



2020

Environmental, Social and Governance Report

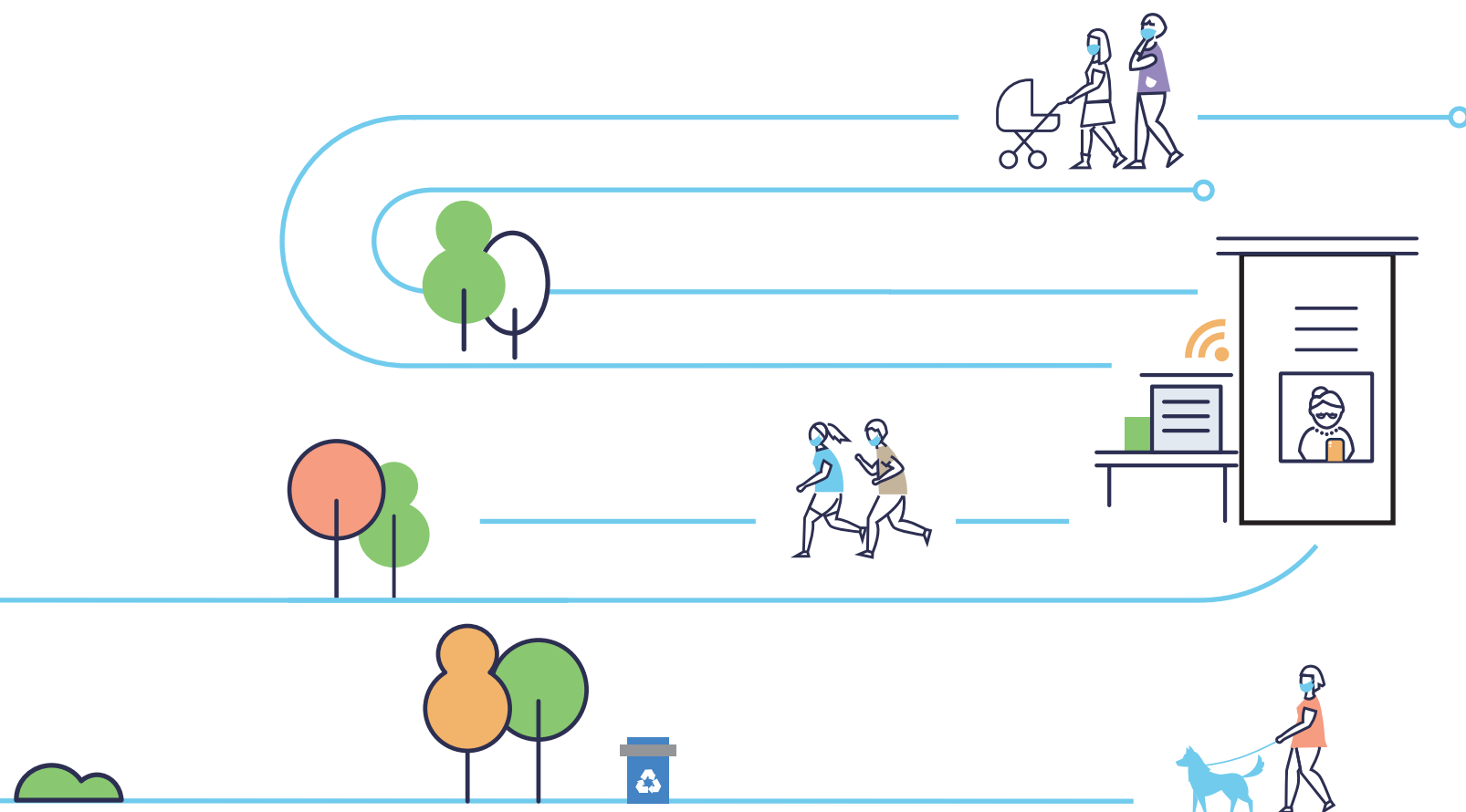
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GROUP MANAGING DIRECTOR'S MESSAGE



It is my pleasure to present PCCW's Environmental, Social and Governance (ESG) Report for 2020. The year 2020 has presented unprecedented challenges to businesses and communities at large. Nationwide lockdowns and social distancing policies have forced us to change the way we work and live – and we need to learn how to live with the pandemic.

Technology is playing a big role in shaping our post-COVID-19 economy. Social distancing has led people to stay at home to work, learn and entertain online, driving the need for Internet services. Enterprises are leveraging technology to optimize their operations, reach customers remotely, transact digitally, and evolve new business models and drive revenue growth. This has offered us an opportunity to collaborate with our stakeholders to further innovate and develop our services in telecommunications, media and IT solutions.

Our employees are crucial to make all these happen. We continue to promote development and well-being of our employees. We have adopted a series of precautionary measures to protect our employees from infection. On the community side, for those who are economically challenged but have great needs to connectivity, we have leveraged our services to meet their needs.

COVID-19 has also reminded us that we are very much at the mercy of global issues such as environmental challenges. Climate change is also going to exert an irreversible impact if we do not start to reduce our environmental footprint. Environmental protection remains as one of the focus areas in our sustainability journey.

You will find in our ESG Report how we remained resilient while helping others to navigate through this unforgettable year. We will stay vigilant and adaptive to these challenges while keeping the momentum in sustainable and innovative business development. I look forward to collaborating with you on creating sustainable values for the future.

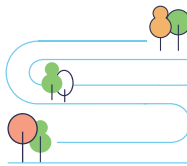
BG Srinivas

Group Managing Director

February 5, 2021



ABOUT THIS REPORT



This is the Environmental, Social and Governance (“ESG”) Report for PCCW Limited (“PCCW” or the “Company”) and its subsidiaries (collectively referred to as the “Group” in this report).

PCCW Limited (SEHK: 0008) is a global company headquartered in Hong Kong which holds interests in telecommunications, media, IT solutions, property development and investment, and other businesses.

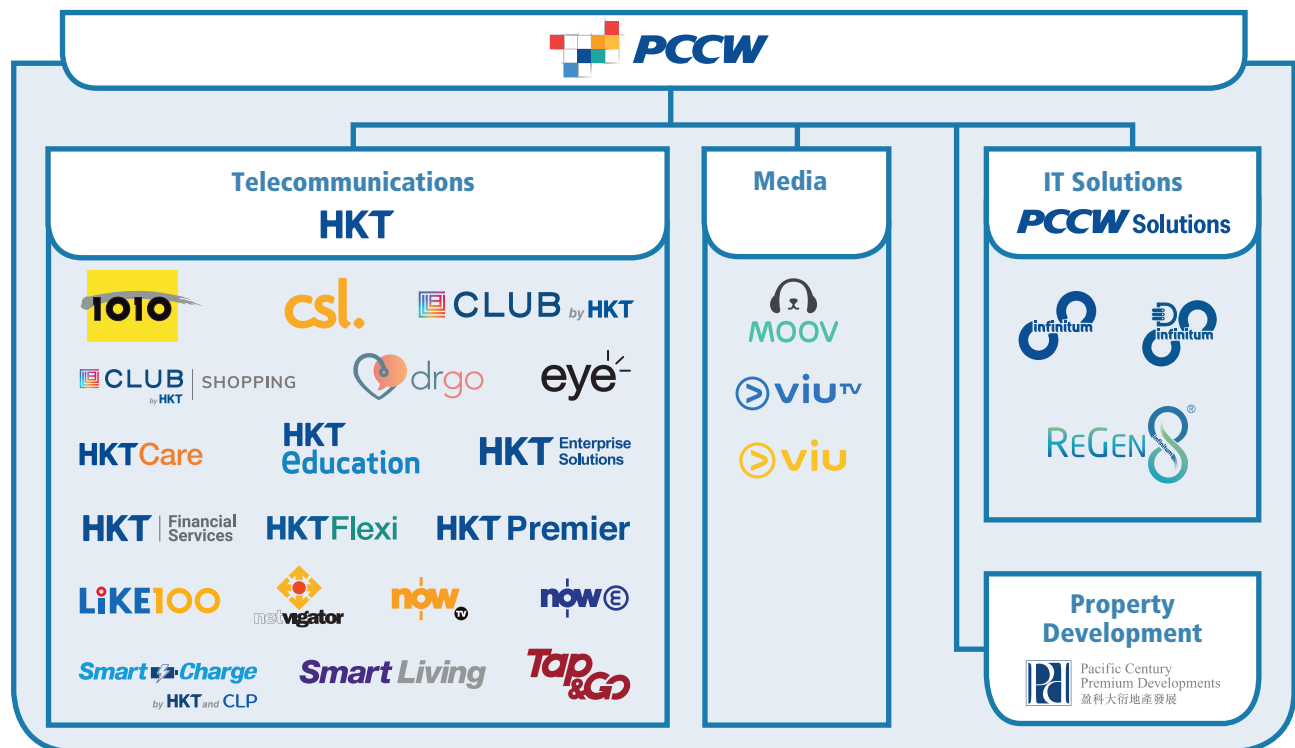
The Company holds a majority stake in the HKT Trust and HKT Limited (“HKT”) (SEHK: 6823), Hong Kong’s premier telecommunications service provider and leading operator of fixed-line, broadband, mobile communication and media entertainment services. HKT delivers end-to-end integrated solutions employing emerging technologies to assist enterprises in transforming their businesses. HKT has also built a digital ecosystem integrating its loyalty program, eCommerce, travel, insurance, FinTech and HealthTech services to deepen its relationship with customers.

PCCW owns a fully integrated multimedia and entertainment group in Hong Kong engaged in the provision of over-the-top (OTT) video service locally and in other places in the region.

Through HK Television Entertainment Company Limited, PCCW also operates a domestic free TV service in Hong Kong.

Also wholly-owned by the Group, PCCW Solutions is a leading IT and business process outsourcing provider in Hong Kong, mainland China and Southeast Asia. In addition, PCCW holds a stake in Pacific Century Premium Developments Limited (SEHK: 0432) (“PCPD”) and other overseas investments.

PCCW has created a variety of well-known products and service brands. Some of the more recognizable brands are shown as follows:





Reporting Scope

This report covers PCCW's ESG accomplishments and challenges from January 1 to December 31, 2020, as well as our ongoing initiatives to enhance our ESG performance. In this regard, this report covers PCCW's core businesses based in Hong Kong, namely telecommunications, media and IT solutions, respectively operated through our key subsidiaries HKT, PCCW Media and PCCW Solutions, including the operations of our offices, retail shops, data centers, exchange sites, telecommunications sites and transmissions, unless otherwise specified. Where relevant, it also references the activities of subsidiaries and outsourced operations. In 2020, our businesses in Hong Kong accounted for around 75.3% of the total revenue of PCCW.

This report does not cover PCCW's joint ventures and PCPD. PCPD is issuing a separate ESG report.

The qualitative and quantitative information regarding PCCW's approach, initiatives and priorities in managing material ESG aspects are disclosed in the report. For further disclosures on corporate governance, please refer to the Corporate Governance Report of the PCCW Annual Report 2020.

Reporting Standards and External Assurance

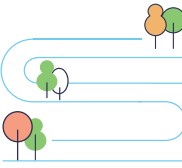
The report has been prepared in accordance with the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide¹ (the "ESG Reporting Guide") in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This report serves as an important channel to connect and communicate with our stakeholders. We believe that ensuring the relevance and importance of our ESG information is critical to our stakeholders. As such, the report has been prepared and presented with reference to the Reporting Principles set out in the ESG Reporting Guide.

Materiality	Quantitative
Materiality was assessed based on the results obtained from stakeholder engagement. The threshold for sustainability topics to become material was reviewed and confirmed by the top management to ensure that they were sufficiently important to our stakeholders.	Cloud-based data management platform was deployed to collect our ESG metrics and keep track of our performance. Where applicable, we compared year-to-year data and discussed its implications. In the reporting of emissions and energy consumption, relevant standards, methodologies, assumptions, and conversion factors are disclosed.
Balance	Consistency
The content and data provided in the report are unbiased. We discussed both our achievements and rooms for improvement in all the ESG aspects.	This report adopted consistent methodologies to allow a fair comparison of our performance over time. Where applicable, we disclosed the changes to the methods or key performance indicators (KPIs) used.

¹ The ESG Reporting Guide was amended last year and the new requirements, which became effective on July 1, 2020 are applicable to listed issuers with financial years commencing on or after July 1, 2020 and therefore not applicable to this report. This report is prepared in accordance with the ESG Reporting Guide prior to the amendment.





The environmental data performance data in the report has been independently reviewed and verified by the Hong Kong Quality Assurance Agency. Please refer to the Assurance Report on page 56 for the verification scope and conclusion.

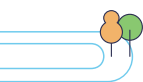
The Board of Directors (the “Board”) of PCCW is accountable for our ESG strategies and reporting, as well as responsible for overseeing and managing our ESG-related risks. This report has been reviewed and approved by the Board.

Available in both Chinese and English, this report can be accessed at The Stock Exchange of Hong Kong Limited’s (“HKEX”) website and PCCW’s website.

We value stakeholders’ views and suggestions. Please share your feedback on our ESG management and reporting with our Department of Group Communications via

Mail: 41/F, PCCW Tower, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong
Phone: +852 2888 2888
Fax: +852 2962 5634
Email: esg@pccw.com





HIGHLIGHTS

OUR RESPONSES TO COVID-19 PANDEMIC

Flexible work arrangements

and precautionary measures to protect employees and customers

Introduced ad hoc and longer-term

community initiatives

amid COVID-19

Launched

SIM for Love

local mobile data donation campaign

Supported business

remote office

TALENT DIVERSITY

1:1.48

female to male staff



30%

of employees aged below 30

Employees of

64 nationalities

OCCUPATIONAL SAFETY AND HEALTH

Over **550** sessions of health and safety-related training

TALENT DEVELOPMENT

2,998

learning and development programs and seminars

COMMUNITY INVESTMENT

Club Hope

Launched online CSR platform to raise fund for charities

Over

HK\$24.5 million

monetary donations and in-kind sponsorships



EMISSIONS

Electricity consumption decreased by over

12GWh ↓



Started

Solar panel system

pilot projects

Energy intensity per million revenue decreased by

2.25% ↓

USE OF RESOURCES



General waste decreased by

9.73% ↓

Signed **first sustainability-linked loans**

DATA PRIVACY AND SECURITY

Set up a **Data Breach Response Plan** to enhance the escalation of data breach handling

CUSTOMER SATISFACTION

59,084 customer compliments

RESPONSIBLE NETWORK MANAGEMENT



Rolled out **5G** mobile network

100% mobile reliability and

99.99% broadband network stability

SUPPLY CHAIN



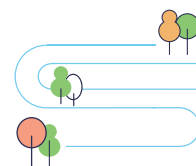
81% of our suppliers are Hong Kong-based

EXTERNAL RECOGNITION

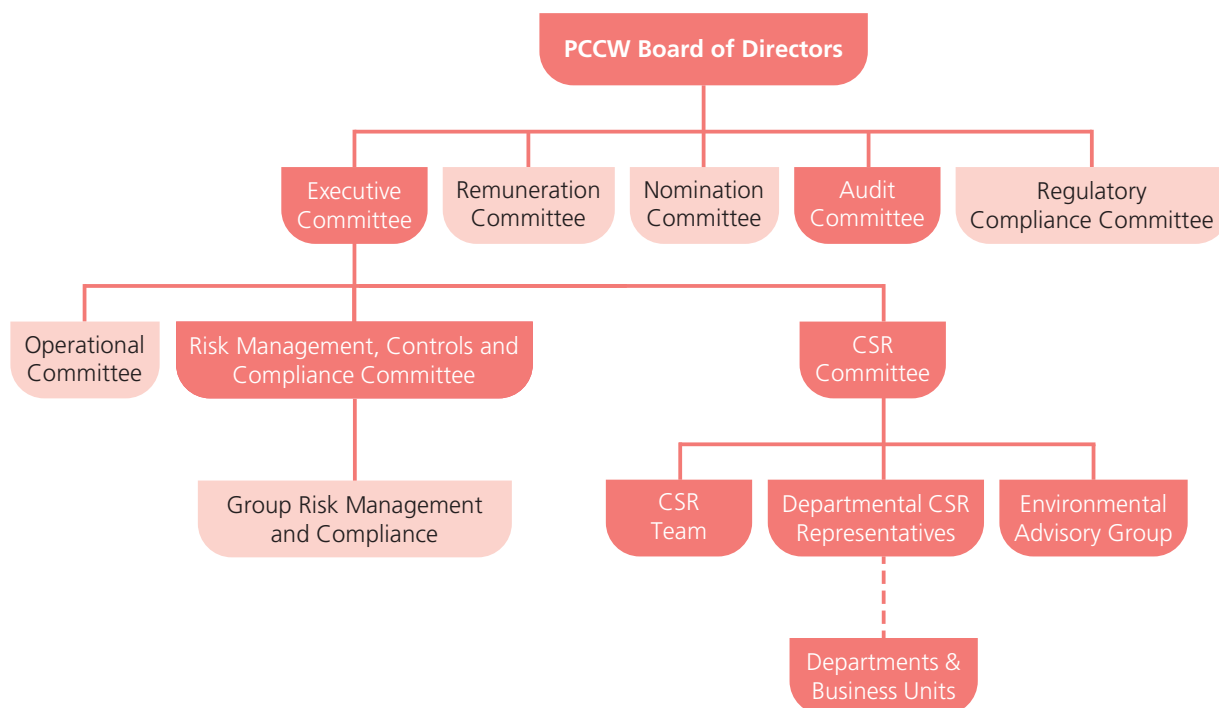
Included in **Hang Seng Corporate Sustainability Index** and **Hang Seng ESG 50 Index**



1. CORPORATE SOCIAL RESPONSIBILITY AT PCCW



1.1 CSR Governance Structure and Oversight Responsibilities



Led by our top management, PCCW is committed to integrating corporate social responsibility (“CSR”) in its business operation. The Board formulates strategies and maintains oversight of the environmental, social and governance (“ESG”) performance. The Executive Committee oversees several sub-committees and working groups to ensure CSR policies and risk management systems are implemented effectively.

Roles and responsibilities in managing CSR matters are defined within PCCW as follows:

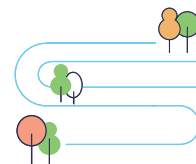
Top management oversight	
Board of Directors	<ul style="list-style-type: none"> Monitors corporate governance practices and procedures Maintains appropriate and effective risk management and internal control systems of the Group to ensure compliance with applicable rules and regulations Approves CSR Policy and Corporate Responsibility (“CR”) Policy Reviews and approves the ESG report
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 to ensure the objectivity and credibility of financial reporting, and that the directors have exercised care, diligence and skills prescribed by law when presenting results to shareholders Assists the Board to ensure that effective risk management and internal control systems are in place and good corporate governance standards and practices are maintained Reviews and recommends the ESG report for the Board's approval
Risk Management, Controls and Compliance Committee	<ul style="list-style-type: none"> Reviews procedures for preparation of PCCW 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 Assists directors in the review of the effectiveness of the risk management and internal control systems of the Group on an ongoing basis Reviews and recommends the ESG report for submission to the Audit Committee

Managing CSR issues and implementing CSR initiatives	
CSR Committee	<p>A sub-committee reporting to the Executive Committee and chaired by the Head of Group Communications, it is comprised of Group Functional Unit Heads from eight departments. The Committee:</p> <ul style="list-style-type: none"> Reviews the Company's CSR strategy, principles and policies to ensure the Company operates in a manner that enhances its positive contribution to society and the environment Sets guidance and direction of and oversees CSR practices and procedures Monitors progress on CSR and related initiatives Reviews the ESG report
Environmental Advisory Group	<p>An internal advisory body comprising group unit heads that:</p> <ul style="list-style-type: none"> Advises on environmental policies and targets and makes recommendations to the CSR Committee Assists in the coordination of Business Units ("BUs") and cross-BUs environmental initiatives
CSR Team	<p>Together with Departmental CSR Representatives, it:</p> <ul style="list-style-type: none"> Promotes CSR internally and externally Organizes and implements CSR initiatives Prepares the ESG report
Departmental CSR Representatives	<p>A total of 20 Departmental CSR Representatives:</p> <ul style="list-style-type: none"> Serve as a bridge between the CSR Team and the departments/BUs Facilitate implementation of CSR initiatives Raise CSR awareness of colleagues Assist in ESG reporting and ESG-related surveys
Departments and BUs	<ul style="list-style-type: none"> Implement CSR practices and ensure CSR compliance in daily operations





A framework certified with ISO 31000:2018 Risk management – Guidelines is in place to guide the Group’s enterprise risk management. Through the “Three Lines of Defence” operating model, our directors regularly evaluate and determine significant risks that may impact the Group’s performance.

Our Corporate Incident Response Plan ensures business continuity with minimum interruption of our operations. As stipulated in the Plan, the Corporate Incident Response Team provides leadership, strategic direction, communication and a consistent response in dealing with activities arising from corporate incidents.

Group Risk Management and Compliance, which co-ordinates enterprise risk management activities and reviews significant aspects of risk management for the Group, reports to the Audit Committee at each regularly scheduled meeting, and other sub-committees as appropriate, including amongst other things, significant risks of the Group and the appropriate mitigation and/or transfer of identified risks. The operating units of the Group, as risk owners, identify, evaluate, mitigate and monitor their own risks, and report such risk management activities to Group Risk Management and Compliance on a regular basis. Group Risk Management and Compliance assesses and presents regular reports to the Risk Management, Controls and Compliance Committee at each regularly scheduled meeting.

In parallel, Group Internal Audit provides independent assurance to the Board, the Audit Committee and the executive management of the Group on the adequacy and effectiveness of internal controls for the Group.

For more details on the composition and responsibilities of various committees of the Board, our risk management and internal controls, as well as the principal risks and uncertainties identified in relation to our key areas of management, please refer to the Corporate Governance Report and the Report of the Directors of PCCW’s Annual Report 2020.

1.2 ESG Strategy

As a leading company in providing telecommunications, media entertainment and enterprise IT solutions locally and globally, PCCW upholds its responsibilities to promote sustainability and make meaningful contributions to society.

Our management approach is to run our business in an ethically, socially and environmentally responsible manner, supporting and connecting the communities we serve. We must do this while maintaining service excellence and financial returns.

Our CSR Policy sets forth our overarching management principles, objectives and approach in the key areas of management in CSR with reference to ISO 26000 Guidance on social responsibility. The policy is applicable to all directors, officers and employees of the Group, and communicated with third parties such as suppliers and contractors, where applicable. We regularly review our CSR-related policies and update them upon the Board’s approval.





Detailed policies, guidelines and procedures are in place to guide our operating practices across departments.



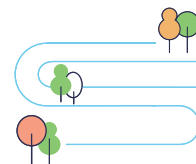
1.3 Ethics and Integrity

PCCW is committed to conducting its business and operations with high standards of ethics, honesty and integrity in accordance with all applicable laws, regulations and the Group's policies. This requires all members of the Group to uphold an aligned standard of behavior that exceeds statutory mandates.

In this regard, our CR Policy and other PCCW Group policies provide practical guidelines on business conduct. Applicable to our directors, officers and employees, these policies ensure responsible behaviors and protection to stakeholders' rights in case of breach. Topics covered include but are not limited to:

- Bribery, gifts and entertainment
- Conflicts of interest
- Fair competition
- Inside information
- Discrimination, harassment and inappropriate conduct
- Equal opportunities
- Privacy and information protection
- Workplace health and safety
- Considerate and civic responsibility
- Whistleblowing to report improper conduct





Anti-corruption

PCCW has adopted a zero-tolerance policy for bribery or corruption in any form or at any level. PCCW members are required to act in compliance with the Group's Anti-Bribery and Corruption Policy. The Anti-Bribery and Corruption Policy, previously known as Bribery, Gifts and Entertainment Policy, has recently been updated and renamed. This internal policy defines the behaviors that constitute corruption, which should be avoided, and outlines the roles and responsibilities of employees. Each BU implements processes and controls to reduce the risk of corruption and ensure compliance with the Group standards as well as all relevant laws and regulations. The policy covers advantages in both monetary and in-kind forms, such as kickbacks, improper gratuities, contracts, duty or power in return for favorable treatment, business outcome or benefit in any business interaction that involves our Group and government officials, our customers, vendors or employees. Also, an Anti-Bribery and Corruption Procedure Manual is in place to provide guidance on the mitigation of potential bribery and corruption risks.

PCCW takes specific measures to encourage diligence among employees. Employees must acknowledge and comply with our CR Policy by signing a declaration upon employment and annually during their performance review. When potential conflicts of interest arise, employees may consult their line manager for clarification. Application and declaration forms are available on the Company's intranet. Anti-bribery and anti-corruption trainings are incorporated into e-orientation for all new employees.

Whistleblowing

PCCW's Whistleblower Policy (formerly known as Improper Conduct Notification Policy) encourages all internal and external stakeholders to report actual or suspected improper conduct in confidence to the Company's Group Internal Audit function. Employees can make written reports via mail or email. They can also make verbal reports by phoning a dedicated hotline that does not log Caller ID.

Following a report, an independent senior staff member investigates on behalf of the Audit Committee, assisted by relevant Internal Audit, Human Resources and Legal functions. The investigation follows procedures laid out in the Group's Whistleblowing Procedures Manual, and the complainant is informed of the progress. Results including the final disposition, impact, implications and disciplinary or corrective actions are reported to the chair of the Audit Committee and to the Board and/or regulatory authorities where appropriate. Reviews and risk assessments are conducted from time to time to monitor compliance with this policy.

Ensuring compliance

Any individual who violates PCCW policies, procedures and guidelines may receive verbal or written warnings or be summarily dismissed depending on the severity of the infraction. We monitor and identify applicable laws and regulations which have a significant impact on the Group as well as their latest development. Various measures including internal controls and approval procedures and training are in place to raise staff awareness. For more details, please refer to the Report of the Directors in PCCW's Annual Report 2020.

An ex-employee of HKT Services Limited was convicted of false representation and sentenced to 240 hours' community service by the court in 2020. We provided full assistance to the ICAC during the investigation.





1.4 Stakeholder Engagement and Materiality Review

Through regular stakeholder engagement, PCCW aims to make stakeholder-inclusive decisions and review our management priorities and performance. We also disclose material information in response to stakeholders' needs and expectations. These processes are guided by our CSR Policy, CR Policy and Shareholders Communication Policy.

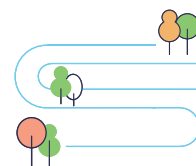
Stakeholder groups

We recognize stakeholders' rights to be heard and informed. Departments and BUs of PCCW maintain continuous communication with stakeholders through various channels.

External stakeholders		
Customers	Shareholders, investors and analysts	Community and media
<ul style="list-style-type: none">• Service hotlines• Website and social media• Live webchat• My HKT portal• Customer satisfaction survey and transaction survey• Net promoter score survey	<ul style="list-style-type: none">• Meetings• Annual general meeting• Annual, interim and ESG reports• Circulars and press releases• Analyst briefings• Website of HKEX	<ul style="list-style-type: none">• Campaigns• Seminars• Website and social media• Press releases and conferences• Media enquiries
Government and regulators	Suppliers and business partners	NGOs
<ul style="list-style-type: none">• General liaison	<ul style="list-style-type: none">• Supplier review and assessment visits	<ul style="list-style-type: none">• Corporate volunteering• Collaborative projects

Internal stakeholders – The management and employees
<ul style="list-style-type: none">• Face-to-face meetings• Let's Chat sessions• Forums• Town-hall-style gatherings• Employee satisfaction survey





Materiality review

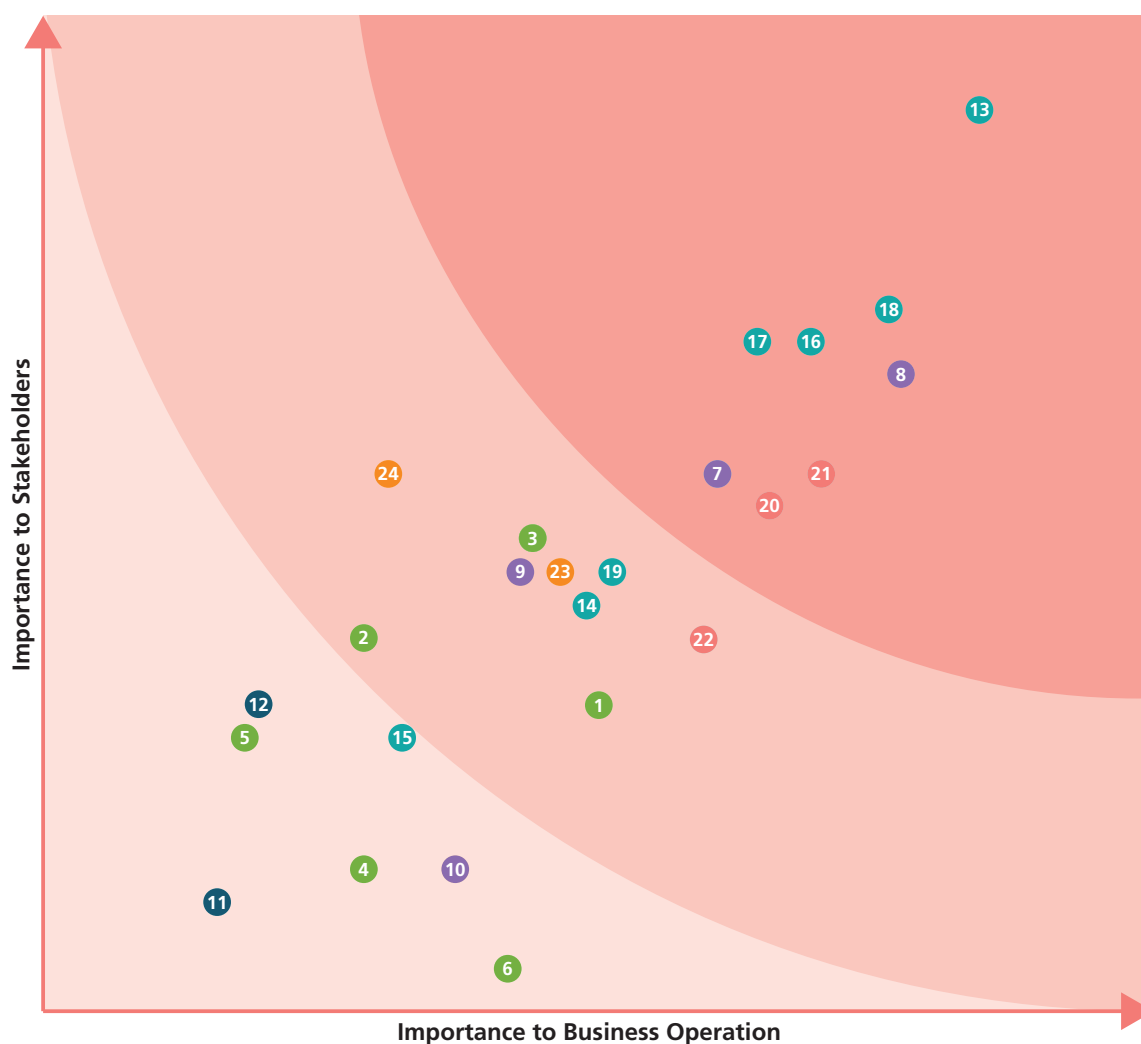
PCCW reviews the materiality of ESG-related topics based on stakeholder engagement activities on an annual basis. This year, PCCW continued to review the list of ESG topics based on a peer benchmarking exercise and internal evaluation to identify and prioritize topics that are material and relevant to the development of the industry and the Group.

Facilitated by an independent consultant, PCCW engaged both internal and external stakeholder groups through online survey, focus groups and interviews. Internally, it worked with the Group Unit Heads and staff members. Externally, it engaged investors, suppliers and contractors, corporate clients, business partners, academics and community partners.

Through these in-depth dialogues, we collected stakeholder feedback on PCCW's ESG performance, and suggestions for future priorities. Participants were also invited to score ESG issues based on their importance to stakeholders and PCCW business operations.

Our CSR Committee evaluated this feedback based on the analysis of the qualitative and quantitative input from the stakeholder engagement exercises.

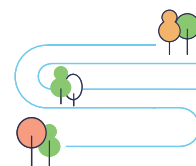
PCCW's Materiality Matrix 2020



ESG Aspects	
Environmental	
1	Energy efficiency
2	Waste management
3	Green ICT solutions
4	Employee environmental awareness
5	Greenhouse gas (GHG) emissions
6	Climate change
Employment and Labor Standards	
7	Employee retention and talent development
8	Occupational safety and health
9	Human rights
10	Employee diversity
Supply Chain Management	
11	Supply chain management
12	Sustainable procurement
Product Responsibility	
13	Customer data privacy and protection
14	Responsible advertising
15	Content dissemination to different audience groups
16	Reliable services and products
17	Customer service and satisfaction
18	Information security and management
19	Business innovation*
Corporate Governance	
20	Corporate governance and risk management
21	Anti-corruption
22	Competitive behavior*
Community	
23	Community investment
24	Technology and education initiatives

* Newly added in 2020



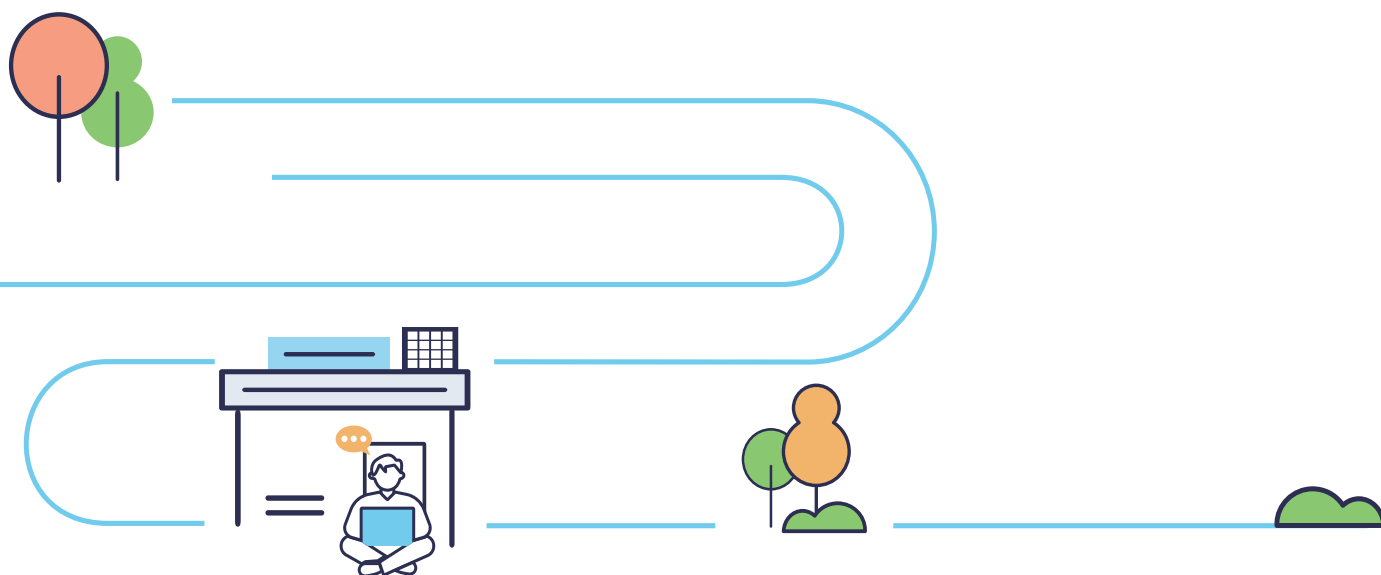


Based on the dialogues and the scores given to each ESG topic, PCCW noticed that top material aspects in 2020, located in the upper-right corner of the matrix, generally fall under product responsibility, corporate governance and employment and labor standards. Both internal and external stakeholders had an aligned view that customer data privacy and protection remains the top priority to PCCW. The second most material aspect is information security and management. Reliable services and products, customer service and satisfaction, occupational safety and health and employee retention and talent development also continue to fall into the sphere of high materiality.

For details of PCCW's policies and measures related to material aspects, please refer to the corresponding chapters of this report. In the future, we will maintain our regular communication and engagement with our stakeholders to promote sustainable development.

1.5 External Recognition

In 2020, PCCW was first included as a constituent under Hang Seng Corporate Sustainability Index and Hang Seng (Mainland and HK) Corporate Sustainability Index. The Group is a constituent member of the Hang Seng Corporate Sustainability Index Series, Hang Seng ESG 50 Index and FTSE4Good Index Series.



2. OUR RESPONSES TO COVID-19 PANDEMIC

The COVID-19 pandemic has had wide-ranging impacts on the citizens and business activities. Amidst these challenging times, PCCW is taking all necessary precautions to protect our stakeholders.

As a responsible corporate citizen, we have demonstrated our capability and resilience to help our employees, community, customers, and business partners stay connected, and to address the needs of the underprivileged.

2.1 Safeguarding Employees

We have been providing anti-pandemic items, measures, and IT support to mitigate threats to our employees since the outbreak of COVID-19:

Flexible work arrangement

Throughout the year, Group Human Resources held frequent meetings to discuss the COVID-19 situation with BUs and provided timely updates on the intranet including work arrangements. We implemented work-from-home and flexible working arrangements. For call center and service center teams who were required to work on-site to maintain our services, split-floor or split-center arrangements and backup sites were adopted so as to minimize the chance of infection.

Operation of some shops was suspended while business hours were shortened for the others. The direct sales team also cancelled all indoor sales roadshows.

Infection precautionary measures

We cleaned and disinfected common areas daily in our managed buildings, including the lobby, entrance, toilets, corridors and lifts. Air filters were cleaned and disinfected regularly, while drainage and sewage were closely inspected. Visitor registration counters and body temperature checkpoints were set up at the entrance of major PCCW premises. We also distributed masks and sanitizing gel to employees. In the case of confirmed infection cases at our premises, we stepped up the disinfection and cleaning process. Staff who had been in close contact with infected persons were required to be quarantined and were offered free COVID-19 tests.

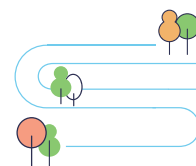
Technical and other support

We minimized face-to-face meetings. The Business Technology Unit supported colleagues working from home, including remote access to corporate email, virtual private network connection and support for teleconferencing and video conferencing.



To support staff to maintain their physical and mental health, webinars such as Guide to Manage Stress for Coronavirus and Home Exercise for Better Immunity were organized.

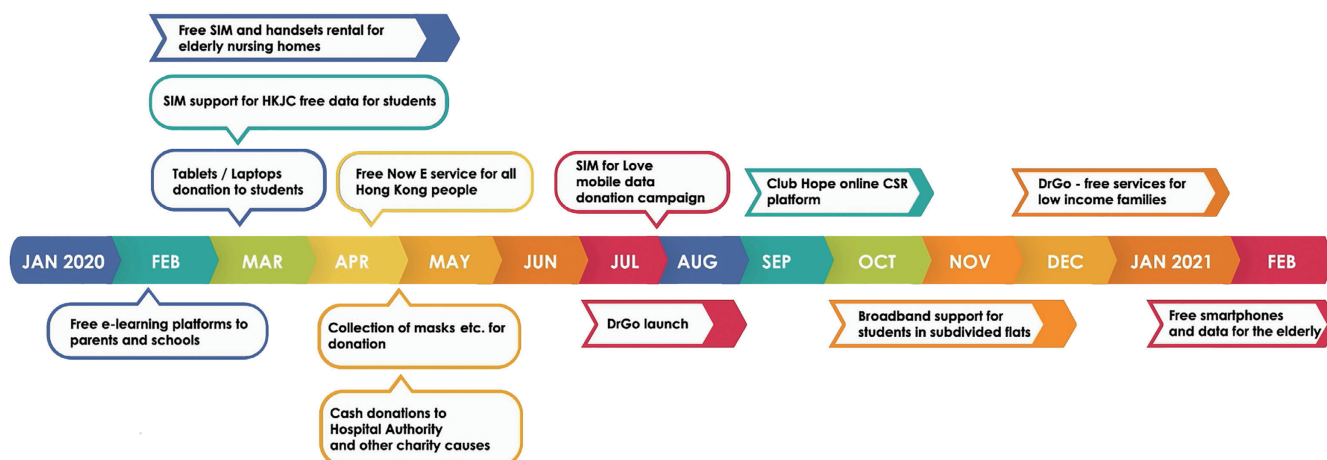




2.2 Supporting the Community

In response to the needs of students, schools, the elderly, the disabled and other underprivileged groups, we made in-kind and monetary donations and organized various programs and volunteering activities.

Our support to the community at a glance



Caring for students and schools

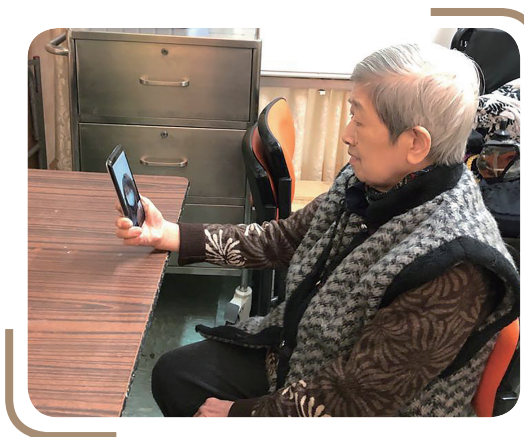
Face-to-face class at schools were suspended and online tools became crucial for continuation of learning and school administration. HKT Education offered schools free e-learning platforms, including a smart classroom, e-learning platform, and Google Classroom, along with the HKTE Smart School app and HKTE Parent app. These enabled students to learn at home while keeping parents and schools in touch during the COVID outbreak.

csl also supported the Hong Kong Jockey Club Charities Trust to provide free mobile data usage to more than 30,000 underprivileged students. In addition, the Group provided tablets to support some secondary school students from low-income families for online video learning.

Caring for the elderly and the disabled

Visits to elderly and disability care homes were also suspended and residents were in great need to get connected to their loved ones. csl provided free rental handsets with local mobile data services to 179 nursing homes for the elderly and 40 disability care homes of various NGOs, allowing more than 26,000 residents to stay connected with their families via video calls.

We also organized online workshops with NGOs including the Senior Citizen Home Safety Association and Hong Kong Family Welfare Society for seniors to learn how to use mobile phones to stay connected.



Caring for the underprivileged groups

Leveraging our retail shop network, HKT, csl and 1010 participated the HK2gether Anti-epidemic Resources Donation organized by Me2You platform and The Hong Kong Council of Social Services (HKCSS). General public could drop off face masks, alcohol hand sanitizers and disinfection wet wipes at our shops. These supplies were then donated to NGOs.

Besides, our corporate volunteer team handmade antibacterial soaps in a workshop organized by Po Leung Kuk. The soaps, together with other epidemic prevention supplies, were distributed to the seniors.



We also made monetary donations to Hospital Authority to support the fight against the pandemic and contributed to the Standard Chartered HKCSS Subdivided Unit Subsidy Programme to ease the financial burden of subdivided households.

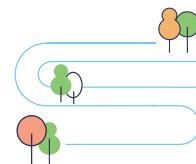
SIM for Love Local Mobile Data Donation Campaign

The Group launched SIM for Love's local mobile data donation campaign in July to help the underprivileged stay connected. The campaign benefited 10,000 students, the elderly, jobless and homeless people referred by over 10 organizations and schools.

For each HK\$20 donation, the Group provided a beneficiary with a 15GB 4G local mobile data SIM card. Donors could choose their preferred beneficiary organization or school.

Ms. Law, a service user from an elderly community center of the Hong Kong Sheng Kung Hui Welfare Council, expressed her gratitude towards the donors. Before she received the SIM card, she had to share a SIM card with her husband. She is now able to contact people and enjoy online entertainment.





2.3 Supporting our Customers and Business Partners

We protected our customers with precautionary measures, provided free entertainment, and offered a wide range of flexible solutions to support businesses.

Complimentary service for customers

Recognizing the social distancing constraints during the pandemic, csl and 1O1O offered 4G customers an extra 3GB full speed local mobile data free of charge to facilitate customers to work from home, make video calls and keep up to speed with latest news and information. Complimentary hand sanitizer and mask holders were also offered to customers. csl and 1O1O customers also got a one-month free Now E Entertainment Combo for movies and dramas.

With the objective to promote “stay home, stay entertained”, we offered existing Now TV customers over 10 channels and selected on-demand services for free. Now E also offered over 9,000 hours of free streaming content to all Hong Kong people.

Supporting commercial customers

PCCW offered our customers from different business sectors a wide range of telecom and technology services to support home office and business continuity planning. For example, multiple services were introduced to increase hotline capacity for phone banking operations and to provide multi-parties conference calls. To fulfil retailers’ special campaigns, we expedited cloud capacity expansion. We also supported schools by upgrading the broadband bandwidth to provide on-line classes for students.

We offered HKT Smart Biz Line On-the-go service for free to eligible enterprises and Small-Medium Business (SMBs), allowing them to receive and make office phone calls anywhere. We also offered complimentary Microsoft Teams accounts, empowering companies to use video and document collaboration anywhere. Furthermore, SMBs can also enjoy HKT x Office 365 at a reduced fee, with accessibility to the HKT Cloud Backup Service for document backup.

1O1O and Microsoft Hong Kong also offered enterprises unlimited 5G data to access Microsoft 365 (M365) cloud applications on designated 1O1O 5G smartphone corporate plans with M365 licenses. Office 365 Advanced Threat Protection was also included in the service plans to protect companies from spam, malware, viruses, phishing, malicious links, and other threats, so they could work offsite securely.

Enabling Merchants to Stay Connected with Customers

In light of the Government’s anti-epidemic measures, HEYPARK, a one-stop digital food ordering platform, enables merchants to react quickly to capture the digital catering opportunity.

Merchants can instantly receive customers’ catering orders in a streamlined process which minimizes time and resources. They can also instantly upload and update menus anytime.



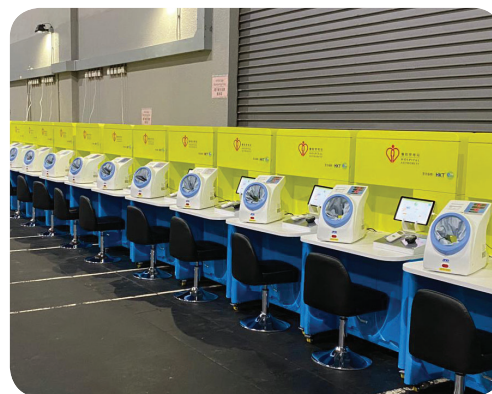
Supporting the public health system

The establishment of quarantine centers was key to the Government's anti-epidemic strategy. Users of government quarantine centers have huge demand for telecommunications services to keep in touch with their family members, friends and business partners. Our Engineering Field Services staff, equipped with protective coveralls, were responsible for installing and monitoring broadband and voice services at several quarantine centers including Chun Yeung Estate, Penny Bay, AsiaWorld-Expo and Lady MacLehose Holiday Village.

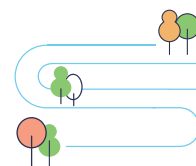
In addition, eSmartHealth, Hong Kong's first cloud health management service, offered healthcare remote monitoring solutions at the Lei Yue Mun Park and Holiday Village Quarantine Centre, and the Hospital Authority's Community Treatment Facility (CTF) at AsiaWorld-Expo. For example, the system at the quarantine center allowed healthcare staff to communicate with patient remotely. We also assisted in providing health stations for patients at CTF to monitor their health conditions, such as blood pressure and heart rate, blood oxygen levels and body temperature.

2.4 Longer-term Measures

The pandemic has also highlighted some ongoing difficulties faced by the underprivileged segment. We seek to address the longer-term needs of the community with innovative programs including HKT's new healthtech platform DrGo and the new online charity platform Club Hope. Other support projects such as offering free smartphones and data for the elderly and broadband support for students in subdivided flats will be extended to 2021. For more details, please refer to the "Our Customers" and "Our Community" chapters.



3. OUR PEOPLE



Employees are among the company's greatest assets. Through diverse talent strategies, PCCW strives to cultivate a pleasant, inclusive and productive work environment for our 22,283 employees² globally. Pursuing to be the Employer of Choice, we support and empower our employees to unleash their potential and succeed in their career.

Objectives

- Cultivate a high performing and engaging culture
- Attract, develop and retain the right talent with robust bench planning and succession
- Foster a vibrant and diverse workforce providing the best employee experience



Measures

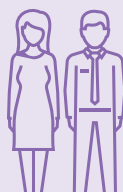
- Drive a total reward system that recognizes and incentivizes performance
- Promote staff well-being and wellness for a healthy workplace
- Enable career mobility and development paths across the Group
- Enable cross-functional staff engagement and connection

Staff Profile

Number of employees in Hong Kong:

- Full-time staff:

13,779



- Part-time staff (as full-time equivalent):

202

- Number of employees outside Hong Kong:

8,302



² Excluding PCPD employees.



We have in place comprehensive employment policies and procedures to ensure employees' rights and benefits, and offer competitive pay and career progression opportunities. These policies and procedures are formulated in accordance with all relevant laws and regulations, which include:

- The four ordinances of anti-discrimination (sex, disability, family status and race);
- Employees' Compensation Ordinance (Cap. 282);
- Employment Ordinance (Cap. 57);
- Factories and Industrial Undertakings Ordinance (Cap. 59);
- Inland Revenue Ordinance (Cap. 112);
- Mandatory Provident Fund Schemes Ordinance (Cap. 485);
- Minimum Wage Ordinance (Cap. 608);
- Occupational Retirement Schemes Ordinance (Cap. 426);
- Occupational Safety and Health Ordinance (Cap. 509); and
- Personal Data (Privacy) Ordinance (Cap. 486).

3.1 Employee Well-being

We promote work-life balance and implement measures to maintain the health and well-being of our employees.

Family friendliness

We offer flexible work arrangements to support employees in balancing their personal and professional responsibilities. Weekly working hours and staff rosters can be customized. We offer up to 14 weeks' maternity leaves and five days' paternity leaves to allow employees to spend more time with their newborns. Designated breastfeeding room is also provided in the office.

Health and well-being

Since 2019, we have been a signatory to the Joyful@Healthy Workplace Charter, launched by the Department of Health and the Occupational Safety and Health Council to cultivate a healthy working environment. Last year, we continued to organize talks and workshops on healthy eating, physical and mental well-being. Due to COVID-19, some of the health talks were switched to online mode, and the topics were based on staff opinions and their medical statistics.

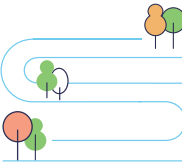
PCCW maintains a multi-story sports complex housing comprehensive facilities for employees and their family. Our Sports and Interest Group organize sports and recreational programs for our staff to enjoy. In 2020, it coordinated 18 staff sports teams ranging from Badminton to eSports and four interest groups such as picnic and hiking. We also teamed up more than 100 staff across departments to form PCCW-HKT eSports Team.

We provide healthcare benefits and services to safeguard our staff's health. Medical check-ups are provided for staff aged 40 or above. Our healthcare program also covers hospital and surgical benefits, an outpatient doctor plan and a supplementary major medical plan.

Financial wellness may be closely related to mental wellness. To demonstrate our commitment to strengthening financial literacy among our staff, HKT is a signatory to the Financial Literacy Charter and a Financial Literacy Strategy Supporting Organization of the Investor and Financial Education Council.

To assist staff with personal, family or work concerns, our Employee Assistance Programme provides 24-hour/7-day professional counseling hotline and emotional support.





Connecting with our staff

The Group publishes newsletters on the intranet on a regular basis to keep all staff up to date with the latest news and Group-wide business developments. Through face-to-face meetings, Let's Chat sessions and town-hall-style gatherings, our employees can share feedback and suggestions with senior management. The Joint Staff Council also provides staff and management with a forum to meet regularly and exchange ideas on operational efficiency, career development and training, working conditions and the provision of social activities and recreational facilities.

Staff Ambassadors Assembled

We have recently launched the Staff Ambassador Program in which staff will receive cash incentives for referring their families and friends to subscribe to or purchase PCCW and HKT's extensive range of products and services.



3.2 Occupational Safety and Health

We maintain high occupational safety and health standards across the Group through our Statement of Safety and Health Policy, which has been set out in accordance with the guidelines of Safety Management System since 2005. The Group's Occupational Safety and Health (OSH) committee is responsible for monitoring the OSH policy and reviewing it time to time.

Occupational Safety and Health Council's (OSHC) is invited to conduct safety audit every six months, benchmarking with Level 3 of Continual Improvement Safety Program Recognition of System (CISPROS). Our safety management system was considered as effective and efficient in the audit report.

We provide safety training to our new and existing staff regularly to strengthen their awareness on safe and healthy workplace behaviors. For example, they are required to report promptly to their immediate supervisors in case of any injuries and unsafe conditions.

Safety trainings include:

- Accident investigation skills
- Certificate of Competence in Display Screen Equipment Assessment
- Confined space training
- First aider training
- OSHC Internal Safety Auditor Training
- Safety inspection training
- Safety supervisor training
- Work-at-height training





In 2020, we offered 559 sessions of health and safety-related training to our staff.

We have appointed staff members as Designated Office Coordinators and Designated Fire Officers and First Aiders. These individuals conduct safety inspections to eliminate hazards and provide first-aid assistance in the event of an accident. Internal safety audits are arranged to evaluate individual BU safety management system and physical site condition regularly.

PCCW offers business travel insurance to all employees. Eligible employees are covered by our personal accident insurance against accidental death and/or permanent disablement for both work- and non-work-related accidents. Our work injury care program supports injured employees during their recovery and rehabilitation, including doctor consultations and treatments.

We maintained zero work-related fatalities among our staff. The number of lost days due to work injury in the past three years was as follows:

Year	Work-related fatalities	No. of lost days
2020	0	2,564 days
2019	0	2,465 days
2018	0	2,477 days

Last year, PCCW Solutions was awarded a Safety Performance Award in the 19th Hong Kong Occupational Safety and Health Award.

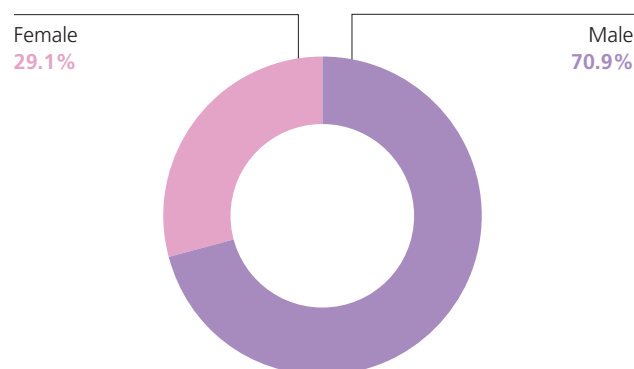
3.3 Talent Retention and Development

The Group supports its workforce through comprehensive talent development programs and succession planning, enabling our employees to grow and add value to our business.

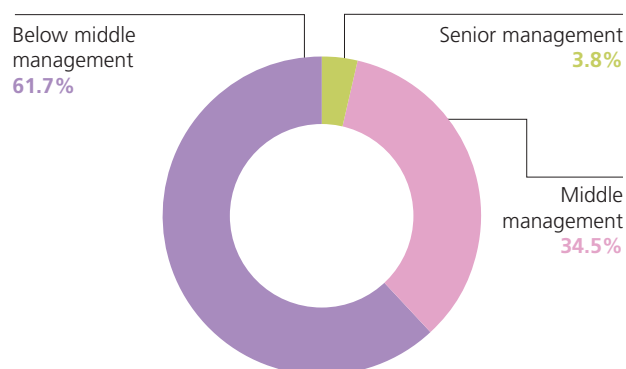
Training and development

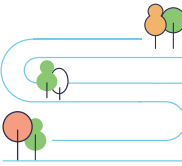
We conduct training and leadership programs for our staff to enhance their professional and personal development. During the year, we transformed classroom training to virtual experience through online platforms and webinars. In 2020, we provided 2,998 training sessions.

The percentage of employees trained by gender



The percentage of employees trained by employee category





Two in-house monthly training programs, the Supervisory Development Program and the Managerial Development Program, continue to strengthen the leadership and people management skills among our supervisors and leaders.

Our Future Leaders Development Program helps the middle-management level to enhance their innovative and entrepreneurial thinking.

PCCW also offers Graduate Trainee Program to groom high-caliber graduates to become future leaders in the technology sector. We recruit fresh graduates from the engineering, IT, customer service, sales, marketing, and media disciplines.

SLASH Innovation Platform



Committed to nurturing young talents, we initiated a new innovation platform called SLASH for our graduate trainees in 2020.



SLASH aims to foster cross-business unit collaboration and promote peer learning. Three hundred graduate trainees who joined between 2017 and 2019 were invited to submit creative ideas in one-minute videos, and the videos were then assessed and voted on by a Leadership Review Board and members of the SLASH community. The winning ideas might be turned into a business of the Group in the future.

We believe our young talents can get connected through the platform and be inspired with new ideas that ultimately drive our business forward. In the coming year, we will expand our platform for other employees to encourage the expression of innovative ideas.

To support students in their career planning, we have collaborated with Vocational Training Council (VTC) Group in offering internship opportunities at our engineering department through Earn & Learn Scheme since 2015. We also provide attachment opportunities for Hong Kong Institute of Vocational Education (IVE) Higher Diploma students in Engineering or IT disciplines.

We are currently revamping our human resources system and learning platform to further enhance the capabilities of our staff and facilitate developmental discussion between employees and managers. Also, we rolled out Robotic Process Automation (RPA) program last year to handle repetitive tasks, enabling employees to work on more value-adding works.





Talent attraction and retention

A Group-level performance appraisal system and incentive bonus schemes are in place to motivate and reward employees.

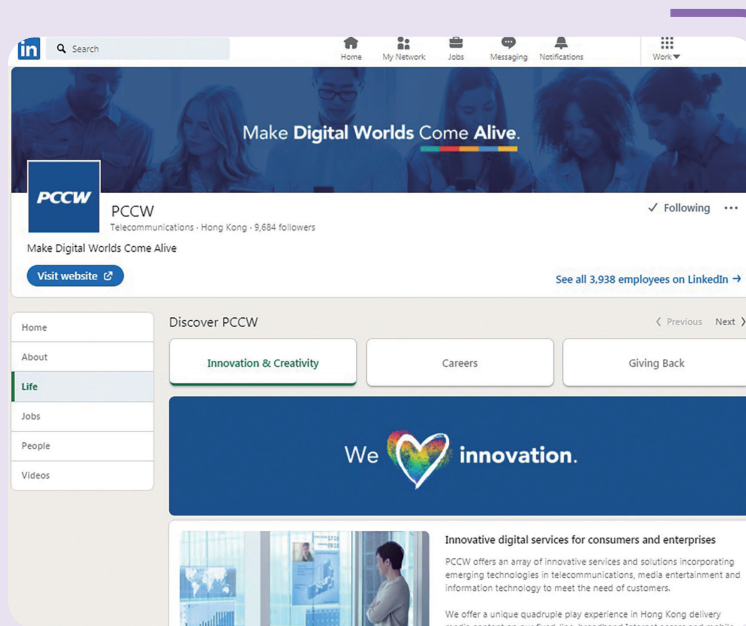
Turnover rate³



Launch of LinkedIn Page for PCCW

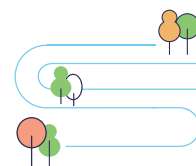
This year, PCCW launched its official page on LinkedIn, which is the biggest professional network in the world. Through the LinkedIn platform, we regularly share our business updates, corporate activities, information about our latest technology development and workplace culture, and job opportunities. The number of followers increased 39% in six months.

As we continue to expand beyond Hong Kong, the LinkedIn platform enables us to promote our employer brand to a wider group of business partners, job seekers and other stakeholders. We can also facilitate our recruitment process to identify, engage and acquire highly qualified and passionate professionals.



³ Turnover rate covers voluntary leavers only.



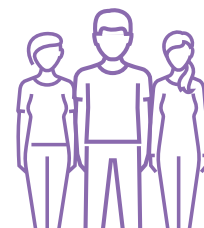


3.4 Diversity and Inclusiveness

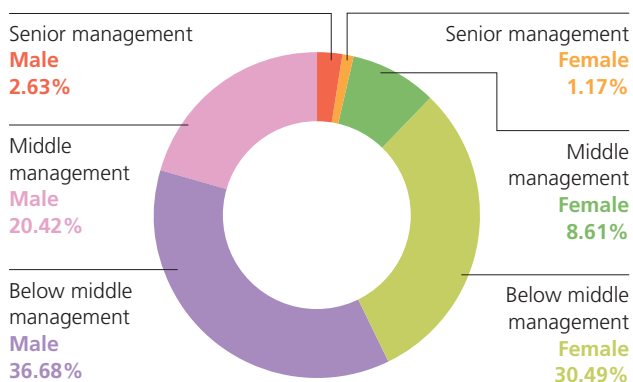
We embrace diversity and inclusion in the workplace. We have been a signatory to the Racial Diversity and Inclusion Charter for Employers under the Equal Opportunities Commission as part of our commitment.

PCCW's diverse talent pool comprises employees of 64 nationalities with various expertise and background. We are dedicated to providing equal opportunities for all employees in various employment aspects, including remuneration, recruitment, training and promotion. We prohibit all forms of discrimination based on gender, age, family status, sexual orientation, disability, race and religion. Around 30.86% of our leadership roles are currently filled by female colleagues. As of end of 2020, there were 34 people with disability working at PCCW.

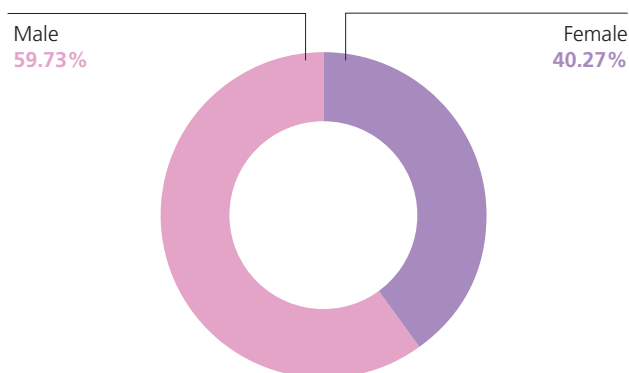
22,283 staff from
64
nationalities



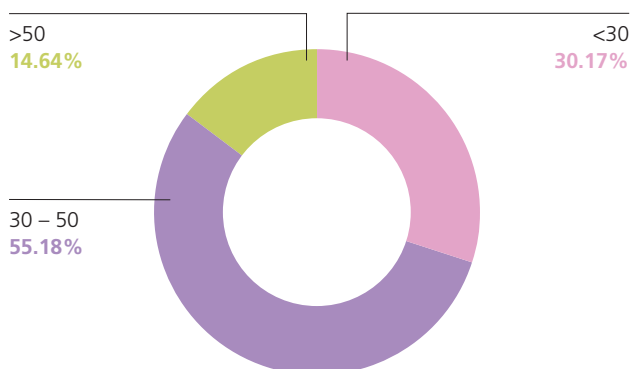
Total employees by employment type



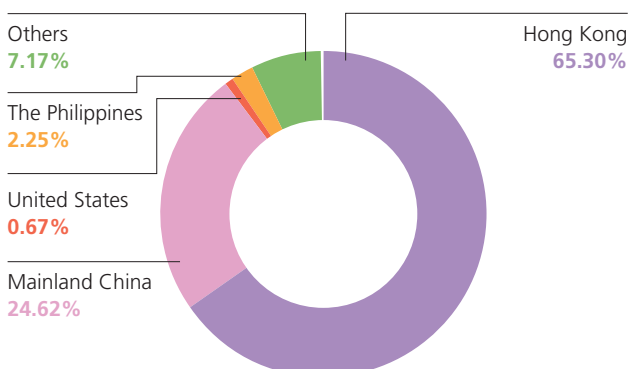
Total number of workforce by gender



Total number of workforce by age group



Total number of workforce by geographical location



4. OUR ENVIRONMENT

PCCW has made continuous efforts to build a more sustainable business and help address the threat of climate change. We have adopted a wide range of mitigation and adaptation measures on energy saving, waste management, sustainable use of resources and green ICT solutions to help achieving a low-carbon economy.

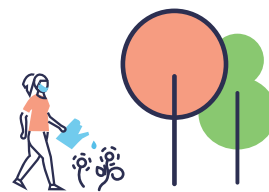
We conduct our businesses in accordance with the applicable environmental laws and regulations. These include the Energy Efficiency (Labelling of Products) Ordinance (Cap. 598), the Product Eco-responsibility Ordinance (Cap. 603), the Product Eco-responsibility (Regulated Electrical Equipment) Regulation (Cap. 603B), and the Buildings Energy Efficiency Ordinance (Cap. 610). We have also established internal standards such as the Energy and Water Management Policy and Guidelines, Gas Emission Reduction Policy, and recycling procedures and programs.

Objectives

- Minimize energy consumption and greenhouse gas (GHG) emissions
- Promote responsible waste management
- Help employees and customers become more environment-friendly

Measures

- Modernize exchange buildings, equipment and infrastructure
- Upgrade and electrify our fleet
- Promote recycling
- Develop green ICT solutions to optimize and reduce resource consumption



Environmental performance highlights

Total GHG emissions:

237,703
tonnes CO₂-e
(↓ 2.70%)



Electricity consumption:

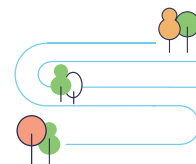
371,067,770
kWh
(↓ 3.15%)



General waste disposal:

766.61
tonnes
(↓ 9.73%)





4.1 Climate Change and GHG Emissions

Climate change can significantly affect our business operations if the climate-related risks are not assessed properly. An increase in temperature may lead to higher electricity consumption for cooling and extreme weather events such as super typhoons may result in financial loss and cause physical damage to our submarine cables and other infrastructure. We recognize the importance of reducing our carbon footprint and enhancing energy efficiency in our daily business operation to combat climate change. Our Environmental Advisory Group meets regularly to evaluate our sustainability agenda, and the Risk Management, Controls and Compliance Committee constantly assesses the impact of climate change, which is currently considered an emerging risk to the Group. Further actions will be taken if such risk becomes a significant threat to our business, environment and customers.

We have been voluntarily disclosing our carbon emission data to the Carbon Footprint Repository for Listed Companies in Hong Kong since 2014. Launched by the Environmental Protection Department, the repository encourages listed companies to disclose their GHG emissions and the carbon reduction measures implemented.

To mitigate the effects of global warming, we have been using eco-friendly refrigerants in new air-conditioning systems. We have also been following the guidance of the Montreal Protocol to phase out ozone-depleting hydrochlorofluorocarbons (HCFCs).

HKT Secures its First Sustainability-linked Loan



We strive to embed sustainability values into its business strategies. In March 2020, we signed two sustainability-linked loan facility agreements with HSBC and MUFG Bank, Ltd. respectively, which are the first series of HKT's sustainability-linked loans. The interest margin of the loans is linked to certain sustainability performance targets. Apart from supporting the development of sustainable financing, we are determined to drive long-term sustainability improvement and reduce the climate impact of our operations.

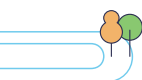
Improving energy efficiency

The most energy-consuming facilities are our infrastructure, exchange buildings, telecom and IT equipment, and offices. We have set a policy for optimal temperature environments between 24°C and 26°C at offices, buildings and general facilities. We also review our exchange buildings' management systems and energy consumption quarterly, and minimize electricity consumption by upgrading equipment and facilities.

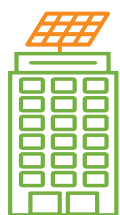
We have adopted the following measures:

- Phase out old legacy equipment by using new systems with improved energy efficiency
- Replace fluorescent tubes with LED lights
- Install LED lights at new premises
- Install occupancy sensors for lighting control in staircases and carparks
- Replace air-cooled chiller with water-cooled type
- Review and adjust the operating control of chiller systems
- Modernization of lifts
- Switch off non-essential display monitors in the 24-hour operation center
- Shorten the operating hours of air conditioners in some offices
- Consolidate duty staff to centralized working areas on Saturdays and public holidays





PCCW Solutions data centers are designed and maintained to the highest level of environmental standards. All power supplies including Uninterruptible Power Supply (UPS), air-conditioning systems, backup generators and other electrical and mechanical signaling services for our facilities have adopted the most advanced environmentally friendly technologies and measures. Our efforts in the data center are recognized by the Leadership in Energy and Environmental Design (LEED) Platinum accreditation and ISO 14001 certification for Environmental Management System. We have continuously improved our Data Center Power Usage Effectiveness (PUE) to achieve best-in-class level in the region.



In addition to conserving energy, we have joined CLP's Renewable Energy Feed-in Tariff (FiT) Scheme to help promote the use of renewable energy. Last year, feasibility studies were conducted for site selection, and capital expenditure approval had been obtained for two pilot projects on solar panel system. Solar panel system would be built on the rooftop of our Tin Sui Wai Exchange and Junk Bay Exchange, generating up to a total of 115MWh of electricity annually when fully implemented. Going forward, we will further explore the possibility to adopt solar panel systems in more places.

We have been a signatory to the Charter on External Lighting since 2016. In addition, we also continued to join the Energy Saving Charter and has pledged to adopt energy-saving practices in our exchange buildings and the shops of csl, 1010 and HKT.

With our concerted efforts, the Group's electricity consumption was reduced by more than 12GWh in 2020.

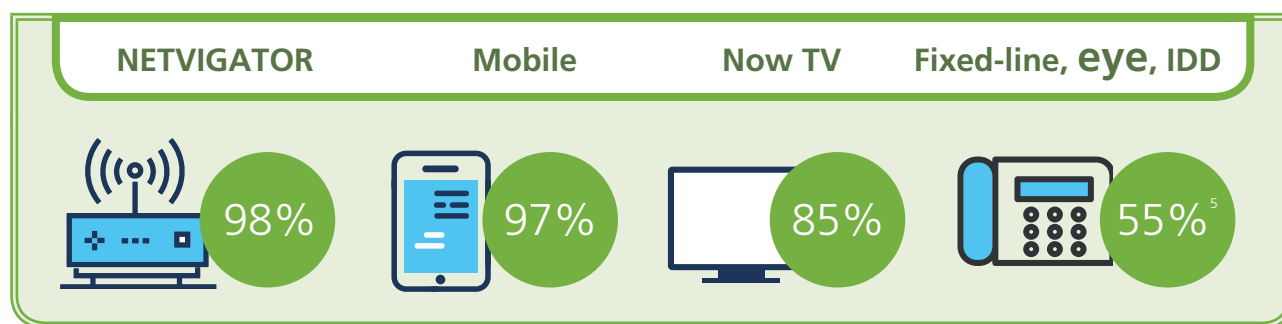
In 2020, 19 old vehicles were replaced with 18 Euro 6 vehicles and one electric car, leading to a potential reduction of 3.69 tonnes of CO₂ emissions per year. We plan to further phase out 17 vehicles, which account for some 7.5% of our fleet, in the next three years.

4.2 Sustainable Use of Resources

We strive to be a good steward of natural resources and adopt green operations practices whenever possible. Electronics, packaging and general waste are the main sources of waste generated throughout our operations and value chain.

Paper use

Throughout the years, we have continued to promote digitalisation among our customers. In 2020, we saved over 48 million sheets of paper by encouraging our customers⁴ to accept electronic bills for our various services. The percentage of customers using e-billing are shown as below:

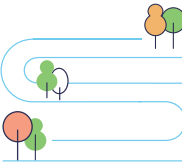


As copy paper is a major source of paper consumption in the Group, we use paper certified under the Programme for the Endorsement of Forest Certification (PEFC) as copy paper and paper for bill printing.

⁴ This refers to consumer customers.

⁵ E-bill service was first offered to fixed-line, eye and IDD customers in November 2016. The percentage of customers opting for e-bill increased from about 30% in 2017 to 55% in 2020.





Waste management

We follow the principle of waste hierarchy, including reuse, recycling, reprocessing and responsible waste disposal, in order to better manage the waste generated. We regularly evaluate the effectiveness of our waste management approach, recycling programs and activities to determine the best option that creates minimal impact on the environment. In our telephone exchange buildings and offices, waste water from water-cooled condensers is used for flushing.

Strict waste management instructions are put in place to ensure proper waste disposal. Hazardous waste such as fluorescent tubes, industrial batteries, waste electrical and electronic equipment (WEEE) and general office batteries are handled by approved chemical waste collectors and specialist contractors, while non-hazardous waste are handled by professional cleaning service providers and contractors in compliance with local regulations. The two main types of non-hazardous waste include general office waste and construction waste from the renovation of our retail outlets. Our office furniture is reused following shop relocation and renovation whenever possible to minimize waste generation.

Since 2019, we have collaborated with Hong Kong Battery Recycling Centre (HKBR) to recycle waste lead acid batteries. HKBR is the first facility in Hong Kong that is licensed to recycle waste lead acid batteries locally.

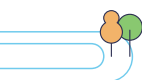
E-waste management

To align with the Government's initiative on Producer Responsibility Scheme on WEEE, PCCW provides removal services for our customers whenever they purchase regulated electrical equipment. The collected waste equipment is sent to certified recyclers for proper treatment to achieve resource recovery. In 2020, we helped customers remove more than 800 pieces of WEEE.

We have introduced in our retail shops a trade-in and preliminary valuation service to encourage customers to reduce waste generation and promote a circular economy when they change their mobile devices.

In addition, we collected and recycled 5,023 old mobile handsets and accessories in 2020 from customers for donation to Caritas Computer Workshops.





Recycling and reuse

We encourage our customers and colleagues to recycle and reuse waste materials by conducting various recycling programs. These materials include toner and ink cartridges, scrap materials, copper, iron and steel, mobile phones and accessories, and paper. We complement our recycling efforts by donating obsolete IT products such as computers and printers to charitable organizations.

Recycled items	2018	2019	2020	Change (2020 vs 2019)
Toner and ink cartridges (pieces)	1,762	1,808	1,454	↓ 19.58%
Scrap materials				
• Sim cards ⁶ (pieces)	729,913	N/A	N/A	N/A
• Other materials (pieces)	300,201	230,145	191,026	↓ 17.00%
Copper (tonnes)	15.57	18.67	13.53	↓ 27.53%
Iron and steel (tonnes)	7.37	7.71	12.70	↑ 64.72%
Paper (tonnes)	156.02	129.53	113.59	↓ 12.31%

In 2020, we won the “Friends of EcoPark” Award for our contributions to waste recycling and recovery.

4.3 Green ICT Solutions

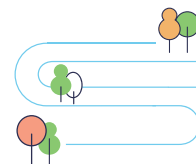
We embrace digital transformation by incorporating green elements into our products and services, which helps our consumers and corporate clients attain eco-friendly lifestyles and business solutions.

We have been providing users in residential, commercial and industrial areas with electric vehicle (EV) charging services since 2016. Smart Charge has already provided technical proposals on building a complete EV charging infrastructure for more than 400 residential car parks. To support and facilitate the Government’s EV-charging at Home Subsidy Scheme applications of building management offices (BMOs) and incorporated owners’ committees (IOCs), we will provide free site inspection and pre-assessment. A series of webinars, case studies and practical tips will also be offered to the BMOs and IOCs to help them identify and address any questions and difficulties that they may encounter during the installation and subsequent operation of the EV charging infrastructure.



⁶ In 2018, the Group disposed of large quantities of outdated SIM cards for recycling, which contributed to the large number reported. No such exercise was conducted in 2019 and 2020.





Partnering with different parties, Tap & Go launched campus mobile payment services in the new school year in September, offering great convenience and security. Parents can order meals and buy textbooks for their children, receive and sign e-notices from schools, and settle school fees online. Our mobile payment services helps reduce a significant amount of paper and administrative procedures for parents, schools and other related parties.

HKT has provided green building solutions to enable enterprises to realize their green visions and achieve a sustainable future. In a project, HKT will build the ICT infrastructure and tailor-make a smart Wi-Fi portal and analytics platform for an office and a retail development, providing a solid infrastructure for smart and green building development. In another project, HKT will take part in retrofitting a building. By deploying comprehensive Internet of Things (IoT) and energy management solutions, it will greatly improve the energy efficiency of the building and facilitate the enterprise to attain the LEED Gold certification.

HKT also took part in a project to optimize operations and enhance occupant experiences for more than 200 properties managed by a real estate management firm. More than 4,000 IoT sensors were installed in different areas of the buildings to monitor temperature, humidity, air quality, security or water leakage. Data collected are visualized in a centralized digital dashboard, enabling the company to uplift operational efficiency and reduce energy consumption.

4.4 Employee Environmental Awareness

We actively promote environmental awareness among our employees through various staff communication channels, as well as encouraging them to participate in green activities.

PCCW has been a signatory of the “Green Mid-Autumn Festival Food Saving Pledge” initiated by Food Grace since 2018. During the year, we collected surplus mooncakes for the needy, especially low-income families and elderly persons living alone.

We continued our support to WWF Earth Hour by switching off signage lighting in 11 office buildings, exchanges and shops for one hour on March 28.

Our Environmental Protection Volunteer Group was established more than 20 years ago. Although most outdoor activities were cancelled due to COVID-19, we organized an online green talk to raise colleagues’ awareness on plastics pollution.

We believe effective communication channels are vital to deliver the messages of environmental protection to our employees. We regularly publish a column Green Matters in our internal newsletter to share green tips and inform our colleagues about the latest environmental initiatives or trends. A dedicated email address collects feedback and suggestions from colleagues for further improvement.





5. OUR COMMUNITY

PCCW is committed to creating a positive social impact in our community through a variety of community service initiatives. We continuously identify and support social causes through financial donations and in-kind contributions, education and corporate volunteering services.

Objectives

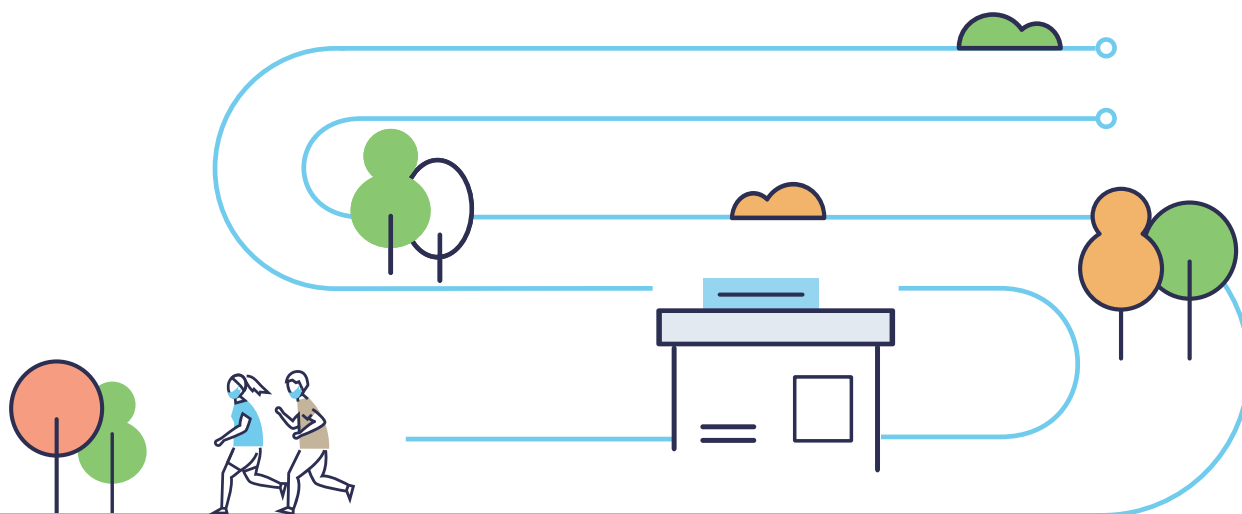
- Support vulnerable and underprivileged groups
- Digital empowerment
- Leverage technology to improve quality of life
- Response to community needs amid COVID-19

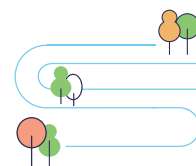


Measures

- Corporate volunteering in community service projects
- Telecom services sponsorships
- Programs and workshops for the youth and the elderly
- Initiatives to support smart city evolution

Guided by the Group's CSR policy, we focus on addressing the needs of local communities. We partner with charitable organizations, utilizing our resources and ICT expertise to support underprivileged groups and build a more inclusive society. We also utilize technologies in promoting active and smart ageing and enabling students and youth to engage in the digital world.





Our work in the community

Due to the COVID-19 outbreak, several community service programs were cancelled or postponed to help control the spread of the pandemic.



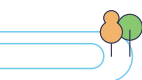
5.1 Community Engagement

Our Corporate Volunteer Team is composed of our employees, their family members and company retirees, who have been working together to build a better community for the past 25 years. In 2020, they contributed over 3,300 hours of service to create a positive impact. This was lower than that in 2019 because of the COVID-19 pandemic. Despite the reduced volunteering activities, we swiftly responded to COVID-19 by offering various support to the community, which we have covered in the “Our Responses to COVID-19 Pandemic” chapter.

At PCCW, we recognize our staff volunteers’ valuable contributions through our annual Volunteer Award Ceremony. We also have a Volunteer Appreciation Scheme in place to encourage employees to join community services by awarding up to two days of volunteer leave every year.

In 2020, our Corporate Volunteer Team earned several accolades:

- The Social Welfare Department’s Steering Committee on Promotion of Volunteer Service once again presented us the Award for 10,000 Hours of Volunteer Service. The team also won the Merit of Highest Service Hour Award 2019 (Private Organizations – Category 1).
- PCCW continued to be awarded the 15 Years Plus Caring Company Logo by the Hong Kong Council of Social Service’s Caring Company Scheme, in recognition of our having been a caring company for 18 years.
- PCCW received the Social Capital Builder Logo Awards from the Labour and Welfare Bureau’s Community Investment and Inclusion Fund (CIIF).



Community service highlights in 2020

We provide a large variety of community services to different beneficiaries including the elderly, students and youth, children, the jobless/homeless, people with disabilities and other groups, through collaboration with community partners such as the Government, NGOs, academic institutions and other businesses. In 2020, the Corporate Volunteer Team ran 20 ongoing and special programs in partnership with charitable organizations and social service groups.

Long Service Awards Received by Our Staff

Last year, five of our volunteers with over 20 years of volunteer service received the Long Service Awards of the Social Welfare Department. Among others, Ms. Tracy Wong, who retired in 2020, has volunteered for 30 years. In particular, she actively participates in balloon twisting volunteer services and mentorship schemes. Her son is also our employee and the awardee of Long Service Award (20 years).



"Inspired by a social worker, I started volunteering when I was in secondary school. I learnt to work as a team and bond with the beneficiaries. Now, my whole family loves to participate in volunteer activities. It is great as we spend more time together while helping others. I decided to bring along my son Kevin when he was 6 years old so that he could understand what I enjoy doing!"

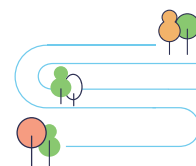
Tracy Wong
Awardee of Long Service Award
(30 years)



"Serving others in need makes me more confident. It is also a precious and valuable experience to listen to the stories of the beneficiaries. The most precious thing for me as a volunteer is that I can share my happiness with other people."

Kevin Choy
Awardee of Long Service Award
(20 years)



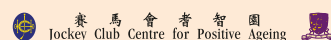


Club Hope Online CSR Platform



In September, HKT introduced a long-term online CSR platform, Club Hope, aiming to increase public awareness of communities in need and raise funds for them. Currently the platform supports 13 charity organizations in the following categories:

- Animal Welfare
- Disability and Special Needs
- Eco and Social Caring
- Elderly Care
- Music and Arts



Kindling a flame of hope in the community, Club Hope creates an innovative game-based environment to encourage people to show love and care, and contribute much-needed funds to community initiatives. Participants whose contributions reach a specified amount in a quarter will receive rewards, such as cash coupons, free data and entertainment services. Members of the public can support via credit cards or Clubpoints by purchasing the charities' merchandise, or support the charities via one-off or monthly contributions.

Going forward, HKT hopes to invite more charities to Club Hope and motivate more people to show generous support to the needy through action.



The elderly

- We provided Virtual Reality workshops to the seniors at two nursing centers in Kwun Tong.
- The Group has been supporting the Dragon Boat Festival Elderly Care Programme for 18 years. In 2020, over 80 volunteers delivered rice dumplings and anti-pandemic items to the elderly residents living in Wong Tai Sin.
- More than 100 volunteers made 3D greeting cards and distributed positive and cheerful messages to 500 seniors through SAGE Chai Wan District Elderly Community Centre.
- HKT Elderly Hotline offers timely technical support to the senior citizens aged 65 or above, helps with contracts and bills, as well as service relocation. Special concessions for home phone, broadband and mobile services are available for eligible applicants from low-income families.
- csl will provide 120 phones and unlimited local voice and data to the elderly serviced by the Neighborhood Advice-Action Council and Mighty Oaks Foundation in February 2021 for two years. Training sessions for phone usage will be held by a group of secondary school students.

Partnership with Lingnan University to Promote Smart Elderly Care Services

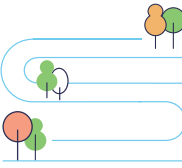
In October, HKT announced a collaboration with Lingnan University (LU) to promote gerontechnology in support of smart ageing and social entrepreneurship development in Hong Kong through two featured programs.

HKT will promote gerontechnology among the public by demonstrating numerous innovative solutions dedicated for elderly care centers at LU Jockey Club Gerontech-X Lab. Solutions including health monitoring, accident prevention and rehabilitation aim to improve the quality of life and well-being of the elderly.



Besides, HKT is a contributor of Social Enterprise Intelligent Hub, a cloud-based resources platform that connects different stakeholders in society for resource-sharing through e-collaboration and project coordination, and for the transfer of knowledge on smart living through the application of big data. HKT will exchange knowledge with various stakeholders to encourage further exploration of gerontechnology and smart ageing, as well as provide consultancy services for the hub.





Children and youth

- The Group supports the mentorship program 2020–2022 of Child Development Fund organized by Lok Sin Tong. Staff volunteers become the life guides of Primary 4–6 students of two primary schools to widen the participants' horizons, providing guidance and companionship throughout the three-year program.
- We collaborated with Po Leung Kuk Life Planning and Financial Education Centre to organize Founding a Caring World for Children with Community activities for Primary 5 students to learn to build a society with compassion.
- HKT donated 500 sets of Adobe Creative Cloud to Caritas Institute of Higher Education and Caritas Institute of Community Education. With the software, students can develop their artistic potential.

Help Grassroot Kids Connected



Recognizing the impact brought by COVID-19 to the local economy, it is more important than ever to help students who are economically challenged to get access to the Internet. We are supporting Caritas Hong Kong's Caritas Grassroots Connected Programme by providing a one-year broadband service to 1,000 low-income families to help address the difficulties faced by students living in subdivided flats in online learning.

The program covers districts with a large number of subdivided units, such as To Kwa Wan, Sham Shui Po and Tsuen Wan, enabling the beneficiaries to have access to online learning.

People with disabilities

- Our staff volunteered at the Cheshire Home in Sha Tin to teach residents to use computers and the Internet.
- We partnered with the Salvation Army PATH Centre to launch Teen Hey Buddies Mentorship Programme, providing different workshops to people with autism.

Environmental protection

- Our volunteers participated in Waste Hunting in the Wild to collect trash at Shing Mun Reservoir. The event, organized by Green Earth, aims to recover the beauty of nature.

Others

- HKT collaborated with Hong Kong Council of Social Service to replace the analogue TV with digital TV for low-income and elderly households under the Community Care Fund Digital Television Assistance Programme.
- PCCW colleagues participated in the Hong Kong Cancer Fund's Dress Pink Day to increase awareness of breast cancer and raise funds for cancer care services.
- PCCW received the Bronze Award of Give Blood Alliance from the Hong Kong Red Cross Blood Transfusion Service.

Free Telemedicine Service

Amid the ongoing pandemic, we observed the difficulties faced by the underprivileged groups and are dedicated to spread our love and care to them. Leveraging our safe and convenient one-stop telemedicine platform DrGo, HKT partners with FWD Insurance and Union Medical Healthcare (UMH) to offer free DrGo telemedicine service to 400 underprivileged families serviced by Hong Kong Caritas Youth and Community Service who live in subdivided flats and/or remote areas. The offer, announced in December, includes video consultation provided by UMH, up to three days' supply of standard medication prescribed by a general medical practitioner, and one-time delivery.

With DrGo, the beneficiaries could reduce their need to go out and hence the risk of getting infected during the pandemic. It could also encourage those who are reluctant to visit a clinic due to cost constraints to seek medical assistance, ensuring the symptoms could be diagnosed and medical treatment are provided in a timely manner.



Philanthropic Sponsorship

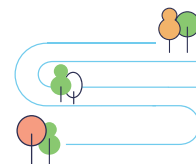
We support charities and other organizations sharing the same goals through sponsorships and donations. In particular, last year we helped the community to face the challenges brought by COVID-19 via various initiatives including offering free mobile data and broadband service. In 2020, the Group made over HK\$24.5 million in monetary donations and in-kind sponsorships⁷. Some regular sponsorship for hardware and communications services⁸ included:

- Telephone hotlines support for the fundraising TV shows of the Tung Wah Group of Hospitals, Yan Chai Hospital and Yan Oi Tong
- Scholarships and bursaries to six local universities to support students of computer science, IT and related disciplines for the academic year
- Sponsorship to the consultation services hotlines for The Samaritan Befrienders Hong Kong, Hok Yau Club, Hong Kong Children & Youth Services, Hong Kong Sheng Kung Hui and Tai Hang Youth Centre
- Sponsorship of the 2020 Hong Kong Outstanding Youth Volunteers Scheme, organized by the Social Welfare Department's Steering Committee on Promotion of Volunteer Service

⁷ COVID-related support to the business sector is not included.

⁸ Initiatives related to COVID-19 are reported in the "Our Responses to COVID-19 Pandemic" chapter.





5.2 Digital Empowerment

PCCW strives to utilize its expertise and resources in digital technologies to conduct various research and development (R&D) projects related to smart city initiatives, cloud applications, big data analytics and AI, cybersecurity, and mobile network innovations.

HKT Innovation Lab

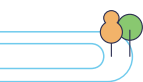
We launched the HKT Innovation Lab (InnoLab) in November to drive innovation and R&D on products and services by leveraging the latest technology advancements through our extensive partner ecosystem. The InnoLab is the first indoor 5G site setup in Cyberport and this platform is open to nearby startups and enterprises for testing.

The main objectives of the InnoLab are:

- Inspire – To share new ideas and showcase the latest innovative products and services
- Accelerate – To focus on developing minimum viable products and proofs of concepts that practice lean startup methodology
- Collaborate – To partner with industry and technology alliances for early-stage experimentation and business development with our leading 5G and fiber-optic connectivity
- Intellectual property – To commercialize innovation and R&D into business opportunities for large-scale application and market adoption

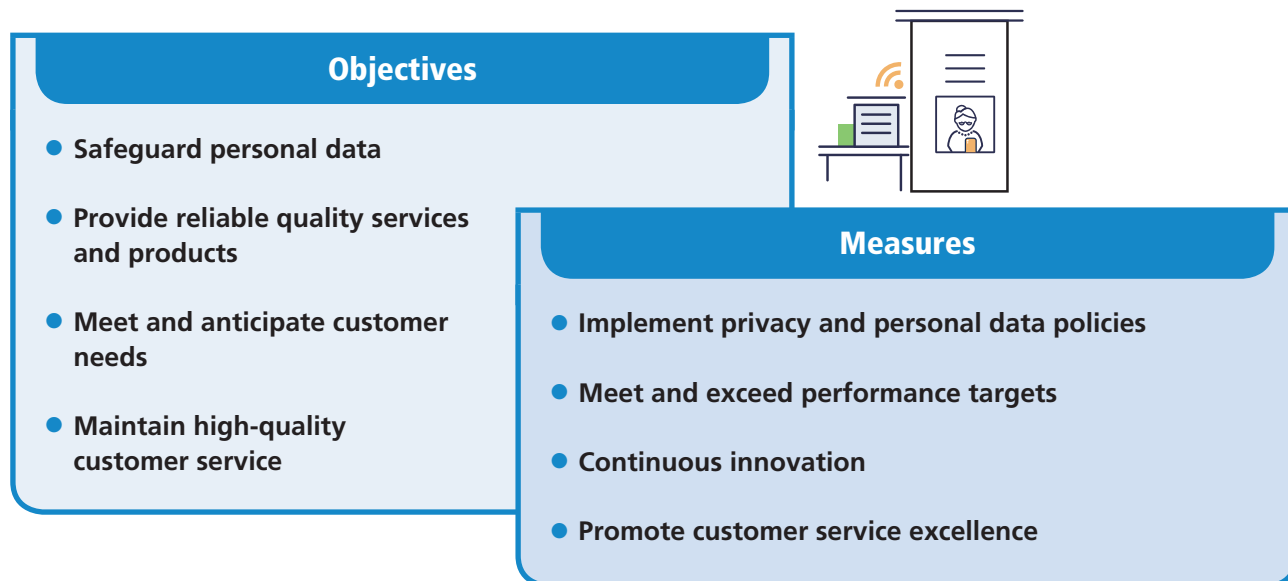


We also collaborated with Microsoft Hong Kong and Hong Kong Cyberport to launch Microsoft 5G IoT Makerspace, which integrates an IoT experience zone with makers workspace to inspire and enable Hong Kong start-ups to explore and experiment their IoT solutions through utilizing HKT's 5G network and Microsoft's technologies.



6. OUR CUSTOMERS

To build a long-term relationship with customers, PCCW endeavors to provide exceptional customer experience, high-quality products and services, including fixed-line, broadband, mobile communication, media entertainment and other innovative service offerings. We also strive to enable our customers to make informed decisions by providing accurate and transparent information of our products and services.



We have in place stringent internal policies on customer privacy, labelling and advertising. We regularly monitor relevant new laws and regulations so that we can communicate them timely to the responsible operational units.

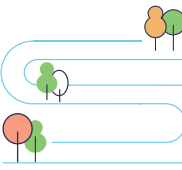
During the reporting period, there were no non-compliance cases regarding relevant laws and regulations, including but not limited to the Personal Data (Privacy) Ordinance (Cap. 486), the Telecommunications Ordinance (Cap. 106), the Broadcasting Ordinance (Cap. 562) and license conditions and code of practice issued by the Office of the Communications Authority (OFCA).

6.1 Customer Data Privacy and Security

We uphold the highest standards in protecting customer data privacy. Addressing privacy concerns, legal requirements and stakeholder expectations, we have established internal policies, procedures and compliance guidelines that govern how we collect, use and manage customers' information. These policies and guidelines clearly define the roles and responsibilities of our staff in handling personal data and incorporating an appropriate level of security measures to achieve confidentiality, integrity and accountability, and are reviewed annually to ensure PCCW is up to date with regulations, technology and industry best practices. In 2020, there was no known issue of non-compliance in this area.

PCCW works with data protection authorities around the world and follows their data protection principles to ensure our customers enjoy individual's privacy rights.





Some of our BUs and functions have attained the ISO 27001 accreditation for their information security management systems, enabling us to align our data security measures with international standards. To promote our employees' awareness, we make training sessions on both data security and privacy compulsory for our new staff during orientation. Employees with access to personal data are also provided with annual refresher privacy training. External cybersecurity awareness training and exercise (e.g. phishing test) are also held.

The Group Information and Cyber Security Council (GICSC) oversees all cybersecurity-related initiatives, investments and ongoing maintenance pertaining to the protection of the Group's core network, servers and endpoints. The Council will directly report to the top management on any matter requiring escalation.

Dedicated teams under Group Risk Management and Compliance oversee technology risk management and data privacy compliance across the Group. The teams are responsible for maintaining robust controls to provide practical and prompt response on cybersecurity issues, enhancing proactive measures and investment in security management.

During the year, the Group set up a Data Breach Response Plan to enhance the escalation of data breach handling while enabling prompt notification to stakeholders. This is a device to generate immediate responses and formulate strategic measures when encountering any suspected data breach.

Information security and management

PCCW's management assesses business strategy, new technologies, customer concerns and relevant industry developments to identify and manage emerging risks. The Group Information and Cyber Security Office (GICSO) is responsible for reviewing the overall cybersecurity risk profile and monitoring suspicious traffics and activities. Through observing the latest development on cybersecurity, we continuously enhance our policies and invest in new capabilities including technologies for responding to identified cybersecurity challenges in a timely manner. We conduct Data Protection Impact Analysis (DPIA) before entering any new country or introducing any new product or service. The DPIA results not only identify the data privacy risks existed in the business process and provide basis for assessing and implementing the corresponding risk mitigating controls, but also ensure our compliance with all data-protection obligations.

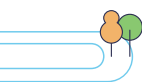
In 2020, the Group also progressively extended the coverage of our next-generation endpoint protection solution across the Group to further enhance data security. Anti-virus software, network behavior tools, threat intelligence exchange and advanced threat defense infrastructure are also in place to ensure cybersecurity.

Cybersecurity measures for customers

We provide NETVIGATOR SHIELD cybersecurity service for our broadband customers to protect IoT devices against phishing, malicious sites and potential botnet connections. Cybersecurity incidents are closely monitored by our network engineering team and responsive actions will be taken when necessary.

We also provide NETVIGATOR customers with regular updates on identifying suspicious contents and activities through the Safe Internet Tips and Customer News channels to enhance customer awareness on cybersecurity. Updates are regularly posted on our NETVIGATOR website and customer service Facebook pages to alert customers to the latest cyberattacks, potential scams or phishing activities. We also post messages to raise customer awareness of phone scams and remind them to contact us if they receive any suspicious phone calls claiming to be from HKT.





6.2 Reliable and Responsible Services and Products

To offer safe, well-tested and reliable services and products, PCCW follows a set of systematic and stringent quality management procedures. We have designated teams specializing in the development and management of customer services and products. We also endeavor to ensure compliance with the OFCA requirements at all times.

Our service and product quality processes are accredited for a number of international standards, including ISO 9001:2015 (Quality management systems); ISO 20000 (IT service management), ISO 27001 (Information security management) and TL 9000 (Quality management system for the telecommunications industry) for fixed voice, broadband, data and wireless services; and ISO 27017 (Code of practice for information security controls for cloud services) and ISO 27018 (Code of practice for protection of personally identifiable information (PII) in public clouds for cloud services). These quality and information management systems enable us to align with international best practices across various functional units, including fixed and wireless network planning and operation, cloud application and development, and field services and project management.

PCCW Solutions is committed to providing a stable, reliable and high-performing data center network to customers. Our MCX10 Data Center in Kwai Chung is Uptime Institute Tier III certified. The core infrastructure of our data centers provides full resilience for Internet connectivity via Data Center Interconnection (DCI) network. The DCI network consists of fiber connections distributed in multiple locations including Hong Kong. Our redundant network architecture ensures that our data centers have back up in case of incidents. Moreover, our data centers are equipped with up-to-date Distributed Denial-of-Service (DDoS) mitigation system to protect our customers against DDoS attack, a very common cybersecurity threat.

In 2020, we completed the full migration of local line services from digital switching technology to next-generation network (NGN) technology for more reliable services.

To monitor our products and services quality, we have established corresponding performance indicators in different functional units:

	Performance target	Actual performance in 2020
csl		
Network reliability ⁹	99%	100%
Service restoration ¹⁰	< 60 minutes	100%
NETVIGATOR		
Network stability ¹¹	99.99%	99.993%
Service restoration ¹²	99%	99.853%

Our professional team plays an important role in upholding the quality of our services and products. In 2020, 27,340 hours of internal and external training were offered to 2,588 technical staff in the engineering team, so that they can keep abreast of the latest industry trends and developments.

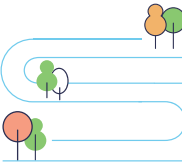
⁹ Availability of the core network or core network uptime in a set observation period.

¹⁰ Mean time for recovering a fault in the core network following its discovery and identification.

¹¹ Availability of broadband network.

¹² Provide restoration of services for customers within two calendar days.





We also encourage our employees to obtain professional certification and accreditation in their technical fields. As at the end of 2020, our engineers have 2,880 professional certificates and institutional memberships.

Service accessibility

PCCW demonstrates commitment to promoting social inclusion and empowerment through extending the availability of services to different groups.

By the end of 2020, HKT's Fiber-to-the-Home (FTTH) already covered 89.5% of Hong Kong's households and fiber has been installed in over 680 remote rural villages to provide reliable broadband services.

Last year, HKT was awarded three projects under OFCA's Subsidy Scheme to Extend Fiber-based Networks to Villages in Remote Areas, covering villages across the Tai Po District, Sai Kung District, Lamma Island, Lantau Island, Cheung Chau and Peng Chau, which will benefit around 97 villages.

To offer reliable and extensive wireless telecommunication services, we possess the largest amount of mobile radio spectrum in Hong Kong, covering more than 3,000 sites, all transportation tunnels and railway lines, and indoor and outdoor areas in major universities.

Besides, we offer around 22,000 Wi-Fi hotspots in Hong Kong, extensively covering locations such as convenience stores, restaurants, MTR stations and public phone kiosks.



FTTH coverage
89.5%



Number of Wi-Fi hotspots
in Hong Kong around
22,000

PCCW mobilizes resources to address special needs of the vulnerable groups in society by developing innovative and beneficial products and services. We also provide barrier-free facilities such as portable ramps and implement other accessibility measures in shops for the convenience of the disabled.



HealthTech Platform DrGo

In August 2020, HKT launched DrGo, a brand new end-to-end app-based HealthTech platform in Hong Kong, connecting users with registered doctors who provide medical consultation and advice via video consultation. Prescribed medicine will be delivered to the patient's designated address.

DrGo not only serves a growing need in the community but also contributes to Hong Kong's continued development into a smart city. DrGo enables users to get access to a one-stop medical consultation via their mobile devices, without the need to make a physical visit and queue at a hospital or clinic. Remote consultation provides sense of ease and convenience, which is particularly important at a time when social distancing is critical during COVID-19 pandemic.

We are also exploring opportunities of HealthTech for applications in hospitals, clinics and universities. Utilizing technologies of 5G, IoT and AI for big data analytics, We will continue to support medical research, disease prevention and diagnosis.

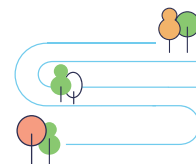


Accelerating Fintech Innovation

The Group supports the innovative transformation in banking industry. In September 2020, Mox Bank Limited ("Mox"), a virtual banking joint venture consisting of PCCW, HKT and corporate partners, was officially launched to everyone in Hong Kong. Mox aims to deliver a new customer experience of smarter banking, saving and spending in a seamless and secure way, as well as promoting financial inclusion in Hong Kong.

In May, we launched a new FinTech initiative – HKT Flexi, a digital financing platform. HKT Flexi further collaborated with HKT Payment to launch Flexi Flash service in December, enabling customers to obtain instant funds on their Tap & Go mobile wallet, offering customers a seamless digital experience to manage their cash flows.



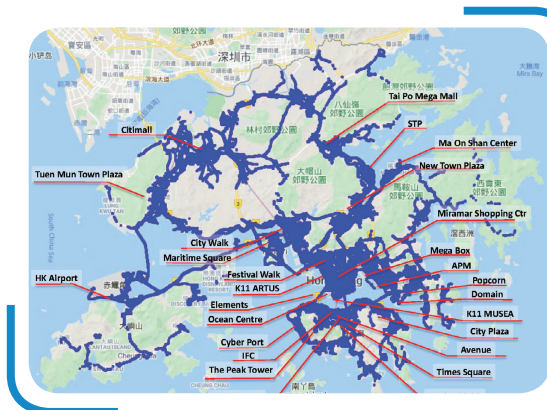


Planning for tomorrow's need

PCCW strives to transform the future way of life through technology advancement.

We are the first local mobile operator to launch a true 5G network with differentiated value-added services. By the end of 2020, our 5G network covered 94% of outdoor areas in Hong Kong. Our 5G network was available on six major lines of the MTR and is being progressively extended to the entire network.

We have introduced a range of 5G application for consumers and actively explore its use in commercial application and solutions.



5G Smart Malls Empowered by HKT's True 5G Services



In December 2020, HKT and two partners jointly introduced 5G applications to six shopping malls, enabling visitors to enjoy a speedy and stable 5G experience.

Smart restroom solutions are also offered at one of the malls by leveraging the IoT technology. Sensors automatically detect the occupancy of individual restroom cubicles and display the information in the mall's app and on the mall's LED screens, shortening customers' waiting time.

Real-time Arrival Information System for Green Minibus

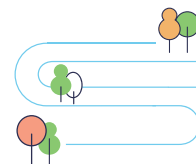
In September, HKT was awarded a contract for procurement cum management, operation and maintenance of real-time arrival information system for 3,500 green minibus (GMB) by the Transport Department. The system is expected to be fully commissioned in 2022, uplifting smart mobility in Hong Kong.

HKT will provide and install location detection device on each GMB for detecting its real-time location and disseminate real-time arrival information of each GMB route to facilitate passengers' trip planning.



We understand our stakeholders have a growing concern about the health risks relating to electro-magnetic field (EMF) emittance. Regarding the radiation safety of EMF, the Department of Health indicates that EMF is a type of non-ionizing radiation that has lower energy than ionizing radiation such as X-rays and nuclear radiation, and EMF is insufficient to cause harm in the human body. In addition, according to World Health Organization (WHO) reviews, based on current evidence, EMF exposure limits within the recommendations of the International Commission on Non-ionizing Radiation Protection, a non-governmental organization setting standards for EMF, does not appear to have any known consequence on health. Despite the abovementioned considerations, we will continue to monitor EMF emittance from our facilities to ensure strict compliance with the relevant standards and extend the same requirement to our suppliers. We will keep abreast of the latest industry development on radiation safety.





6.3 Content Dissemination and Responsible Advertising

PCCW ensures our customers make informed decisions when purchasing our products and services by strictly adhering to the Trade Descriptions Ordinance (Cap. 362) and offering guidelines and trainings for our sales and marketing employees to ensure full understanding of our policy and compliance requirements. In 2020, there were no non-compliance cases.

PCCW also disseminates content to viewers on multiple platforms in media business. We strictly adhere to the Broadcasting Ordinance (Cap. 562) and relevant codes and guidelines in our television business operations. For programs with content unsuitable for children, such as violence, strong language and nudity, we inform the audiences with on-screen classification symbol and advisory message prior to the screening. We also provide parental lock on unsuitable programs and offer age-appropriate content, including kid-centric channels and video-on-demand content on our paid platform to protect our underage audiences.

PCCW is committed to protecting intellectual property rights of PCCW, its customers and business partners. We have in place the Intellectual Property Rights Policy to ensure compliance with relevant laws and regulations. Our employees are required to follow the policy at all times to ensure that our advertising materials are free from copyright infringement.

6.4 Customer Service and Satisfaction

Maintaining excellent customer service and high satisfaction are of utmost importance when measuring PCCW's service quality, particularly in retail operations. We endeavor to collect feedback from our customers and understand their service needs through a wide range of communication channels including service hotlines, live webchat, online enquiry, Facebook, email, post, fax and customer service representatives in retail stores and service centers.

Our customers can also manage their e-bills and get instant online support via My HKT platform. As of the end of 2020, the platform had 1.1 million registered accounts.

We have various schemes in place to monitor and enhance the service quality of our frontline staff:

- Call monitoring program
- Customer transaction and net promoter score survey after calls and visits
- Mystery shopper program in retail locations – with 124 mystery shopper visits in 2020

We formulated a set of service pledges to demonstrate our commitment to customer service quality, which are available on corporate websites along with the actual performance data. We aim to provide an initial reply for any customer complaint within two working days and resolve it within four working days. In 2020, over 98% of customer complaints were handled within four working days.





PCCW Solutions ensures that our products and services consistently meet the needs of our customers and uphold quality excellence. Certified with ISO 9001, ISO/IEC 20000, ISO/IEC 27001 standards and compliance of payment card industry data security standard (PCI DSS) requirement, PCCW Solutions has established a Corporate Quality Management System (CQMS) to define quality management mechanisms across all business processes, including customer service. Our CQMS is governed by our Quality Policy and Quality Manual, led by the Top Management, Compliance and Quality Assurance Team, and is composed of Quality Representatives from multiple teams.

PCCW Solutions has achieved the highest maturity level – Level 5 of CMMI for the respective Application Development and Managed Services, which covers all business locations, including but not limited to Hong Kong, mainland China, Malaysia and the Philippines. This is a recognition for PCCW Solutions' efficiency and effectiveness on quality service delivery that meets challenging market and customer expectations.

During the reporting period, the Group received 59,084 compliments and 1,763 complaints from customers¹³. According to the latest customer satisfaction survey, 87% of the customers were satisfied or very satisfied with the performance of our customer service representatives. Management regularly reviews the report on customer suggestions, compliments and complaints to identify rooms for improvement.

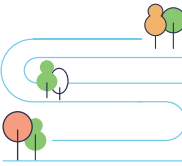
The Service Excellence Awards (SEA) is an internal scheme which aims to encourage our staff to perform excellent customer service continuously for both external and internal customers. In 2020, a total of 120 individuals and 48 teams were awarded the SEA.

In recognition of our outstanding customer service, among other awards, we won more than 190 awards throughout 2020 in different categories at the Hong Kong Customer Contact Association, Hong Kong Management Association, Hong Kong Retail Management Association, and Mystery Shopper Service Association.

We have participated in the Communications Association of Hong Kong's Customer Complaint Settlement Scheme (CCSS), which provides mediation services to resolve disputes between customers and telecommunications service providers.

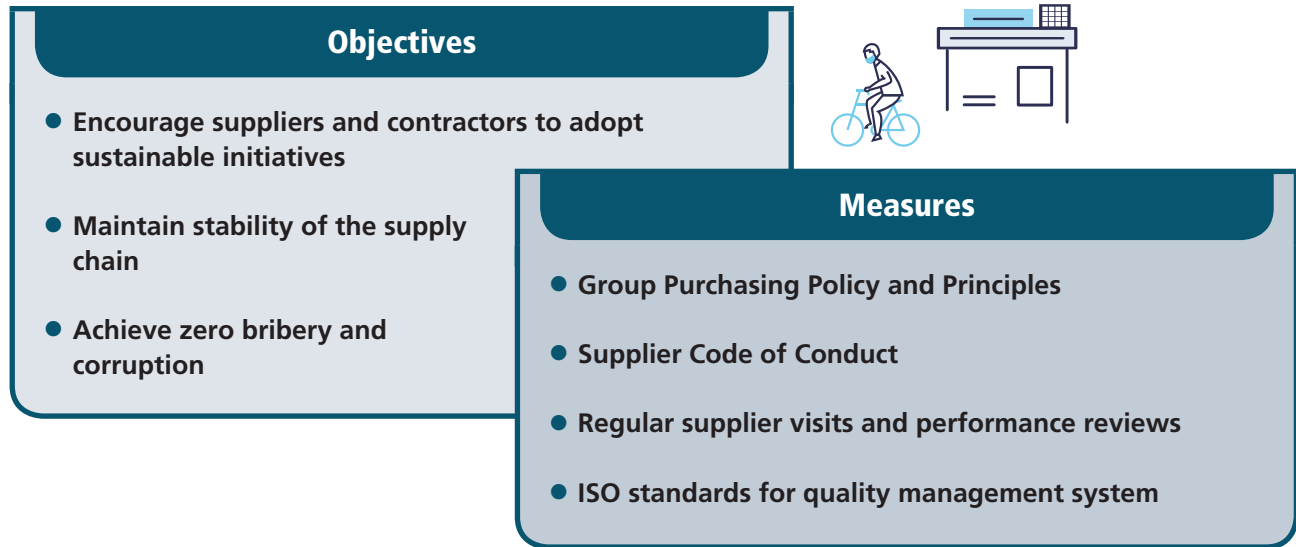
¹³ Customers from fixed-line, NETVIGATOR broadband, The Club, mobile, Now TV and ViuTV businesses.





7. OUR SUPPLY CHAIN MANAGEMENT

Our pledge of accelerating digital transformation will not be achieved without the help of our supply chain. We have an extensive supply chain for various goods and services including IT, office equipment, and marketing and sales services, to support our quality product and service delivery. While the global supply chain was disrupted in the midst of COVID-19 pandemic, there was limited impact on our daily business operations because of our effective supply chain management, including the deployment of supplier diversity initiatives and the setting up of special terms and conditions with the suppliers to ensure continuity of supply and timely deliveries.



There are growing expectations of stakeholders (including the government, customers, shareholders, employees, etc.) to take responsibility for its supplier's environmental, social and ethical practices. PCCW is increasingly making responsible sourcing an integral part of its procurement and supply chain management processes to understand and manage these risks in the supply chain.

The Group Purchasing and Supply Department (GPS) has formulated the Group Purchasing Policy and Principles (GPPP) to include responsible business in the various processes and criteria for suppliers' selection and management.

Our CR Policy and Anti-Bribery and Corruption Policy have been established by the Group to strictly prohibit our employees from performing any form of bribery and corruption at PCCW and in our supply chain. In order to ensure the effectiveness of the feedback mechanisms, clear and private channels are available to report misconduct behavior.



7.1 Supplier Code of Conduct

To better manage the environmental and social risks along the supply chain, we have in place a Supplier Code of Conduct (the “Code”). The Code was updated last year to raise the standards and requirements, which our suppliers are required to follow so as to ensure that the practice of our supply chain and business partners aligns with our latest codes of ethics and professionalism. It covers issues including

- anti-bribery and corruption;
- conflict of interest;
- supplier diversity;
- legal and regulatory compliance;
- human rights;
- labor standards;
- occupational safety and health; and
- environmental management.

Suppliers are required to be fully compliant with the Code in business operations, such as provision of anti-corruption policies, prevention of child or forced labor, provision of fair payment and compliant work hours, prohibition of acts of discrimination, maintenance of freedom of association, provision of safe work conditions and management of environmental impacts. We constantly monitor and review the Code to ensure it meets the latest laws and regulations, as well as our business development.

7.2 Supplier Selection and Monitoring

The GPS is responsible for engaging suppliers in accordance with the Code and the GPPP. Since 2018, we have attained the ISO 9001:2015 quality management system certification. It is framed in the high-level structure of Plan, Do, Check, Act model that enables us to continuously improve quality management in our procurement process and achieve the highest standard of business practices and service offering.

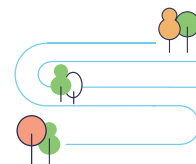
Supplier performance

All the potential suppliers are evaluated under stringent evaluation procedures. Potential suppliers are required to complete the vendor registration form, which assesses the suppliers on various aspects, such as quality assurance, CSR and corporate governance. Upon completion of the form, GPS works with an independent third party to investigate the background of the company, focusing on their financial credibility. The department also conducts an assessment of the supplier’s quality of delivery, environmental and social compliance and internal control.

Engagement and audits

Our BUs constantly assess the performance of our existing suppliers. If any unsatisfactory practices are identified, we will closely communicate with the suppliers and encourage them to take actions to rectify their practices. If the suppliers fail to do so or severely violate our standards, we will consider terminating the contract or blacklisting the suppliers. In 2020, we blacklisted one supplier due to unfulfilled expectations and requirements. The GPS also notifies the relevant BU regarding the compliance status of our suppliers, where applicable. In 2020, we conducted 110 supplier visits to ensure suppliers strictly comply with our policy requirements.



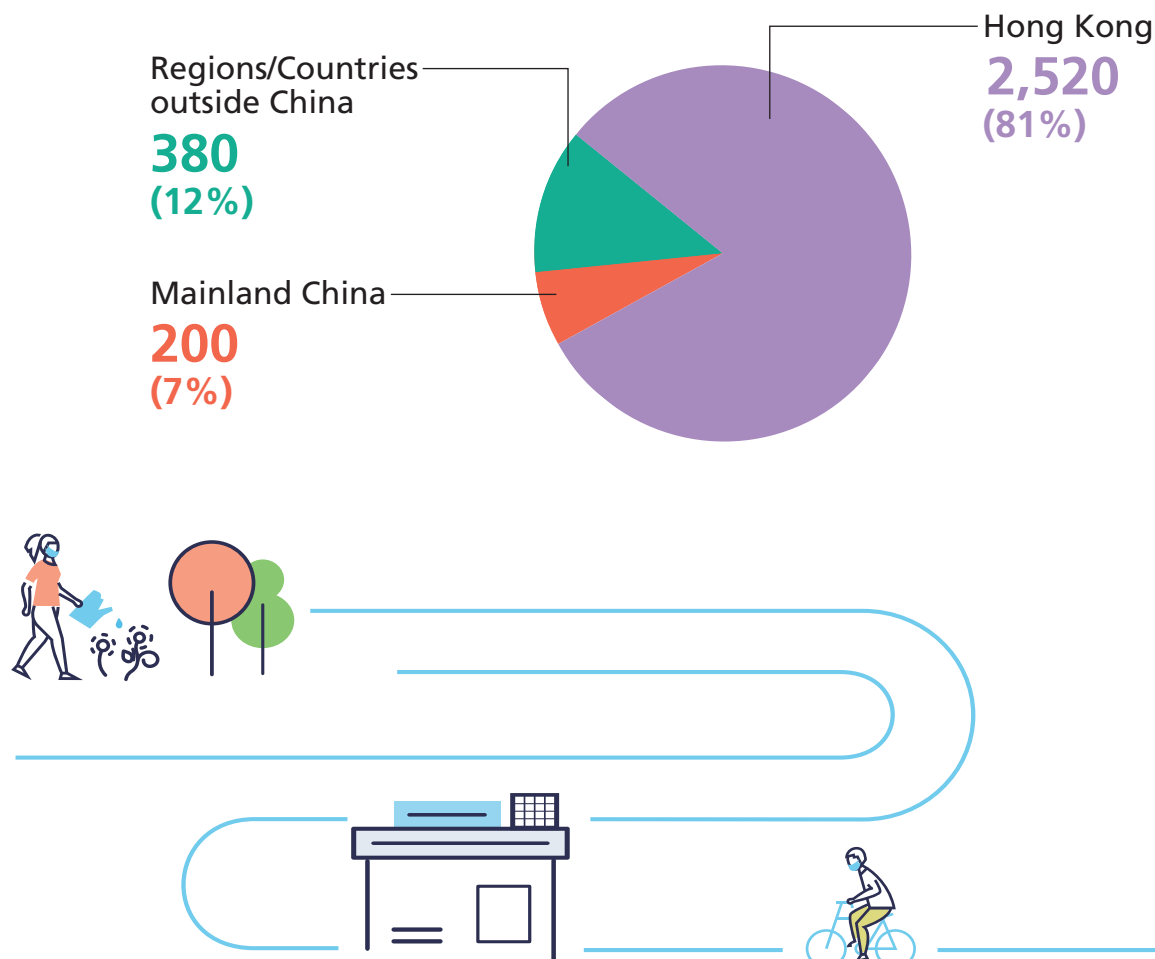


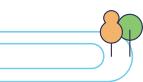
7.3 Sustainable Procurement

Becoming a founding member of the Sustainable Procurement Charter launched by the Green Council in July 2018, PCCW is committed to promoting sustainable procurement practice in companies in Hong Kong. During the procurement process, social, ethical and environmental performance factors are incorporated into our consideration.

Sustainable procurement is included in GPS' Risks and Opportunities Register to promote this concept to employees and allow us to review the related procedure, whenever necessary. Furthermore, we have also clearly stated the clauses of "Environmental Protection", "Notes for Sellers for CSR" and "Energy Efficiency", among others, in our procurement contracts to make sure our commitment has been effectively demonstrated.

We are aware of our environmental and social impacts throughout the supply chain. As such, we aim to promote local sourcing in order to minimize the carbon emission derived from transportation. In 2020, around 81% of suppliers from whom we sourced are Hong Kong-based.





ASSURANCE REPORT



VERIFICATION STATEMENT

Scope of Verification

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by PCCW Limited ("PCCW") (SEHK: 0008) to undertake an independent verification for the "Our Environment" chapter and the related environmental performance data stated in its Environmental, Social and Governance Report 2020 ("The Report").

The scope of HKQAA's verification covers the data and information associating to PCCW's environmental performance as described in the "Our Environment" and "Performance Data Summary" chapters of The Report for the period of January 1, 2020 to December 31, 2020.

Level of Assurance and Methodology

The process applied in this verification was referring to the International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance for devising the verification conclusion. The extent of this verification process undertaken was provided for the criteria set in The Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited.

The systems and processes for collecting, collating and reporting the environmental performance data were verified. Our verification procedure covered reviewing of relevant documentation, interviewing responsible personnel with accountability for preparing the Report and verifying the raw data and supporting evidence of the selected samples during the verification process.

Independence

PCCW is responsible for the collection and presentation of the information presented. HKQAA does not involve in calculating, compiling, or in the development of the Report. Our verification activities are independent from PCCW.

Conclusion

On the basis of our verification results and in accordance with the verification procedures undertaken, it is the opinion of the HKQAA's verification team that:

- The Report illustrates PCCW's environmental performance in a balanced, comparable, clear and timely manner;
- The environmental performance data and information states in the Report are reliable and complete.

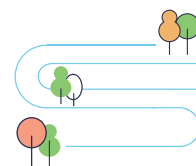
The Report reflects appropriately PCCW's context and materiality of its environmental issues and allows stakeholders to have a clear understanding of its commitments and stewardship towards environmental management.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit
March 2021



EXTERNAL CHARTERS AND MEMBERSHIP



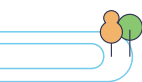
External Charters

Name of Association	Name of Charter
The Environment Bureau	Charter on External Lighting
The Environment Bureau	Energy Saving Charter
Department of Health/ Occupational Safety & Health Council	Joyful@Healthy Workplace Charter
Department of Health	Organ Donation Promotion Charter
Environmental Protection Department	Friends of EcoPark
Equal Opportunities Commission	The Racial Diversity & Inclusion Charter for Employers
Green Council	Sustainable Procurement Charter
Labour Department/ Occupational Safety & Health Council	Occupational Safety Charter
Occupational Safety & Health Council	Charter on Preferential Appointment of OSH Star Enterprise

Membership

Name of Association	Type of Membership
Business Environment Council	Council Member
Employers' Federation of Hong Kong	Corporate Member
Girls Go Tech, The Women's Foundation	Technology Partner, Council Member
Green Council	Corporate Member
Food Grace	Green Membership
The Green Earth	Green Earth Companion, Water Category
The Hong Kong Council of Social Service	Caring Company Patron's Club – Coral Membership
The Hong Kong Institute of Human Resource Management	Corporate Member





PERFORMANCE DATA SUMMARY

Environmental Performance Data

	2018	2019	2020	Change (2020 vs 2019)
The types of emissions and respective emissions data¹⁴				
Sulfur oxides (SOx) – Direct (kg)	6.45	6.11	6.03	-1.31%
Nitrogen oxides (NOx) – Direct (kg)	3,549	3,221	2,950	-8.41%
Particulate matter (PM) – Direct (kg)	321.08	294.42	265.41	-9.85%
Greenhouse gas (GHG) emissions and intensity¹⁵				
GHG emissions – Scope 1 ¹⁶ (tonnes CO ₂ -e)	8,925	6,953	7,359	+5.84%
GHG emissions – Scope 2 ¹⁷ (tonnes CO ₂ -e)	239,987	236,018	229,092	-2.93%
GHG emissions – Scope 3 ¹⁸ (tonnes CO ₂ -e)				
– Paper consumption	1,150.11	1,115.60	1,039.12	-6.86%
– Water consumption and sewage discharge ¹⁹	276.18	206.63	213.25	+3.20%
Total GHG emissions (Scope 1+2+3) (tonnes CO ₂ -e)	250,338	244,293	237,703	-2.70%
GHG emissions intensity per employee ²⁰ (tonnes CO ₂ -e-e/employee)	16.83	16.28	17.00	+4.42%
GHG emissions intensity per million revenue ²¹ (tonnes CO ₂ -e-e/HK\$ million)	6.49	6.69	6.57	-1.79%
Hazardous waste produced				
Solid waste ²² (tonnes)	277.36	202.66	549.90	+171.34%
Waste electrical and electronic equipment (WEEE) disposal ²³				
– Electronic and IT equipment (pieces)	52,676	66,227	47,021	-29.00%
– Equipment cables (metres)	137,918	178,134	127,790	-28.26%
Non-hazardous waste produced				
General waste ²⁴ (tonnes)	860.51	849.25	766.61	-9.73%
Construction waste ²⁵ (tonnes)	309.84	140.25	171.80	+22.50%

¹⁴ Air emissions are generated from petrol and diesel fuel combustion in vehicles. The emission factors are adopted from "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEX.

¹⁵ GHG emissions are calculated based on "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)" published by the Environmental Protection Department (EPD) and the Electrical and Mechanical Services Department (EMSD) of the Hong Kong SAR Government, unless otherwise stated in the following notes.

¹⁶ Scope 1 emissions comprise HFC and PFC emissions from the use of refrigerants and emissions from our standby emergency generators and vehicle fleet that run on diesel as well as our other vehicle fleet that run on petrol. The global warming potentials used for calculation are adopted from Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report.

¹⁷ Scope 2 emissions are generated from the electricity consumed by PCCW's major operations with individual meters. Emissions factors are adopted from the latest sustainability reports of the local power companies.

¹⁸ The figure on Scope 3 emissions generated by office paper consumption. We have extended the scope to include water consumption and sewage discharge since 2018.

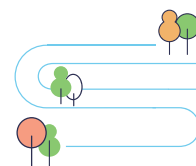
¹⁹ The emission factors for fresh water processing and sewage processing are adopted from the latest annual report of the Water Supplies Department and the sustainability report of the Drainage Services Department.

²⁰ As at December 31, 2020, the number of employees in Hong Kong was 13,981, which is also the basis for electricity, energy and water intensity calculations.

²¹ The calculation is based on the core revenue of PCCW, which was HK\$36,203 million in 2020. This figure is also the basis for electricity, energy and water intensity calculations.

²² Solid waste includes industrial batteries (valve-regulated lead-acid battery), office batteries and fluorescent tubes. In 2019, the total amount of solid waste produced was 202.66 tonnes which included 150.77 tonnes of waste industrial batteries that were recycled and 51.89 tonnes of other solid waste. In 2020, the amount of other solid waste dropped to 4.33 tonnes, but the total solid waste increased to 549.90 tonnes because the Group disposed of a large quantity of waste industrial batteries (545.57 tonnes) that reached the end of their life cycle; these waste industrial batteries were recycled.





	2018	2019	2020	Change (2020 vs 2019)
Waste management and results				
Scrap materials recycled ²⁶				
– SIM cards ²⁷ (pieces)	729,913	N/A	N/A	N/A
– Other materials (pieces)	300,201	230,145	191,026	-17.00%
Toner and ink cartridges recycled (pieces)	1,762	1,808	1,454	-19.58%
Paper recycled (tonnes)	156.02	129.53	113.59	-12.31%
Scrap metals recycled ²⁸ (tonnes)	22.94	26.38	26.24	-0.53%
Direct and/or indirect energy consumption by type and intensity				
Electricity (kWh)	390,591,712	383,144,892	371,067,770	-3.15%
Electricity intensity per employees (GJ/employee)	94.52	91.91	95.55	+3.96%
Electricity intensity per million revenue (GJ/HK\$ million)	36.48	37.78	36.90	-2.33%
Petrol fuel – vehicle fleet (L)	124,257	116,493	108,031	-7.26%
Diesel fuel – vehicle fleet (L)	284,480	270,578	274,599	+1.49%
Diesel fuel – standby emergency generators (L)	54,309	49,260	73,847	+49.91%
Total energy consumption (GJ)	1,422,625	1,394,866	1,352,146	-3.06%
Energy intensity ²⁹ per employees (GJ/employee)	95.63	92.94	96.71	+4.06%
Energy intensity per million revenue (GJ/HK\$ million)	36.9	38.21	37.35	-2.25%
Water consumption and intensity				
Water consumption ³⁰ (m ³)	444,012	331,665	341,744	+3.04%
Water intensity per employee (m ³ /employee)	29.85	22.10	24.44	+10.59%
Water intensity per million revenue (m ³ /HK\$ million)	11.52	9.09	9.44	+3.85%
Total packaging material				
Shopping bags ³¹ (tonnes)	20.25	15.97	18.60	+16.47%

²³ It does not include WEEE disposed of by the Group on behalf of customers.

²⁴ General waste mainly includes general office waste.

²⁵ Construction waste produced from shop renovations.

²⁶ Scrap materials such as SIM cards, scrap cables, scrap telephones, obsolete devices and accessories, modems and router, set-top boxes, WEEE and transmission equipment.

²⁷ In 2018, the Group disposed of large quantities of outdated SIM cards for recycling, which contributed to the large number reported. No such exercise has been conducted in 2019 and 2020.

²⁸ Scrap metals include copper, metal and steel.

²⁹ The calculation of energy intensity includes consumption of electricity, petrol fuel and diesel fuel.

³⁰ Water consumption of PCCW's major operations with individual meters.

³¹ The increase in the consumption of shopping bags was primarily due to the redemption of more large or fragile gifts in 2020 by customers.

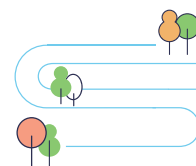




REFERENCES TO HKEX ESG REPORTING GUIDE

A. Environmental		
Aspect A1: Emissions		PCCW's Comments
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4. Our Environment
KPI A1.1	The types of emissions and respective emissions data.	Performance Data Summary
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Performance Data Summary
KPI A1.5	Description of measures to mitigate emissions and results achieved.	4. Our Environment > 4.1 Climate Change and GHG Emissions > 4.3 Green ICT Solutions > 4.4 Employee Environmental Awareness
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	4. Our Environment > 4.2 Sustainable Use of Resources > 4.4 Employee Environmental Awareness



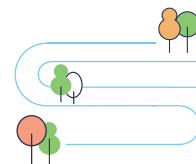


A. Environmental		
Aspect A2: Use of Resources		PCCW's Comments
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	4. Our Environment
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Performance Data Summary
KPI A2.2	Water consumption in total and intensity.	Performance Data Summary
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	4. Our Environment > 4.1 Climate Change and GHG Emissions > 4.3 Green ICT Solutions > 4.4 Employee Environmental Awareness
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	PCCW's operation is not located in water-stressed regions and does not involve intensive water use. We reuse waste water from water-cooled condensers. For details, please refer to: 4. Our Environment > 4.2 Sustainable Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Performance Data Summary
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	4. Our Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4. Our Environment
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	4. Our Environment
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4. Our Environment > 4.1 Climate Change and GHG Emissions



B. Social		
Employment and Labour Practices		
Aspect B1: Employment		PCCW's Comments
General Disclosure	<p>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>	3. Our People
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	3. Our People > 3.4 Diversity and Inclusiveness
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	3. Our People > 3.3 Talent Retention and Development
Aspect B2: Health and Safety		
General Disclosure	<p>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>	3. Our People
KPI B2.1	Number and rate of work-related fatalities.	3. Our People > 3.2 Occupational Safety and Health
KPI B2.2	Lost days due to work injury.	3. Our People > 3.2 Occupational Safety and Health
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	3. Our People > 3.2 Occupational Safety and Health



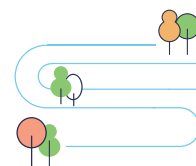


B. Social		
Employment and Labour Practices		
Aspect B3: Development and Training		PCCW's Comments
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3. Our People > 3.3 Talent Retention and Development
KPI B3.1	The percentage of employees trained by gender and employee category.	3. Our People > 3.3 Talent Retention and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	We report on the total training sessions for employees. For details, please refer to: 3. Our People > 3.3 Talent Retention and Development
Aspect 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.	3. Our People
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	PCCW respects and upholds fundamental human rights. We prohibit forced labor and child labor across our operations. For details, please refer to: 3. Our People
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	N/A



B. Social		
Operating Practices		
Aspect B5: Supply Chain Management		PCCW's Comments
General Disclosure	Policies on managing environmental and social risks of the supply chain.	7. Our Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	7. Our Supply Chain Management > 7.3 Sustainable Procurement
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	7. Our Supply Chain Management > 7.2 Supplier Selection and Monitoring
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, labelling and privacy matters relating to products and services provided and methods of redress.	6. Our Customers
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	It is immaterial to PCCW's business.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	6. Our Customers > 6.4 Customer Service and Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	6. Our Customers > 6.3 Content Dissemination and Responsible Advertising
KPI B6.4	Description of quality assurance process and recall procedures.	6. Our Customers > 6.2 Reliable and Responsible Services and Products > 6.4 Customer Service and Satisfaction
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	6. Our Customers > 6.1 Customer Data Privacy and Security





B. Social		
Operating Practices		
Aspect B7: Anti-corruption		PCCW's Comments
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.	1. Corporate Social Responsibility at PCCW > 1.3 Ethics and Integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1. Corporate Social Responsibility at PCCW > 1.3 Ethics and Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	1. Corporate Social Responsibility at PCCW > 1.3 Ethics and Integrity
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.	5. Our Community
KPI B8.1	Focus areas of contribution.	5. Our Community
KPI B8.2	Resources contributed to the focus area.	5. Our Community



PCCW Limited (Incorporated in Hong Kong with limited liability)

41/F, PCCW Tower, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
T: +852 2888 2888 F: +852 2877 8877 www.pccw.com

PCCW shares are listed on The Stock Exchange of Hong Kong Limited (SEHK: 0008)
and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the US (Ticker: PCCWY).

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