



**GREATWALLE INC.**  
**長 城 匯 理 公 司**

*(Incorporated in the Cayman Islands with limited liability)*

*Stock Code: 8315*

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT  
**2020/21**

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## ABOUT THIS REPORT

Greatwalle Inc. (hereinafter referred to as the “**Company**” or “**Greatwalle**”) and its subsidiaries (hereinafter referred to as the “**Group**”, “**we**”, “**our**” or “**us**”) provide 1) security guarding and property management services and 2) asset management services primarily to customers in the People’s Republic of China (the “**PRC**” or “**Mainland China**”) and the Hong Kong Special Administrative Region (“**Hong Kong**”). We are committed to incorporating the principles of sustainable development into the Group’s operating model, and are actively pursuing our ambition to build long-term trust with our community stakeholders. The Group is pleased to publish our environmental, social and governance (“**ESG**”) report (the “**Report**”) to outline our performance in the areas of ESG and the initiatives taken.

### Reporting Scope

The Report discloses the ESG management approach, performance and key issues of the Group’s core businesses for the period from 1 April 2020 to 31 March 2021 (the “**Reporting Year**” or “**2020/21**”). Given our business development, the Group’s reporting scope for the Reporting Year covers two subsidiaries engaging in asset management and business advisory services business in Mainland China and three subsidiaries engaging in security guarding services business in Hong Kong and Mainland China.

The Report focuses on the ESG-related aspects of our core businesses in Hong Kong and Mainland China. The Company will continue to review the scope of disclosure of the Report on a regular basis based on our materiality principles and feedback from key stakeholders, and will expand the scope in the future, if necessary.

### Reporting Standard

The Report has been prepared in accordance with the “Comply or Explain” provision set out in the ESG Reporting Guide in Appendix 20 to the Rules Governing the Listing of Securities on GEM of the Stock Exchange. The Report has been considered and approved by the board of directors of the Group. Should there be any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

## **ABOUT THIS REPORT (Continued)**

### **Reporting Principles**

#### **1. Materiality**

Through internal and external key stakeholder engagement and materiality assessment, we have identified key ESG issues that are of concern to stakeholders or have a significant impact on the Group's business operation and overall strategy, the results of which are presented in a materiality matrix. According to the matrix, occupational health and safety and anti-discrimination are the Group's most important sustainability issues. At the same time, we have undertaken a rigorous process of reviewing, evaluating, classifying and analysing on the information disclosed in the Report according to the materiality of the issues, and have summarised a list of ESG issues that are important to the Group.

#### **2. Quantitative**

The preparation of the key performance indicators ("**KPIs**") in the Report mainly follows the guidelines in "Appendix 20 Environmental, Social and Governance Reporting Guide" of the Stock Exchange. Readers can evaluate and validate the effectiveness of the Group's ESG initiatives by data comparison. Relevant statistical standards, methodologies, assumptions and calculation tools, as well as sources of conversion factors for emissions and energy consumption are also disclosed in the Report. In addition, the Report provides a narrative description of the data, if necessary, to explain its purposes.

#### **3. Balance**

The Report provides an objective and unbiased description of the Group's ESG performance during the Reporting Year. The Group's ESG performance, management and room for improvement can be shown by comparing data over the past two years. The Report also strives to avoid selections, omissions or presentation of information that might unduly influence the reader's judgment.

#### **4. Consistency**

The calculation methodology of the KPIs in the Report remains the same as in previous years, with previous years' KPIs presented together so that readers can assess the ESG performance of the Group by comparing the data.

### **Contact and Feedback**

The Group believes that a high level of trust from the community is critical to the sustainability of our business. We strive to manage the Group in the best interests of our stakeholders. As such, we value your feedback on the Report and our sustainability performance. If you have any opinions or suggestions, please do not hesitate to contact us by mail to Room 2008, 20/F, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.

## STAKEHOLDERS ENGAGEMENT



We recognise that successful business development is based on working closely with stakeholders, and we therefore actively engage our stakeholders. In order to gather the views and opinions of internal and external stakeholders on the Group's business operations, the Group has always maintained regular communication with key stakeholders through various channels as shown in the table below.

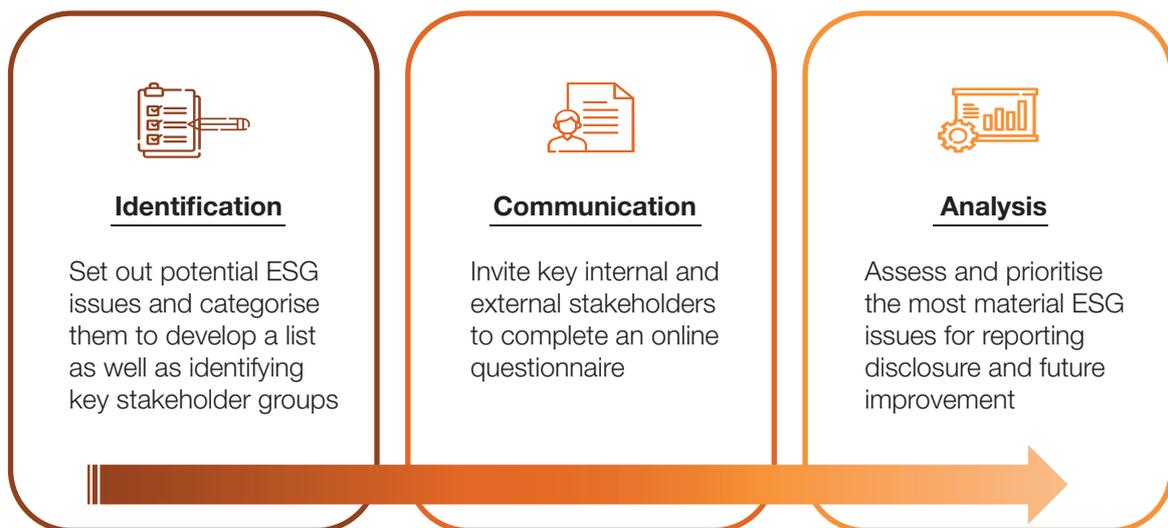
| Stakeholder Group                | Communication Channel  | Sustainability Topic   |
|----------------------------------|--|--|
| Investors and shareholders       | <ul style="list-style-type: none"> <li>Company's website</li> <li>Company's announcements</li> <li>General meetings</li> <li>Annual and interim reports</li> </ul>   | <ul style="list-style-type: none"> <li>Profit and returns</li> <li>Compliance obligation</li> <li>Governance</li> </ul>  |
| Customers                        | <ul style="list-style-type: none"> <li>Company's website</li> <li>Direct contact with customers</li> <li>Customers' feedback and complaints</li> </ul>   | <ul style="list-style-type: none"> <li>Service quality</li> <li>Information security and environmentally-friendly operation</li> </ul>   |
| Employees                        | <ul style="list-style-type: none"> <li>On-the-job and induction training</li> <li>Email and suggestion box</li> <li>Regular meetings</li> <li>Employee performance evaluation</li> <li>Staff activities</li> </ul> | <ul style="list-style-type: none"> <li>Labour rights</li> <li>Labour benefits</li> <li>Healthy and safe working environment</li> <li>Training and Development operation</li> </ul> |
| Suppliers                        | <ul style="list-style-type: none"> <li>Selection assessment</li> <li>Procurement process</li> <li>Performance evaluation</li> </ul>  | <ul style="list-style-type: none"> <li>Operation efficiency</li> <li>Establishing a reliable and stable working relationship</li> </ul>  |
| Government and regulatory bodies | <ul style="list-style-type: none"> <li>Documentation</li> <li>Compliance review</li> <li>Forums, meetings and seminars</li> </ul>  | <ul style="list-style-type: none"> <li>Compliance</li> <li>Report and document submission</li> <li>Licence application</li> </ul>  |
| Non-governmental organisations   | <ul style="list-style-type: none"> <li>Email</li> <li>Telephone</li> <li>Donation</li> </ul>   | <ul style="list-style-type: none"> <li>Community support</li> <li>Pollution and waste reduction</li> </ul>   |
| Community                        | <ul style="list-style-type: none"> <li>Company's website</li> <li>Community activities</li> </ul>  | <ul style="list-style-type: none"> <li>Community support</li> <li>Pollution</li> <li>Product health and safety</li> </ul>  |
| Media                            | <ul style="list-style-type: none"> <li>Company's website</li> <li>Company's announcement</li> </ul>  | <ul style="list-style-type: none"> <li>Quality of works</li> <li>Compliance</li> </ul>   |

## MATERIALITY ASSESSMENT



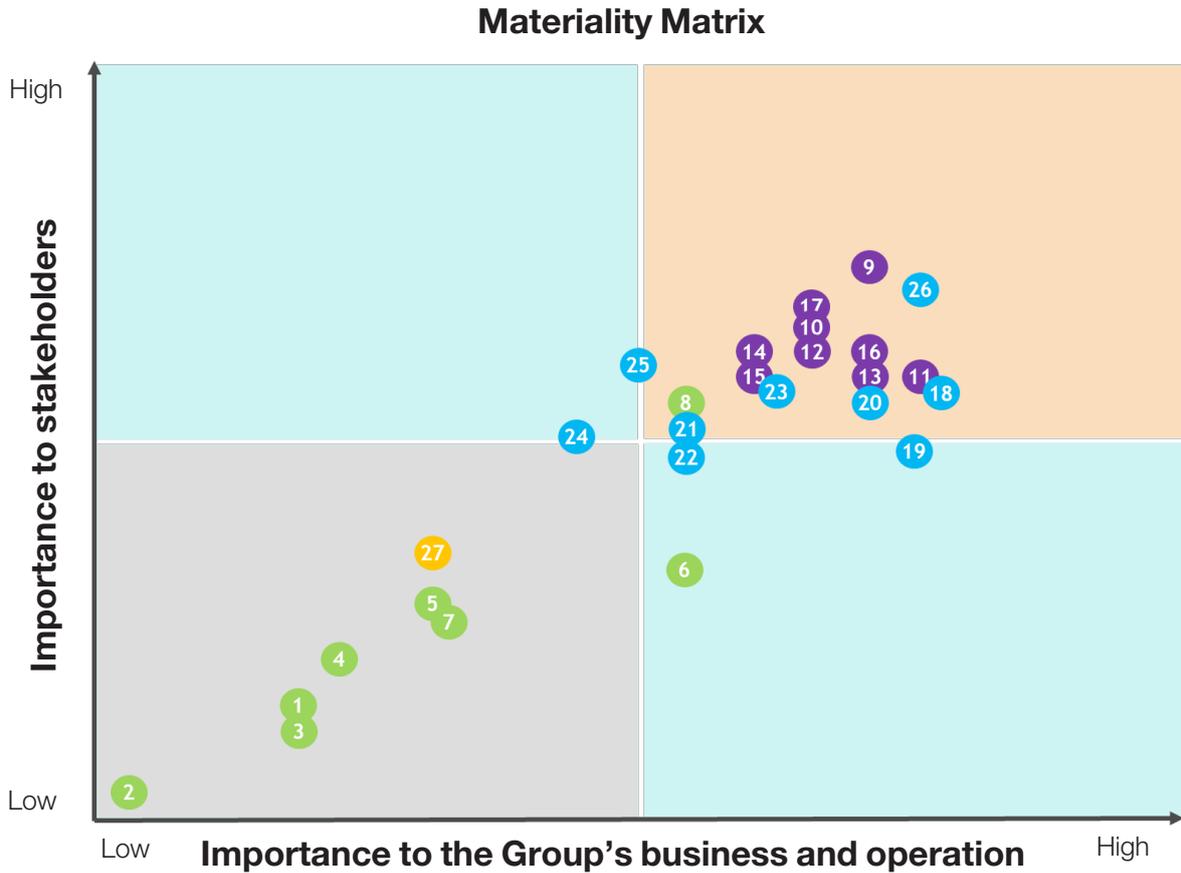
We have appointed an independent consulting firm to conduct a materiality assessment to identify the ESG issues that are of utmost importance to the Group in order to set the direction of disclosure for the Report and develop our ESG management measures.

The materiality assessment was conducted primarily in the form of an online questionnaire, which was divided into three sections, each detailing a number of key ESG issues that are extremely important to the Group's operations. Our key stakeholders (including the Board, our staff, customer and suppliers, etc.) were invited to complete the online questionnaire and were asked to rate each of the 27 issues on the questionnaire. The results were analysed by the independent consultant and presented in the form of a materiality matrix. The issues falling in the top right corner of the matrix were identified as the most important issues of concern to the Group's business operations and stakeholders.



**MATERIALITY ASSESSMENT (Continued)**

According to the questionnaire and analysis result, we have mapped the materiality matrix as follows.



| Environment                  | Society                                    |  |
|------------------------------|--|--|
|                              | Employment                                 | Operation  |
| 1. Air emission              | 9. Employment rights                       | 18. Customer satisfaction                                  |
| 2. Greenhouse gas emission   | 10. Labour-management relations            | 19. Customer service quality and complaints handling       |
| 3. Climate change            | 11. Employee retention                     | 20. Customer health and safety                             |
| 4. Energy efficiency         | 12. Diversity and equal opportunity        | 21. Marketing and product and service labelling compliance |
| 5. Water usage and effluents | 13. Anti-discrimination                    | 22. Intellectual property                                  |
| 6. Use of materials          | 14. Occupational safety and health         | 23. Customer privacy and data protection                   |
| 7. Waste management          | 15. Employee training                      | 24. Responsible supply chain management                    |
| 8. Environmental compliance  | 16. Employee development                   | 25. Business ethics  |
|                              | 17. Prohibition of child and forced labour | 26. Socio-economic compliance                              |
|                              |  | Community  |
|                              |  | 27. Community support                                      |

According to the materiality matrix, the top five issues that are of utmost importance to the Group are socio-economic compliance, employment rights, prohibition of child and forced labour, labour-management relations, and employee development. The Group will continue to review and formulate appropriate ESG policies and objectives and enhance our reporting disclosures, in order to continuously improve our ESG performance.

## RESPECT OUR EMPLOYEES

The hard work and dedication of our employees have contributed to the Group's success, and we therefore regard them as one of our most valuable assets. In order to provide a good working environment for our employees, the Group has taken practical measures in the areas of occupational safety and health ("OSH"), prohibition of child and forced labour, employment rights, labour-management relations and anti-discrimination to maintain good employment conditions and benchmarks and support the career development and well-being of employees.

### Occupational Safety and Health

The Group adheres to the relevant laws and regulations at which it operates, including but not limited to the Occupational Safety and Health Ordinance (Cap. 509) and the Employees' Compensation Ordinance (Cap. 282) in Hong Kong and the Law of the PRC on Prevention and Control of Occupational Diseases and the Work Injury Insurance Ordinance in Mainland China. During the Reporting Year, the Group was not aware of any significant breaches of health and safety laws and regulations relating to the provision of a safe working environment and the protection of employees from occupational hazards.

The Group has always placed OSH as one of its key values. As such, we have developed relevant OSH guidelines based on a "safety first and prevention-oriented" approach and the work characteristics of our employees, in order to create a high level of safety in the working environment for employees. These guidelines provide clear guidance to employees working mainly in the office and operational groups to reduce the potential risks they faced at work. For example, we recognise that the most common OSH problem faced by clerical staff is body strain due to prolonged and incorrect work postures. Therefore, we have provided guidelines on the proper set-up of computer workstations and the maintenance of good work posture in our Office Safety Guidelines to remind staff of the potential risks in such area.



To prevent workplace injuries at source, all employees are required to receive pre-employment training with content including daily OSH precautions, workplace and equipment management, fire management and emergency procedures. To ensure that staff are aware of the OSH guidelines, they are required to sign a declaration before their start of work to indicate that they understand our internal OSH regulations and agree to abide by those terms in relation to their job duties. We also provide accident insurance for our employees in Hong Kong to satisfy the requirements of the Employees' Compensation Ordinance (Cap 282) in Hong Kong.

## RESPECT OUR EMPLOYEES (Continued)

We have also established an injury follow-up process to regulate the conduct and actions of our staff in the event of an accident. All staff must report to their company and our 24-hour support centre immediately in the event of a work injury to ensure immediate emergency assistance is provided to the injured staff. We will provide paid sick leave and medical expenses to applicable staff, and compensate staff in accordance with the decision of the Labour Department to ensure that they are treated reasonably.

### ***Novel coronavirus prevention and control measures***

During the Reporting Year, although the novel coronavirus pandemic showed signs of slowing down in the areas where the Group operates, we continued to maintain our existing novel coronavirus prevention and control measures based on the principle of “prevention is better than cure”. Measures include conducting body temperature checks for staff before they enter the workplace, implementing workplace ventilation, disinfection and hygiene management and safe social distancing measures, and ensuring that all staff wear masks.



Regular office cleaning

## Employment Standards and Benefits

To strengthen the Group’s ability to retain talent, we will review the relevant remuneration packages in a timely manner to maintain our competitiveness in the market and further enhance staff welfare. The Group provides comprehensive insurance (the “five social insurances and one housing fund” for employees in the PRC and medical and life insurance and the Mandatory Provident Fund (MPF) for employees in Hong Kong) and paid leave (such as paid annual leave, statutory holidays, marriage leave, bereavement leave, maternity leave, paternity leave, etc.) to its full-time employees. In addition, the Group aims to promote work-life balance through fixed working hours to ensure that employees have sufficient time off work to rest.

The Group adheres to the relevant labour laws and regulations at which it operates, including but not limited to the Employment Ordinance (Cap. 57), the Sex Discrimination Ordinance (Cap. 480), the Disability Discrimination Ordinance (Cap. 487), the Family Status Discrimination Ordinance (Cap. 527) and the Race Discrimination Ordinance (Cap. 602) in Hong Kong, and the Labour Law of the PRC, the Labour Contract Law of the PRC, the Social Insurance Law of the PRC, the Law of the PRC on the Protection of Women’s Rights and Interests and the Law of the PRC on the Protection of Disabled Persons in Mainland China. During the Reporting Year, the Group was not aware of any significant breaches of laws and regulations relating to remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, other treatment and benefits and prevention of child or forced labour.

## RESPECT OUR EMPLOYEES (Continued)

### ***Anti-discrimination work environment***

Greatwalle believes that a culture of mutual respect and professional staff behaviour are essential to creating a harmonious workplace. We strictly prohibit any discrimination or harassment on the basis of age, gender, race, disability, marital status or other non-work related reason. The Group treats all employees and suitable candidates equally and fairly in recruitment, promotion, benefits, dismissal and other related processes, and all decisions are made solely on merit.

If an employee is treated unfairly, he/she can contact his/her job supervisor or assistant manager and complete a complaint form through the Group's staff complaint mechanism. Details of the policies and guidelines on discrimination and equal employment and the complaint mechanism are set out in our Staff Handbook and Code of Conduct for employees to understand the relevant details.

### ***Fight against child and forced labour***

The protection of human rights is one of the employment rights that we take very seriously. As such, the Group strictly prohibits any form of child labour and illegal and forced labour practices. We will check the qualifications and identification of our recruitment candidates and confirm that they are of legal working age before they are formally employed. At the same time, the Group will ensure that all candidates are employed voluntarily and that the rights of all employees are protected by a legally binding employment contract.

### **Development and Training**

Greatwalle recognises that the professionalism of our staff is highly related to the development of the Group. Therefore, we provide on-the-job training to all existing staff to enhance their competitiveness in the industry. In addition, all new recruits are required to attend an induction training with content covering company introduction, internal policies and rules, corporate culture, OSH precautions, staff welfare, etc. to provide staff with the relevant knowledge required for their positions.

In order to encourage staff to strive for improvement and maintain good performance, annual staff appraisal is in place. We adopt a two-way communication approach during the appraisal, so that staff can express their opinions and suggestions. The appraisal focuses on the performance, quality and leadership skills of our staff. The results of which are used as the basis for determining future salary adjustments, promotions and demotions, and trainings.

### **Harmonious Working Environment**

Given that our staff is one of the Group's most valuable assets, we regularly organise internal staff activities to strengthen the cohesiveness and team spirit among our staff and rejuvenate their physical and mental well-being through such activities. During the Reporting Year, we organised different types of activities and gatherings, including but not limited to New Year's Eve gala dinner and staff award ceremony, etc. Through these activities, our team was able to spend leisure time together and enjoy a balance between work and life.



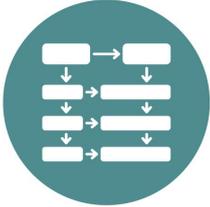
New Year's Eve gala dinner



Staff award ceremony

## SATISFY OUR CUSTOMERS

### Quality Service



As an enterprise in the service industry, customer satisfaction plays a significant role in the Group's business. Good customer service not only enhances customer loyalty, but also differentiates a company from its competitors. In order to maintain a good quality of service, we strictly adhere to the laws and regulations relating to service quality, security management and customer privacy at which we operate. During the Reporting Year, the Group did not have any significant breaches of laws and regulations relating to health and safety, advertising and labelling of products and services provided, including the Law of the PRC on the Protection of the Rights and Interests of Consumers and the Advertising Law of the PRC in Mainland China.

### Security Guarding Services Business

The Group aims to provide comprehensive, professional and reliable security guarding services to our customers. In view of the diverse needs of the market, we provide a wide range of security guarding services (including long-term or temporary security guarding services, venue and event security guarding services and VIP celebrity escort services) to meet the needs and expectations of different customers. The services include not only security guarding work but also integrated support services such as supervision work, administrative surveillance, liaison, insurance coverage and customer service. Our services are tailored to meet the needs of our customers, providing them with considerate, high quality and outstanding services.



To further manage our service quality, we have established a quality management system with reference to the international standard ISO 9001:2015 to develop a precise organisational structure and specify the responsibilities of each position, in order to ensure effective implementation of approach and policies of our service quality management. Our work processes are based on the principles of "Customer First, Quality Service and Continuous Improvement". We will establish policies, objectives and strategies in respect of service quality that are appropriate to the customer's requirements before making any tender. After a tender is successfully awarded, we will re-evaluate the customer's needs in order to allocate resources to satisfy their needs. In addition, we have established three key service quality goals under our quality management system to maintain good service quality:

#### Service Quality Goals

- Achieve 85% customer satisfaction score
- Follow up on complaints within 24 hours
- Arrive at the scene within 10 minutes after notification in dealing with emergencies

As there is a direct correlation between the quality of our staff and the quality of our services, we attach great importance to the professionalism of our staff. When recruiting security personnel, we require candidates to possess relevant professional qualifications (e.g. a valid security personnel permit) and good disciplinary behaviour to ensure that they are capable of providing high quality services to our customers. In addition, a detailed Guide on Security Procedure, which covers the service quality goals, security personnel's job information and supplies details, emergency reporting procedure, code of practice, etc. of the Group, is placed in each security room and is required to be read and implemented by security personnel. In addition to the above guidelines, we have also developed an Employee Grooming and Dress Code Policy that focus on staff's appearances and provided uniforms for security personnel to demonstrate a good and professional image to our customers.

## SATISFY OUR CUSTOMERS (Continued)



In order to effectively manage the security guarding services activities, the Group has established a multi-layered structural model and adopted a top down approach, with the Chief Executive Officer formulating the management and performance evaluation methods, and the operation managers supervising, evaluating and supporting the overall security guarding services work on a day-to-day basis, including making enquiries on staff work, monitoring the service process, checking records and communicating with customers. The regional managers are responsible for managing all matters in their own regions, including monitoring staff performance and providing on-the-job training to staff. Patrol officers are responsible for patrolling their respective posts and inspecting every security personnel, including appearance, equipment, performance, expiry dates of security certificates, etc., and reporting their performance to the regional managers on a regular basis. Corrective actions will be taken by the operation managers when the quality of service does not meet the planned requirements.

Regarding customer communication, we provide various channels for our customers to express their opinions and suggestions through email, 24-hour hotline (answered by our control room personnel), fax or direct meeting. We also conduct occasional visits and send questionnaire surveys to our customers of the security guarding services business every year to find out their satisfaction level with us. The operation managers and marketing managers are responsible for collecting relevant information (e.g. frequency of customer complaints, results of customer satisfaction survey, etc.) and analysing it to review the suitability and effectiveness of the quality management system and evaluate opportunities for continuous improvement of the quality management system. In the event of a customer complaint, we will follow up strictly in accordance with the Complaint Handling Procedures, and the results of the complaint investigation will be notified to the customer by telephone and email within 24 hours. If we find that any action is not in line with customer expectations, we will carry out a timely remedial plan to rectify the action and analyse the root causes for such action to prevent similar incidents from happening again.

## SATISFY OUR CUSTOMERS (Continued)

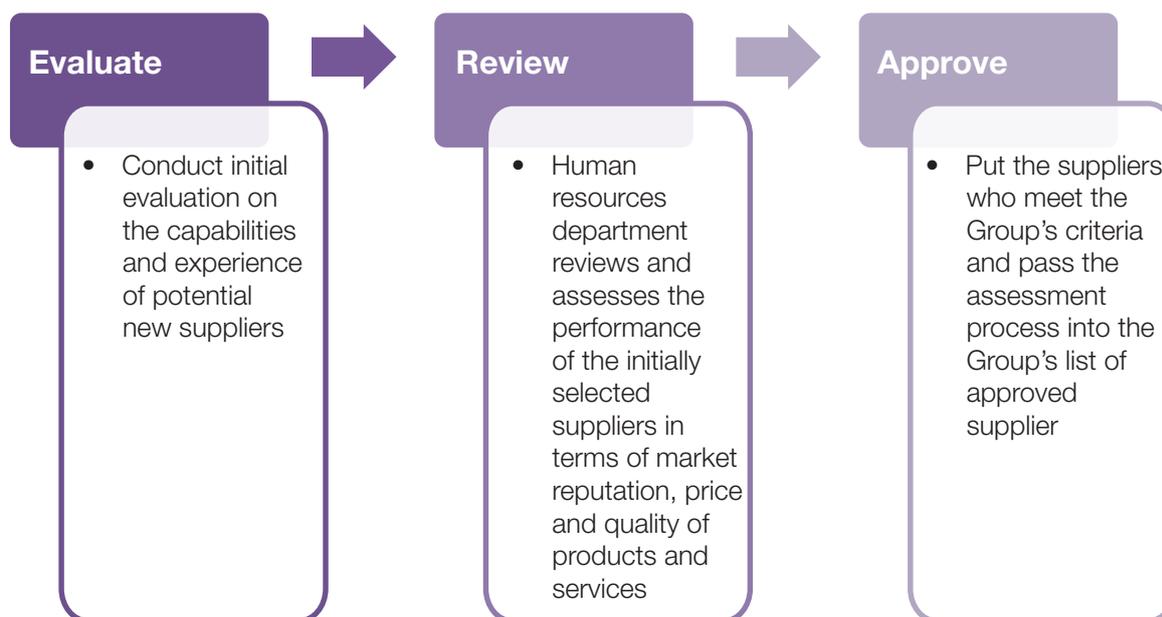
### **Asset Management and Business Advisory Business**

The Group's asset management and business advisory business operates under the philosophy of "Serving Customers and Creating Value" to provide customers with services or products that match their risk appetite. To cater for the needs of investors, we have hired investor relations personnel. Staff who are working at this position are required to have a thorough understanding of our customers and to keep abreast of domestic and international economic news and market trends in order to provide customers with suitable financial products and professional services. Investor relations personnel are required to follow the rules set out in the Group's Investor Relations Service Manual in conducting marketing, liaising and development work with customers.

The Group greatly values the opinions of our customers. As such, we arrange for our investor relations personnel to revisit our customers at least once a year to further understand their needs and listen to their opinions on the Group's services. All opinions and feedbacks received from customers are recorded in our customer relationship management system and are reviewed from time to time by our supervisors to reinforce our understanding of the customers' current status. If any customer expresses dissatisfaction, we will follow up in accordance with the complaint handling system set out in the Investor Relations Service Manual. All complaints will be investigated and liaised to the customer within three working days, and the course of event and outcome of all complaints will be documented to facilitate future improvements or optimisations on the relevant business processes or rules.

### **Supply Chain Management**

The Group's principal activities are service based (security guarding services and asset management and business advisory), supply chain management is therefore not a relevant and material issue to the nature of our business. Nevertheless, Greatwalle has a standard process for evaluating suppliers. Our main purchases are stationery and office equipment and security guard uniforms and equipment. In selecting suitable suppliers, we take the following steps:



Existing suppliers are evaluated based on their quality of goods, efficiency of delivery, price, and management systems. Suppliers who fail to meet the Group's criteria shall be given the opportunity to take corrective action, while suppliers who consistently fail to meet the criteria will be terminated.

## BUSINESS ETHICS



The Group has a zero-tolerance attitude towards corruption, bribery, extortion and fraud, and is committed to upholding the highest standards of business integrity. A team of experienced senior staff managed by the Group's Executive Directors is responsible for conducting internal investigations and handling cases and reporting its findings directly to the Executive Directors to monitor the discipline and integrity of staff. During the Reporting Year, the Group has confirmed that there were no breaches of relevant laws and regulations, including but not limited to the Prevention of Bribery Ordinance (Cap. 201) in Hong Kong, and the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Anti-Money Laundering Law of the PRC in Mainland China, nor any concluded cases of corruption litigation against the Group or its employees.

### Anti-corruption and Conflict of Interest

The Group strictly prohibits employees from offering or accepting any form of benefits, such as gifts, hospitality, gratuities, commissions, etc., under any circumstances in order to maintain accountability when performing their duties and responsibilities. Employees are also advised to avoid any conflict of interest and actively disclose by writing to the human resources manager if there is a suspected conflict or clash between personal and company interests. To ensure that employees are well aware of the Group's rules on anti-corruption and conflict of interest, we have set out relevant standards and guidelines in our Staff Handbook and Code of Conduct. In addition, we also set out the relevant terms in employment contracts and explain these terms to our employees prior to their employment to ensure that they are aware of such information.

In order to foster a corruption-free workplace culture and further monitor staff conduct, a whistleblowing system has been put in place. Anyone who is aware of a suspected breach of the code of conduct is encouraged to report it to the human resources manager via the telephone hotline to prevent any business misconduct. In the event of any breach of the code of conduct, disciplinary action (including termination of employment) will be taken, and serious offences will be referred to the relevant law enforcement agency.

### Privacy and Confidentiality

Currently, data security has become a major concern for consumers and businesses. In addition to the abovementioned misconduct, the Group is also highly concerned about matters relating to confidential and sensitive information. Our Staff Handbook and Code of Conduct clearly sets out code of conduct on data confidentiality, which strictly prohibits employees from disclosing confidential information regarding customers or company operations, technology and intellectual property without prior consent of the Company or the customer, and prevents theft or misuse of such confidential information. In addition, we require applicable employees to sign confidentiality agreements to enhance the protection of confidential information. Disciplinary action (including termination of employment contracts) will be strictly enforced if any breaches of the Group's confidentiality policy is detected. During the Reporting Year, the Group was not aware of any breaches of relevant privacy laws and regulations in relation to the products and services provided.

## COMMUNITY INVOLVEMENT



Greatwalle is committed to promoting community harmony and development. As such, we encourage our staff to give back to the communities at which we operate by personally taking part in community and civic activities. In addition, we are also keen to fulfil our social corporate responsibilities by making donations to charities such as Oxfam and Care for the Elderly Association Limited. The Group’s long-term goal is to participate in community investment and development in a meaningful and pleasant way, and build a harmonious relationship with the local community.

Our community involvement activities focus on youth and underprivileged care. Since 2007, the Group has been participating in the Wage Protection Movement, the Youth Employment Programme and the Employment Programme for the Middle-aged under the Labour Department. At the same time, the Group has also joined the Work Orientation and Placement Scheme to provide job opportunities for people with disabilities to develop their work potential, enhance their working ability and help them integrate into society. During the Reporting Year, the Group was honoured to receive the “Caring Company” certificate issued by the Hong Kong Federation of Youth Groups, and we have also been awarded the “Caring Company” logo by the Hong Kong Council of Social Service for more than 10 consecutive years.



## PROTECT OUR ENVIRONMENT



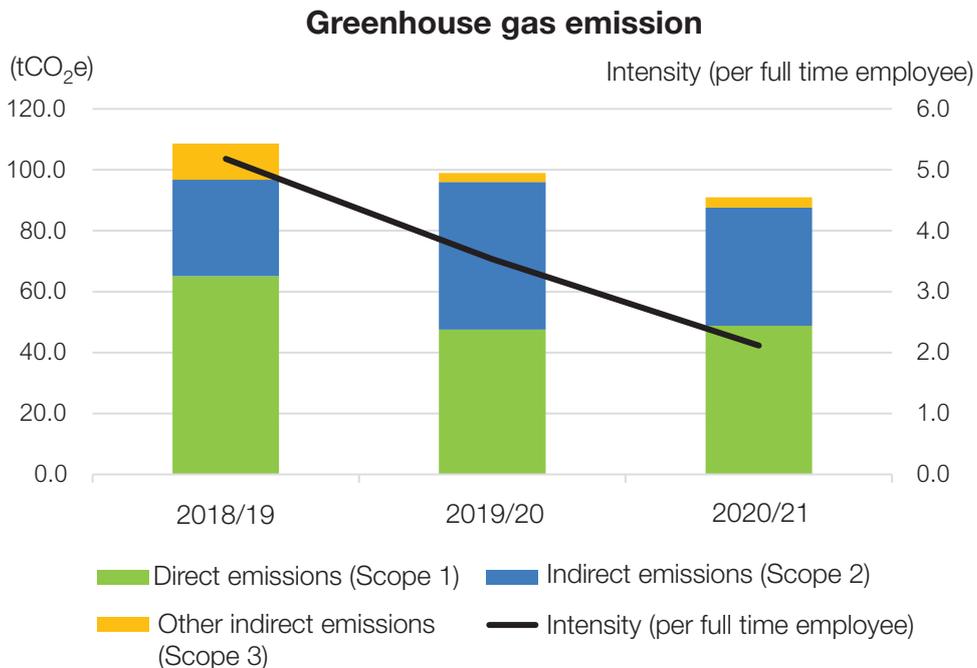
As the Group’s operations are primarily office-based, our business does not involve factors that result in significant impacts to the environment and therefore the Group has not identified laws and regulations in Hong Kong and Mainland China that have a significant impact on our business in relation to air and greenhouse gas emissions, discharges into water and land, generation of waste and use of resources. Nevertheless, we are still endeavouring to build a green office culture and encourage our staff to comply with the relevant green office guidelines, thereby further embedding the concept of sustainability into our operations and reducing our carbon footprint.

As the security personnel of the security guarding services business in Mainland China are scattered in various projects, and water and electricity are provided by the property management companies, we do not have access to the relevant data to measure the environmental performance of the business. Accordingly, unless otherwise stated, the scope of environmental performance (e.g. energy use and emissions data) in the Report is limited to operating businesses and facilities under the control of the Group, including the security guarding services business in Hong Kong and the asset management and business advisory business in Mainland China, and the relevant data has indicated changes due to a change in the scope of reporting for the current reporting period.

### Air and Greenhouse Gas Emission Management

Throughout our business operations, vehicle fuel combustion and electricity use are the main sources of our greenhouse gas emissions. For vehicle emissions, we select energy-efficient vehicles, use unleaded gasoline and diesel with lower sulphur content, and regularly inspect and maintain the vehicles to improve their efficiency and reduce emissions. In addition, we have increased the use of online platforms for meetings, thereby reducing avoidable vehicle trips. Employees are also encouraged to use public transport or travel in groups on company vehicles to reduce their personal carbon emissions. For more information on measures to regulate the use of electricity, please refer to the section headed “Resource Utilisation Management” in the Report.

During the Reporting Year, the Group’s greenhouse gas emissions totalled 90.96 tCO<sub>2</sub>e, with an intensity of 2.12 tCO<sub>2</sub>e per full time employee.



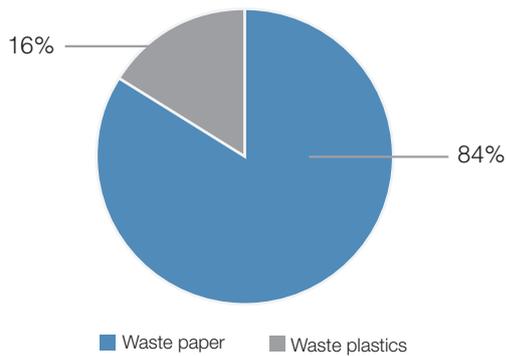
## PROTECT OUR ENVIRONMENT (Continued)

### Waste Management

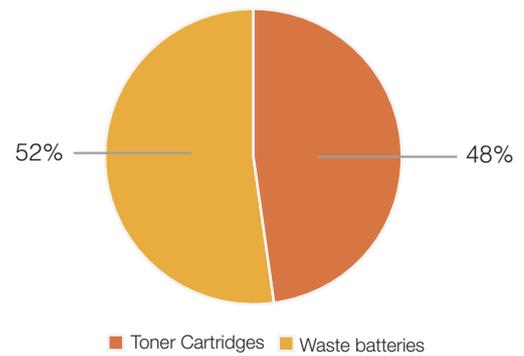
Our hazardous waste mainly comprises toner cartridges and waste batteries. All hazardous waste is handed over to qualified service providers for further handling and recycling or consigned to the property management company for disposal. The Group's non-hazardous waste mainly comprises office waste. In addition to general waste bins, we also place separate waste paper and plastic collection bins in our offices to boost the recycling of such waste. Furthermore, we require all staff to return all uniforms and accessories when they leave employment, and these uniforms and accessories are cleaned and reused, thus reducing the unnecessary impact on the environment caused by purchasing new uniforms. All non-recyclable and recyclable non-hazardous waste are handed over to the property management company for further recycling and disposal.

The distributions of the Group's non-hazardous waste and hazardous waste during the Report Year are listed as below:

**Distribution of non-hazardous waste**



**Distribution of hazardous waste**

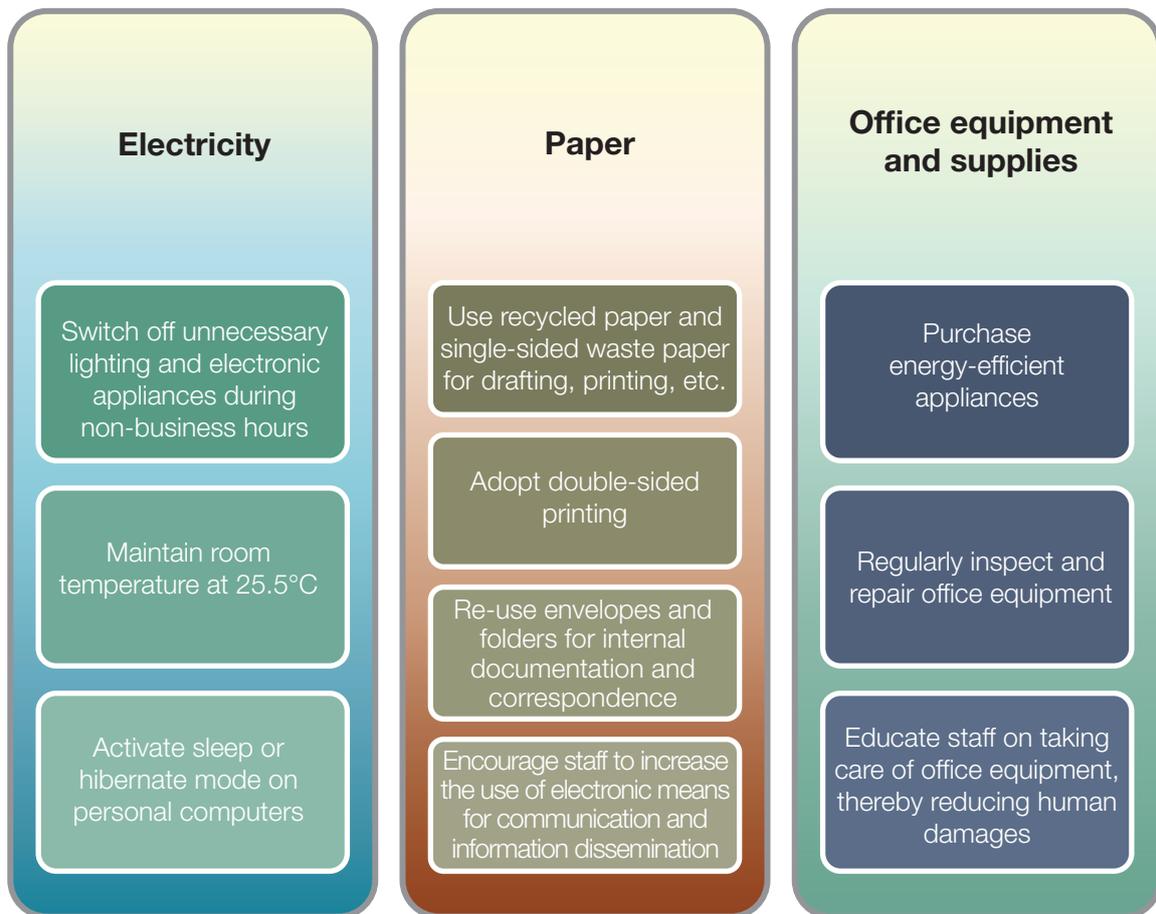


## PROTECT OUR ENVIRONMENT (Continued)

### Resource Utilisation Management

The Group adopts the 4R principle to minimise our environmental footprint by increasing recycling rates and reducing energy consumption as much as possible through the 4 approaches, which are reduce, reuse, replace and recycle. Recognising that the only way to minimise our environmental footprint is through continuous behavioural change, we have implemented energy saving measures in areas such as electricity, paper and office supplies to foster energy saving habits among our staff.

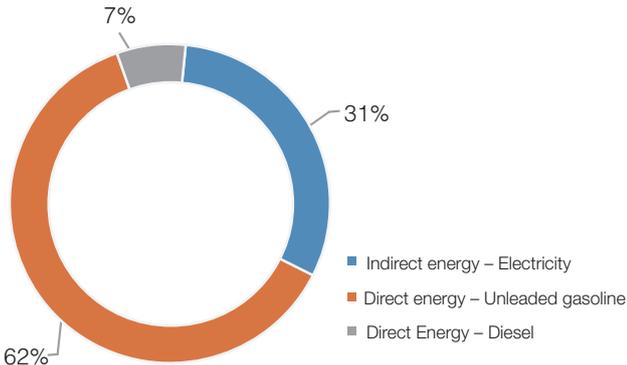
### Office Energy Saving Guideline



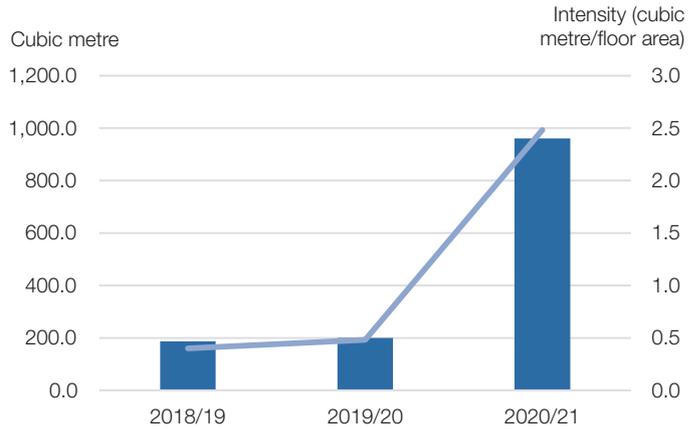
**PROTECT OUR ENVIRONMENT (Continued)**

During the Reporting Year, the Group consumed a total of 74,422 kWh of electricity, 1,876.66 litres of diesel, 16,427.89 litres of unleaded gasoline, 961 cubic metres of water and 0.66 tonnes of paper, with the increase in water consumption attributable to the need for employees to wash their hands frequently and carry out daily cleaning of the workplace during the novel coronavirus pandemic. In addition, the Group used a total of 0.74 tonnes of packaging materials with an intensity of 0.01 tonnes per full time employee during the Reporting Year.

**Distribution of energy use**



**Water consumption**



**Environment and Natural Resources**

In view of the increasing impact of climate change, the Group is committed to continue to actively manage the existing and emerging environmental risks and maintain a high level of environmental performance, in order to achieve a sustainable operating model.

In order to prevent and respond to unpredictable events, we have developed an Emergency Management Plan to reduce the environmental risks associated with emergency incidents. The document sets out the reporting channels, emergency response and investigation methods under emergency circumstances to enable our staff to respond quickly to incidents. The plan is formulated based on the environmental risks that we may face and the different work situations, which includes man-made and natural environmental hazards identified such as fire, earthquake, typhoon and heat stroke. To facilitate the implementation of the plan, we provide regular training and emergency drills to equip our staff with the relevant knowledge.

## PROTECT OUR ENVIRONMENT (Continued)

### Environmental Performance

|  | Unit  | 2020/21          | 2019/20   |
|--|---|------------------|-----------|
| <b>Greenhouse gas emission</b>                   |   |                  |           |
| Direct emissions (Scope 1) <sup>1</sup>          | tCO <sub>2</sub> e  | <b>48.86</b>     | 47.49     |
| Energy indirect emissions (Scope 2) <sup>2</sup> | tCO <sub>2</sub> e  | <b>38.76</b>     | 48.56     |
| Other indirect emissions (Scope 3) <sup>3</sup>  | tCO <sub>2</sub> e  | <b>3.34</b>      | 2.85      |
| Total emission                                   | tCO <sub>2</sub> e  | <b>90.96</b>     | 98.91     |
| Intensity  | tCO <sub>2</sub> e/full time employee                             | <b>2.12</b>      | 3.53      |
|  | tCO <sub>2</sub> e/square metre<br>("m <sup>2</sup> ") floor area | <b>0.06</b>      | 0.05      |
| <b>Air emission<sup>4</sup></b>                  |   |                  |           |
| Sulphur oxide                                    | gram  | <b>271.70</b>    | 264.01    |
| <b>Use of resources</b>                          |   |                  |           |
| Direct energy – Unleaded gasoline                | litre   | <b>16,427.89</b> | 16,092.11 |
|  | MWh   | <b>149.71</b>    | 146.54    |
| Direct energy – Diesel                           | litre   | <b>1,876.66</b>  | 1,705.32  |
|  | MWh   | <b>16.41</b>     | 17.11     |
| Indirect energy – Electricity                    | MWh   | <b>74.42</b>     | 82.83     |
| Total energy consumption <sup>5</sup>            | MWh   | <b>240.54</b>    | 246.47    |
| Intensity  | MWh/full time employee  | <b>5.59</b>      | 8.80      |
|  | MWh/m <sup>2</sup>  | <b>0.17</b>      | 0.12      |
| Water consumption <sup>6</sup>                   | cubic metre   | <b>961.00</b>    | 199.80    |
| Intensity  | cubic metre/full time employee                                    | <b>31.00</b>     | 13.32     |
|  | cubic metre/m <sup>2</sup>  | <b>2.48</b>      | 0.48      |
| Effluent discharge <sup>5</sup>                  | cubic metre   | <b>627.00</b>    | 199.80    |
| Intensity  | cubic metre/full time employee                                    | <b>20.23</b>     | 13.32     |
|  | cubic metre/m <sup>2</sup>  | <b>1.62</b>      | 0.48      |
| Paper  | tonne   | <b>0.66</b>      | 7.56      |
| Intensity  | tonne/full time employee  | <b>0.02</b>      | 0.27      |

<sup>1</sup> Direct emissions (Scope 1) cover emissions from vehicle fuel combustion from mobile sources. The calculation adopts the published emission factors in the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department.

<sup>2</sup> Indirect emissions (Scope 2) cover emissions from electricity purchased by power companies. The calculation is based on the emission factors published in the CLP Sustainability Report 2019.

<sup>3</sup> Other indirect emissions (Scope 3) include greenhouse gas generated from disposal of paper, use of water and wastewater treatment by the Hong Kong subsidiaries of the Group. The calculation is based on the formulae and emission factors set out in "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by The Stock Exchange of Hong Kong Limited.

<sup>4</sup> Emissions of suspended particulates and nitrogen oxides cannot be calculated due to technical problems in collecting vehicle miles travelled.  
<sup>5</sup> The conversion factors for conversion of unleaded gasoline and diesel consumption from volumetric units to energy units are determined by reference to the "CDP Technical Note: Conversion of fuel data to MWh".

<sup>6</sup> Data on water consumption and effluent discharge for the Reporting Year only include the office in Hong Kong. We are unable to obtain data of water consumption and sewage discharge of our offices in Mainland China as those are managed by property management companies. During the Reporting Year, the Group had no major issues in sourcing water.

## PROTECT OUR ENVIRONMENT (Continued)

### Environmental Performance (Continued)

|                                       | Unit                     | 2020/21        | 2019/20 |
|---------------------------------------|--------------------------|----------------|---------|
| Cardboard boxes <sup>7</sup>          | tonne                    | <b>0.07</b>    | –       |
| Plastic strappings <sup>7</sup>       | tonne                    | <b>0.004</b>   | –       |
| Total packaging material <sup>7</sup> | tonne                    | <b>0.074</b>   | –       |
| Intensity                             | tonne/full time employee | <b>0.01</b>    | –       |
| <b>Waste<sup>8</sup></b>              |                          |                |         |
| Toner cartridges                      | tonne                    | <b>0.00070</b> | 0.00040 |
| Waste batteries                       | tonne                    | <b>0.00076</b> | 0.00067 |
| Total hazardous waste                 | tonne                    | <b>0.00146</b> | 0.00107 |
| Intensity                             | tonne/full time employee | <b>0.00012</b> | 0.00082 |
| Waste paper                           | tonne                    | <b>0.75</b>    | 5.63    |
| Waste plastics                        | tonne                    | <b>0.14</b>    | 0.86    |
| Total non-hazardous waste             | tonne                    | <b>0.89</b>    | 6.49    |
| Intensity                             | tonne/full time employee | <b>0.07</b>    | 0.50    |

<sup>7</sup> The data regarding the use of packaging material in the Report are attributed to our offices of the asset management and business advisory business in Mainland China as the security and guarding services business does not involve the use of packaging materials.

<sup>8</sup> The waste generation data of the Report are attributed to our offices of the asset management and business advisory business in Mainland China as the waste from our Hong Kong office is disposed of by the property management company, and as such, we are unable to collect relevant data for further calculation. However, only a small amount of waste was generated from the Hong Kong office.

## ESG REPORTING GUIDE INDEX

| ESG Reporting Guide Key Aspects, Areas, General Disclosures & KPIs |  | Explanation/Reference Section   |
|--|--|---|
| <b>Key Aspect A: Environment</b>                                   |  |   |
| <b>A1 Emissions</b>  | <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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</p> | Protect Our Environment – Air and Greenhouse Gas Emission Management, Waste Management, Environmental Performance       |
| KPI A1.1   | The types of emissions and respective emissions data.  | Protect Our Environment – Air and Greenhouse Gas Emission Management, Waste Management, Environmental Performance       |
| KPI A1.2   | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | Protect Our Environment – Air and Greenhouse Gas Emission Management, Waste Management, Environmental Performance       |
| KPI A1.3   | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Protect Our Environment – Waste Management, Environmental Performance   |
| KPI A1.4   | Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).  | Protect Our Environment – Waste Management, Environmental Performance   |
| KPI A1.5   | Description of measures to mitigate emissions and results achieved.  | Protect Our Environment – Air and Greenhouse Gas Emission Management, Waste Management, Resource Utilisation Management |
| KPI A1.6   | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.   | Protect Our Environment – Waste Management  |
| <b>A2 Use of Resources</b>   | <p>Policies on efficient use of resources including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>  | Protect Our Environment – Resource Utilisation Management   |
| KPI A2.1   | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).   | Protect Our Environment – Resource Utilisation Management, Environmental Performance                                    |
| KPI A2.2   | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | Protect Our Environment – Resource Utilisation Management, Environmental Performance                                    |
| KPI A2.3   | Description of energy use efficiency initiatives and results achieved.   | Protect Our Environment – Resource Utilisation Management, Environmental Performance                                    |
| KPI A2.4   | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.  | Protect Our Environment – Resource Utilisation Management, Environmental Performance                                    |
| KPI A2.5   | Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.  | Protect Our Environment – Resource Utilisation Management, Environmental Performance                                    |

## ESG REPORTING GUIDE INDEX (Continued)

| ESG Reporting Guide Key Aspects, Areas, General Disclosures & KPIs |   | Explanation/Reference Section  |
|--|---|--|
| <b>A3 The Environment and Natural Resources</b>                    | Policies on minimising the issuer's significant impact on the environment and natural resources.  | Protect Our Environment – Environment and Natural Resources                                |
| KPI A3.1   | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.   | Protect Our Environment – Environment and Natural Resources                                |
| <b>Key Aspect B: Social</b>  |   |  |
| <b>B1 Employment</b>   | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Respect Our Employees – Employment Standards and Benefits                                  |
| <b>B2 Health and Safety</b>  | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.   | Respect Our Employees – Occupational Safety and Health                                     |
| <b>B3 Development and Training</b>                                 | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.<br><br>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.   | Respect Our Employees – Development and Training   |
| <b>B4 Labour Standards</b>   | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.   | Respect Our Employees – Employment Standards and Benefits                                  |
| <b>B5 Supply Chain Management</b>                                  | Policies on managing environmental and social risks of the supply chain.  | Satisfy Our Customers – Supply Chain Management  |
| <b>B6 Product Responsibility</b>                                   | Information on:<br>(a) the policies; and<br>(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.                                       | Satisfy Our Customers – Quality Service; and Business Ethics – Privacy and Confidentiality |
| <b>B7 Anti-corruption</b>  | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.  | Business Ethics – Anti-corruption and Conflict of Interest                                 |
| <b>B8 Community Investment</b>                                     | 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.  | Community Involvement  |