GREATWALLE INC. 長城匯理公司

(Incorporated in the Cayman Islands with limited liability) Stock Code: 8315 2019/20 ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT

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ABOUT THIS REPORT

Greatwalle Inc. (the "Company", together with its subsidiaries, "Greatwalle", the "Group" or "we") engages in the provision of security guard services and asset management and business advisory services. This year, the Group has vigorously expanded its security guarding services business into the PRC market and has actively developed its asset management and business advisory business, which laid a solid foundation for the Company to develop new growth, thereby continuously enhancing the Company's competitiveness. In addition, we are committed to incorporating the principles of sustainable development into our strategic planning and day-to-day operations through transparent measures to maintain our competitive edge in the security guard and asset management industry and to deliver enduring values to our key stakeholders including shareholders, employees, customers and the wider community. As such, we have placed high priorities on employee care, business ethics, customer satisfaction, environmental protection and community involvement, and have developed a clear mission and objectives.

In line with our vision of building long-term trust with community stakeholders, the Group is pleased to present our 2020 Environmental, Social and Governance ("ESG") Report (the "Report") which outlines our performance and initiatives on ESG issues.

Reporting Scope

The Report reviews the management approach, performance and key issues in relation to the ESG of the Group's core businesses in the Hong Kong Special Administrative Region ("Hong Kong") and the People's Republic of China ("PRC") for the period from 1 April 2019 to 31 March 2020 (the "Reporting Year" or "2019/20"). In addition to the security quarding services business in Hong Kong, security quarding services business and asset management and business advisory business in the PRC, which were either operated or acquired during the Reporting Year were newly added.

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 of Hong Kong Limited. The Report has been considered and approved by the board of directors of the Group.

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 editing, 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 calculation and analysis of the key performance indicators in the Report are made by reference to international standards so that 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, where appropriate, to explain its purpose.

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 with those of the previous two years. The Report also avoids selections, omissions or presentation of information that might unduly influence the reader's judgment.

4. Consistency

The Report is prepared in the same manner in terms of information collection, reporting framework and data computation methods, including the collection of ESG data and its key performance indicators, as compared with last year. In terms of reporting scope, in line with the Group's development, the security guarding services business and asset management and business advisory business in the PRC have been newly added to the Report this year.

Opinion 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



Greatwalle understands that the best way to manage our business is to work closely with our stakeholders. We therefore value their interests and perspectives, especially their involvement.

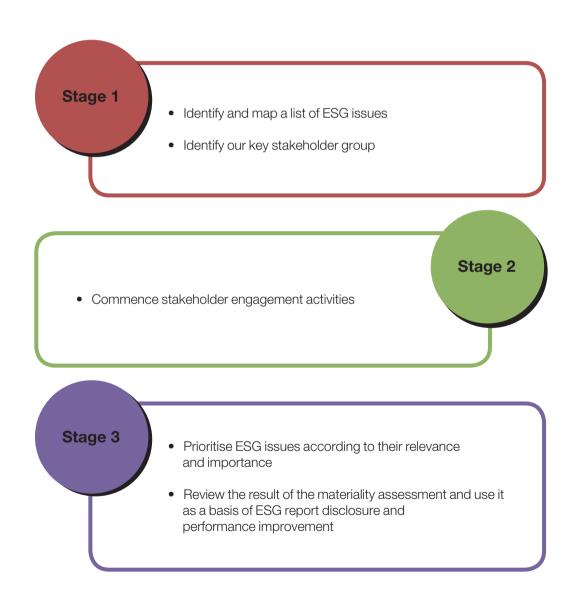
In order to identify our stakeholders' insights and concerns about the operations of our business, the Group has been maintaining regular communication with our key stakeholders through various channels as shown in the table below.

| Key Stakeholder Group | Communication Channel | | |
|----------------------------------|--|--|--|
| Investors and shareholders | Company's website Company's announcements General meetings Annual and interim reports | | |
| Customers | Company's website Direct contact with customers Customers' feedback and complaints | | |
| Employees | On-the-job and induction training Email and comment box Regular meetings Employee performance evaluation Staff activities | | |
| Suppliers and business partners | Selection assessment Procurement process Performance evaluation Regular communication with business partners (e.g. emails, meetings and on-site visits) | | |
| Government and regulatory bodies | DocumentationCompliance reviewForums, meetings and seminars | | |
| Non-governmental organisations | EmailTelephoneDonation | | |
| Community | Company's websiteCommunity activities | | |
| Media | Company's websiteCompany's announcements | | |

MATERIALITY ASSESSMENT



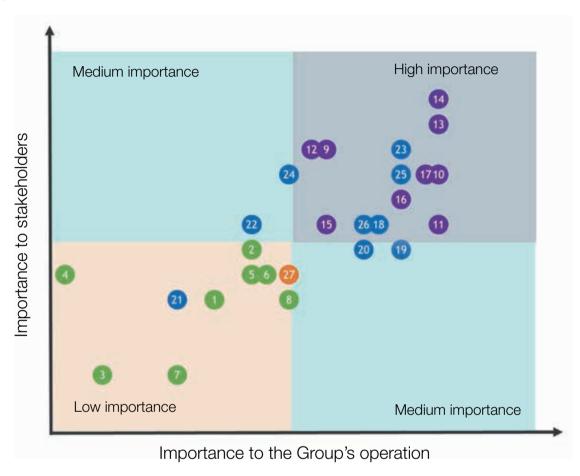
In order to identify ESG issues that are of importance to the Group to enable appropriate formulation of our strategies and management plans and define the direction of the Report, the Group has engaged an independent consultant to conduct a materiality assessment in the form of online questionnaire. Our internal and external stakeholders, such as our board of directors, employees, suppliers, investors and the media, were invited to complete this questionnaire and to rate each of the 27 ESG issues identified based on the relevance and importance of each issue to our business operations and stakeholders. The ESG issues were prioritised according to their importance rated by our stakeholders and the result is presented in the materiality matrix on the next page. The issues falling in the top right corner of the matrix are identified as the most concerned issues to the Group's business operation and stakeholders.



MATERIALITY ASSESSMENT (Continued)

Materiality Matrix

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



Environment

- 1. Air emission
- 2. Greenhouse gas emission
- 3. Climate change
- 4. Energy efficiency
- 5. Water usage and effluents
- 6. Use of materials
- 7. Waste management
- 8. Environmental compliance

Labour

- 9. Labour rights
- 10. Labour-management relations
- 11. Employee retention
- 12. Diversity and equal opportunity
- 13. Anti-discrimination
- 14. Occupational health and safety
- 15. Employee training
- 16. Employee development
- 17. Prevention of child and forced labour

Operation

- 18. Customer satisfaction
- 19. Customer service quality and complaints handling
- 20. Customer health and safety
- 21. Marketing and product and service labelling compliance
- 22. Intellectual property
- 23. Customer privacy and data protection
- 24. Responsible supply chain management
- 25. Business ethics
- 26. Socio-economic compliance

Community

27. Community support

According to the materiality matrix, the Group should focus on employment practices and rights and sustainable operation model. 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



Greatwalle believes that attracting and retaining talent is the key to the sustainability of our business. Therefore, employment conditions and standards have always been our primary concerns. We are committed to maintaining a quality workplace where diversity, collaboration, learning, respect and trust are our core values.

Occupational Health and Safety

The Group is committed to providing a safe working environment for our employees and formulating health and safety policies to avoid and manage potential safety risks faced by our employees and to comply with relevant laws and regulations (e.g. the Occupational Safety and Health Ordinance (Cap. 509) and the Employees' Compensation Ordinance (Cap. 282) in Hong Kong and the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and the Work Injury Insurance Ordinance). The Group has implemented relevant office safety guidelines and workplace occupational health and safety ("OSH") management practices for employees in our office and operational group respectively to prevent work injuries and accidents. Cleaning and maintenance are also carried out in office regularly, and smoking is forbidden to maintain air quality. 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.

In order to raise the safety awareness of our employees, we arrange safety induction training for new employees, which includes the use of personal protective equipment, potential safety risks, emergency procedures and first aid facilities. Upon confirmation of the service contract, the Group will also develop specific operational safety guidelines, including an Emergency Management Plan, for each individual operation site to manage the identified safety risks in response to realistic circumstances and to prevent work-related injuries and fatalities. All employees in our operational teams are required to sign a declaration prior to their appointment, confirming that they are aware of the internal OSH requirements and agree to comply with these requirements in relation to their job responsibilities. Our mobile patrol teams conduct regular on-site safety checks to ensure employees are properly equipped with appropriate safety equipment, and aware of the potential occupational hazards to which they may be exposed and are knowledgeable on emergency procedures. To comply with the Employees' Compensation Ordinance (Cap. 282) in Hong Kong, all our employees are covered by the Group's accident insurance scheme.

In the event of any accident or injury, our staff are required to follow the established Work Injury Reporting and Followup Procedures to report and handle the case in a timely manner. This is to ensure the injured could receive prompt and appropriate medical treatment and to safeguard the life and well-being of our employees. All staff can connect and contact our 24-hour control centre for emergency assistance. In addition, we conduct regular emergency drills to ensure that staff are familiar with evacuation routes, evacuation skills and the proper use of relevant equipment in dealing with emergencies. We have also put in place an Emergency Management Plan to guide our staff in the reporting, response and investigation of all kind of emergencies.

RESPECT OUR EMPLOYEES (Continued)

| Safety Policies | Description | | |
|-------------------------------|---|--|--|
| Safety measures | Formulate an Emergency Management Plan. | | |
| | provides clear guidance on emergency situations for employees | | |
| | covers the formation, role and division of tasks of commander and rescue team | | |
| | regularly maintains relevant equipment and safety equipment | | |
| Safety equipment | Workplace are equipped with warning signs and fire equipment. Safety protective equipment are also provided to security personnel. | | |
| Safety incident management | Regardless of the seriousness of the incident, all incidents that are related to safety issues should be reported within 24 hours. Investigation and follow-up will be carried out if necessary. | | |
| Safety education and training | Actively conduct safety education program and training for all employees and customers to regulate employees' safety behaviour and increase their emergency response and precautionary skills, such as performing regular emergency drills. | | |

In view of the serious health risks posed by the coronavirus epidemic since early 2020, the Group has also taken an active role in social responsibility by formulating policies and programs to address the public health crisis and provided a healthy working environment for its employees.

| Measures | Detail |
|-------------------------------|---|
| Temperature check | Employees are required to undergo a temperature check before entering the workplace and are allowed to enter only when their temperature is normal. |
| Regular disinfection | Common areas of the workplace are disinfected regularly. |
| Education on virus prevention | Disseminate knowledge on virus prevention and control to raise employees' awareness on disease prevention. |
| Support government's schemes | Carry out virus prevention and treatment in accordance with the requirements of local governments and support their assessments and investigations. |
| Supplies distribution | Ensure that masks are provided and worn by all staff. |
| Supplies reserves | Ensure stockpiles of hand sanitizer and disinfectant are sufficient for at least ten working days and strictly plan the use and purchase of medical supplies (e.g., masks). |

RESPECT OUR EMPLOYEES (Continued)

Employment Practices

The Group believes that a competitive remuneration package is essential to motivate and retain talent and therefore regularly reviews our remuneration packages to ensure their competitiveness in the market. All employees are entitled to comprehensive insurance (e.g. the five mandatory social insurance and the housing provident fund in the PRC and the medical and life insurance and mandatory provident fund in Hong Kong), overtime compensation and allowances, etc. In addition, we also provide generous family leave benefits, including maternity, paternity, birthday, compassionate and wedding leave, and set fixed working hours and rest periods to create a work-life balance in our business.

In addition, the Group strives to create a diverse work environment in which all forms of discrimination are prohibited and employees are hired, rewarded and promoted solely on the basis of merit and knowledge. We also have a zerotolerance policy against discrimination or harassment on the basis of age, sex, race, disability, marital status or other non-job related reasons. We also strictly prohibit all forms of harassment, especially sexual harassment in the workplace. We have established a complaint and grievance procedure for our employees to report any misconduct and malfeasance in the workplace. All reports will be treated in strict confidence and all cases will be handled promptly and reported directly to the management. If an employee is repeatedly in breach of the Company's codes and regulations or involved in illegal activities, the management will terminate his/her employment contract after due consideration. At the same time, Greatwalle is committed to providing equal opportunities to all employees in all aspects from recruitment, training to performance evaluation, to ensure that they have adequate career development opportunities. Our policies and guidelines on discrimination and equal employment are clearly set out in our employee handbook and are communicated to our employees in detail through induction training prior to their employment.

All forms of child, illegal and forced labour are strictly prohibited in our business. All applicants who are eligible for employment must be of legal working age and possess valid identity documents, and applicants for security personnel are required to provide a security personnel permit to ensure their eligibility for employment. To prevent employment of forced labour, they are also required to sign a labour contract to secure employment on a voluntary and equal basis. Our rules, regulations, requirements and expectations are clearly set out in our employee handbook, and we have established a whistle-blowing system and appointed a team to investigate any unfair treatment and take appropriate action. In addition, the Group promotes freedom of work and human rights and supports the freedom of trade unions and collective bargaining.

During the Reporting Year, the Group strictly complied with the labour laws and regulations in Hong Kong and the PRC relating to remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, other treatment and benefits and prevention of child labour or forced labour, including 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 People's Republic of China, the Labour Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Women's Rights and Interests and the Law of the People's Republic of China on the Protection of Disabled Persons. We have developed and implemented a series of employment-related policies which are detailed in our employee handbook and are explained to each new employee on a regular basis. Any misconduct found will be investigated and disciplinary action will be taken. If serious irregularities are found, the authorities will also be informed.

RESPECT OUR EMPLOYEES (Continued)

Development and Training

We believe that the professional competence and development of our staff is also an important part of our business development, and it is necessary to cultivate a learning-centred corporate culture and provide a wide range of training programmes to our staff. The Group provides a wide range of on-the-job training to all existing employees to enhance and develop their abilities and potential. All new recruits are required to attend an orientation to ensure that they are familiar with their responsibilities and operational procedures prior to work commencement. The training covers mainly company policies and business overview, introduction to the employee handbook, the company's management system and related procedures. In addition, each new recruit is assigned with an experienced employee as a mentor to provide necessary guidance so that the new



recruits can perform their duties and integrate into the new working environment more effectively. Furthermore, various on-the-job trainings (e.g. ISO management system, emergency management procedures and incident handling skills, etc.) are organised on a regular basis to provide employees with the necessary working knowledge and skills to meet the daily operational needs as well as to strengthen their capabilities to meet the rising demands and expectations of our customers. The Group also supports the career development and professional advancement of our employees by encouraging continuous learning and allowing eligible employees to leave work early.

Our department heads hold regular meetings and annual appraisal meetings with our employees. Through effective twoway internal communication, we are able to understand the needs of our employees and the difficulties they encounter at work, as well as identify their training needs. As a result, we have been able to improve our training programmes and structure to match business development.



Harmonious Working Environment

The Group firmly believes that a trusting relationship between employees and employers is a prerequisite for employee loyalty, as such, we strive to strengthen the close relationship and cohesion with our employees and hold regular staff meetings and gatherings. During the Reporting Year, we held different types of events and gatherings, such as team building activities and fitness activities. Through these activities, our team not only enjoys work-life balance, but also builds strong relationships with their colleagues, so that they can learn from each other, share experiences and foster a sense of belonging.

BUSINESS ETHICS



The Group adheres to the highest standards of business ethics and principles of fairness and has a zero-tolerance policy towards corruption, bribery, extortion and fraud. The Group strictly complies with all relevant laws and regulations, including the Prevention of Bribery Ordinance (Cap. 201) in Hong Kong, the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and the Anti-Money Laundering Law of the People's Republic of China. During the Reporting Year, the Group had no incidents of non-compliance with relevant laws and regulations and no concluded cases of corruption litigation against the Group and its employees.

Anti-corruption and Conflict of Interest

The Group strictly prohibits the offer or acceptance of any form of benefits, such as gifts, hospitality, gratuities, commissions, etc., by our employees under any circumstances. The Group has established a code of conduct in the employee handbook and requires all employees to read the relevant sections and sign a declaration to prevent them from falling into the trap of bribery, extortion, fraud and money laundering in their daily business dealings. Employees are required to declare any actual or potential conflicts of interest in written form to the human resources department in a timely manner, such as those provided by clients, customers, tenants and business partners, and any breach of this policy may result in dismissal or other disciplinary action.

The Group is also aware of the potential risks of conflict of interest and acceptance of benefits and has therefore specified in its employee handbook the actions to be taken in such situations. Employees are required to declare potential conflicts of interest that they or their immediate family members may have in written form, and to decline interests that may affects the Group's business operation.

The Group is committed to fostering a corruption-free work culture and has established a whistleblowing mechanism where the identity of the whistleblowers and the information reported are kept strictly confidential. Staff can report any misconduct either under his/her real name or anonymously through telephone hotlines and mailboxes. All suspected cases of bribery, extortion, fraud, money laundering and anti-competitive practices will be immediately reported to the management for further investigation. Where necessary, cases will be referred to the relevant authorities (such as the Independent Commission Against Corruption of Hong Kong).

Privacy

In order to maintain mutual trust with our customers, the Group recognises the importance of privacy protection and security. We are committed to fully comply with the Personal Data (Privacy) Ordinance (Cap. 486) in Hong Kong and have established stringent work procedures and a code of conduct for employees to follow when handling confidential information. In order to prevent any unnecessary leakage of confidential and sensitive information, only authorised staff of the relevant departments are allowed to collect, access and handle such information. All employees are prohibited from making copies and/or disclosing any form of confidential information to third parties without prior approval from management or clients. Employees who violate the rules set out in the employee handbook will be subject to internal disciplinary or legal action.

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 by the Group.

SATISFY OUR CUSTOMERS

Supply Chain Management

Supply chain management is indispensable to the Group's operational efficiency and service quality. Therefore, we work closely with our qualified suppliers and require them to meet our standards and requirements in order to enhance the quality of their products and services. Owing to the nature of our business, our major sourcing items are stationery and office equipment and security guard uniforms and equipment.

All new suppliers and subcontractors must be evaluated to ensure that their capabilities and experience meet our quality requirements prior to commencing the partnership. The human resources department reviews and evaluates each supplier's performance in terms of market reputation, pricing and product and service quality. Suppliers are included in our list of approved suppliers only if they meet our standards and pass the assessment process.

We also continuously evaluate the performance of our existing suppliers in terms of product quality, service performance, after-sales assistance, delivery time and management system. Suppliers that do not meet our standards will be required to take corrective action immediately, while those that fail to meet our requirements for an extended period of time will be terminated and removed from our list of suppliers.

Quality Service

Quality is a key factor in the success of our business, and we place great emphasis on product quality at every stage, from attracting suppliers and customers, business operations, after-sales services to enhancing customer satisfaction, while strictly complying with relevant national laws and regulations on product quality, safety management and customer privacy.

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, such as the

Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers and the Advertising Law of the People's Republic of China in the PRC.

Security Guarding Services Business

Our security guarding services are mainly divided into three parts: escort security services, venue and event security services and VIP escort services. In accordance with our management policy - "Customer First, Quality Service and Continuous Improvement", the Group is committed to providing comprehensive, professional and reliable security services to our customers in order to enhance our business and meet customers' needs and expectations.

The Group has implemented a quality management system for its security guarding services which is certified to the ISO 9001: 2015 international standard, thereby managing the quality of our security guarding services more effectively. The management system not only helps us to comply with applicable regulations, but also helps us to systematically understand the needs and expectations of our clients. Through this system, we continuously improve the quality of our services in order to enhance customer satisfaction. We also set service quality objectives and adopt quality control procedures on an annual basis, and regularly review and record and make changes to

Service Quality Goals

- To achieve 85% customer satisfaction score 1.
- To follow up on complaints within 24 hours
- To arrive within 10 minutes in dealing with emergencies

our security guarding services that do not meet our clients' expectations, and all objectives have been achieved during the Reporting Year.

SATISFY OUR CUSTOMERS (Continued)

Each security quarding project undergoes a rigorous preparation process in advance in order to tailor an effective and quality security system for clients. Through a kick-off meeting with the client's representatives, we understand their actual security situation and their requirements for security services first, in order to develop a suitable security quard team. Our security guards are fully trained and experienced with valid security personnel permits. Appropriate personnel will be selected from our team of professionals for each project according to its requirements. We also formulate contracts with deployment schedules and standing instructions for client approval prior to the execution of the project to ensure excellence in service delivery and close client relationship.

We are also committed to providing standardised services and conducting daily supervision to maintain and enhance our service levels. We have standardised operational and patrol management procedures, including but not limited to work etiquette and conduct, regular calls to the control centre to ensure proper functioning and emergency response management, etc. for our security guards to follow during their daily patrol operations. A mobile patrol team has been set up to conduct surprise and random patrols to monitor and ensure that service performance meets customer or contractual requirements. During each patrol visit, we also provide relevant training to our frontline staff to enhance their service standard.

In addition, the Group attaches great importance to our customers' concern and feedback on our services, which helps us to enhance the quality of our services. We have a 24-hour service hotline at our control centre to strengthen liaison with our customers and to respond promptly to their requests. We also pay regular visits to our existing customers and conduct customer satisfaction surveys via telephone, fax or on-site meetings. Based on the results of these surveys and visits, we evaluate our service levels in terms of staff efficiency, emergency handling, follow-up to incidents, patrol performance, after hours monitoring, premises and equipment management, and analyse customer expectations to identify areas for future improvement. We will continually review any shortfalls in our service performance and develop improvement plans and strategies for continuous development. In terms of handling customer complaints, we will handle complaints strictly in accordance with our Complaint Handling Procedures and investigate cases promptly and proactively with a view to responding to customers within 24 hours. If any deviation from customer expectations is observed, we will conduct remedial programs, investigate and correct the situation and analyse the root cause in a timely fashion to prevent recurrence of similar incidents and maintain the integrity of the system.

Asset Management and Business Advisory Business

Our core business philosophy is "Industry Integration and Value Enhancement" and we are committed to creating longterm value for our invested companies. The Group is constantly striving to create and improve capital management schemes to meet the ever-changing needs of our clients. The Group's professional team provides customised asset management solutions to our clients with a view to work with the management to develop the business into an industry leader.

COMMUNITY INVOLVEMENT



Greatwalle believes that gaining the trust and recognition of the communities in which we operate is the key to the sustainability of our business. As a socially responsible company, we are committed to the mission of promoting harmonious development of the community. We actively encourage our employees to participate in voluntary and civic activities, share our love and care for the underprivileged and those in need, and support community investment and development.

The Group regards building a better community as our core responsibility in the long run, and is committed to caring for the underprivileged in the community. As one of the employers supporting the "Work Orientation and Placement Scheme" launched by the Hong Kong government, the Group is committed to providing relevant job opportunities to the underprivileged and regularly offers permanent positions to persons with disabilities to unleash their work potential, enhance their working abilities and facilitate their integration into the society. During the Reporting Year, we also continued to be awarded the "10 Years Plus Caring Company" by the Hong Kong Council of Social Service and the "Caring Company" certificate by the Hong Kong Federation of Youth Groups as a testament to our contribution to the community.





PROTECT OUR ENVIRONMENT



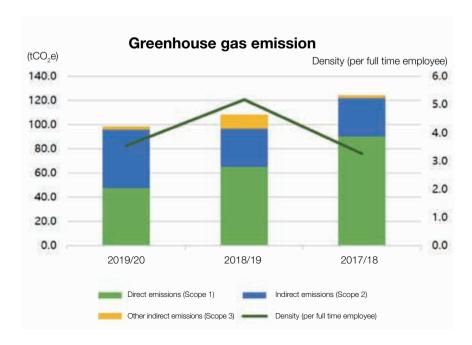
We are conscious of our social responsibility to maintain environmental sustainability and are determined to move towards green operations by pursuing operational models that reduce resource and energy consumption. As our operations are mainly confined to the office environment, fostering a green office culture has become a major task for us. We have developed green office policies and guidelines to meet the needs and expectations of our stakeholders by working with our staff to prioritise and incorporate environmental sustainability into our operations to reduce costs and risks.

Due to the Group's office operation mode, our operations emit only a small amount of greenhouse gas and dispose of a small amount of waste, which has limited impacts on the environment. Accordingly, the Group did not identify any laws and regulations in Hong Kong and the PRC relating to the emissions of air and greenhouse gases, discharges to water and land, waste generation and resource use that have a significant impact on its business.

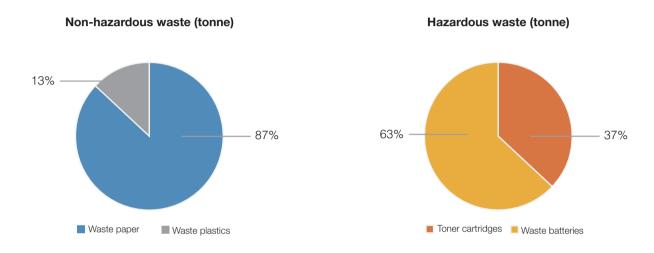
Since the security guards of the security guarding services business in the PRC are scattered over different projects, and electricity and water are included in the rent, it is not possible to compile statistics on their environmental performance. Therefore, unless otherwise specified, the environmental performance of the Report, including energy use and emissions data, covers the security guarding services business in Hong Kong and the asset management and business advisory business in the PRC.

Emission Management

The Group is particularly stringent in managing its greenhouse gas emissions and its greenhouse gas emissions have been decreasing year by year. In the Reporting Year, the Group's direct greenhouse gas emissions (Scope 1) accounted for 48% of the Group's total greenhouse gas emissions, energy indirect greenhouse gas emissions (Scope 2) accounted for 49% and other indirect greenhouse gas emissions (Scope 3) accounted for 3%. The main sources of greenhouse gas emissions are the fuel combustion from mobile sources for the Group's operating vehicles, purchased electricity and greenhouse gas emissions from the Group's staff travelling by air on business trips. In view of this, the Group has put in place emission reduction measures targeting these three sources of emissions. On vehicle emissions, we select energyefficient vehicles and use high quality fuels with low-sulphur content, and regularly inspect and maintain our vehicles to reduce emissions and improve efficiency. We also encourage employees to use public transport or company cars for group travel and to choose their routes carefully to reduce unnecessary trips. In addition, we have established regulations on the use of electricity, details of which are set out in the next section on "Resource Utilisation Management". We also encourage staff to use the Internet for meetings as much as possible to reduce unnecessary trips.

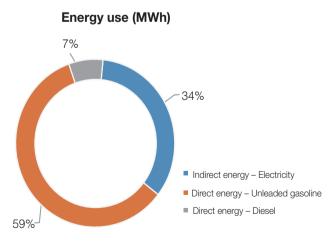


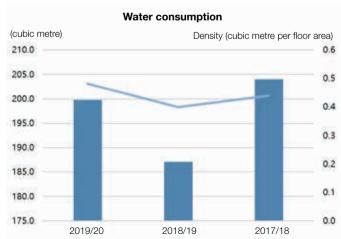
The Group also manages the discharge of solid wastes, including hazardous and non-hazardous wastes. Separate containers and garbage bins are placed in the Group's office for waste segregation and recycling. Hazardous waste, such as waste batteries, toner cartridges and fluorescent tubes, are properly sorted and recycled by service providers or through property management companies for recycling and further treatment. For non-hazardous waste, such as paper and household waste, they are properly sorted as non-recyclable and recyclable waste and collected and disposed of by the property management companies. In addition, we stored all returned uniforms and proactively reuse uniforms to reduce waste and minimise the burden on the environment from purchasing new uniforms. The waste emission data in the Report only includes office in the PRC.



Resource Utilisation Management

Recognising that continuous behavioural change can minimise our environmental footprint, Greatwalle encourages staff to adopt a sustainable lifestyle by implementing green office guidelines to conserve energy and resources and recycle waste to improve resource efficiency. We have adopted the 4R (Reduce, Reuse, Recycle and Replace) Principles to reduce the use of electricity, water, paper and other materials in our office operation. We believe that our efforts can contribute to green and low carbon operations. The chart below shows the distribution of energy use during the Report Year and the water consumption data for the past three years.





Green Office Guideline

Energy Conservation

- Purchase energy-efficient equipment, such as electrical appliances with "Grade 1" energy label
- Set all electrical appliances to power-saving mode and shut them off when they are not in use
- Set and maintain air-conditioning temperature at 25.5 degrees Celsius
- Perform regular checks and cleaning

Water Conservation

- Repair leaking faucet, water outflow and leakages immediately
- Perform water pipe maintenance regularly to prevent any leakage
- Turn off the faucet when not in use

Paper Reduction

- Use electronic platform for in-house communication
- Purchase printing paper certified by the Programme for the Endorsement of Forest Certification ("PEFC")
- Encourage the use of recycled paper and duplex printing
- Recycle and re-use envelopes and folders

Other Equipments

- Purchase replaceable, reusable (e.g. refillable stationeries), bio-degradable and recyclable equipment and materials
- Proper storage to maintain equipment in good condition
- Regular inspection and maintenance

Environment and Natural Resources

The alarming trend of climate change in recent years has led to an unprecedented focus on environmental management. The Group will actively manage emerging environmental risks and improve its performance in pursuit of long-term and sustainable operations.

The Group prepares for emergencies arising from environmental hazards by formulating an Emergency Management Plan which sets out the reporting channels and response and investigation methods for employees to follow in case of emergencies. The plan is based on environmental risks and different work situations, including identified human and natural environmental hazards such as fire, earthquake, typhoon and heat stroke. Regular training and emergency drills are conducted to ensure that staff are familiar with the preventive measures.

Environmental Performance

| | Unit | 2019/20 | 2018/19 |
|--|---------------------------------------|-----------|-----------|
| Greenhouse gas emission | | | |
| Direct emissions (Scope 1) ¹ | tCO ₂ e | 47.49 | 65.13 |
| Energy indirect emissions (Scope 2) ² | tCO ₂ e | 48.56 | 31.65 |
| Other indirect emissions (Scope 3)3 | tCO ₂ e | 2.85 | 11.90 |
| Total emission | tCO ₂ e | 98.91 | 108.68 |
| Intensity | tCO ₂ e/full time employee | 3.53 | 5.18 |
| | tCO₂e/square metre | 0.05 | 0.23 |
| | ("m²") floor area | | |
| Air emission | | | |
| Sulphur oxide | gram | 264.01 | 361.35 |
| Use of resources | | | |
| Direct energy - Unleaded gasoline | litre | 16,092.11 | 22,852.01 |
| | MWh | 146.54 | 208.08 |
| Direct energy – Diesel | Litre | 1,705.32 | 1,579.43 |
| | MWh | 17.11 | 15.85 |
| Indirect energy – Electricity | MWh | 82.83 | 62.06 |
| Total energy consumption ⁴ | MWh | 246.47 | 306.76 |
| Intensity | MWh/full time employee | 8.80 | 10.96 |
| | MWh/m ² | 0.12 | 0.15 |
| Water consumption ⁵ | cubic metre | 199.80 | 187.12 |
| Intensity | cubic metre/full time employee | 13.32 | 8.91 |
| | cubic metre/m² | 0.48 | 0.40 |
| Effluent discharge⁵ | cubic metre | 199.80 | 182.68 |
| Intensity | cubic metre/full time employee | 13.32 | 8.70 |
| | cubic metre/m² | 0.48 | 0.39 |
| Paper ⁶ | tonne | 7.56 | 0.112 |
| Intensity | tonne/full time employee | 0.27 | 0.005 |

Direct emissions (Scope 1) covers emissions from 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.

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

Other indirect emissions (Scope 3) include greenhouse gas emissions from business travel. The calculation is based on the GHG Conversion Factors for Company Reporting published by the Government of United Kingdom.

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.

Data on water consumption and effluent discharge for the Reporting Year include only the office in Hong Kong. We are unable to compile statistics on water consumption and sewage discharge of our office in the PRC as those are managed by property management companies. During the Reporting Year, the Group had no major issues in sourcing water.

The additional paper usage during the Reporting Year was mainly attributed to the increased office usage for new business.

Environmental Performance (Continued)

| | Unit | 2019/20 | 2018/19 |
|---------------------------|--------------------------|---------|---------|
| Waste ⁷ | | | _ |
| Toner cartridges | tonne | 0.00040 | _ |
| Waste batteries | tonne | 0.00067 | _ |
| Total hazardous waste | tonne | 0.0011 | _ |
| Intensity | tonne/full time employee | 0.00082 | _ |
| Waste paper | tonne | 5.63 | _ |
| Waste plastics | tonne | 0.86 | _ |
| Total non-hazardous waste | tonne | 6.49 | _ |
| Intensity | tonne/full time employee | 0.50 | _ |

The waste emission data in the Report only includes our office in the PRC. We are unable to compile statistics on waste from our Hong Kong office as those are contracted to service providers or property management companies. Only a small amount of waste is generated from such office.

ESG REPORTING GUIDE INDEX

ESG Reporting Guide Key Aspects, Areas, General Disclosures & **Key Performance Indicators (KPIs)**

Explanation/Reference Section

Key Aspect A: Environment

| A1 Emissions | Inform (a) (b) | the policies; and 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. | PROTECT OUR ENVIRONMENT – Emission Management |
|--------------|---|---|---|
| | 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. | |
| KPI A1.1 | The ty | pes of emissions and respective emissions data. | PROTECT OUR ENVIRONMENT – 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 – 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 – 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 – Environmental Performance |
| KPI A1.5 | Description of measures to mitigate emissions and results achieved. | | PROTECT OUR ENVIRONMENT – Emission Management |
| KPI A1.6 | | ription of how hazardous and non-hazardous wastes are ed, reduction initiatives and results achieved. | PROTECT OUR ENVIRONMENT – Emission Management |

ESG REPORTING GUIDE INDEX (Continued)

| ESG Reporting G Key Performance | Explanation/Reference Section | |
|---|--|--|
| A2 Use of Resources | Policies on efficient use of resources including energy, water and other raw materials. | PROTECT OUR ENVIRONMENT – Resource Utilisation |
| | Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc. | 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 – Environmental Performance |
| KPI A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | PROTECT OUR ENVIRONMENT – Environmental Performance |
| KPI A2.3 | Description of energy use efficiency initiatives and results achieved. | PROTECT OUR ENVIRONMENT – Resource Utilisation Management |
| 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, and Environmental Performance |
| KPI A2.5 | Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced. | The Group provides security guarding and asset management and business advisory services, hence the use of packaging material is not applicable. |
| A3 The Environment and Natural Resources | 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 |

ESG REPORTING GUIDE INDEX (Continued)

| ESG Reporting G Key Performance | Explanation/Reference Section | | |
|------------------------------------|---|--|--|
| Key Aspect B: So | cial | | |
| B1 Employment | 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. | RESPECT OUR EMPLOYEES – Employment Practices | |
| B2 Health and Safety | 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. | RESPECT OUR EMPLOYEES – Occupational Health and Safety | |
| B3 Development and Training | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | RESPECT OUR EMPLOYEES - Development and Training | |
| | Note: Training refers to vocational training. It may include internal and external courses paid by the employer. | | |
| B4 Labour Standards | 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 or forced labour. | RESPECT OUR EMPLOYEES - Employment Practices | |
| B5 Supply Chain Management | Policies on managing environmental and social risks of the supply chain. | SATISFY OUR CUSTOMERS - Supply Chain Management | |
| B6 Product Responsibility | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | SATISFY OUR CUSTOMERS – Quality Service, BUSINESS ETHICS | |
| B7 Anti- corruption | 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. | BUSINESS ETHICS | |
| B8 Community | Policies on community engagement to understand the needs of the | COMMUNITY INVOLVEMENT | |

communities where the issuer operates and to ensure its activities

take into consideration the communities' interests.

Investment