



长城汇理
GREAT WALLE

Environmental, Social and Governance Report

2022 / 23

GREATWALLE INC.
長城匯理公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8315



ABOUT THIS REPORT

Greatwalle Inc. and its subsidiaries (collectively referred to as the “**Group**” or “**we**”) have prepared this Environmental, Social, and Governance (“**ESG**”) report to present their performance for the fiscal year ending on 31 March 2023 (the “**Reporting Year**” or “**2022/23**”). The report adheres to the “Comply or Explain” provisions outlined in the ESG Reporting Guide in Appendix 20 to the Rule Governing the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rule**”) and aligns with the same timeframe as the financial report.

The ESG report covers the Group’s ESG-related risks, opportunities, policies, measures, management involvement in ESG-related matters, and ESG-related strategies and targets.

The report mainly focuses on four subsidiaries engaged in securities guarding and property management services business in Hong Kong and the People’s Republic of China (“**PRC**” or “**Mainland China**”) and one subsidiary engaged in asset management in Mainland China. Any variations in the scope and boundaries of specific contents are noted in the relevant section of this ESG report.

BOARD STATEMENT

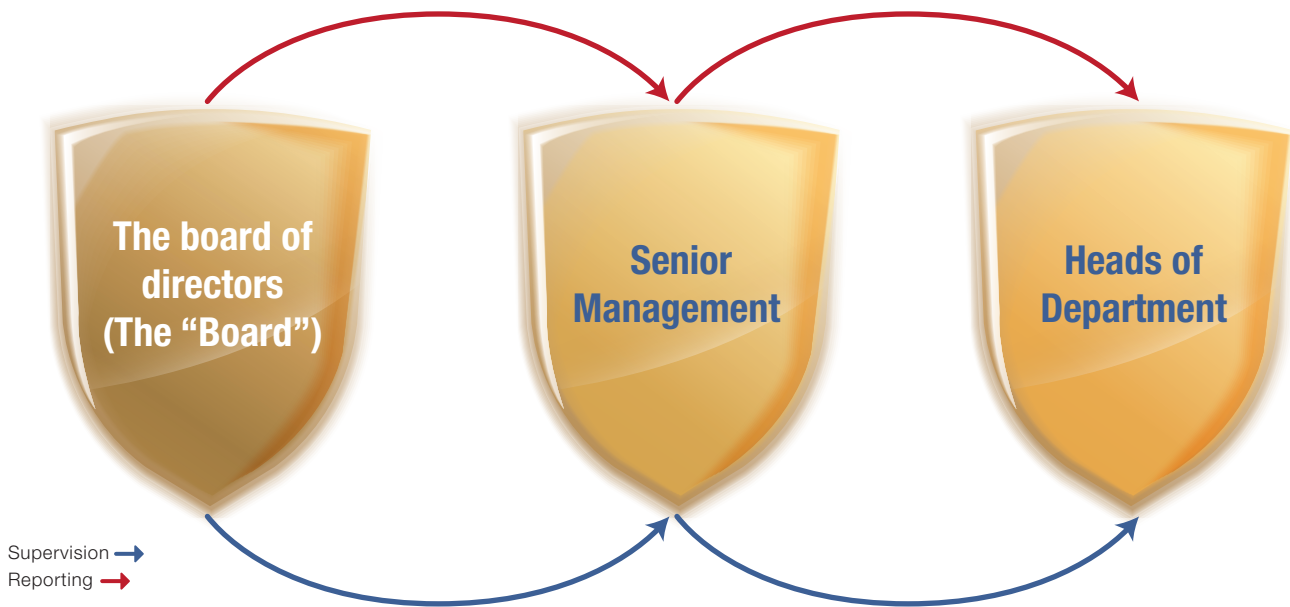
With the easing of COVID-19 restrictions in second half of 2022, both China and Hong Kong have seen an increase in business activities. Greatwalle has also thrived in the post-pandemic era and actively sought out new business opportunities. However, we remain committed to our mission of striving for sustainable development and caring for society. To this end, we will continue to monitor our impact on the environment and follow the environmental policies outlined in China’s 14th “five-year plan”.

We have also given back to society by donating to the Charity Federation of Dongying District, Dongying City. Through this charity, we aim to support the underprivileged and contribute to various charitable activities such as elderly care, orphan support, disability assistance, medical assistance, and student aid. Our goal is to create a positive impact in the communities in which we operate.

We understand that our colleagues have faced many challenges in our daily operations during the pandemic. The Board is committed to providing resources to support our staff in the future. We greatly appreciate the efforts and professionalism of our staff in delivering high standards of service quality to our clients and investors.

THE ESG MANAGEMENT STRUCTURE

Greatwalle has established an ESG Working Team that comprises the Board of Directors, senior management, and designated personnel from various departments. The Board has the responsibility of overseeing the Group's ESG-related risks and opportunities, devising ESG strategies and targets, evaluating the Group's ESG performance against these targets, and amending the strategies as necessary. On the other hand, senior management and designated personnel support the Board in implementing and monitoring ESG-related strategies and targets. They assess the materiality of ESG issues for internal and external stakeholders, prioritize them, and promote the implementation of respective measures. They also gather ESG data from functional departments and collaborate with them as needed. Together, the ESG Working Team ensures that Greatwalle's ESG objectives and strategies are aligned with its values and interests while meeting the expectations of its stakeholders.





REPORTING PRINCIPLES

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

Materiality	In our efforts to prioritize and address key ESG issues, we have identified 27 areas of focus that cover environmental, employment, operational, and community concerns. To gain insight into the relative importance of these issues to our key stakeholders, we conducted an online questionnaire and invited their feedback. The results can be found in the “Materiality Assessment” section of this ESG report.
Quantitative	To comply with the ESG Reporting Guide requirements, we have disclosed key performance indicators (“KPIs”) that include comparative data. Additionally, we have provided relevant statistical standards, methodologies, assumptions, calculation tools, and sources of conversion factors for emissions and energy consumption to ensure transparency and accuracy in our reporting.
Balance	This ESG report presents information and data that have been verified to be objective and impartial.
Consistency	The calculation methods for the KPIs presented in this ESG report have remained largely consistent with those used in the previous reporting year. In cases where changes have been made to the calculation methods or other relevant factors have impacted a meaningful comparison, we have provided explanations for any resulting variances.

REVIEW AND APPROVAL

The Board of the Company has reviewed and approved this ESG report for the Reporting Year.

INFORMATION AND FEEDBACK

You can find information about our financial performance and corporate governance documents by visiting our website at www.kingforce.com.hk or the HKEXnews website at <http://www.hkexnews.hk>.

We are dedicated to achieving excellence and continuously improving our services, and we appreciate and welcome your feedback and suggestions. To share your thoughts with us, please send them by mail to our address at Unit 1112, 11/F., The Metropolis Tower, No. 10 Metropolis Drive, Hunghom, Kowloon, Hong Kong.

STAKEHOLDER ENGAGEMENT

Greatwalle values stakeholder engagement and actively seeks their input through various communication channels, including face-to-face meetings, telephone calls, and emails. This approach helps inform the company's strategy, objectives, materiality assessments, and policy development.

To better understand the needs of stakeholders, the Board collaborated with the ESG Working Team to identify eight key stakeholder groups, such as customers, employees, investors and shareholders, government and regulatory bodies, community and public, media, suppliers, and non-governmental organizations.

The company assessed the level of stakeholder involvement in its business operations and communication frequency to determine its high-influence groups, which consist of customers, employees, and investors and shareholders.

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

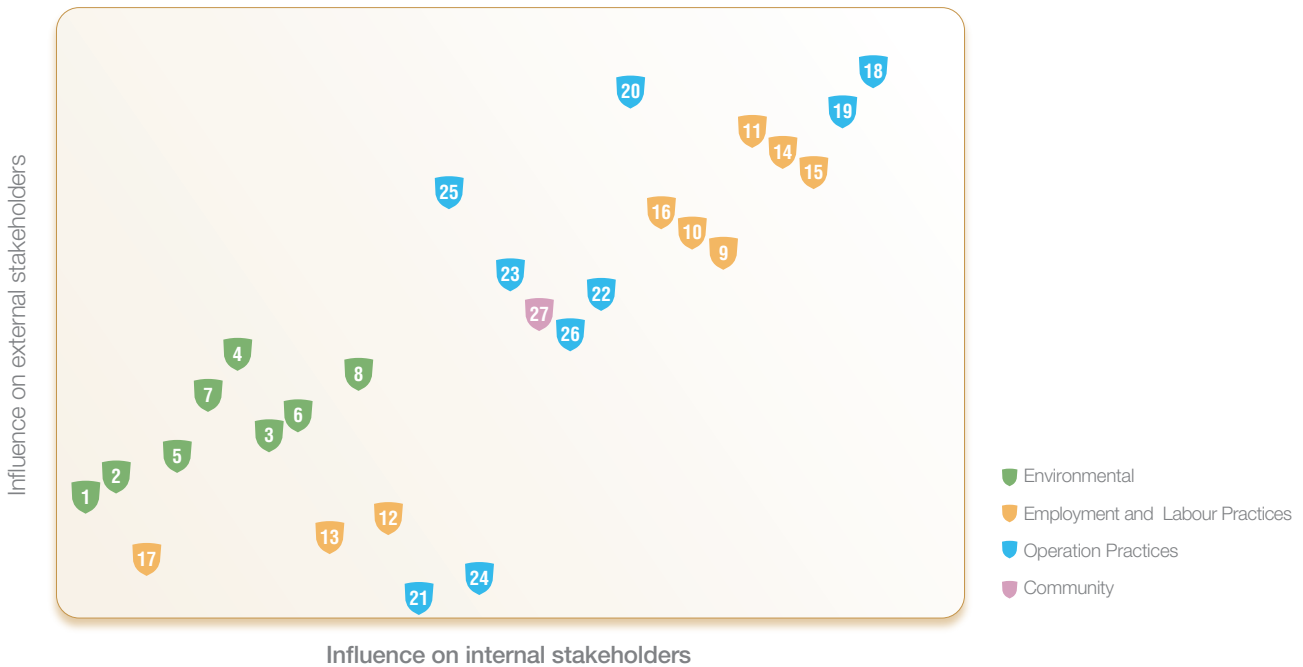


MATERIALITY ASSESSMENT

By conducting a materiality assessment, we are able to ensure that our sustainability approach is aligned with the areas that are most significant to our business and stakeholders. As part of this process, we conducted an online questionnaire to gather feedback from our stakeholders on 27 key ESG issues related to environmental, employment, operational, and community aspects.

The results of the questionnaire have been collected and analyzed, and we can report that the following issues were ranked as particularly significant by our stakeholders: Customer satisfaction and Customer service quality and complaints handling. This information will be used to inform our sustainability strategy and help us prioritize our efforts to address the most relevant ESG issues.

MATERIALITY MATRIX



Environment		Employment		Operation		Community and Social	
1.	Air emission	9.	Employment rights	18.	Customer satisfaction	27.	Community support
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		

CUSTOMERS FIRST

Security Guarding Services Business

As part of our commitment to providing comprehensive, professional, and reliable security services, our group motto is “Customer First, Quality Service and Continuous Improvement.” Our range of services includes security guarding services (both long-term and short-term), venue and event security guarding, VIP celebrity escort, and integrated support services such as supervision work, administrative surveillance, liaison, insurance coverage, and customer services.

To ensure that we deliver on our high standards, we have established a dedicated working group that closely monitors our security guarding services segment. The group’s structure is as follows: Chief executive officer, Operation managers, Regional managers and Patrol officers.

Overall, our goal is to provide top-quality security services that prioritize our customers’ needs while continuously striving for improvement and innovation.

To maintain the professionalism of our security personnel, we require them to wear our uniforms and adhere to our Employee Grooming and Dress Code Policy. Each security room has a printed Guide on Security Procedure that covers service quality goals, job information, supply details, emergency reporting procedures, and code of practice.

We constantly communicate with our clients through various channels such as email, a 24-hour hotline, facsimile, or direct meetings. Our working group listens to their comments and suggestions, and we send annual appraisals to assess their satisfaction levels. Our operation and marketing managers analyze and review our service quality based on the appraisal forms received.

We handle complaints in accordance with our Complaint Handling Procedures and pledge to respond within 24 hours. If our services fall short of client expectations, we assess the root causes and fine-tune our remedial plans to avoid the same events. One of our service quality goals is to respond efficiently to complaints.

During the Reporting Year, we achieved our goal of obtaining a minimum of 85% client satisfaction score, following up on 99% of client complaints within 24 hours, and arriving within 10 minutes after notification when dealing with emergencies.

Asset Management Business

At Greatwalle, we’re committed to providing excellent services to support our clients. To meet the needs of our investors, our investor relations personnel receive extensive training to stay up-to-date on domestic and international economic market conditions and trends. We also implement an Investor Relations Service Manual, which our personnel are required to study and adhere to.

Our guiding philosophy is “Serving Clients with Creating Values.” Before the COVID-19 pandemic, we regularly organized business catch-up trips to foster closer relationships with our clients and gather their feedback. We also shared new industry and corporate updates with them. During the pandemic, we adapted by arranging video calls or ad-hoc calls to maintain our annual engagement with clients.

Thanks to our exceptional and professional services, we’re proud to report that no complaints were filed by any of our investors during the Reporting Year.



OUR PEOPLE

Creating a safe, inclusive, collaborative, and caring work environment where staff feel respected and valued is a top priority at Greatwalle. During the COVID-19 outbreak, we have shown solidarity with our colleagues by taking steps to ensure their health and wellbeing. This includes providing face masks, COVID rapid test kits, disinfectants, and alcohol wipes, as well as maintaining workplace hygiene through regular cleaning and encouraging the use of hand sanitizer. In the event of suspected or confirmed cases, we take immediate action to close the affected workplace.

In addition to these measures, we prioritize legal and compliance matters during the recruitment process and strongly oppose all forms of child and forced labor. To ensure compliance with applicable laws and regulations, our human resources team requires potential candidates to present their ID cards for age verification and checks their security personnel permit in accordance with the Security and Guarding Services Ordinance (Chapter 460 of the laws of Hong Kong). If we become aware of any instances of child or forced labor, we take action in accordance with local labor laws and regulations.

At Greatwalle, we are committed to promoting fairness, equality, and harmony in the workplace. This means treating all individuals as equals and eliminating discrimination based on factors such as color, caste, gender, or any other criteria. As an equal opportunity employer, we treat all employees and candidates equally and fairly based on merit during recruitment, promotion, benefits, dismissal, and related processes. Our Staff Handbook and Code of Conduct provide clear procedures for addressing complaints related to workplace discrimination, harassment, and bullying, and we encourage all employees to speak out against any such issues.

During the Reporting Year, Greatwalle was not aware of any non-compliance with employment laws that could significantly impact the Group. These laws include the 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), and the Race Discrimination Ordinance (Chapter 602 of the laws of Hong Kong) in Hong Kong, as well as labor laws and regulations in the PRC. These include the Labor Law of the PRC, the Labor Contract Law of the PRC, the Law of the PRC on the Protection of Women's Rights and Interests, and the Law of the PRC on the Protection of Disabled Persons in the PRC.

OUR PEOPLE (Continued)

As of the end of the Reporting Year, the Group had 983 members of staff (2021/22: 1,345)¹, of which 838 staff (2021/22: 1,207) were in the PRC and 145 staff (2021/22: 138) were in Hong Kong. The following table set forth the employees' profile by geographic, gender, employee type and age and the statistics for employee turnover rates:

	2022/23	2021/22
Employment		
By geographical region		
The PRC	85.2%	89.7%
Hong Kong	14.8%	10.3%
By gender		
Male	72.0%	75.1%
Female	28.0%	24.9%
By employee type		
Full-time	85.6%	90.6%
Part-time	14.4%	9.4%
By age group		
Below 30 years old	12.8%	14.9%
31 to 40 years old	32.2%	32.5%
41 to 50 years old	31.3%	30.9%
51 to 60 years old	22.3%	20.7%
Above 60 years old	1.3%	1.0%
Employee turnover rate²		
By geographical region		
The PRC	1.6%	12.0%
Hong Kong	3.3%	60.1%
By gender		
Male	3.1%	15.0%
Female	1.8%	23.0%
By age group		
Below 30 years old	0.3%	36.4%
31 to 40 years old	0.8%	7.8%
41 to 50 years old	2.0%	12.6%
51 to 60 years old	1.5%	22.7%
Above 60 years old	0.3%	23.1%

Note:

1. The number of employees was calculated at the end of the Reporting Year working within the reporting scope.
2. The employee turnover rates for the Reporting Year = Number of employee departure of the category/average employees of the category at the start and at the end of the Reporting Year x 100%. For 2021/22, to calculate the turnover rates for a category of employees in the Group, divide the number who left during 2021/22 by the number at the end of the period, and multiply by 100%.



OUR PEOPLE (Continued)

Occupational Health and Safety (“OSH”)

Given the nature of our work and the environment in which we operate, ensuring security and safety is a strategic and operational concern for our business. At Greatwalle, we consider high standards for health and safety to be a fundamental value of our industry, as it not only helps to keep our colleagues safe but also fosters their loyalty and commitment to our company.

We recognize that our businesses operate in diverse contexts and face varying levels of risk. Our OSH Guidelines and Office Safety Guidelines establish the framework and provide a vision of how we can progress from mere compliance with local health and safety laws and regulations. Throughout the Reporting Year, we had no reports of significant work injuries, accidents, or work-related fatalities. We abide by the relevant laws and regulations in the regions where we operate, including the Occupational Safety and Health Ordinance (Chapter 509 of the laws of Hong Kong) and the Law of the PRC on the Prevention and Control of Occupational Diseases.

Ensuring the safety and well-being of our colleagues amidst the COVID-19 pandemic

Despite the challenges posed by the global pandemic, our colleagues have exhibited remarkable courage and resilience. We are proud and grateful for their unwavering commitment to professionalism in safeguarding themselves, their colleagues, our clients, and the general public.

We implemented multiple measures to safeguard our staff and the public from COVID-19, including:

- We conducted a risk assessment at all of our offices and our clients' locations.
- We collaborated with our clients to develop plans for implementing anti-COVID measures.
- We urged our colleagues to receive the COVID-19 vaccination.
- We made it mandatory for all employees to adhere to protective measures.
- We supplied our staff with personal protective equipment.
- We kept our staff informed of the latest policies related to COVID-19 issued by the local government.
- We provided learning materials to our staff on the correct usage of personal protective equipment.
- We established reporting channels in the event of an individual testing positive for the virus.
- We displayed notices at all of our offices and our clients' locations to remind staff to prioritize their well-being.

OUR PEOPLE (Continued)

Employee Welfare and Benefits

At Greatwalle, we believe that ensuring the happiness and pride of our colleagues is crucial to motivating them to deliver exceptional security outcomes and superior customer service. We treat our colleagues as family members and provide them with comprehensive insurance coverage.

In our security guarding business in Hong Kong, our employees are entitled to various benefits, including medical and accident insurance and the Mandatory Provident Fund. Similarly, our employees in the PRC receive “five social insurances and one housing fund.” We also offer paid leaves to our full-time employees.

Before the pandemic, we organized events such as the new year’s gala dinner, staff award ceremony, and team-building activities to show our appreciation for our colleagues.

Throughout the Reporting Year, we adhered to the relevant local labor laws and regulations, 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 Employees’ Development

At Greatwalle, we prioritize the well-being and growth of all our employees. We believe that education and training are crucial in equipping our staff with the necessary skills and knowledge to reach their full potential. By investing in our people and promoting their development, we, as a company, thrive.

We ensure that all new employees attend an induction training covering our company introduction, internal policies and rules, corporate culture, OSH introduction, staff welfare, and benefits. For existing staff, we provide on-the-job training to equip them with appropriate operational and managerial skills in response to market needs and their career goals.

Our training programs include:

- Ongoing training programs for all staff to enhance their skills and knowledge.
- External training programs to keep our employees up-to-date with the latest industry trends and practices.
- Training workshops to educate our staff on our ethics and code of conduct.
- Training related to environmental issues.
- Training related to emergency response.



OUR PEOPLE (Continued)

Our Employees' Development (Continued)

The data below presents the percentage of employees who participated in training and the average number of training hours completed per employee during the Reporting Year:

	2022/23	2021/22
Training hours completed		
By gender		
Male	42.2%	48.0%
Female	5.8%	35.8%
By Employment Category		
Senior Management	100.0%	100.0%
Middle Management	100.0%	100.0%
General Staff	25.9%	36.6%
Average training hours		
By gender		
Male	10.5 Hours	9.3 Hours
Female	11.9 Hours	2.1 Hours
By Employment Category		
Senior Management	10.6 Hours	3.4 Hours
Middle Management	10.5 Hours	2.5 Hours
General Staff	10.6 Hours	9.9 Hours

PRINCIPLES OF GOVERNANCE

At Greatwalle, we consider maintaining high standards of corporate governance essential for staying competitive in the market. Throughout the reporting year, we upheld our commitment to compliance and did not experience any major violations of health and safety regulations, advertising laws, or product labeling requirements. This includes adherence to the Law of the PRC on the Protection of the Rights and Interests of Consumers and the Advertising Law of the PRC, among others.

Our Anti-corruption Policy

Illicit activities like corruption and bribery go against the values of Greatwalle and have a negative impact on our businesses. Therefore, we strive to combat these practices wherever we operate. In the event of suspected corruption or bribery, our internal investigation team, which consists of executive directors and senior staff, takes charge of the case. They conduct an investigation, and if any wrongdoing is found, we take disciplinary action, including termination of employment. Moreover, we report severe offenses to the appropriate law enforcement agency.

Before our new employees start working for us, our HR team provides them with an explanation of the anti-corruption policies included in their employment contracts. Additionally, our Staff Handbook and Code of Conduct outline the standards that our employees must adhere to when giving or receiving gifts, or engaging in entertainment with customers, suppliers, investors, and other third parties. These guidelines include strict policies that prohibit our employees from offering or accepting any form of benefits under any circumstances. Furthermore, we regularly remind our staff of our policies on accepting and offering advantages, typically once a year before the Chinese Lunar New Year.

PRINCIPLES OF GOVERNANCE (Continued)

Our Anti-corruption Policy (Continued)

During the reporting year, we urged both our managerial staff and frontline workers to attend online training offered by the Independent Commission Against Corruption.

To ensure that any suspected violations of our code of conduct are promptly and properly addressed, we have established a whistleblowing system. This system also aims to encourage our employees to report any inappropriate or wrongful conduct related to our business.

Our record remained untainted by any corruption cases in the year, and we maintained compliance with various relevant laws such as the Prevention of Bribery Ordinance (Chapter 201 of the laws of Hong Kong), the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC, and the Anti-Money Laundering Law of the PRC.

Our Data Protection System

Ensuring compliance with data protection is a fundamental aspect of our corporate responsibility strategy at Greatwalle. To establish a robust framework for data protection across our organization, we have incorporated a data protection policy in our Staff Handbook and Code of Conduct. This policy mandates that every employee adheres to the code of conduct and refrains from disclosing confidential information, except as specified and authorized. Additionally, relevant employees with regular access to sensitive information are required to sign a confidentiality declaration. We take disciplinary action, including termination of employment, and report serious offenses to the relevant law enforcement agency in the event of any misconduct.

Amidst the COVID-19 pandemic, we continued to raise awareness of data protection guidelines among our employees by disseminating training materials through email.

Throughout the reporting year, the Group remained compliant with the Personal Data (Privacy) Ordinance (Chapter 486 of the laws of Hong Kong) and other relevant laws and regulations in the PRC, related to data privacy and security.

Protecting Intellectual Property Rights

It is mandatory for all our employees to comply with the applicable laws and regulations regarding intellectual property rights, which include trademarks, copyrights, designs, and patents. To ensure that our published materials do not violate any local laws and regulations, particularly the Trade Marks Ordinance (Chapter 559 of the laws of Hong Kong), it is the responsibility of the administration department.

COMMUNITY AND PUBLIC INVOLVEMENT

Greatwalle is dedicated to enhancing the quality of life for individuals in our community. We are actively engaged in various initiatives designed to have a positive impact on the areas where our employees reside. Since 2007, we have been involved in several programs, including the Wage Protection Movement, Youth Employment Programme, Employment Programme for the Middle-aged, and Work Orientation and Placement Scheme under the Labour Department.

Our contributions to the community have been recognized by the Hong Kong Council of Social Service, who have honored us with a “Caring Company” award for 15 consecutive years. We have also received the “Heart to Heart Company” certificate from the Hong Kong Federation of Youth Groups for five years in a row during the reporting year.

In China, Greatwalle aims to create a positive impact on society by supporting the communities in which we operate. One way we achieve this goal is through donating to the Charity Federation of Dongying District, Dongying City, which provides support to the underprivileged through various charitable activities such as elderly care, orphan support, disability assistance, medical assistance, and student aid.



ENVIRONMENTAL

Greatwalle recognizes that environmental degradation can occur gradually and have far-reaching impacts, increasing risks. As an office-based company, Greatwalle has a minimal environmental footprint, but we remain committed to identifying, assessing, and managing any factors that could pose a threat to the environment.

Energy consumption

Our Group's major sources of greenhouse gas emissions are primarily from the use of cars and air transport, as well as energy and water consumption in offices. During the second half of 2022, we resumed economic activities and cancelled the work-from-home policy, which led to an increase in our colleagues' travel between branches and connections with customers to create business opportunities. As a result, the consumption of diesel and electricity rebounded after the pandemic hit.

Moving forward, we aim to reduce our energy consumption by 5% by 2026. We collected data on our energy consumption across our operations. The following is a summary of our findings:

	2022/23	2021/22
Diesel		
Litre	4,500	3,540
MWh	48.2	37.9
Electricity (MWh)	59.7	37.3
Total energy consumption (MWh)	107.9	75.2
Intensity by number of full-time employees (MWh/number of full-time employee)	0.1	0.1
Intensity by size of offices (MWh/m²)	0.1	0.1

ENVIRONMENTAL (Continued)

Greenhouse gas (“GHG”) and Carbon emissions

In the Reporting Year, our GHG and carbon emission data, pertaining to our operations, is summarized below:

	2022/23	2021/22
Greenhouse gas (GHG”) and Carbon emissions		
Direct emissions¹ (Scope 1) – tCO₂e	23.7	18.6
Indirect emissions from electricity consumption² (Scope 2) – tCO₂e	31.9	14.6
Other indirect emissions³ (Scope 3) – tCO₂e	11.0	7.2
Total emission – tCO₂e	69.2	40.4
Intensity by number of full-time employees (tCO ₂ e/full-time employee)	0.1	0.0
Intensity by size of offices (tCO ₂ e/m ²)	0.1	0.0

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 2022 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. During the Reporting Year, data on GHG emissions resulting from the use of fresh water and sewage treatment were excluded from the report. This is because the water supply and sewage treatment are primarily managed by the property management companies responsible for our offices in Hong Kong and the PRC.

During the Reporting Year, the main source of air emissions for Greatwalle was the combustion of fuels for transportation. We will continue to monitor the internal use of vehicles and develop relevant guidelines accordingly. The air emission data for the Reporting Year are as follows:

	2022/23	2021/22
Air emissions*		
Sulphur oxides (g)	72.5	57.0

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.



ENVIRONMENTAL (Continued)

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

To minimize our environmental impact in 2022, we are replacing a diesel vehicle with an electric one and reducing air travel. In addition, we aim to reduce GHG and carbon emissions by 5% by 2026. To achieve this, we plan to take the following measures:

- Upgrading to energy-efficient lighting and equipment
- Encouraging more online meetings to reduce air travel
- Using public transport or carpooling to minimize car trips
- Replacing diesel or gasoline vehicles with electric ones

We believe that strengthening our ESG strategy will enable us to contribute to long-term value creation for all stakeholders.

Water consumption

Greatwalle’s business activities are such that our water consumption is primarily for drinking and cleaning purposes. Our water supply and sewage treatment are mainly managed by the property management companies of our offices in Hong Kong and the PRC and, as a result, we do not have access to water consumption data for ESG reporting. Nonetheless, we continue to encourage our colleagues to develop a conscious habit of water conservation.

Resources Management

Greatwalle generates paper waste in our operations. To reduce paper consumption in the office, we encourage our colleagues to practice double-sided printing and reuse paper printed on one side. We also recommend placing waste paper in collection bins located in our offices. The data for paper usage during the Reporting Year is shown below:

	2022/23^(Note)	2021/22
Paper usage		
Paper (Tonne)	2.3	1.5
Intensity by number of full-time employees (Tonne/full-time employee)	0	0.1

Note:

- We encourage our subsidiaries to collect such information, and in the Reporting Year, three subsidiaries within our scope provided paper usage data (2021/22: Two subsidiaries).
- 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.

Due to the COVID-19 outbreak, our colleagues have been advised to work from home, making it challenging to collect data on non-hazardous and hazardous waste, aside from paper usage. However, we are actively improving our data collection and record-keeping procedures. To encourage our colleagues to adopt a conscious habit of waste reduction, we have adopted the “4R” principle, which emphasizes reducing, reusing, replacing, and recycling the resources we consume. For instance, in our security guarding business, we collect resigned staff uniforms and accessories and have them cleaned and reused. We prioritize our efforts on areas that have the most significant impact on the environment and natural resources, such as energy consumption, paper usage, and waste generation.

ENVIRONMENTAL (Continued)

Resources Management (Continued)

As our business activities and operations do not significantly generate air pollutants, gas emissions, or regulated discharges, the Air Pollution Control Ordinance and Water Pollution Control Ordinance, along with their associated regulations, are considered less relevant to us. No fines or penalties were imposed by the Hong Kong or PRC government for air emissions or water discharges during the Reporting Year. We comply with the Waste Disposal Ordinance, which prohibits dumping waste in public places or private premises without the owner or occupier's consent. We are not aware of any fines or penalties levied by the Hong Kong or PRC government for improper waste handling or disposal.

Climate Change

Greatwalle recognizes that climate change is an inevitable global challenge that presents both risks and opportunities. As part of our commitment to climate change preparedness and resilience, we have undertaken to identify and assess climate-related risks that could significantly impact our business operations. Given our focus on providing securities guarding and property management services, the impact of climate change on our business is not significant. Nonetheless, we have identified the following potential climate-related risks:

Physical risks Adverse impacts on our operational activities may result from the higher frequency and intensity of extreme weather events. For instance, such events may hinder the transportation and traveling of our staff, which can lead to a shortage of human resources and impact our service quality, ultimately affecting our business operations.

Transition risks Stringent existing and emerging requirements in policies and regulations related to climate change may result in higher operating costs to ensure compliance.

To minimize the adverse impacts on our business operations, we have implemented an Emergency Management Plan and are closely monitoring the potential impacts of climate-related risks.



ESG REPORTING GUIDE INDEX

ESG Reporting Guidelines Aspects	Description	Sections/Remarks	
A. Environmental			
Aspect A1: Emissions			
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.	ENVIRONMENTAL	
KPI	A1.1	The types of emissions and respective emissions data.	ENVIRONMENTAL – Greenhouse gas (“GHG”) and Carbon emissions
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	ENVIRONMENTAL – Greenhouse gas (“GHG”) and Carbon emissions
	A1.3	Total hazardous waste produced and intensity.	ENVIRONMENTAL – 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 pandemic.
	A1.5	Description of measures to mitigate emission targets and results achieved.	ENVIRONMENTAL – Greenhouse gas (“GHG”) and Carbon emissions
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	ENVIRONMENTAL – Resources Management

ESG REPORTING GUIDE INDEX (Continued)

ESG Reporting Guidelines Aspects	Description	Sections/Remarks
Aspect A2: Use of Resources		
General Disclosure	A2 Policies on the efficient use of resources, including energy, water and other raw materials.	ENVIRONMENTAL – Energy consumption
KPI	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	ENVIRONMENTAL – Energy consumption
	A2.2 Water consumption in total and intensity.	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.	ENVIRONMENTAL – 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	
Aspect A3: The Environment and Natural Resources			
General Disclosure	A3	Policies on minimizing the issuer's significant impact on the environment and natural resources.	ENVIRONMENTAL – 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.	ENVIRONMENTAL – Resources Management
Aspect A4: Climate Change			
General Disclosure	A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	ENVIRONMENTAL – 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. Social			
Employment and Labour Practices			
Aspect B1: Employment			
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 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
Aspect B2: Health and Safety			
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 PEOPLE – Occupational Health and Safety (“ OSH ”)
KPI	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Throughout the Reporting Year, we had no reports of significant work injuries, accidents, or work-related fatalities.
	B2.2	Lost days due to work injury.	OUR PEOPLE – Occupational Health and Safety (“ OSH ”)
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	OUR PEOPLE – Occupational Health and Safety (“ OSH ”)
Aspect B3: Development and Training			
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 PEOPLE – Our Employees’ Development
	B3.2	The average training hours completed per employee by gender and employee category.	
Aspect B4: Labour Standards			
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 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			
Aspect B5: Supply Chain Management			
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.	We are a service-based company, and the supply chain management is therefore not a relevant and material issue to our nature of business.
	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.	
Aspect B6: Product Responsibility			
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.	We provide securities guarding services to our clients and does not encounter product recall due to safety and health reasons.
	B6.2	Number of products and service-related complaints received and how they are dealt with.	CUSTOMERS FIRST
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	PRINCIPLES OF GOVERNANCE – Protecting Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	CUSTOMERS FIRST
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	PRINCIPLES OF GOVERNANCE – Data Protection in Greatwalle

ESG REPORTING GUIDE INDEX (Continued)

ESG Reporting Guidelines Aspects	Description	Sections/Remarks
Aspect B7: Anti-corruption		
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.	
Aspect B8: Community Investment		
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.	