



# **PCCW LIMITED**

*(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)*

*(STOCK CODE: 0008)*

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# **CORPORATE SOCIAL RESPONSIBILITY POLICY**

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**POLICY STATEMENT**

This policy sets forth a set of rules approved for and on behalf of the Board of Directors of PCCW Limited. These rules set the objectives for our corporate social responsibility (“CSR”) and provide guidance on the principles to which all individuals associated with the PCCW Group are committed. They may be supplemented from time to time by additional policy statements and guidelines.

## **CSR VISION AND MISSION**

### **Our Vision**

To be an ethically, socially and environmentally responsible information and communications technology (“ICT”) and media service provider that delivers an excellent customer experience while supporting and connecting the communities we serve.

### **Our Mission**

Our mission is to utilize our services to empower, connect and transform communities and businesses by:

- minimizing the environmental impacts of our business, and helping our customers to do the same through our products and services;
- valuing and developing our talented team;
- promoting corporate social responsibility principles throughout our operations and supply chain;
- pioneering products and services that make people live better and help businesses thrive; and
- addressing and responding to the needs and concerns of communities through social partnerships, thereby making them a better place to live in.

## **INTRODUCTION**

### **Purpose**

The purpose of this CSR Policy (the “Policy” or the “CSR Policy”) is to ensure that PCCW Limited (“PCCW” or the “Company”) and its subsidiaries, affiliates, and associated companies, in Hong Kong and internationally (the “PCCW Group” or the “Group”), consistently operate in a responsible manner. This Policy promotes socially responsible conduct by integrating CSR management best practices and processes and outlining CSR related risks within our daily operations. This Policy has been prepared in reference to ISO 26000.

This Policy covers a range of areas that are important for enhancing corporate social responsibility. For PCCW, we will endeavour to take all these matters into consideration and implement appropriate measures. In particular, we seek to utilise our expertise and core competencies to focus on the following specific objectives:

- Community – equipping students and youth with skills and resources to excel in the digital age, while also connecting elderly members of the community with technologies that promote active and smart aging;
- Environment – incorporating environmentally friendly considerations into sustainable business operations (such as recycling of copper and other scrap materials and proper disposal of used mobile phones) and transforming customer lifestyles; and
- People - positioning ourselves as an Employer of Choice with a view to attracting and retaining talented individuals to sustain a diverse and vibrant workforce.

### **Applicability**

This CSR Policy is applicable to all directors, officers and employees of the Group. All contractors, subcontractors and individuals acting in any capacity for or on behalf of the Group should be made aware of the CSR Policy. All companies in the Group’s supply chain are encouraged to adopt the CSR Policy as best practice guidance for their own businesses with the aim of ensuring consistent sustainable operational practices.

## CSR AT PCCW

To align with the core subjects of social responsibility (with the exception of Corporate Governance) set out by ISO 26000, PCCW has identified the following core CSR areas that present challenges and opportunities for our business to operate in a responsible and sustainable manner. This section outlines our policies and approach in relation to these core areas and the relevant corresponding topics. Topics relating to Corporate Governance are covered by our Corporate Responsibility Policy.

### A. Our CSR Management Approach

Our approach to CSR is to achieve sustainability without creating adverse impact on our profitability. This requires recognizing the seven principles of socially responsible behavior: accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for international norms of behavior and respect for human rights. It also involves managing stakeholder expectations and perspectives while contributing to sustainable development in an environmentally and socially considerate manner.

#### ♦ *CSR governance*

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

Through our CSR Committee, the PCCW Group endeavors to maintain consistent management of our social responsibilities. Through various internal and external means, the Group continuously seeks to determine the most efficient and effective ways of positively contributing to the communities and environment in which the PCCW Group functions.

This Policy establishes requirements and guidelines for our management team, employees and relevant stakeholders to effectively drive our CSR activities, initiatives and commitments, while managing related risks. It is part of the overall PCCW enterprise risk management framework demonstrating the PCCW Group's high level of suitable regulatory, fiscal and market mechanisms that encourage responsible governance and continuously create shareholder value. Meeting these commitments is an important management objective and the individual and collective responsibility of all PCCW Group employees.

- ♦ *Stakeholder identification and engagement*

Our sphere of influence includes shareholders, our organization (employees), the people we serve (customers), the communities in which we primarily operate (communities), those with which we conduct business (suppliers and business partners) and those who oversee our products and services (investors and regulators). When addressing the impacts of our decisions and activities, we consider the political, contractual, economic or other relationships through which PCCW has the ability to influence the decisions or activities of individuals or organizations.

Stakeholder engagement is one of the key drivers to the continuous improvement of our CSR performance and we endeavor to provide stakeholders and all interested parties with clear information about our approach to environmental, social and governance (ESG) issues.

**B. The Environment**

PCCW is committed to addressing environmental issues and reducing our environmental impact. We seek to utilize our products, services and expertise to assist in the development of solutions to environmental problems. We also recognize not only the critical role that ICT can play in protecting the environment, but its potential impact to reduce emissions and to enable innovation and positive changes.

Our objectives are to assess, avoid, reduce and mitigate environmental risks and impacts associated with our activities and to continuously improve the environmental performance of the Group. Our staff is guided by a set of internal policies and guidelines including the Energy and Water Management Policy and Guidelines, Gas Emission Reduction Policy and waste paper recycling procedures.

To meet our objectives, we:

- (a) work with the local community to support local and international initiatives that advocate for environmental responsibility;
- (b) communicate our commitment to environmental responsibility to stakeholders including shareholders, customers, employees, suppliers, contractors, business partners, governments and non-government organizations by creating awareness and inspiring support for environmental efforts across the Group and our sphere of influence;
- (c) continually improve the Group's environmental performance by setting targets as well as monitoring, measuring, and publicly reporting progress against those targets annually;
- (d) assess potential environmental impacts before commencing a new activity or project, and establish measures to manage those impacts;
- (e) ensure that the operations of all business and functional units comply with relevant environmental legislation and mandatory standards;
- (f) raise awareness of ICT's role in enhancing environmental sustainability, specifically in addressing and mitigating climate change impacts;
- (g) develop and promote products and services that are energy efficient, environmentally friendly and can be reused, recycled or disposed of safely;

- (h) identify and reduce energy consumption, as well as direct and indirect greenhouse gas emissions, by optimizing data centers and network equipment, improving product development and service operations and implementing fitting measures to reduce our carbon footprint;
- (i) promote low-emission transportation for employee commuting and business travel and mobilize more fuel-efficient company vehicles;
- (j) take measures to reduce emissions of ozone depleting gases<sup>1</sup> associated with refrigerators, air conditioners, fire extinguishers, solvents for cleaning, electronic equipment and, where possible, substitute with alternatives that do not have an adverse impact on the environment in accordance with the Montreal Protocol<sup>2</sup> and subsequent amendments;
- (k) minimize waste by applying the waste management hierarchy (avoidance at source, reuse, recycling and reprocessing, proper waste treatment and responsible waste disposal) throughout our operation;
- (l) identify and implement waste and pollution prevention measures, and ensure proper management of unavoidable pollution including responsible disposal of non-recyclable and hazardous materials;
- (m) handle and prevent electronic waste and put measures in place to provide sustainable end-of-life disposal solutions whenever possible;
- (n) conserve natural resources by purchasing recycled materials, setting up recycling goals, supporting “circular economy” thinking and designing take-back programs whenever possible;
- (o) conserve and reduce and reuse water in our operations;
- (p) identify and assess any potential adverse impacts of our activities on the ecosystem and avoid business activities that threaten the survival or lead to the endangerment or extinction of species; and
- (q) take measures to protect biodiversity and local ecosystems when developing and decommissioning infrastructure.

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<sup>1</sup> Gases relating to the use of synthetic halogenated chemicals. For the full list of ozone depleting gases, please refer to Environmental Protection Department – Phase Out of Ozone Depleting Substances in Hong Kong.

<sup>2</sup> The Montreal Protocol is an international agreement designed to protect the ozone layer by phasing out the production of substances that are responsible for ozone depletion.



**C. Employment and Labor**

We are committed to providing a motivating and rewarding working environment that encourages collaboration and offers our employees opportunities to learn, grow and succeed at work and in life. Our Human Resources mission is to be an Employer of Choice and build a productive and motivating workplace that delivers high level business performance. We achieve this by focusing on targeted talent acquisition and retention, providing proactive training and development and offering awards and recognition to top performers.

Different platforms and channels such as regular town hall and department meetings, “Let’s Chat” sessions and the “Joint Staff Council”, help foster better and more effective employee communications. The Council helps strengthen such communications and enables employees’ better understanding of the Company’s policies and decisions, promotes team spirit, improves the overall efficiency and productivity of the Company, enhances services to customers, and encourages increased level of engagement and well-being for employees.

It is our objective to provide equal employment opportunities, and to establish a diverse and inclusive workplace and culture by ensuring that all our activities respect, promote and advance human rights. Through various policies and procedures detailed in the Human Resources Policy Manual and Employee Handbook, the PCCW Group provides a framework to help ensure a positive working environment.

To meet our objective, we:

- (a) ensure individuals performing work for our Group do so based on a constructive employment relationship within an appropriate legal and institutional framework, or are legitimately self-employed and that no forms of child or forced labor, slavery and human trafficking are taking place in any of part of our business;
- (b) provide our employees with labor protection (i.e. in compliance with laws and regulations that govern work including wages, working time, and health and safety) and social recognition programs to inspire employee creativity, improve productivity and lower staff turnover;
- (c) provide employees a safe and harassment-free working environment and encourage a healthy lifestyle;

- (d) regard workplace safety as a Company priority. We maintain and ensure a high standard of health and safety in all company activities and ensure work done by all employees on our behalf is performed in a healthy and safe working environment;
- (e) require employees to follow all workplace safety practices at all times and ensure that they follow proper procedures should an accident or injury occur;
- (f) attract, motivate and develop our people to reach their fullest potential and provide a working environment that supports professional and personal development; and
- (g) provide staff at various stages of their career with access to skills development and training for career advancement, on an equal and non-discriminatory basis.

**D. Supply Chain Management**

PCCW upholds the highest ethical and professional standards when dealing with suppliers and contractors. It is our objective to reduce environmental and social risks in our supply chain. The Group has in place the Group Purchasing Policy and Principles (GPPP), [Supplier Code of Conduct](#) and Bribery, Gifts and Entertainment Policy to facilitate and communicate with our suppliers and contractors regarding their compliance with labor, health and safety, and environmental regulations.

To meet our objective, we:

- (a) share our CSR policy and [Supplier Code of Conduct](#) with our suppliers and contractors, and encourage them to adopt sustainable initiatives aligned with these policies;
- (b) ensure that our goods and services are procured from environmentally and socially responsible suppliers and contractors as far as practicable;
- (c) identify supply chain risks by conducting due diligence, especially to ensure that slavery and human trafficking are not taking place in any part of our supply chain;
- (d) protect and empower workers throughout our supply chain by requiring supplier commitments that uphold the basic rights of workers as set out by local and international guidelines, and as clearly indicated in our [Supplier Code of Conduct](#);
- (e) adopt preventive measures that minimize any environmental impacts derived from supplier activities. To do so, we encourage our suppliers and contractors to use eco-efficient criteria in the development of their activity with PCCW, especially with respect to scarce resources such as water, or non-renewable resources, and consider the entire life cycle, from the extraction of the raw materials, production, transportation, through to the management of end-of-life waste, and avoiding pollution;
- (f) raise the awareness among suppliers and contractors of PCCW's compliance to minimizing the potential environmental impacts by providing energy efficient products and services to our customers;
- (g) minimize hazardous substances generated from our products by engaging in discussions with equipment suppliers, requiring them to take industry level action on the reduction of hazardous substances; and
- (h) monitor supplier performance and conduct performance reviews yearly, targeting major suppliers and contractors, and communicate unsatisfactory ratings for rectification and improvements.

**E. Customers and Marketplace**

As a customer-focused service provider, PCCW provides network access and ICT and media services that meet the current and future needs of our customers.

We adhere to applicable laws protecting individual privacy and commercially sensitive information, including those that relate to materials used in our products, advertising and labelling. We have implemented a range of comprehensive measures and procedures to protect, safeguard and control access of underage users to inappropriate content. We meet prescribed government and/or statutory body requirements under relevant legislation and laws, including but not limited to the Broadcasting Ordinance and Telecommunications Ordinance, license conditions and codes of practice issued by the Office of the Communications Authority.

As our services and products are deeply embedded in the daily lives of our customers, we are committed to serving them to the best of our ability by continually elevating our level of service excellence. It is our objective to gain customer confidence in our products and services, and to provide sufficient information to them for making informed choices.

To meet our objectives, we:

- (a) continuously improve customer experience, riding on our well-developed customer relationship management systems and by ensuring that our products and services are safe, user-friendly and environmentally friendly;
- (b) ensure product safety and service reliability, and those of third party suppliers and manufacturers;
- (c) view privacy and security of personal data as a key operating principle, which covers the delivery of location-based services and advertising, and actively protect our customers and employees by following our own guidance on management of physical records containing personal data storage. Our employees are expected to adhere to the relevant policies, including Group Privacy Policy, [PCCW Privacy Statement](#), Document Retention Policy, Confidentiality/Intellectual Property Undertaking, Corporate Security Policy and Principles and, Personal Data (Privacy) Ordinance Compliance Guidelines; and
- (d) safeguard and protect intellectual property by maintaining relevant standards and protocols and by disclosing practices relating to intellectual property rights to relevant stakeholders.

**F. Community**

As one of Hong Kong's largest ICT service provider, PCCW Group is in a position to enable and empower the communities in which we primarily operate. It is our objectives to be a good corporate citizen to our communities and to use communication technology to improve the quality of life. We are committed to supporting the community through a diverse range of initiatives such as providing sponsorships of worthy educational initiatives and offering volunteer services.

To meet our objectives, we:

- (a) ensure that the communities in which we primarily operate are informed in a timely manner of, and are involved in, any organizational developments which may affect them;
- (b) seek to communicate with representative community groups when determining priorities for social investment and community development activities;
- (c) enable the digital transformation of society by extending our services to as many people as possible;
- (d) strive to maintain service levels in the event of social disorder, natural disaster, or other emergencies;
- (e) are respectful of vulnerable, marginalized, discriminated and under-represented groups and ensure our activities respect local and internationally recognized principles for community empowerment in a culturally and diversity sensitive manner;
- (f) partner with other organizations, including governments, businesses or NGOs to maximize synergies and make use of complementary resources, knowledge and skills;
- (g) prepare youth for the jobs of the future in the digital economy by equipping young people from economically challenged backgrounds to build a better future;
- (h) promote and support education at various levels and engage in actions that improve the quality of and access to education;
- (i) promote local ICT knowledge and literacy especially for underprivileged groups by helping to setup and improve skills development programs, in partnership with local community groups;
- (j) mobilize our employees to be corporate volunteers and to dedicate their time and skills for community services. Our efforts are particularly focused on the elderly, children and young people, individuals with disabilities and underprivileged families; and
- (k) serve our communities and foster positive relationships by providing in-kind and financial donations, including those considered through community requests.

## **STAKEHOLDER COMMUNICATION**

We take stakeholders' viewpoints into consideration when making business decisions, and may make changes according to PCCW's business priorities and CSR focus areas. We endeavor to supply our stakeholders with clear information about our approach to CSR issues.

It is our objective to shape our stakeholder engagement approach to be more collaborative and partnership-oriented to identify opportunities, focusing on improving how we incorporate stakeholder viewpoints into business decisions. To ensure we meet this objective for all our stakeholders, namely shareholders, customers, employees, suppliers, contractors, business partners, government and non-government organizations, we:

- (a) identify and understand material areas and communicate progress made with regard to our CSR performance in [Environmental, Social and Governance Reports](#) and on our website;
- (b) disclose our material information to appropriate regulators, stakeholders and the public in a timely, accurate and verifiable manner;
- (c) are transparent about our actions and are accountable to our stakeholders for our planning, and
- (d) ensure interactive communication with all stakeholders, recognize their rights to be heard, and duly respond to legitimate stakeholder claims through our existing communications channels.

## **CONTACT POINT FOR CSR POLICY**

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## **POLICY CHANGES**

Changes to PCCW Group policies and any associated documents will occur from time to time. Any changes to the policy documents and/or their associated documents will be communicated via publication on the PCCW website.

The versions published on the PCCW website at the time of reference will be the authoritative version of these documents and will supersede any previously published versions of the same documents.

## **REFERENCES**

Related policies, procedures, guidelines, and resources that govern the content of the CSR core areas and are made public and provided below:

### **Supply Chain Management**

- [Supplier Code of Conduct](#)

### **Customers and Marketplace**

- [PCCW Privacy Statement](#)

### **Stakeholder Communication**

- [Shareholders Communication Policy](#)