style-type: none">Promotes CSR internally and externallyOrganizes and implements CSR initiatives
Departments and Business Units	<ul style="list-style-type: none">Implement CSR practices and ensure CSR compliance in daily operations



OUR POLICIES

Corporate Social Responsibility Policy

PCCW's Corporate Social Responsibility Policy (CSR Policy) consists of a set of rules approved by the PCCW's Board of Directors, which applies throughout the PCCW Group. This CSR Policy is a clear and simple statement of how the Group interacts with its stakeholders, society at large and the environment to meet and exceed minimum legal standards.

The CSR Policy applies to all directors, officers and employees of the Group. All contractors, subcontractors and individuals acting for or on behalf of the Group are informed of the CSR Policy. All companies in the Group's supply chain are encouraged to adopt the CSR Policy as best practice guidance for their own businesses with the aim of ensuring consistent operational practices that contribute to a more sustainable world.

Corporate Responsibility Policy

PCCW's Corporate Responsibility Policy (CR Policy) offers guidelines for stakeholder engagement. The Group's main stakeholders are customers, employees, local communities, suppliers and business partners, investors and regulators.

The requirements of the CR Policy are complementary to those of the CSR Policy, which enable the Company to achieve a high standard of business ethics, governance and integrity.

All employees have a duty to uphold the standards established in the CR Policy, which go beyond minimum legal standards. The CR Policy is a clear and simple guide for employee conduct in areas such as:

- compliance with laws, regulations and PCCW Group policies
- civic behavior and responsibility, including fair competition
- maintaining a safe and respectful workplace, including equal opportunities as well as health and safety
- fair business dealings and avoidance of conflicts of interest
- do not misuse inside information
- communications safeguards, including the quality of public disclosures
- property and records management
- privacy and information protection
- avoidance of bribery
- avoidance of gifts and entertainment
- whistle-blowing

PCCW's CSR Policy covers five key areas of responsibility:



The CR Policy also serves to meet legal and auditing requirements for corporate governance purposes, and all employees of PCCW and its subsidiary companies must agree to comply with the CR Policy by signing a compliance declaration upon their recruitment and during their annual performance reviews.

The CR Policy has been approved by the Board, which has delegated responsibility to its committees with clear terms of reference for approving company strategies, setting management targets and supervising management performance. PCCW remains alert to shifts in the external environment and regularly reviews its CSR and CR practices and policies to ensure they remain relevant to the Group's business and in compliance with current laws and regulations.

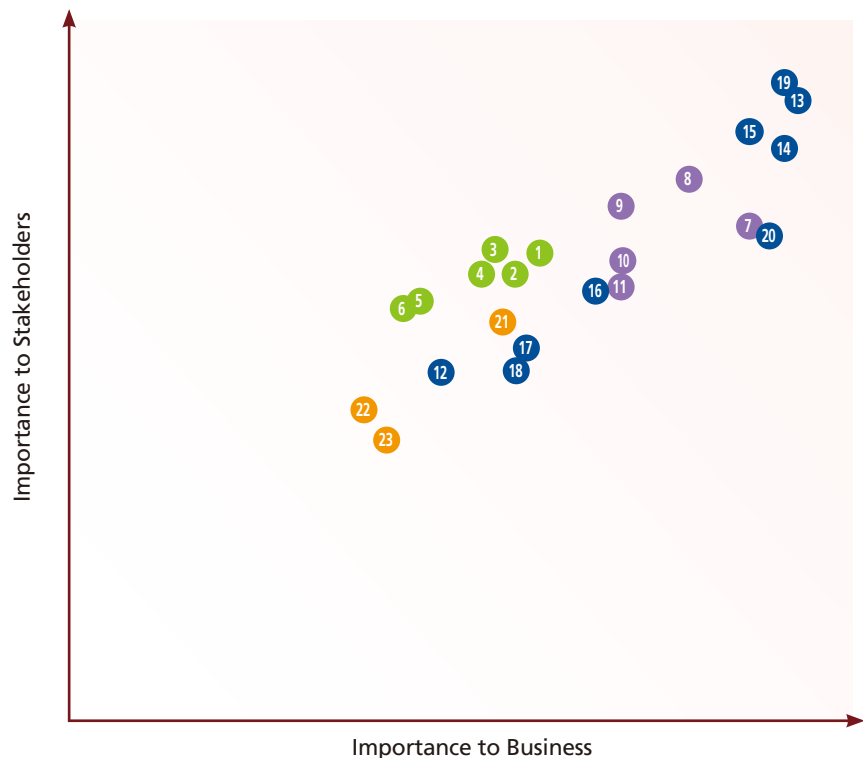
The Group has also adopted policies and procedures to assess and improve the effectiveness of its risk management and internal control functions. The Risk Management, Controls and Compliance Committee reviews the design, implementation and monitoring of the risk management and internal control systems for PCCW and its subsidiaries regularly. For more details, please refer to PCCW's Annual Report 2016.

STAKEHOLDER ENGAGEMENT and MATERIALITY

We understand that stakeholder engagement is one of the key drivers in the continuous improvement of our ESG performance. We endeavor to supply our shareholders, customers, employees, suppliers, other stakeholders and all interested parties with clear information about our approach to ESG issues.

We conducted a comprehensive materiality assessment that included focus groups, interviews and a survey of internal and external stakeholders to identify issues that reflect significant economic, environmental and social impacts of our business, and the issues that matter most to our stakeholders. Based on the results of this assessment, we have identified the following 23 material areas for inclusion in this report:

PCCW ESG Materiality Matrix



A. Environmental

HKEX ESG Guide Aspects	Material Areas
A1 Emissions	1. Carbon emissions
A2 Use of Resources	2. Waste management
A3 The Environment and Natural Resources	3. Computers and commodities (e-waste)
	4. Energy
	5. Green ICT solutions
	6. Employee environmental awareness

B. Social

Employment and Labor Practices

HKEX ESG Guide Aspects	Material Areas
B1 Employment	7. Talent attraction and retention
B2 Health and Safety	8. Employee welfare and working conditions
B3 Development and Training	9. Occupational health and safety
B4 Labor Standards	10. Learning and development
	11. Human rights

Operating Practices

HKEX ESG Guide Aspects	Material Areas
B5 Supply Chain Management	12. Supply chain and procurement
B6 Product Responsibility	13. Customer data privacy and security
	14. Responsible advertising
	15. Content dissemination to different audiences
	16. Reliable services and products
	17. Responsible network management
	18. Customer service and satisfaction
B7 Anti-corruption	19. Corporate governance
	20. Anti-corruption

Community

HKEX ESG Guide Aspects	Material Areas
B8 Community Investment	21. Community investment
	22. Technology and education initiatives
	23. Employee engagement in community

REPORTING ON ENVIRONMENTAL ASPECTS (ASPECTS A1-A3)

PCCW recognizes the importance of good environmental stewardship and is committed to protecting the environment. We integrate environmental considerations into our business processes and strive to continually improve our environmental performance in line with local regulations and industry-specific guidelines.

Reducing the energy consumption of our data centers, exchanges and equipment is a priority as they account for a significant proportion of our total carbon emissions. Our priority objectives include:

OBJECTIVES

- Reducing CO₂ emissions
- Achieving energy savings
- Reducing waste production

Measures

- Modernizing and optimizing network infrastructure, equipment and buildings
- Optimizing data centers and exchanges
- Reducing fuel consumption by optimizing our fleet

We have developed the following policies and procedures to help us meet our environmental objectives:

ENVIRONMENT-RELATED POLICIES and GUIDELINES

Energy and
Water
Management
Policy

Energy and
Water
Management
Guidelines

Gas Emissions
Reduction
Policy

Waste paper
recycling
procedures –
recycling
programs

Our CSR Committee oversees sustainability and environmental initiatives for employees. Our business units maintain environmental best practices across the Group. The Group Strategic Purchasing Team promotes similar practices throughout the supply chain through our Supplier Code of Conduct.

We also have an indirect impact on the environment through the services we provide to customers. We continuously explore opportunities to integrate environmental considerations into the development of our products and encourage our customers to save resources through initiatives such as e-bills and other digital services.



ASPECT A1: EMISSIONS

PCCW's approach to managing carbon emissions and other air emissions¹ mainly focuses on the efficient operation of data centers and exchanges. Other sources of emissions include our vehicle fleet and standby emergency generators. We are also working to reduce our emissions by improving energy efficiency and decreasing waste across our operations.

As stated in our CSR Policy and our Energy and Water Management Policy and Guidelines, we are committed to the following environmental objectives:

OBJECTIVES

- Ensure that resources are not wasted and that where practicable, materials and goods are reused and recycled
- Encourage suppliers of goods and services to observe PCCW's policies and best practices and to operate in an environmentally responsible manner

Measures

- Energy and Water Management Policy and Guidelines
- Supplier Code of Conduct
- Gas Emissions Reduction Policy
- Waste paper recycling procedures



We regularly measure CO₂ concentration levels and conduct air quality tests at our offices and major exchanges. We provide a comfortable working environment by regularly cleaning air-conditioning systems, carpets and upholstery.

Carbon Emissions² (Material Area 1)

Fleet

To reduce emissions from our vehicle fleet, we have replaced our vans with more efficient and environmentally friendly vehicles and have acquired two electric vehicles. We are also reducing overall fleet usage through our vehicle-sharing program.

Refrigerants

We comply with the Montreal Protocol, which requires the phasing out of ozone-depleting hydrochlorofluorocarbons (HCFCs) by January 2020. We have been replacing HCFCs-based air conditioning systems with those using water cooling and more environmentally friendly refrigerants (e.g. hydrofluorocarbons), which are also more energy efficient.

Standby Emergency Generators

Our generators are environmentally friendly in terms of noise levels, gas emissions, and smoke discharge. In the past years, we have worked to reduce carbon emissions by cutting the monthly generators' testing time.

Smart Charge

In partnership with CLP Holdings Limited, HKT formed an equal joint venture, Smart Charge (HK) Limited, in 2016. Smart Charge aims to help improve air quality in Hong Kong by providing charging solutions for electric vehicles.



¹ Other air emissions include emissions of sulphur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), and emissions of volatile organic compounds (VOC), excluding methane.

² For GHG emissions, please refer to the Energy (Material Area 4) section.

Waste Management (Material Area 2)

Our waste management strategy reflects the key principles of the “waste hierarchy” – reduce, reuse, recycle and replace. Our CSR Team maintains and reviews our recycling practices and programs, and assists business units to raise staff awareness of best practices for resource conservation.

Our incidental failure to make an application to the Director of Environmental Protection to establish a billing account for commencing a construction work was settled promptly with relevant fine payments.

Recycling programs

We have designed several recycling programs to reduce electronic and paper-based waste. We donate surplus resources such as outdated staff uniforms to charitable organizations. We also organize workshops and conservation days to promote greener-living concepts among our staff.



Computers and Commodities (e-waste) (Material Area 3)

To reduce e-waste, we reuse or recycle phones, set-top boxes and other products. We participate in green initiatives organized by the Government, including the Environmental Protection Department’s Wastewi\$e Label Scheme, under which we have achieved the “Good” Level.

Our mobile communications business has launched the “Help Yourself • Help the Needy • Help the Earth Handset Recycling Program”, which encourages mobile phone customers to donate their old handsets and accessories such as batteries and chargers at our shops. In 2016, more than 20,000 handsets were sent to NGOs and Government-endorsed contractors for distribution to the underprivileged or for responsible disposal as e-waste.

We were granted a “Save Resources Mission” Gold Award under the Green Missions program organized by Friends of the Earth (HK) for reducing our waste paper and printer cartridges waste.

Reducing Paper Consumption

Our efforts to reduce paper usage include implementing paperless e-Procurement and e-Payment systems. In 2016, we launched an e-Leave application system for all staff.

We encourage our customers to choose e-billing and make greater use of digital service applications. Around 90% of our NETVIGATOR broadband, mobile and Now TV customers have opted to receive their bills via e-mail and/or SMS. To support this progress, we extended e-billing to residential fixed-line customers in November 2016. In addition, our paperless initiatives at retail outlets include electronic product catalogs and tablet-based signing for sales and service contracts.

Hazardous Waste

Hazardous Waste is not a material area for PCCW. Nevertheless, we hired specialist contractors and licensed chemical waste collectors to handle the recycling and management of hazardous waste materials generated from electronic equipment as well as cooling and fire-fighting systems.

ASPECT A2: USE of RESOURCES

Energy (Material Area 4)

We have adopted various policies and guidelines to continually improve our energy efficiency and management. We aim to adopt best practices for energy conservation and support our business units with the implementation of effective energy conservation strategies. The Energy Management Manager of our Facilities Management Team is responsible for implementing new technologies and procedures to reduce electricity consumption.

Our exchanges, data centers, telecom/IT equipment, infrastructure and offices account for most of our energy consumption. We are committed to finding new ways to reduce energy consumption while improving the capacity and performance of our equipment and infrastructure to offer the best products and solutions to our customers.

Our recent efforts in this regard include:

- modernizing our telecom network facilities and air-conditioning systems
- introducing a next-generation telecom network to improve energy efficiency across our operations
- installing energy-efficient lighting and video-conferencing systems
- controlling optimal temperature settings for exchanges, offices and data centers
- providing signs to remind staff to save energy and live a low carbon life

In December, PCCW was awarded the CarbonCare® Action Label 2016 for implementing innovative carbon reduction solutions.

Having voluntarily joined the Environmental Protection Department's Carbon Footprint Repository for Listed Companies in Hong Kong in 2014, PCCW is one of the first movers to report carbon emissions data online. Since then, we have continued to voluntarily disclose our carbon footprint data.



Telecommunications Network and Equipment

We own and operate an extensive network of fixed-line and mobile telecommunications in Hong Kong.

HKT's 90 exchange buildings house the telecom equipment that enables us to exchange telecom and Internet traffic between HKT and other networks in Hong Kong and around the world.

Our ongoing efforts to modernize our voice network equipment can cut energy consumption of digital switches for fixed-lined voice services by 70%.

We are taking measures to enhance server efficiency and use, which will allow us to use fewer physical servers to store more data and reduce the demand for power.

Building Facilities

We review energy management issues on a bi-monthly basis and conduct monthly audits on our internal monitoring systems. We are continuing with plans to modernize and replace existing equipment and technologies with more energy-efficient, environmentally sensitive alternatives.

We also make use of automated building control systems that continually monitor and adjust climate controls and other facilities management systems to uphold good energy efficiency standards.

Our buildings account for a significant proportion of our energy consumption and CO₂ emissions. Steps to save energy, cut carbon emissions and reduce the life-cycle costs of our exchanges include replacing conventional air-conditioning cooling systems with water-cooled chillers.

In 2016, we replaced two of our existing chiller plants with water-cooled systems. It is estimated these efforts will achieve 30% energy saving.

Mobile Stations and Mobile Network

At the end of 2015, we completed the consolidation of the HKT and csl mobile radio cell sites. In 2016, we carried out a number of major engineering and IT (information technology) exercises for the full integration of the two core mobile networks. Through this integration project, we have achieved operational efficiency and energy saving by reducing a significant number of duplicated and ineffective sites, and

uplifting network performance. Environmental considerations have been taken into account throughout the design, construction, and operation phases. With the new mobile stations, we are also minimizing the use of air-conditioning systems, contributing to lower energy consumption and fewer CO₂ emissions to the environment.

Data Centers

We have achieved ISO 14001 for Environmental Management System (EMS) accreditation and a Leadership in Energy and Environmental Design (LEED) Platinum Certificate for our PCCW Solutions Data Centers (Powerb@se).

We have adopted “hot aisle/cold aisle” server rack layout design strategy for critical data centres whereby cooling efficiency can be optimized through separating cold air supply to server rack inlet and hot air ejected from servers.

Office Energy-savings Programs

We participated in the following energy-saving programs and initiatives in 2016:

Initiatives	Description
Green Missions	Received a Save Resources Mission Gold Award and a Save Energy Mission Bronze Award in the Green Missions program organized by Friends of the Earth (HK)
Earth Hour	Participated in WWF – Hong Kong’s Earth Hour campaign
Charter on External Lighting	Became a signatory to the Charter on External Lighting of the Environment Bureau

Green Purchasing

Our Energy and Water Management Guidelines support energy-efficient procurement procedures. Whenever possible, we encourage our employees to:

- take energy efficiency into consideration when purchasing supplies or reviewing suppliers of office equipment
- consider the energy cost of the operation of the product or equipment over the life of the product

Green ICT Solutions (Material Area 5)

We strive to support our customers in their efforts to adopt more environmentally friendly lifestyles and business practices.

Our business-to-business cloud solutions help our customers reduce their CO₂ emissions and resource consumption, which in turn achieve cost savings. PCCW Solutions’ Data Centers (Powerb@se) and our exchanges are designed and managed to be environmentally responsible. All power supplies, including backup generators, air-conditioning systems and

other E&M signaling services for our facilities adopt energy-saving and environmentally friendly technologies. The energy-efficient design of our data centers and exchanges also helps keep the power consumption as low as possible.

Our eSmartHealth provides a secure way for healthcare practitioners to efficiently manage patient records on a digital platform.

For our business-to-consumer products, our HKT Smart Living product provides all-in-one automated control of domestic electrical systems and appliances – including lighting, air-conditioning and curtains – via a smartphone or tablet interface. The Smart Living system can help users lower their electricity costs by becoming more efficient energy consumers.

HKT also offers Smart Charge electric vehicle charging solutions to meet the rising consumer demand. HKT strives to promote electric mobility and a cleaner environment for Hong Kong.



Water Management

Water management is not a material area for PCCW. Much of our water consumption is for basic cleaning and sanitation, as well as certain catering facilities in our buildings. Other usage includes the operation of cooling equipment and infrastructure across our data centers and exchanges. Our commitments, guidelines and principles are set out in our Energy and Water Management Policy.

Other raw materials

We have suppliers and contractors to manufacture our own products, and we work closely with such suppliers and contractors to ensure that the products and services we provide to our customers meet environmental standards.

Please refer to the Supply Chain and Procurement (Material Area 12) section for more details.

ASPECT A3: THE ENVIRONMENT and NATURAL RESOURCES

Employee Environmental Awareness (Material Area 6)

To help promote environmental awareness among our employees, our staff newsletter publishes a regular “Green Matters” column, which provides updates on various environmental issues and the Group’s latest environmental initiatives, as well as tips on how to “go green” at home. Employees are encouraged to comment and share their views on the content of the column and other environmental issues via a dedicated e-mail. Our CSR Team distributes “green labels” in our offices, through which colleagues are reminded to “recycle”, “save energy”, “save water” and “protect our natural environment”.

Memberships

Organizations	Memberships
Business Environment Council (BEC)	Council member and one of the founding members
Friends of the Earth (HK)	Cool Corporate Membership Scheme 2016-2017
The Green Earth	Green Earth Companion, Water Category 2016-2017
WWF – Hong Kong	Corporate Membership Program (CMP) – Silver Membership 2016/17

Green Volunteering

Our corporate Volunteer Team participated in environment-related programs in partnership with various charity and social services groups in 2016.

Organizations	Programs
Business Environment Council (BEC)	Involved in the BEC Biodiversity Ambassador Training Programme: Marine Biodiversity Conservation. We also supported a series of roving exhibition-cum-sharing sessions in the community to promote marine biodiversity conservation.
The Green Earth	Participated in clean-up services and tree planting at Clear Water Bay Country Park.
WWF – Hong Kong	Participated in weeding work at Mai Po Nature Reserve.



REPORTING ON SOCIAL ASPECTS

EMPLOYMENT AND LABOR PRACTICES (ASPECTS B1-B4)

PCCW employs over 25,000 employees, who are all key to maintaining our competitiveness and delivering the best services. We are committed to providing a rewarding work environment that encourages collaborations and offers our employees opportunities to learn, grow and succeed at work and in life. This commitment is incorporated into our Human Resources Policy Manual, CSR Policy and Employee Handbook.



OBJECTIVES

- To attract, develop, motivate and retain suitable talent to provide quality ICT services

Actions

- Fair compensation and working hours
- Career development and promotion opportunities
- Well-being initiatives

ASPECT B1: EMPLOYMENT

Talent Attraction and Retention (Material Area 7)

We provide employees with a nurturing environment, high levels of work variety and excellent career development opportunities, including skills development and leadership training, job rotation and secondment programs, and a "promotion from within" policy.

We have established a clear career progression structure under five tiers: 1) Associate and Operational Professional, 2) Managerial, 3) Senior Professional or Managerial, 4) Executive and 5) Senior Executive. Ongoing performance assessments and formal annual reviews ensure managers support employees in setting and achieving their career ambitions and professional goals. Our Performance and Development Review System helps employees grow their capabilities in line with their own career ambitions and the Group's business objectives.

We aim to attract, motivate and retain the best people for our business operations. To achieve this, we provide a market-competitive employment package consisting of monetary and non-monetary rewards for all our employees. Our comprehensive reward system offers discretionary incentive

bonus scheme, sales commission, share grants, group medical insurance protection, and retirement protection. We also operate on-site canteens at several locations, which provide staff with reasonably priced meals.

Employees who enjoy a good work-life balance are better equipped to achieve their best performance. We support our people in effectively managing their work and life commitments through initiatives such as marriage, compassionate and volunteer leave.

Employee Communication

Promoting a corporate culture of open communication is one of the keys to sustaining our market leadership. We encourage staff at all levels to express their views and make suggestions through a variety of channels, including face-to-face meetings and "town hall" style gatherings with management. Our Joint Staff Council provides staff and management with a platform for discussing important issues such as operational efficiency, career development and training, working conditions, pay and benefits, and the provision of social and recreational facilities. Our intranet and internal newsletters keep employees up to date with business developments across the Group.



Employee Welfare and Working Conditions (Material Area 8)

As part of providing an engaging and supportive working environment, we help our people pursue their personal interests and live a healthy and fulfilling life.

Our Sports and Recreation team organizes different social, sports and recreation activities, and our Sports and Interest Group oversees the running of 17 sports teams and four interest groups. Through strong teamwork and dedicated training, PCCW teams won more than 10 awards at various competitions organized by the Inter-Hong Games Association in 2016.

To build corporate pride and cohesion, we offer our employees special discounts on a wide range of our products and services.

Our Service Excellence Awards and Long Service Awards recognize outstanding employee contribution and the loyalty and commitment of our staff.

In June 2016, PCCW received the Duty of Care: Outstanding Employers in Hong Kong Award. Jointly organized by the International SOS Foundation and Employers' Federation of Hong Kong, the Duty of Care Award recognizes organizations and individuals who proactively aim to mitigate travel, health and security risks and who contribute to effectively protecting workers overseas.

Equal Opportunities, Diversity and Anti-discrimination

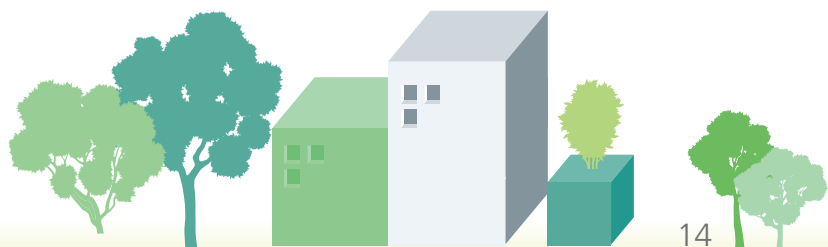
We are an equal opportunities employer. Our employment practices do not discriminate on grounds of gender, disability, pregnancy, family status, race, colour, religion, age, sexual orientation, national origin, trade union membership or other conditions recognized in law. Our CR Policy includes provisions that deal with discrimination, harassment and victimization in the workplace.

Working Hours and Rest Periods

As Hong Kong's leading ICT and media service provider, we work around the clock to offer top services to our customers. Many of our employees are therefore required to work unsociable hours and on public holidays, and be on standby duty for emergency call-outs. We provide overtime pay and additional compensation for any working time accrued outside regular working hours, or as defined in the employee's job description. PCCW complies with the Employment Ordinance and all other relevant Hong Kong employment laws and regulations that deal with working hours and rest periods.

Dismissal

For situations in which an employee has violated Group regulations, or whose performance is consistently below an acceptable level, a range of procedures to terminate their employment contract have been established. Terms and conditions for dismissal are outlined in our Human Resources Policy Manual. In all cases, managers consult the Human Resources Department to ensure that applicable legal requirements are observed.



ASPECT B2: HEALTH and SAFETY

Occupational Health and Safety (Material Area 9)

As a signatory of the Occupational Safety Charter of the Hong Kong Occupational Safety & Health Council, we are committed to maintaining a healthy and safe work environment and complying with all relevant laws and regulations.

Our strong health and safety performance is supported by our Safety Management System, which has been regularly audited and certified as Level Three on the Occupational Safety & Health Council's Continual Improvement Safety Program Recognition of System (CISPROS).

PCCW Safety Management Committee, as well as the Business Units Safety Management Committee and the OSH Unit jointly manage our Safety Management System.

PCCW Safety Management Committee

Our PCCW Safety Management Committee oversees our OSH performance and raises awareness of OSH



among all employees. The Committee coordinates regular health and safety training programs for staff across the Group. This training covers corporate-level safety planning, business unit safety planning, general and business unit-specific safe working procedures.

OSH Unit

The OSH Unit provides advice, information and training on OSH issues. It also conducts OSH inspections and fire drills, and is responsible for reviewing the job risk assessment report submitted by different units.

Line managers and designated staff members take part in a range of external OSH training programs, including:

- OSH ambassador training
- fire safety ambassador training
- first aid certification
- display screen equipment assessor training
- safety supervisor training
- construction green card training
- ladder assessor training
- accident investigation skills
- occupational safety management
- manual handling assessor training
- confined space (competent person) training
- confined space (certified worker) training
- Certificate of Competence in Workplace Noise Assessment
- internal safety auditor training



Apart from incidents resulting from (1) failure to ensure all illuminated exit signs bearing the word “EXIT”, and (2) failure to ensure all means of escape from the workplace were kept free from obstacles, for both of which we promptly settled with relevant fine payments, there were no further concluded cases of non-compliance issues related to staff health and safety.

Work Injury Care Program

We have a Work Injury Care Program, supported by a panel of Work Injury Care doctors for the purpose of conducting the initial medical examination, as well as the initial certification of sick leave required for recuperation.

A panel of medical service providers (general practitioners, specialists, physiotherapists, and occupational health therapists) will be appointed to provide ongoing treatment and rehabilitative support for the injured staff.

Employee well-being

To strengthen employees’ health awareness, we arrange monthly personal healthcare workshop for our colleagues and encourage them to engage in sports and recreational activities at our two staff sports centers. In 2016, we organized 25 health talks. To help staff maintain good psychological health, we operate an Employee Assistance Program that gives staff access to professional external counseling services.

We also recognize the importance of maintaining good personal financial health. In 2016, we organized two series of Workplace Financial Wellness workshops and one-on-one consultation sessions for pre-retirees in order to help them prepare for their retirement.

ASPECT B3: DEVELOPMENT and TRAINING

Learning and Development (Material Area 10)

We consider growth of our employees as the key to sustainable business growth. We continue to promote a learning culture and offer structured career development and training programs that ensure staff at all levels are well-equipped to excel at work and in life.

In 2016, we organized around 1,400 training programs and seminars covering various job-related hard and soft skills such as leadership, team building, language development and personal effectiveness.

To build talent and our leadership pipeline, we run a robust Graduate Trainee Program and a Future Leaders Development Program.



We also encourage our staff to attend external training programs to support career development where relevant. With prior approval from the Group, course and examination fees may be subsidized or reimbursed upon successful completion of programs leading to an academic qualification. We also provide a Training Record System for staff to track their internal and external training achievements.

ASPECT B4: LABOR STANDARDS

Human Rights (Material Area 11)

We are committed to protecting human rights. We comply with all relevant laws and regulations and have a zero-tolerance policy towards the use of forced labor and child labor in our business operations. With regard to third party suppliers, they are required to accept and observe our supplier contract terms and Supplier Code of Conduct, which outlines our zero tolerance stance on child and forced labor. We aim not to be directly or indirectly complicit in human rights

abuses and to ensure that all work that is performed on our behalf is in compliance with all relevant labor laws and regulations. These principles are reflected in our CSR Policy.

We strive to create an environment of respect, integrity and fairness for our employees and customers wherever we operate, and we expect our business partners to act in the same way.



OPERATING PRACTICES

(ASPECTS B5-B7)

ASPECT B5: SUPPLY CHAIN MANAGEMENT

Supply Chain and Procurement (Material Area 12)

We maintain business relationships with over 2,000 suppliers that provide us with a wide variety of goods, equipment, materials and services. Our suppliers are required to act responsibly and adhere to our ESG standards. We also offer encouragement and support to our suppliers in improving their own sustainability performance. Building trusting

relationships with our suppliers helps us manage our potential environmental and social risk while enhancing the efficiency of our operations.



OBJECTIVES

- **Environmental and social risk management**

Measures

- **Group Purchasing Policy and Principles**
- **Supplier Code of Conduct**
- **Procurement contracts**

Our Group Purchasing Policy and Principles (GPPP) integrates social responsibility considerations into our purchasing decisions by promoting sound practices in our supply chain. The GPPP enhances communications with our suppliers regarding their compliance with our standards and applicable local regulations governing ethical behavior, employment practices, health and safety, and the environment.

We have a zero tolerance policy towards bribery and corruption. The standard of “no conflict of interest” is set out in our CR Policy and Bribery, Gifts and Entertainment Policy. If members of our staff have any concerns about conflict of interest, they should contact the line manager for clarification. Where a potential conflict of interest arises, they are requested to complete the form “Declaration of Conflict of Interest”, which is available on the intranet.

The Company passed annual ISO 9001 (2008 version) audit in 2016, which demonstrates our commitment to high standards of quality in procurement and supply chain management.

Supplier Assessment and Code of Conduct

In addition to assessing our suppliers on quality, cost, service and delivery, we also assess whether they display a strong commitment to upholding high standards of socially responsible behavior.

We have in place a Supplier Code of Conduct which outlines our expectations in areas such as:

- legal and regulatory compliance
- human rights of workers
- occupational health and safety
- environmental protection

Procurement Contracts

Our procurement contracts consist of provisions on environmental and social aspects, including:

- **CSR Policy**
 - o suppliers are made aware of our commitment to CSR and are encouraged to review our CSR Policy



- Environmental protection
 - o suppliers are required to conform in all respects with the provisions of all applicable environmental legislation, regulation or by-law, including obtaining all required environmental permits
 - o suppliers are asked to reduce the generation of waste and to dispose of all waste in an environmentally responsible manner
- Occupational safety and health
 - o suppliers are required to ensure the safety and health of all their employees and all other people at their workplace. They are asked to adhere to best safety practices and maintain a safe and hygienic working environment
 - o major service providers are asked to designate a registered safety officer to monitor safety and report work accidents to PCCW
- Conflict of interest
 - o suppliers must declare and notify PCCW in writing should they become aware that any PCCW employee has any financial or other interest in their company, either directly or through a family member
- Prevention of bribery
 - o suppliers must not offer or give any gift, payment, loan or other advantage to any member of PCCW staff

Supplier monitoring

Our Group Purchasing & Supply Team conducts a yearly supplier performance review, targeting our major suppliers and contractors. Any unsatisfactory ratings are communicated to the relevant supplier(s) for rectification or improvement. In 2016, our Supplier Code of Conduct was enhanced to ensure suppliers' commitment to CSR principles and appropriate supplier conduct, stipulating that our Group has the right to audit our suppliers on compliance and performance when appropriate.

ASPECT B6: PRODUCT RESPONSIBILITY

We are committed to offering an excellent customer experience and ensuring that our products and services are safe, user-friendly and environmentally sound. We adhere to applicable laws regulating health and safety standards (including those that relate to materials used in our products), as well as those governing testing, advertising and labeling. Our aim is for our customers to have confidence in our products and services, and sufficient information to make informed choices.

Customer Data Privacy and Security, Responsible Advertising (Material Areas 13 & 14)

We view data privacy and security as a key operating principle. We aim to comply with all relevant laws and regulations and have implemented a comprehensive range of information-privacy and data-security procedures to protect individual privacy, safeguard commercially sensitive information and control access to inappropriate content by underage users of our services. There was no known issue regarding material non-compliance with the relevant laws and regulations that would have any significant impact on the Group during the reporting period.



OBJECTIVES

- Protecting customer and employee data
- Ensuring and supporting the online safety of our customers

Measures

- Group Privacy Policy
- Privacy Policy Statement
- Personal Data (Privacy) Ordinance Compliance Guidelines
- Employee training
- Customer online safety guidelines and support
- Content Security Guidelines



We have established a robust governance structure that sits under the Group Legal Office and is led by the Privacy Compliance Officer. In addition, Data Protection Officers are appointed to ensure the Group's compliance with the Group Privacy Policy and Privacy Policy Statement as well as the Personal Data Privacy Ordinance (PDPO). Our employees receive regular training on data privacy-related issues.

Customer's consent must be obtained before we can use their personal data to deliver subscriber-related information, and customers can change their subscription and personal data use preferences at any time by sending a request to our Privacy Compliance Officer.

Our data security management system helps us assess risk and implement any necessary security measures. The IT Security Management Systems at our PCCW Solutions Internet Data Centers and IT Service Management Center are ISO 27001 certified.

Our storage of physical records containing personal data strictly follows the guidelines set out in the Document Retention Policy, Corporate Security Policy and Corporate Security Principles. Access to records and data without authorization is strictly prohibited. Staff access to personal customer data is granted strictly on a "need-to-know" basis. Any customer complaints received will be put on record by a responsible unit, and will be investigated following internal complaint management procedures. The Group will then respond to the complaining customer regarding our investigation findings.

Our NETVIGATOR broadband internet service provides customers with information and advice on identifying suspicious online content and activities through its "Safe Internet Tips" and "Customer News" channels.

Content Dissemination to Different Audiences (Material Area 15)

We have developed a comprehensive approach to protecting children and young people from unsuitable media content. Our Media Group respects all relevant legislation and laws, which include the Broadcasting Ordinance, license conditions and codes of practice issued by the Communications Authority. In 2016, the Media Group was not found to be in breach of the relevant regulatory requirements that result in punitive financial sanction.

As part of the corporate governance program, internal compliance guidelines and regular compliance trainings are made available to our staff in the relevant work areas including content production, advertising sales and engineering/technical operations. Internal content compliance vetting processes are also in place. We take public comments and complaints relating to content on our television broadcast services seriously. A comprehensive set of complaint procedures, which has been approved by the Communications Authority, has been implemented with a view to ensure that all collected comments and complaints from the public and the regulatory bodies are not only handled properly and effectively but also assessed for continual future service enhancement. We provide various channels to collect customers' comments and complaints – including hotlines, email as well postal addresses. Internally, proper record for all collected feedbacks is in place to ensure that they are registered, reviewed and responded to, where necessary after appropriate investigation or internal discussion. Externally, reports are duly submitted to fulfill relevant regulatory requirements. As a demonstration of our commitment to providing excellent customer service, we also published the relevant Code of Practice.

Other initiatives designed to protect under-18s include:

- providing age-appropriate content for children and young people. This includes our Junior App and Junior Pack, which offer kid-centric channels and on-demand programs
- using on-screen classification symbols and/or advisory messages to indicate programs that contain unsuitable content for children or are likely to upset particular groups or audiences



Reliable Services and Products, Responsible Network Management (Material Areas 16 & 17)

Providing reliable services and products, and responsible network management are our priority. As a leading ICT and media service provider in Hong Kong, we aim to provide telecom networks that meet the current and future needs of our customers. We achieve this by continuously improving the customer experience, relying in part on our well-developed customer relationship management system.

We have established a number of measures to help us deliver on our customer service objectives:



OBJECTIVES

- Reliable, quality services and products
- Continue increasing Fiber-To-The-Building coverage
- Continue increasing Fiber-To-The-Home coverage
- Extending fiber connectivity to schools
- Extending mobile coverage
- Target to attain highest speed in fixed broadband market

Measures

- Quality Management System (QMS)
- External certification
- Gigabit Passive Optical Network (GPON) standard
- Long-term Evolution (LTE) standard
- Migration from IPv4 to IPv6

We have designated teams looking after the development and management of various consumer products and services in the Group. To ensure product and service safety and reliability, and those of third party suppliers and manufacturers, our teams are involved in product reliability processes including meeting relevant ISO standards, obtaining corresponding certification, and meeting prescribed government/statutory body requirements.

Reliable Network

As part of our business continuity strategy, we review and test our IT systems and business processes at least once a year to ensure they can withstand severe interruptions and that we have adequate back-up procedures and recovery strategies in place.

Network Access and Responsible Expansion

In 2016, HKT extended its Fiber-To-The-Building coverage to 87.6% and Fiber-To-The-Home coverage to 83.5%. We also seek to continuously extend coverage in rural areas and outlying islands of Hong Kong. In 2016, HKT completed the integration of mobile networks into one new core network that offers customers a faster and more stable service and more extensive roaming coverage.

Through a network of more than 3,000 sites, we provide comprehensive mobile coverage in Hong Kong, including in all tunnels and railways, and have dedicated indoor and outdoor sites at major university campuses. In addition, HKT has provided fiber connectivity to over 400 schools in Hong Kong to support the deployment of high speed broadband and Wi-Fi in education.

Quality Management System

Our PCCW Solutions business ensures that our products and services consistently meet the needs of our enterprise customers. In accordance with ISO 9001 and ISO 20000 standards, PCCW Solutions has established a quality management system (QMS) which defines quality management mechanisms across all business processes, including customer service. Our QMS is governed by our Quality Policy and Quality Manual. The QMS is led by the Head of Delivery Excellence and composed of Quality Representatives from the Capability Management team.



Customer Service and Satisfaction (Material Area 18)



We value feedback from our customers and consider it an important learning opportunity for improving our services.

We have established a variety of channels to keep us in close contact with our retail customers and encourage them to share their views, including our Customer Service Centers and Integrated Customer Service Hotline, as well as customer satisfaction surveys. Senior management regularly review reports on customer suggestions, compliments and complaints.

Service Excellence Awards

To help drive our efforts to continuously upgrade our service, we have in place Service Excellence Awards (SEA). Launched in 2008, SEA is open to all staff, who may submit their own entries or be nominated by colleagues or supervisors on an individual or team basis.



Every quarter, up to 45 individuals and eight teams will be named as SEA winners and receive a cash prize. The 30 most meritorious individual awardees during the year will be further honored as annual winners at the end of the year.

Customer Experience Initiatives

We have launched various initiatives to help ensure customer satisfaction:

- An Integrated Customer Service Hotline is available for telecom service support
- The Mystery Shopper Program is an ongoing service performance benchmarking tool conducted in our retail shops. In an effort to constantly uplift our retail service standards, each retail location is audited at least twice a month. Over 500 Mystery Shopper visits take place annually across all our retail locations

- Customer service specialists at our customer service call centers invite customers to participate in a Customer Transaction Survey at the end of each call to help us evaluate our service quality and gain valuable customer feedback
- We have in place a Call Monitoring Program to assess the performance of our call center customer service specialists, who are also required to receive five to ten hours of call service training per month

In addition, we participate in the Customer Complaint Settlement Scheme (CCSS). Organized by the Communications Association of Hong Kong, the CCSS offers a non-judicial forum for resolving deadlocked disputes between customers and their telecommunications service providers.



ASPECT B7: ANTI-CORRUPTION

Corporate Governance and Anti-Corruption (Material Areas 19 & 20)

PCCW is committed to maintaining a high standard of corporate governance, the principles of which serve to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of our business.

OBJECTIVES

- Zero bribery
- Anti-corruption
- Anti-money laundering



Measures

- Compliance Manual
- Corporate Responsibility Policy
- Bribery, Gifts and Entertainment Policy
- Employee training

Our Compliance Manual and CR Policy require all directors, officers and employees of PCCW and its subsidiaries, affiliates and associated companies to observe high standards of ethical behavior.

We have a zero-tolerance policy regarding bribery and corruption in any form or at any level in association with any aspect of the Group's activities. Our Bribery, Gifts and Entertainment Policy prescribes the minimum set of rules to be adopted throughout our Company to prevent, identify and address any instances of alleged or actual bribery or corruption involving PCCW.

Our employees are regularly advised of relevant policies and guidelines, including any updates or revisions. The employee induction process for new hires includes extensive guidance on anti-corruption measures. In addition, all employees are required to annually confirm that they have read and understand our anti-corruption and bribery policies. When new laws and regulations that may impact the business are introduced, we provide training to relevant staff to ensure compliance.

In 2016, a subsidiary of HKT was granted a Stored Value Facilities license. It has committed significant resources towards complying with all relevant anti-money laundering rules and regulations which apply to such licensees.

Persons in violation of our company policies and/or applicable laws and regulations may be subject to disciplinary or administrative action as well as civil or criminal liability. Where instances of non-compliance are confirmed, staff may be terminated or further actions may be taken. In 2016, no legal cases concerned with corrupt practices were brought against PCCW or any of our subsidiaries or employees.

We have established effective procedures to ensure thorough investigation of all allegations of corruption – whether internal or involving third-party business partners. Instances of improper action are addressed internally unless such matters indicate criminal activity, in which case we will immediately notify appropriate law enforcement agencies.

We have established complaint channels through which employees and other parties can confidentially and/or anonymously report unethical and illegal behavior. We have adopted best practices with respect to whistle-blowing. Details of our whistle-blowing policy and procedures are published on our intranet and public website. All whistle-blowing reports are investigated to the fullest extent possible and reported to the Audit Committee.



COMMUNITY

(ASPECT B8)

ASPECT B8: COMMUNITY INVESTMENT

Community Investment (Material Area 21)

We are committed to fostering positive relationships with the communities in which we operate, including by engaging in philanthropic and volunteer work to support their long-term development. By combining our resources and the passion of our Volunteer Team, we aim to address community concerns in collaboration with non-profit organizations, the government, private sector partners and academic institutions.

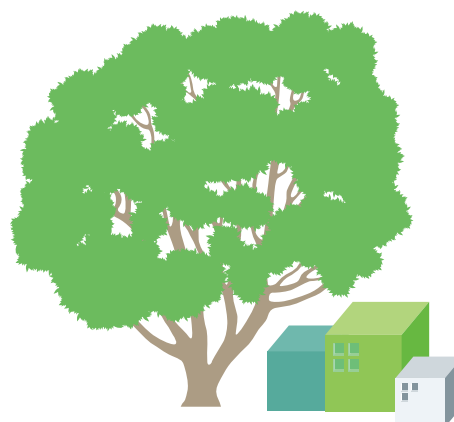
Our CSR Policy provides guidance to ensure that our colleagues make responsible decisions in relation to our community investment activities. Our key principles for community investment include:

- invest in community affairs and functions
- respect cultural and social differences
- ensure activities respect, promote and advance internationally recognized principles for community involvement
- have a positive impact on people, cultures and communities in which we operate
- be respectful of local and indigenous people, their values, traditions and culture
- ensure communities in which we operate are informed of and involved in organizational developments that affect them in a timely manner



Awards and Recognition

Organizations	Awards
Steering Committee on Promotion of Volunteer Service, Social Welfare Department	Award of 10,000 Hours for Volunteer Service, 2015 Gold Award for Volunteer Service (Organization), and Merit of Highest Service Hour Award 2015 (Private Organisations – Category 1)
Hong Kong Productivity Council	The 7th Hong Kong Outstanding Corporate Citizenship Bronze Award – Volunteer Team
The Hong Kong Council of Social Service	10 Years Plus Caring Company Logo
Community Investment and Inclusion Fund (CIIF) of Labour and Welfare Bureau	Social Capital Builder Logo Awards



Technology and Education Initiatives (Material Area 22)

As a leading ICT and media service provider in Hong Kong, we are committed to bridging the digital divide. Alongside continuing to invest in expanding our network expansion, we are supporting technology literacy initiatives and campaigns, and helping local communities enjoy easier access to ICT.

Enhancing ICT and digital literacy

We contribute our core expertise and knowledge of our employees to projects and programs aiming at enhancing ICT and digital literacy skills in the community. Our initiatives provide practical knowledge about how to use various technologies for children and young people, the elderly and individuals with disabilities.



Initiatives	Descriptions
IT Summer Camp 2016	We have been supporting the Shanghai-Hong Kong-Taiwan Youth IT Summer Camp for over 15 years for students from the three places. The camp is co-organized by the Hong Kong Computer Society, the Shanghai Computer Society and the Information Management Association in Taiwan.
Google's Empowering Young Entrepreneurs Program 2016	HKT is a corporate partner of Google's Empowering Young Entrepreneurs Program (EYE Program). The Program serves as a platform for entrepreneurs, corporations, business executives, governments and investors to work collaboratively to generate and implement innovative ideas that solve potential business challenges.
Girls Go Tech Program	We partnered with The Women's Foundation in Hong Kong to offer free workshops on computer coding and digital skills to girls from underprivileged families. The program aims to empower girls to pursue studies in the areas of science, technology, engineering and mathematics (STEM) to open up their career horizons and fulfil their academic and personal potential in an increasingly technology-driven world.
HKT Education	HKT Education helps overcome challenges in the learning and teaching process so that students, teachers, parents and society can fully benefit from the potential offered by eLearning. Through its STEM education scheme, HKT Education offers stable and advanced one-stop eLearning solutions that are supported by the reliable provision of high-speed broadband to schools, as well as cloud storage and Wi-Fi technologies. In partnership with Google and Apple, the HKT Education Professional Development Academy organizes different seminars and courses to train teachers on how to integrate technology into their teaching and optimize the efficiency of e-classrooms. To date, teachers from more than 150 primary and secondary schools have benefited from various Academy training courses and professional development events.





Employee Engagement in Community (Material Area 23)

We encourage employees to pursue their personal passions and dedicate their time and skills to supporting local communities. Our corporate Volunteer Team, which includes staff volunteers and members of their families, gives back to the community through a diverse range of social initiatives. Focusing particularly on the elderly, children and young people, individuals with disabilities and underprivileged families, the Volunteer Team ran 26 ongoing programs and 15 special programs in partnership with various NGOs, charitable organizations and social services groups in 2016. The Team also supported the “Share-to-Care” Volunteer Campaign, organized by the Agency for Volunteer Service, on International Volunteer Day.



Our Volunteer Appreciation Scheme grants up to two days of volunteer leave every year to eligible employees participating in community service initiatives.

2016 Community Service Highlights

Beneficiaries	Main Activities
The elderly	<ul style="list-style-type: none"> • Elderly Smartphone Workshops: Teaching elderly people how to use smartphones and common mobile applications. • Elderly Visits: Celebrating Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival by distributing care packs to the elderly. 
Children	<ul style="list-style-type: none"> • Financial Education Activity: Promoting good financial management concepts to kindergarten children via drama and role play in cooperation with the Mandatory Provident Fund Schemes Authority and Po Leung Kuk. • Kwong Wah Hospital's Play Activity Program: Organizing hospital visits for young patients. • Benji's Centre Walkathon: Assisting with the annual fundraising walkathon to help children with speech difficulties. • Junior Gateway Club: Providing ongoing services for children with autism in partnership with the Heep Hong Society. 



Beneficiaries	Main Activities
Students	<ul style="list-style-type: none"> • Life Buddies Mentoring Scheme: Promoting the development of good life skills among young people and helping them develop a positive vision for their future. Organized in collaboration with the Commission on Poverty. • Principal Chan Free Tutorial World: Providing free learning support and recording online teaching videos for students from underprivileged backgrounds. • Scholarships and Bursaries: Provided to undergraduates and postgraduates at several universities in Hong Kong. 
The youth	 <ul style="list-style-type: none"> • Better SHA Teen Mentorship Program: Volunteering as youth mentors in collaboration with Tung Wah Group of Hospitals Jockey Club Shatin Integrated Services Centre. • Love.Dream: Helping the youth set personal development goals as part of a three-year mentorship program organized by Tung Wah Group of Hospitals' Tuen Mun Integrated Services Centre.
People with disabilities	<ul style="list-style-type: none"> • Shared-Care Project: Providing activities to mentally disabled young people under a project organized by The Salvation Army Hong Kong. • IT Educational Programs: Providing IT support for long-term disabled patients at Cheshire Home (Shatin). 

Beneficiaries	Main Activities
Other groups	<ul style="list-style-type: none"> • Hope Development Accounts Program: Supporting Tung Wah Group of Hospitals' mentorship program for single mothers and underprivileged families in Yuen Long and Tin Shui Wai. • "Hong Kong Citizen, Hong Kong Heart" Volunteer Ambassador Program: Making do-it-yourself gifts to the community under a project organized by the Social Welfare Department. • Mobile Library Services Program: Providing mobile library services for cancer patients at Queen Elizabeth Hospital. 

Philanthropic Sponsorship

We provided funding and sponsorship for the following events and initiatives:

- HKT supported the annual Free Ride Day organized by the Hong Kong General Chamber of Commerce. About 300,000 citizens benefited from the free rides on trams and Star Ferry
- The 1010 sponsored event, "Concert in the Dark", organized by Dialogue Experience, which helped raise public awareness of the challenges of being visually impaired
- Supported Oxfam Trailwalker by providing communication systems support
- Sponsored the call-in hotlines for fundraising shows for Tung Wah Group of Hospitals, Po Leung Kuk, Pok Oi Hospital, Yan Oi Tong and Yan Chai Hospital
- Supported consultation services hotlines for The Samaritans and Hok Yau Club
- Provided telecommunications support for Cheshire Home (Shatin) and a paediatric ward at Princess Margaret Hospital



REFERENCES TO “HKEX ESG REPORTING GUIDE”

A. Environmental		PCCW's Comments
Aspect A1: Emissions	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	<p>For more details, please refer to section:</p> <p>Reporting on Environmental Aspects> – Emissions</p>
Aspect A2: Use of Resources	<p>General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.</p>	<p>For more details, please refer to our CSR Policy and section:</p> <p>Reporting on Environmental Aspects> – Use of Resources</p>
Aspect A3: The Environment and Natural Resources	<p>General Disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources.</p>	<p>For more details, please refer to section:</p> <p>Reporting on Environmental Aspects> – The Environment and Natural Resources</p>

B. Social		
Employment and Labor Practices		
Aspect B1: Employment	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	<p>For more details, please refer to section:</p> <p>Reporting on Social Aspects> Employment and Labor Practices – Employment</p>
Aspect B2: Health and Safety	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	<p>For more details, please refer to section:</p> <p>Reporting on Social Aspects> Employment and Labor Practices – Health and Safety</p>



B. Social

Employment and Labor Practices

Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	For more details, please refer to section: Reporting on Social Aspects> Employment and Labor Practices – Development and Training
Aspect B4: Labor 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 labor.	For more details, please refer to section: Reporting on Social Aspects> Employment and Labor Practices – Labor Standards

Operating Practices

Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	For more details, please refer to our Supplier Code of Conduct and section: Reporting on Social Aspects> Operating Practices – Supply Chain Management
Aspect 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, labeling and privacy matters relating to products and services provided and methods of redress.	For more details, please refer to section: Reporting on Social Aspects> Operating Practices – Product Responsibility
Aspect 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.	For more details, please refer to section: Reporting on Social Aspects> Operating Practices – Anti-corruption

Community

Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	For more details, please refer to section: Reporting on Social Aspects> Community – Community Investment
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and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the US (Ticker: PCCWY).

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