

长城汇理  
GREAT WALLE

GREATWALLE INC.  
長城匯理公司

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

*Stock Code: 8315*

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT

2021/22

## ABOUT THIS REPORT

This report sets out to present the performance of Greatwalle Inc. (the “**Company**” or “**Greatwalle**”) and its subsidiaries (collectively referred to as the “**Group**”, “**we**”, “**our**”) on Environmental, Social and Governance (“**ESG**”) for the year ended 31 March 2022 (the “**Reporting Year**” or “**2021/22**”) and is consistent with the same timeframe of the financial report. This ESG report has been prepared in “Comply and Explain” provisions outlined in the ESG Reporting Guide (“**ESG Reporting Guide**”) in Appendix 20 to the Rule Governing the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rule**”). This ESG report covers the Group’s ESG-related risks, opportunities, policies and measures, management involvement in the ESG-related matters and ESG-related strategies and targets.

The scope of the ESG report mainly covers four subsidiaries engaged in securities guarding and property management services business in Hong Kong and the People’s Republic of China (the “**PRC**” or “**Mainland China**”) and one subsidiary engaged in asset management in Mainland China. If the scope and boundaries of the specific contents vary, they are noted in the relevant section of this ESG Report. We are improving our internal data collection procedures and gradually expanding our scope of disclosure.

## BOARD STATEMENT

The Board understands sustainable development is a global main theme. In China’s 14th “five-year plan”, the PRC’s Government has outlined a 18.0% reduction target for “CO<sub>2</sub> intensity” and 13.5% reduction target for “energy intensity” from 2021 to 2025. Meaning that sustainability and low-carbon transition have become a central policy theme in the PRC. As a socially responsible citizen, Greatwalle endeavours to take into account the sustainable development at our first priority by setting our short-term and long-term targets to minimise our impact on the environment. We have also set up a ESG working team (“**ESG Working Team**”) to formulate the Group’s ESG strategies and targets in order to further improve our ESG performance.

Our staff remain paramount to the Group’s success. Under the third year of COVID-19 pandemic, we adhere the principle of “prevention is better than cure” to keep out our workplace hygienic and virus-free for our staff. During the Reporting Year, we provide face masks, COVID rapid test kits, disinfectants and alcohol wipes to our colleagues.

We are highly appreciative of the great effort and professionalism provided by our staff to deliver high standards of service quality to our clients and investors.

## THE ESG MANAGEMENT STRUCTURE

Greatwalle has structured an ESG Working Team, which comprises the board (the “**Board**”) of directors of the Company, senior management and designated personnel from various department. The Board has an overall responsibility for overseeing the Group’s ESG-related risks and opportunities, formulating the Group’s ESG strategies and targets, reviewing regularly the Group’s ESG performance against the targets, and revising the strategies as appropriate, if necessary. The senior management and designated personnel from various department serves as supportive roles to the Board in implementing and monitoring the ESG-related strategies and targets, conducting materiality assessments for ESG issues to our internal and external key stakeholders and prioritise them, and promote the implementation of respective measures, collecting ESG data from respective functional department and liaising with the respective functional department, if necessary.

## REPORTING PRINCIPLES

This ESG report is prepared based on the following basic principles:

<b>Materiality</b>	We have identified 27 key ESG issue covering environmental, employment, operation and community. Our key stakeholders have invited to conduct an online questionnaire to rank for 27 key ESG issues. Details and results can be found under the section headed “Materiality Assessment” in this ESG report.
<b>Quantitative</b>	We disclosed key performance indicators (“ <b>KPIs</b> ”) with comparative data in accordance with the requirements of the ESG Reporting Guide, and provided relevant statistical standards, methodologies, assumptions, calculation tools and sources of conversion factors for emissions and energy consumption.
<b>Balance</b>	Information and data disclosed in this ESG report are objective and unbiased.
<b>Consistency</b>	Majority of calculation methods of KPIs in this ESG report remain consistent with that used in previous reporting year. If there are any changed to the methods used or any other relevant factors affecting a meaningful comparison, we provide explanations to the variances.

## REVIEW AND APPROVAL

This ESG report for the Reporting Year has been reviewed and approved by the Board of the Company.

## REPORT AVAILABILITY

This ESG report is published in electronic version which is available on the Company’s website ([www.kingforce.com.hk](http://www.kingforce.com.hk)) and the HKEXnews website (<http://www.hkexnews.hk>).

## CONTACT AND FEEDBACK

We strive for the best and improvement and welcome your feedback and suggestions. Please share with us by mail to Room 2008, 20/F, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.

## STAKEHOLDER ENGAGEMENT

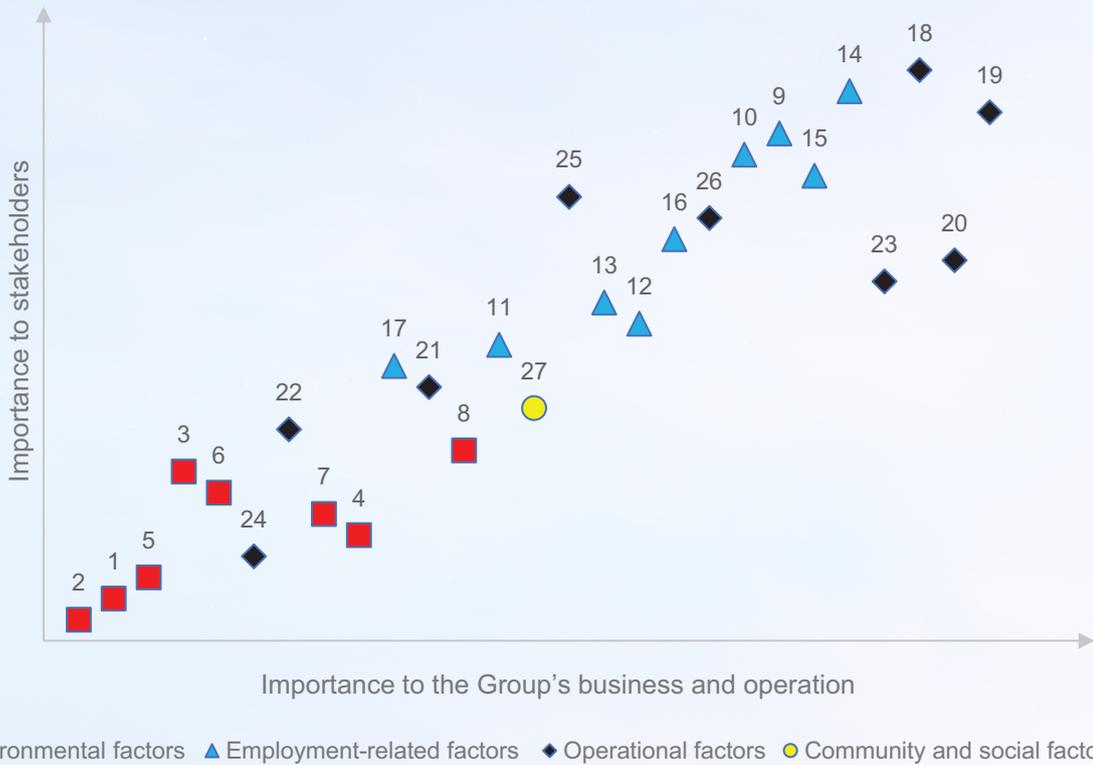
Greatwalle actively communicates with our stakeholders through different communication channels such as face-to-face meetings, telephone calls, emails, etc. and seeks for their opinions in order to formulate strategy, to identify objectives, to assess materiality and to set up policies. To understand the needs of stakeholders, the Board has worked together with the ESG Working Team to identify eight key stakeholder groups, including but not limited to, customers, employees, investors and shareholders, Government and regulatory bodies, community and public, media, suppliers and non-governmental organizations. We assessed the stakeholders' level of involvement to our Group's business and operation and communication frequency to determine our high influence groups, which are customers, employees and investors and shareholders.

	Types of Stakeholders	Key Issues	Major Communication Method
<b>Internal stakeholder</b>	Employees	<ul style="list-style-type: none"> <li>- Labour rights</li> <li>- Labour benefits</li> <li>- Healthy and safe working environment</li> <li>- Vocational training and development</li> </ul>	<ul style="list-style-type: none"> <li>- Consultation</li> <li>- Direct communication</li> <li>- Employee performance evaluation</li> <li>- Staff activities</li> </ul>
<b>External stakeholders</b>	Shareholders/ investors	<ul style="list-style-type: none"> <li>- Return on investment</li> <li>- Transparency of information disclosure</li> <li>- Compliance and obligation</li> </ul>	<ul style="list-style-type: none"> <li>- Annual general meeting</li> <li>- Company's website</li> <li>- Company's announcements</li> <li>- Annual and interim reports</li> </ul>
	Customers	<ul style="list-style-type: none"> <li>- Service quality</li> <li>- Information security</li> <li>- Complaint system</li> </ul>	<ul style="list-style-type: none"> <li>- Company's website</li> <li>- Direct contact with customers</li> <li>- Customers' feedback and complaints</li> </ul>
	Government and regulatory bodies	<ul style="list-style-type: none"> <li>- Business operation in compliance with relevant laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Annual and interim reports</li> <li>- Meetings</li> </ul>
	Community and society	<ul style="list-style-type: none"> <li>- Contributions to community development</li> </ul>	<ul style="list-style-type: none"> <li>- Company's website</li> <li>- Community service</li> </ul>
	Media	<ul style="list-style-type: none"> <li>- Service quality</li> <li>- Compliance and obligation</li> </ul>	<ul style="list-style-type: none"> <li>- Company's website</li> <li>- Company's announcements</li> <li>- Annual and interim reports</li> </ul>
	Suppliers	<ul style="list-style-type: none"> <li>- Establishing a reliable and stable working relationship</li> </ul>	<ul style="list-style-type: none"> <li>- Selection assessment</li> <li>- Procurement process</li> <li>- Performance evaluation</li> </ul>
	Non-governmental organisations	<ul style="list-style-type: none"> <li>- Compliance and obligation</li> </ul>	<ul style="list-style-type: none"> <li>- Company's website</li> </ul>

## MATERIALITY ASSESSMENT

The materiality assessment lets us to ensure that our sustainability approach remains focused on the areas that are most relevant to our business and the expectations of our stakeholders. We have undertaken an online questionnaire by asking our stakeholders to rank 27 key ESG issues in relation to environmental, employment, operational and community aspects. We have collected the questionnaire and analysed the results are as follows.

### Materiality Matrix



Environment		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
				<b>Community and Social</b>	
				27.	Community support

## MATERIALITY ASSESSMENT (Continued)

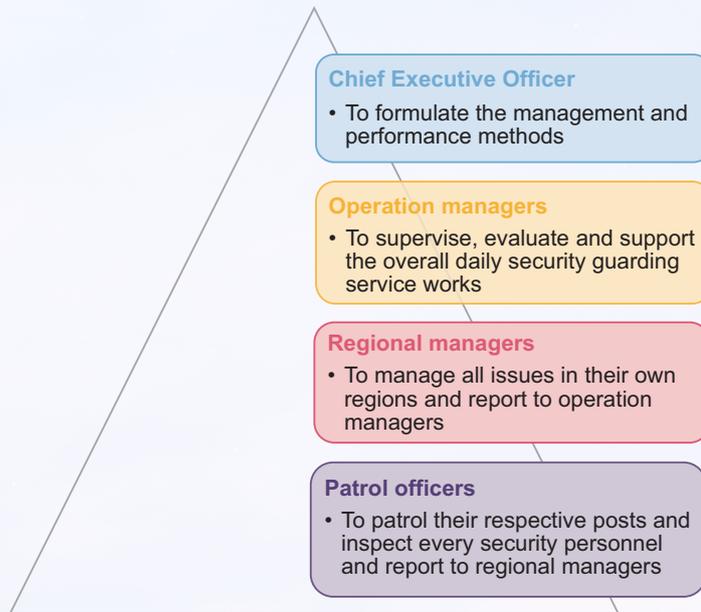
Amongst 27 key ESG issues, customer satisfaction, customer service quality and complaints handling, occupational safety and health, employee rights and employee training are the top five ESG issues. The findings matched with our core values that customers come first and the importance of our staff to our Group's success. The review also indicated the growing importance of occupational safety and health and employee training to the Group and our stakeholders.

## CUSTOMERS COME FIRST

### Security Guarding Services Business

The Group's motto is "Customer First, Quality Service and Continuous Improvement". To commit it, we provide comprehensive, professional and reliable security services with a wide range scope such as long-term or short-term security guarding services, venue and event security guarding services, VIP celebrity escort services, integrated support services (including but not limited to supervision work, administrative surveillance, liaison, insurance coverage and customer services).

We also set up a working group to closely monitor our security guarding services segment, the structure shows as follows:



## **CUSTOMERS COME FIRST (Continued)**

### **Security Guarding Services Business (Continued)**

The working group constantly consult with our clients through email, 24-hour hotline, facsimile or direct meeting to listen to their comments and suggestions. We send annual appraisals to our security guarding services business clients to evaluate the satisfaction level from them. Once received their appraisal forms, the operation managers and marketing managers analyse and review our service quality.

One of service quality goals is response efficiency to the complaints. We handle complaints according to our Complaint Handling Procedures and pledge to respond a client complaint within 24 hours. In the event of shortfall to client expectations, we assess the root causes and fine tune our remedial plans to avoid the same events.

To maintain the professionalism of our staff, each security room has a printed Guide on Security Procedure covering service quality goals, security personnel's job information and supplies details, emergency reporting procedure, code of practice, etc. Besides, we require our security personnel to wear our uniforms and to dress up in designated appearances in accordance with our Employee Grooming and Dress Code Policy.

During the Reporting Year, we achieved our promising words to obtain at least 85% client satisfaction score, to follow up 99% of clients complaints within 24 hours, and to arrive within 10 minutes after notification in dealing with emergencies.

### **Asset Management Business**

The Group strives to provide excellent services in supporting our clients. To satisfy our investors' needs, our well-trained investor relations personnel are required to keep themselves update to the domestic and international economic market conditions and trends. In addition, a Investor Relations Service Manual is implemented, and our investor relations personnel are required to study and to stick to the rules.

Our philosophy is "Serving Clients with Creating Values". Before the COVID-19 pandemic, we have arranged business catch up trips to increase our engagement with clients and to gather their feedback and to provide new industry and corporate updates to them. During the COVID-19 outbreak, we arranged video calls or casual ad-hoc calls to our clients. As such, we meet our clients on annual basis.

During the Reporting Year, there were no complaints filed by any of our investors as a result of our exceptional and professional services provided.

## OUR GREATWALLE PEOPLE

Greatwalle aims at providing a safe, inclusive, collaborative and caring work environment where our staff are respected and valued. During the COVID-19 outbreak, we stand with our colleagues together safeguarding the health and well-being and provide face masks, COVID rapid test kits, disinfectants and alcohol wipes. We also ensure the workplace hygiene with regular clean-up and encourage our staff to use hand sanitizer before entering the office. If there were any suspected or confirmed cases, the relevant workplace will be closed immediately.

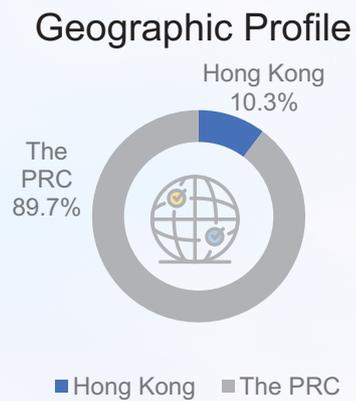
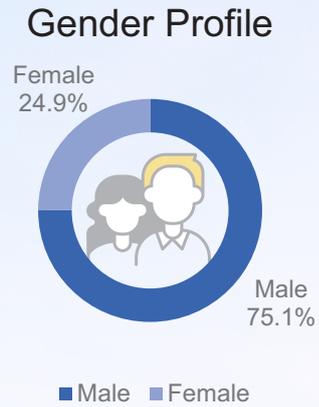
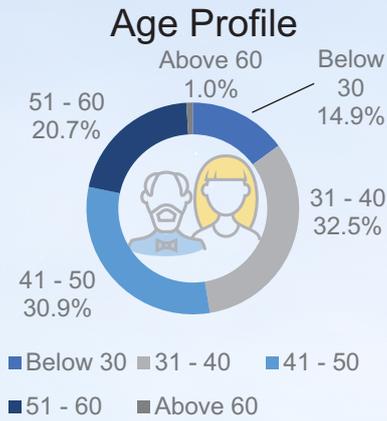
We are also concerning the legal and compliance matters during the recruitment process, and against all forms of exploitation of children and labour. Our human resources team will require the potential candidates to present their ID cards for age verification, as well as checking their security personnel permit in compliance with the Security and Guarding Services Ordinance (Chapter 460 of the laws of Hong Kong). If any employment of child or forced labour are discovered, we will handle those cases in accordance with local labour laws and regulations.

To ensure fairness, equality and harmony in workplace, we recognise every person as an equal and do not discriminate on the basis of colour, caste, gender or any other criteria. Being an equal opportunity employer, we treat all our employees and suitable candidates equally and fairly in recruitment, promotion, benefits, dismissal and other related processes, and all decisions are made solely on merit. Our Staff Handbook and Code of Conduct for employees have listed out thorough procedures to handle all complaints on workplace discrimination, harassment, bullying for our employees to speak out those inequalities matters.

During the Reporting Year, Greatwalle was not aware of any non-compliance of, including but not limited to Employment Ordinance (Chapter 57 of the laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the laws of Hong Kong), the Disability Discrimination Ordinance (Chapter 487 of the laws of Hong Kong), the Family Status Discrimination Ordinance (Chapter 527 of the laws of Hong Kong), Race Discrimination Ordinance (Chapter 602 of the laws of Hong Kong) in Hong Kong, and the Labour Law of the PRC, the Labour Contract Law of the PRC, the Law of the PRC on the Protection of Women's Rights and Interests, the Law of the PRC on the Protection of Disabled Persons in the PRC, that have a significant impact on the Group relating to recruitment and promotion, equal opportunities, diversity, anti-discrimination and preventing child or forced labour.

## OUR GREATWALLE PEOPLE (Continued)

As of the end of the Reporting Year, the Group had 1,345 staff<sup>1</sup>, of which 1,207 staff were in the PRC and 138 staff were in Hong Kong. The following charts set forth the employees' profile by age, gender, geographic and employee type:



Note:

1. The number of employees was calculated at the end of the Reporting Year working within the reporting scope.

## OUR GREATWALLE PEOPLE (Continued)

The employee turnover rate during the Reporting Year by gender, age and geographic as follow:

	The Reporting Year <sup>1</sup>
<b>By Gender</b>	
Male	15.0%
Female	23.0%
<b>By Age</b>	
Below 30	36.4%
31 – 40	7.8%
41 – 50	12.6%
51 – 60	22.7%
Above 60	23.1%
<b>By geographic</b>	
The PRC	12.0%
Hong Kong	60.1%

*Note:*

1. All turnover rates for the Group are calculated by dividing the total number of employees in that category who left their jobs during the Reporting Year by the total number of employees in that category as at the last day of the Reporting Year, multiplied by 100%. We collect such kind of data starting from the Reporting Year, and thus, we are not able to provide last year employee turnover data.

## Occupational Health and Safety (“OSH”)

The nature of our work and the environment in which we operate mean the security and safety present an operational and strategic risk to our business. Greatwalle believes that a high standard for health and safety is one of our core values in our industry to keep our colleagues safe and builds employee loyalty and commitment to the Company.

We understand that our businesses operate in different contexts and face varying levels of risk. Our OSH Guidelines and Office Safety Guidelines set the framework and provide a vision of how we can progress from a level of compliance with relevant local health and safety laws and regulations. During the Reporting Year, we were not aware of any materials work injuries, accidents and work-related fatalities. We also comply with the relevant laws and regulations at which we operate, including but not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the laws of Hong Kong), and the Law of the PRC on Preventing and Control of Occupational Diseases.

## OUR GREATWALLE PEOPLE (Continued)

### Occupational Health and Safety (“OSH”) (Continued)

#### *Safeguarding our colleagues against the COVID-19*

Against the backdrop of the global pandemic, our colleagues responded with extraordinary courage and resilience, and we are proud and grateful for the professional commitment they have demonstrated in protecting themselves, their colleagues, our clients and members of the public.

To ensure our staff and others free from the COVID-19, we took several protection actions:

- Assessed the risks at all our offices and clients' locations
- Liaised with our clients to plan anti-COVID measurements
- Encouraged our colleagues to have COVID-19 vaccination
- Mandated protective measures for all employees
- Provided the supply of personal protection equipment to our staff
- Updated our staff the latest local governments' policies relating to the COVID-19
- Provided learning materials on the proper use of the personal protection equipment
- Set up reporting channels in case of test positive for the virus
- Post notices at all our offices and clients' location reminding staff to manage their wellbeing

## OUR GREATWALLE PEOPLE (Continued)

### Employee Welfare and Benefits

Greatwalle believe keeping our colleagues happiness and proud of working with us can motivate them deliver a better overall security outcome and more effective customer service. We take care of our colleagues treating them as our family members and provide them with a full coverage of insurance package. For our securities guarding business in Hong Kong, our employees are entitled to a number of perks, including medical and accident insurance and Mandatory Provident Fund. For our employees in the PRC, we provide the “five social insurances and one housing fund”. We also provide paid leaves to our full-time employees. Before the pandemic heavily impacted to our daily life, we have organised new year’s gala dinner, staff award ceremony, team-building activity day, etc.

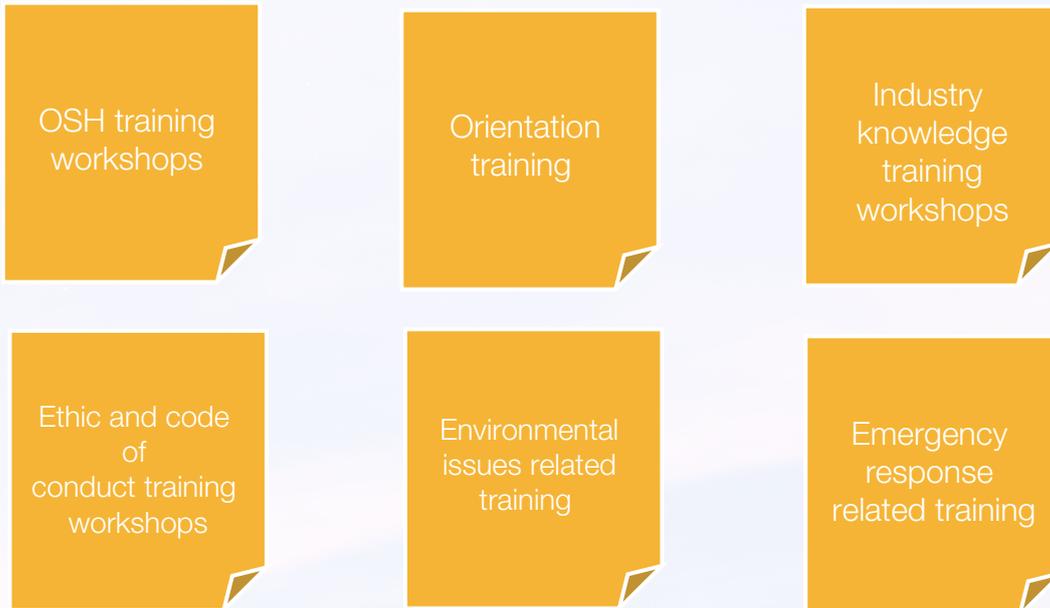
During the Reporting Period, we adhere to the relevant local laws and regulations relating to labour affairs, including the Employees’ Compensation Ordinance (Chapter 282 of the laws of Hong Kong), Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) and the Social Insurance Law of the PRC.

### Our People’s Development

At Greatwalle, all employees of our organization are given the care and attention they need to thrive. Education and training provide them with the skills and knowledge necessary for reaching their full potential, and by investing in and nurturing our people, we as a company grow and benefit.

We require all freshers to attend an induction training, in which covering our company introduction, internal policies and rules, corporate culture, OSH introduction, staff welfares and benefits. For existing staff, we provide on-the-job training to equip them with appropriate operational and managerial traits in response to market needs and their developments.

Our comprehensive training activities include:



## OUR GREATWALLE PEOPLE (Continued)

### Our People's Development (Continued)

During the Reporting Year, the percentage of employees who took part in training and the average training hours completed per employee are shown below:

Percentage of employees trained	The Reporting Year <sup>1</sup>
<b>By Gender</b>	
Male	48.0%
Female	35.8%
<b>By Employment Category</b>	
Senior Management	100.0%
Middle Management	100.0%
General Staff	36.6%
<b>Average training hours</b>	
<b>By Gender</b>	
Male	9.3 Hours
Female	2.1 Hours
<b>By Employment Category</b>	
Senior Management	3.4 Hours
Middle Management	2.5 Hours
General Staff	9.9 Hours

Note:

1. We collect such kind of data starting from the Reporting Year, and therefore, we are unable to provide last year average training hours data.

## PRINCIPLES OF GOVERNANCE

Greatwalle believes high standards of corporate governance is a cornerstone to maintain our competitiveness in the market. During the Reporting Year, we did not have any significant breaches of laws and regulations relating to health and safety, advertising and labelling of products and services provided, including but not limited to the Law of the PRC on the Protection of the Rights and Interests of Consumers and the Advertising Law of the PRC.

### Our Anti-corruption Policy

Corruption and bribery are illegal and detrimental to our businesses. Such acts are against Greatwalle values, and we have always sought to combat corruption, extortion and bribery wherever we do business. Once received suspected corruption and bribery cases, our internal investigation team comprising of our executive directors and a group of senior staff handle and investigate the cases. If we recognize any misconduct, disciplinary action, for example, termination of employment, will be taken, and serious offences will be reported to the relevant law enforcement agency.

## **PRINCIPLES OF GOVERNANCE (Continued)**

### **Our Anti-corruption Policy (Continued)**

Prior our new joiners' employment, our human resource staff explain to them the terms containing in their employment contracts in relation to our anti-corruption policies. Besides, our Staff Handbook and Code of Conduct sets out guidelines for how our employees must conduct themselves when giving and receiving gifts and when participating in entertainment with customers, suppliers, investors and other third parties. The guideline contains clear policies to restrict our employees from offering or accepting any form of benefits under any circumstances. In addition, we regularly issue reminders to all relevant staff reminding them of our policies on accepting and offering advantages (i.e. once a year, before the Chinese Lunar New Year).

In the Reporting Year, we also encouraged our managerial staff and our frontline operation workers to attend Independent Commission Against Corruption ("ICAC") online training.

Our whistleblowing system ensures proper and timely escalation of suspected breaches of the code of conduct in order to make the right decisions and actions for us. It is also designed to encourage our employees to report inappropriate and wrongdoing related to our business.

We were not involved in any corruption cases during the year and complied with the Prevention of Bribery Ordinance (Chapter 201 of the laws of 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.

### **Data Protection in Greatwalle**

Data protection compliance is a fundamental element of our corporate responsibility strategy, and Greatwalle outlined data protection policy in our Staff Handbook and Code of Conduct to ensure a robust framework around data protection across the whole company. Every employee should follow the code of conduct, and they are not allowed to disclose any confidential information, as they can only use the information in line with the method and scope specified. In addition, we request relevant employees who have regular access to sensitive information to sign a declaration of confidentiality. If we recognize any misconduct, disciplinary action, for example, termination of employment, will be taken, and serious offences will be reported to the relevant law enforcement agency.

As the COVID-19 pandemic continued to require employees to keep social-distancing. As such, we promote the awareness of data protection, as well as the guidelines to our employees by sending training materials through email.

During the Reporting Year, the Group did not encounter any cases of infringement of the Personal Data (Privacy) Ordinance (Chapter 486 of the laws of Hong Kong) and relevant laws and regulations in the PRC related to data privacy and security.

### **Protecting Intellectual Property Rights**

Our employees must respect and comply with all applicable laws and regulations related to intellectual property rights, including trademarks, copyrights, designs, and patents. Our administration department is responsible for checking the Group's publication materials do not violate any local laws and regulations, including but not limited to the Trade Marks Ordinance (Chapter 559 of the laws of Hong Kong).

## **COMMUNITY AND PUBLIC INVOLVEMENT**

Greatwalle invests in our community for the betterment of lives of the society. We have engaged in various activities in the communities in which our employees live. Starting from 2007, we have been involved in the Wage Protection Movement, the Youth Employment Programme, the Employment Programme for the Middle-aged and Work Orientation and Placement Scheme under the Labour Department.

## COMMUNITY AND PUBLIC INVOLVEMENT (Continued)

In recognition of our community contribution, we were honoured as a “Caring Company” by the Hong Kong Council of Social Service for more than 10 consecutive years. During the Reporting Year, we have also awarded a “Heart to Heart Company” certificate by the Hong Kong Federation of Youth Groups for more than five consecutive years.

## ENVIRONMENT MANAGEMENT

Environmental degradation occurs gradually often unnoticed, but the significance of the impact is far-reaching and acts as a risk multiplier. As Greatwall's operations are office-based, our environmental footprint is minimal. However, we are constantly identifying, assessing, and managing the relevant factors that pose a threat to the environment.

Our PRC's security guarding services business are excluded from the environmental performance assessment (e.g. water and electricity usage and greenhouse gas emission data) due to our business's operation located in different clients' sites and generally the water and electricity are provided by our clients. As such, unless stated otherwise, the scope of this section in this ESG Report is limited to the securities guarding services business in Hong Kong and the asset management business in the PRC. Furthermore, the scope of this ESG Report for the Report Year has been changed, and it changed the statistical scope of the data.

### Energy consumption

Major sources of greenhouse gas emissions of our Group primarily come from the use of cars and air transport and energy and water consumption in offices. During the Reporting Year, we used fewer fossil fuels due to the COVID-19 and reduced physical meetings with our clients. We also faded out unleaded gasoline vehicles and procured an electric vehicles in 2021. Therefore, we consumed zero unleaded gasoline in the Reporting Year. In future, we aim to set a target of 5% reduction in energy consumption by 2026. Below is a summary of our energy consumption data with respect to our operations in the Reporting Year:

	2021/22	2020/21	2019/20
<b>Unleaded gasoline</b>			
Litre	0	16,428	16,092
MWh <sup>1</sup>	0	159.2	156.0
<b>Diesel (Litre)</b>			
Litre	3,540	1,877	1,705
MWh <sup>1</sup>	37.9	20.1	18.3
<b>Electricity (MWh)<sup>1</sup></b>	<b>37.3</b>	74.4	82.8
<b>Total energy consumption (MWh)<sup>1</sup></b>	<b>75.2</b>	253.7	257.1
Intensity by number of full-time employees (MWh/full-time employee)	2.7	5.9	4.5
Intensity by size of offices (MWh/m <sup>2</sup> )	0.1	0.2	0.2

Note:

1. We revisited our disclosures in our environmental, social and governance report 2020/21 and recalculated the relevant data in this ESG Report. The calculation methodology is based on the formulas and conversion 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 (the “Stock Exchange”).

## ENVIRONMENT MANAGEMENT (Continued)

### Greenhouse gas (“GHG”) and Carbon emissions

During the Reporting Year, the total amount of GHG emissions generated by us was approximately 33.6 tCO<sub>2</sub>e, including 18.6 tCO<sub>2</sub>e of direct emissions from fuel consumption (Scope 1), 14.6 tCO<sub>2</sub>e of indirect emissions from electricity consumption (Scope 2) and 0.4 tCO<sub>2</sub>e other indirect emissions (Scope 3). We have experienced a significant reduction in GHG and carbon emissions, resulting from the impact of the COVID-19 pandemic. Below is a summary of our GHG and carbon emission data with respect to our operations in the Reporting Year:

Greenhouse gas (GHG”) and Carbon emissions	2021/22	2020/21	2019/20
<b>Direct emissions<sup>1</sup> (Scope 1) – tCO<sub>2</sub>e</b>	<b>18.6</b>	48.9	47.5
<b>Indirect emissions from electricity consumption<sup>2</sup> (Scope 2) – tCO<sub>2</sub>e</b>	<b>14.6</b>	38.8	48.6
<b>Other indirect emissions<sup>3</sup> (Scope 3) – tCO<sub>2</sub>e</b>	<b>0.4</b>	3.3	2.9
<b>Total emission – tCO<sub>2</sub>e</b>	<b>33.6</b>	91.0	98.9
Intensity by number of full-time employees (MWh/full-time employee)	<b>0.7</b>	2.1	3.5
Intensity by size of offices (MWh/m <sup>2</sup> )	<b>0.1</b>	0.1	0.1

*Notes:*

1. Direct emissions (Scope 1) cover emissions from vehicle fuel combustion from mobile sources. The calculation methodology is based on the formulas and conversion factors set out in “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, unless stated otherwise.
2. Indirect emissions (Scope 2) cover emissions from electricity purchased by power companies. The emission factors for Hong Kong’s and the PRC’s electricity consumption are based on CLP Sustainability Report 2021 and an announcement released by the National Centre for Climate Change Strategy and International Cooperation in the PRC, respectively.
3. Other indirect emissions (Scope 3) include greenhouse gas generated from disposal of paper 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. The data of GHG generated from use of fresh water and sewage treatment are excluded in the Reporting Year as the water supply and sewage treatment are mainly centrally managed by property management companies of our respective Hong Kong’s and PRC’s office.

During the Reporting Year, Greatwalle’s main sources of air emissions are the combustion of fuels for transportation. We will keep monitoring the use of vehicles internally and formulate relevant guidelines. During the Reporting Period, air emission data are as follows:

Air emissions*	2021/22	2020/21	2019/20
Sulphur oxides (g)	<b>57.0</b>	271.7	264.0

*Note:*

- \* The calculation methodology is based on the formulas and conversion factors set out in “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, unless stated otherwise.

## ENVIRONMENT MANAGEMENT (Continued)

### Greenhouse gas (“GHG”) and Carbon emissions (Continued)

During 2021, we are minimising our environmental impact by replacement of a diesel vehicle to an electric vehicle and reducing air travel. In the coming year, we aim to set a target of 5% reduction in GHG and carbon emission by 2026 by undertaking some prudent steps:

- Replacing energy-efficient lighting and energy-saving equipment
- Encouraging more online meetings to reduce air travel in particular
- Using public transport or carpooling to reduce avoidable car trips
- Replacing the diesel or gasoline vehicles by purchasing electric vehicles

We believe strengthening our ESG strategy that will help us contribute to and ensure long-term value creation for our entire fraternity of stakeholders.

### Water consumption

Given Greatwalle’s business nature and activities, the water consumption is limited to drinking and cleaning purposes. The water supply and sewage treatment are mainly centrally managed by property management companies of our respective Hong Kong’s and PRC’s office, and thus, the water consumption data is not available to us for ESG reporting purpose. However, we keep encouraging our colleagues to develop a habit of conserving water consciously.

### Resources Management

Greatwalle generates paper waste in our operations. To reduce the paper consumption in office, we encourage our colleagues to practise double-sided printing, reuse paper printed on single sided paper. We also recommend our colleagues to place wastepaper in collection bins in our offices. During the Reporting Year, the data of paper usage is shown below:

Paper usage	2021/22	2020/21	2019/20
Paper (Tonne)	0.1	0.7	7.6
Intensity by number of full-time employees (Tonne/full-time employee)	0	0.02	0.13

Note:

- \* The calculation methodology is based on the formulas and conversion factors set out in “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, unless stated otherwise.

## ENVIRONMENT MANAGEMENT (Continued)

### Resources Management (Continued)

Due to the COVID-19 outbreak, our colleagues are recommended to stay at home for works. Other than the paper usage data, we did not able to collect sufficient information regarding the other non-hazardous wastes and hazardous wastes. Indeed, we are enhancing our data collection and records procedures. We know that it is critical to raising awareness and changing the mindsets and behaviour of our colleagues. To promote this message, we adopt “4R” principle, to reduce, reuse, replace and recycle the resources we consumed. One of our practices in security guarding business, we require the resigned staff to return their uniforms and accessories, and they are cleaned and reused. To prioritize our efforts, we target key areas (namely energy consumption, paper usage, and waste generation) where our initiatives could have the most impact on the environment and natural resources.

As discussed above, our business activities and operation do not materially generate air pollutants, gas emissions and regulated discharges. As such, the Air Pollution Control Ordinance (Chapter 311 of the laws of Hong Kong) and Water Pollution Control Ordinance (Chapter 358 of the laws of Hong Kong), as well as their and associated regulations are considered less relevant to our operation. No fines or penalties were levied by the PRC and Hong Kong Government because of air emissions or water discharges during the Reporting Year. The Group also follows the general provisions of the Waste Disposal Ordinance (Chapter 354 of the laws of Hong Kong), which prohibits dumping wastes in public places or on private premises without the consent of the owner or occupier. We are not aware of any fines or penalties levied by the PRC and Hong Kong Government for improper waste handling or disposal.

### Climate Change

It is inevitable that climate change may bring risks and opportunities to the planet. Greatwalle aims to enhance our climate change preparedness and resilience by duly identifying and assessing the climate-related risks that might pose significant impacts on our business operation. Since we mainly focus on the provision of securities guarding and property management services business, the impacts of climate change are not significant on our business. The potential climate-related risks are as follows:

**Physical risks** Higher frequency and intensity of extreme weather events may have adverse impacts on our operational activities, for example, hindering the transportation and travelling of our staff. As a result, it affects our service quality due to the human resources shortage, thus affecting our business operations.

**Transition risks** More stringent existing and emerging requirements in policies and regulations related to climate change may lead to higher operating costs to ensure compliance.

We have implemented an Emergency Management Plan to minimize the adverse impacts on our business operation, and closely monitor the potential impacts of the climate-related risks.

## ESG REPORTING GUIDE INDEX

ESG Reporting Guidelines Aspects		Description	Sections/Remarks
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>			
General Disclosure	A1	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.	ENVIRONMENT MANAGEMENT
KPI	A1.1	The types of emissions and respective emissions data.	ENVIRONMENT MANAGEMENT – Greenhouse gas (“GHG”) and Carbon emissions
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	ENVIRONMENT MANAGEMENT – Greenhouse gas (“GHG”) and Carbon emissions
	A1.3	Total hazardous waste produced and intensity.	ENVIRONMENT MANAGEMENT – Resources Management
	A1.4	Total non-hazardous waste produced and intensity.	We are not able to collect the non-hazardous waste due to the work from home policy during the COVID-19 outbreak.
	A1.5	Description of measures to mitigate emission targets and results achieved.	ENVIRONMENT MANAGEMENT – Greenhouse gas (“GHG”) and Carbon emissions
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	ENVIRONMENT MANAGEMENT – Resources Management

## ESG REPORTING GUIDE INDEX (Continued)

ESG Reporting Guidelines Aspects	Description	Sections/Remarks	
<b>Aspect A2: Use of Resources</b>			
General Disclosure	A2	Policies on the efficient use of resources, including energy, water and other raw materials.	ENVIRONMENT MANAGEMENT – Energy consumption
KPI	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	ENVIRONMENT MANAGEMENT – Energy consumption
	A2.2	Water consumption in total and intensity.	The data of GHG generated from use of fresh water and sewage treatment are excluded in the Reporting Year as the water supply and sewage treatment are mainly centrally managed by property management companies of our respective Hong Kong's and PRC's office.  No water efficiency target is set, as it is not material to us. Most of the water consumption is managed by our clients.
	A2.3	Description of energy use efficiency targets and results achieved.	ENVIRONMENT MANAGEMENT – Energy consumption
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Our sources of water solely from the PRC's water supplies and from the Water Supplies Department in Hong Kong, having no issue in sourcing water that is fit for purpose.
	A2.5	Total packaging material used for finished products.	Our operations do not involve the use of packaging materials.

## ESG REPORTING GUIDE INDEX (Continued)

ESG Reporting Guidelines Aspects		Description	Sections/Remarks
<b>Aspect A3: The Environment and Natural Resources</b>			
General Disclosure	A3	Policies on minimizing the issuer's significant impact on the environment and natural resources.	ENVIRONMENT MANAGEMENT – Resources Management
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENT MANAGEMENT – Resources Management
<b>Aspect A4: Climate Change</b>			
General Disclosure	A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	ENVIRONMENT MANAGEMENT – Climate Change
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.	
<b>B. Social</b>			
Employment and Labour Practices			
<b>Aspect B1: Employment</b>			
General Disclosure	B1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	OUR GREATWALLE PEOPLE
KPI	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	
	B1.2	Employee turnover rate by gender, age group and geographical region.	

## ESG REPORTING GUIDE INDEX (Continued)

ESG Reporting Guidelines Aspects	Description	Sections/Remarks
<b>Aspect B2: Health and Safety</b>		
General Disclosure	B2 Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	OUR GREATWALLE PEOPLE – Occupational Health and Safety (“ <b>OSH</b> ”)
KPI	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	We collect such kind of information starting from the Reporting Year. Therefore, we are not able to provide the number and rate of work-related fatalities occurred in past two years.
	B2.2 Lost days due to work injury.	OUR GREATWALLE PEOPLE – Occupational Health and Safety (“ <b>OSH</b> ”)
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	OUR GREATWALLE PEOPLE – Occupational Health and Safety (“ <b>OSH</b> ”)
<b>Aspect B3: Development and Training</b>		
General Disclosure	B3 Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	
KPI	B3.1 The percentage of employees trained by gender and employee category.	OUR GREATWALLE PEOPLE – Our People’s Development
	B3.2 The average training hours completed per employee by gender and employee category.	
<b>Aspect B4: Labour Standards</b>		
General Disclosure	B4 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.	OUR GREATWALLE PEOPLE
KPI	B4.1 Description of measures to review employment practices to avoid child and forced labour.	
	B4.2 Description of steps taken to eliminate such practices when discovered.	

## ESG REPORTING GUIDE INDEX (Continued)

ESG Reporting Guidelines Aspects	Description	Sections/Remarks
Operating Practices		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	B5	Policies on managing environmental and social risks of the supply chain.
KPI	B5.1	Number of suppliers by geographical region.
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.
		We are a service-based company, and the supply chain management is therefore not a relevant and material issue to our nature of business.
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	B6	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.
		PRINCIPLES OF GOVERNANCE
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.
	B6.2	Number of products and service-related complaints received and how they are dealt with.
	B6.3	Description of practices relating to observing and protecting intellectual property rights.
	B6.4	Description of quality assurance process and recall procedures.
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.
		We provide securities guarding services to our clients and does not encounter product recall due to safety and health reasons.
		CUSTOMERS COME FIRST
		PRINCIPLES OF GOVERNANCE – Protecting Intellectual Property Rights
		We provide securities guarding services to our clients and does not encounter product recall.
		PRINCIPLES OF GOVERNANCE – Data Protection in Greatwalle

## ESG REPORTING GUIDE INDEX (Continued)

ESG Reporting Guidelines Aspects	Description	Sections/Remarks
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	B7 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.	
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.	PRINCIPLES OF GOVERNANCE – Our Anti-corruption Policy
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	
	B7.3 Description of anti-corruption training provided to directors and staff.	
<b>Aspect B8: Community Investment</b>		
General Disclosure	B8 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 AND PUBLIC INVOLVEMENT
KPI	B8.1 Focus areas of contribution.	
	B8.2 Resources contributed (e.g. money or time) to the focus area.	