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Great Wall Belt & Road Holdings Limited

Stock Code: 524

Environmental, Social and Governance Report 2017



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Environmental, Social and Governance Report

ABOUT THIS REPORT

Great Wall Belt & Road Holdings Limited (formerly known as e-Kong Group Limited) (the “Company” or “Great Wall B&R”) is pleased to present this Environmental, Social and Governance (“ESG”) Report (“ESG Report” or the “Report”) of 2017. This ESG report provides an annual update of sustainability performance in respect of the material businesses and operations of the Group. It has been updated to reflect the interest of various stakeholders. We include the additional material data, detailed ESG requirements, policies and programmes to illustrate the main ESG initiatives of the Group.

SCOPE OF THIS REPORT

This Report details the ESG performance of the Group for the financial year ended 31 December 2017 (the “Reporting Period” or “FY2017”). We apply the concept of materiality in planning and developing the ESG Report – unless otherwise indicated, the Report covers Great Wall B&R and ZONE Telecom Pte Ltd (“ZONE Telecom”) in Singapore (collectively the “Group” or “we”). During FY2017, the Group has undergone several business streamlines and restructures to enhance shareholders’ value and achieve long-term sustainable growth. Compared with the previous year (FY2016), this ESG reporting scope is modified in accordance with the latest business portfolio. In this Report, we have not taken into account the following companies: (i) ZONE Limited¹; (ii) Cybersite Services Pte Limited²; (iii) Relevant Marketing Group Limited and its subsidiaries³; and (iv) Hangzhou Susong Technology Company Limited⁴. The enhanced reporting scope of FY2017 could cover the Group’s principal businesses, which provides the greatest potential for managing the environmental and social impacts of our operations in a holistic manner.

Great Wall Belt & Road Holdings Limited Hong Kong & Singapore Operations

Included in this Report

- Great Wall B&R Group
- ZONE Telecom in Singapore

REPORTING PRINCIPLES

In this Report, the preparation and presentation of related information are in accordance with the guidelines set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Guideline”). According to the Guideline, the following principles are underpinned:

1. **Materiality:** Environmental, social, and governance issues that have major impacts on investors and other stakeholders must be set out in this Report.
2. **Quantitative:** If key performance indicators (KPIs) have been established, they must be measurable and applicable to evaluate comparisons under appropriate conditions. They must also be able to describe the purpose and impacts of quantitative information.
3. **Balance:** This Report must provide an unbiased picture of the environmental, social, and governance performance of the Group. It should avoid selections, omissions or presentation formats that may inappropriately influence a decision or judgment by the reader.
4. **Consistency:** This Report should use consistent and disclose statistical methodologies to allow meaningful comparisons of related data over time. Any changes to the methods used must be specified in the Report.

1 The business portfolio is streamlined by disposing of VoIP business segment and outsourcing the voice telecommunications business in December 2017.

2 In view of the increasingly challenging and uncertain business environment in the IT and Distribution Business, the Group entered into an agreement for the sale of its 100% equity interest in Cybersite Services Pte Ltd. (which operates the IT and Distribution Business) in 7 March 2018. The transaction was completed on 22 March 2018.

3 As disclosed in the announcement of the Company on 24 August 2017, the Group’s shareholding interests in Relevant Marketing Group Limited and its subsidiaries has reduced to 37.59%. The business is no longer a focus of the Group’s development in the foreseeable future.

4 As at 31 December 2017, the Group planned to dispose Hangzhou Susong Technology Company Limited in the near future for the purpose of achieving better alignment with the Group’s business plan.

STAKEHOLDER ENGAGEMENT

As part of the business strategies, the Group communicates with its stakeholders in an open, honest and proactive way. We maintain various communication channels on relevant issues including the performances and challenges of sustainability with our stakeholders. We identify and prioritize key stakeholders from time to time, and formulate the engagement approaches through regular engagement sessions. The outcomes from these stakeholder engagement processes have been consistently applied to our continuous improvement activities. Further information on our key customers and suppliers is provided on page 28 of our Annual Report 2017 and details on our engagement with our employees, suppliers and communities are set out in "Section B. Social" of this Report.

A. ENVIRONMENT

We acknowledge the importance of raising the awareness of our employees to understand our environmental impact and stress our determination by taking various reduction initiatives to reduce our carbon footprints. We will continue to support our employees, communities and other stakeholders in reducing environmental impact arising from their personal and business activities in the global context.

1. EMISSIONS

As the Group is principally engaged in delivering telecommunication services and solutions, we do not have significant air emissions and discharges into water or land, such as nitrogen oxides, sulphur oxides and respiratory suspended particles; nor do we produce a significant volume of hazardous waste. The major emissions of the Group are the greenhouse gases emissions and solid non-hazardous wastes generated from our office operations.

(a) Greenhouse Gases Emissions

The major sources of air and greenhouse gas ("GHG") emissions from the Group's operation are energy consumptions in regard to the purchased electricity used in offices and daily operations.

The total greenhouse gases generated by the Group during the Reporting Period was 54.73 tonnes CO₂e, with an intensity of 1.61 tonnes CO₂e/employee in average comprising of our electricity consumptions and disposal of paper waste.

Scope of GHG Emission	Emission Source	Emission (in tonnes of CO ₂ e)	Total Emission (in percentage)
Scope 1			
Direct Emission	N/A	N/A	N/A
Scope 2			
Indirect Emission	Purchased electricity ⁵	54.15	99%
Scope 3			
Other Indirect Emission	Disposal of paper waste	0.58	1%
Total		54.73	100%

Table 1 – Total Greenhouse Gas Emissions in the Reporting Period

5 For Great Wall B&R's Hong Kong office, electricity consumption in December 2017 was excluded since the operating office was relocated in the period.

(b) Waste Management

The Group upholds the principle of waste management and is committed to the proper handling and disposal of all wastes from our business activities. During the Reporting Period, the Group did not generate a significant amount of hazardous waste, while the major non-hazardous waste was paper, with a weight of 120.2 kg, equivalent to 0.02 tonnes CO₂e/employee in average.

ENVIRONMENTAL EXCELLENCE

The Group is recognised for its commitment to adopting measures to reduce waste generated through the services and products. We are awarded the “Excellence Level in Wastewi\$e Certificate” by Environmental Campaign Committee for two consecutive years (2016-17).

2. USE OF RESOURCES

The Group is committed to conserving resources for the purposes of environmental and operating efficiency. To demonstrate our environmental commitment, we implement multiple measures in enhancing energy efficiency, minimizing the use of papers, reducing water consumption and driving behavioural changes of employees. Through actively monitoring and managing the use of resources, we aim to reduce our operating costs as well as our carbon footprints. Use of packaging materials is not relevant to our businesses, while details of energy and water consumptions will be discussed in the following sessions.

(a) Energy

During the Reporting Period, the energy we consumed directly for our operations are as follows:

Energy	Unit	Consumption Quantity	Intensity (Consumption/ employee)
Electricity	kWh	57,607	1,694.3

In order to reduce energy consumption and greenhouse gas emission, we adopt the following initiatives:

- retrofitting or installing energy-efficient lighting (e.g. LED, CFL, T5)
- using energy-efficient equipment and servers
- turning off equipment and air-conditioning during non-working hours
- maximising natural lighting
- using fans and open space in server rooms to facilitate air flow and reduce the use of air conditioning
- putting recycling bins in the offices
- using teleconferencing to reduce travel
- encouraging the use of public transportation

(b) Water

We acknowledge the sustainable and responsible use of our water resources is a global key issue. We are aware that water shortage, excessive demand and usage can pose serious problems. Due to our business nature, we do not use or discharge a significant amount of water. However, in order to raise the awareness on water conservation, our Group promotes water saving practices in the workplace. For instance, we offer tips to conserve water and share them internally. These help to raise awareness and encourage employees to reduce the water consumption.

(c) Packaging Materials

Given the Group is principally engaged in delivering telecommunication services and solutions, we do not use a significant amount of packaging materials for finished products. Nevertheless, the Group upholds the principles of waste management and is committed to the proper handling and disposal of all wastes from our business activities. With an emphasis on reduce, reuse and recycle, we aim to minimize the amount of waste we generate. All of our waste management practices comply with relevant law and regulations.

In order to minimize the disposal of wastes to the landfill, we adopt and promote green practices as follows:

- Engage in paperless meetings
- Encourage double-sided printing
- Apply soft-copy filing and distribution of documents to the Directors of the Group
- Use of reusable, bulk water coolers, cups, crockery and utensils
- Gather materials for reuse, recycling and/or proper disposal (e.g. aluminium cans, glass, plastic, paper, textiles, mooncake tins and electronic waste)
- Collect and separate solid waste and recyclables, as well as hazardous waste arising from spent fluorescent tubes and cleaning materials
- Use of environmentally-responsible, liquid detergent; refills and reuse empty bottles.

(d) Compliance

The Group was not aware of any incidents of non-compliance with laws and regulations that have a significant impact concerning air and greenhouse gas emissions, discharges into water or land, or generation of hazardous and non-hazardous waste during the Reporting Period.

3. THE ENVIRONMENT AND NATURAL RESOURCES

With respect to our business nature and activities, the impact of the Group on the environment and natural resources is not significant. Consumption of energy mainly stemmed from the use of electricity, water and papers in office areas. During the Reporting Period, we have stipulated a number of measures to reduce the use of resources and disposal of waste (please refer to the above sections headed “Emissions” and “Use of Resources” for details).

We will continue to assess the environmental risks of our business, review the environmental practices and adopt preventive measures as necessary to reduce the risks, and ensure the compliance with relevant laws and regulations.

B. SOCIAL

We recognize that employees are our most valuable assets and vital to achieving our sustainability and long-term growth. We maintain a robust employee policy system, which includes compensation, dismissal, recruitment, promotion, working hours, rest periods and other benefits.

We aim at building a high-quality relationship with our employees based on mutual respect to encouraging work creativity, flexibility and commitment. This will ultimately accomplish our mission – to provide our clients with quality products and services. In order to achieve this, we create opportunities to attract, develop, retain and reward our talented employees by offering them, under different conditions, commensurate remuneration, personal growth, career development training, as well as fringe benefits, such as medical insurance, retirement benefits, pension, long service awards, leave vacation, share options and other employment benefits as detailed below.

1. EMPLOYMENT AND LABOUR PRACTICES

According to the reporting scope, the Group employed 34 people in operations across Hong Kong, Mainland China and Singapore as at 31 December 2017. The compositions are illustrated as follows:

(a) Employee Engagement

The Group adopts the two-way communications policy. We endeavour to provide an open atmosphere where employees are encouraged to raise their concerns to the management. The followings outline our various ways of communication channels:

- Noticeboard and newsletter – we convey general information, for instances, new hires, company activities, policies and procedures updates to all employees
- General meeting – we hold monthly meetings, where the executive directors of the Company and the management representatives share the Group's latest development and receive comments from employees
- Instant messaging tools – we set up chatrooms in the widely-used mobile communication platforms, such as WhatsApp and WeChat to facilitate and encourage communications

In addition, during the Reporting Period, we hosted various activities for employees. For instance, casual gatherings, celebrating parties in Chinese New Year and Christmas, quarterly birthday parties and regular sports events were organised.

(b) Compensation and Other Benefits

Our welfare packages are designed to attract, motivate and retain high-calibre people across all levels. We have developed a written human resources policy and staff handbook to govern the recruitment, promotion, discipline, working hours, leaves and other benefits of our employees, in accordance with the relevant laws and regulations.

In addition to the basic salaries, a wide range of benefits including the comprehensive medical and life insurance are also provided to employees. We offer the following benefits:

- Dental and medical benefits, which include hospitalization and out-patient benefits
- Shorten working hours in some festivals, such as Chinese Winter Solstice Festival, Mid-autumn Festival and Chinese New Year Eve
- Overtime traffic and meal allowance for employees who leave the office after 10 o'clock in the evening

We also recognise and reward high performance while operating a fair and transparent system of reward. The discretionary reward is linked to the delivery of business goals and individual performance.

(c) Recruitment, Promotion and Dismissal

We are committed to adopting a fair recruitment and promotion policy that prohibits damage to equal employment opportunity or unfair treatment caused by ethnicity, race, gender, religious belief, social origin or identity, geographic location, age, physical condition and marital status. In this context, recruitment and promotion decisions are made based on various considerations, such as educational qualifications, relevant experience, skill competencies, desirable personality traits and potential for further development.

(d) Rest Days and Holidays

We provide employees with various paid leaves and holidays as stated in the employment contract, ability or scales according to position ranking. For instance, we provide employees with statutory holidays, statutory maternity/paternity leave, study and examination leaves, marriage leave and annual leave. We provide paid statutory holidays to employees in compliance with the local laws and regulations.

(e) Compliance

During the Reporting Period, the Group has not identified any complaints or violation of laws in relation to recruitment, promotion, working hours, leave, equal opportunity, diversity, anti-discrimination and other entitlements and benefits.

2. HEALTH AND SAFETY

We aim to provide a healthy and safe working environment in a holistic manner. We believe that workplace illnesses and injuries can be minimized through a group-wide adoption and acceptance of a detailed management system. To achieve this, we adopt a wide range of health and safety initiatives. Safety officers, who have completed the external workplace safety training, are appointed. We ensure the fire safety in the offices by keeping the fire exits and lightening in good conditions, in addition to regular fire drills to ensure employees are familiar with the evacuation routes.

We endeavour to providing a healthy and safe working environment for our employees. Indoor air quality is maintained by applying a constant temperature of air conditioners in the offices. We also engage professional cleaners to ensure filters in air conditioners are cleaned and replaced regularly. We understand that improper design of furniture could cause harm or injury, therefore, ergonomic forms part of the procurement criteria – only properly designed chairs are purchased.

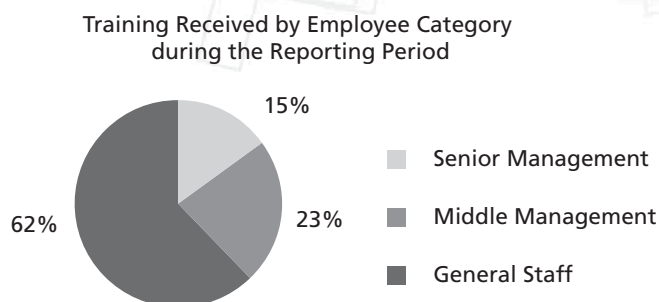
We review our health and safety policies and practices regularly. Any updates on the policies and practices are circulated to employees. A comprehensive recording system is in place for any health and safety accidents. We also established the notification mechanism, of which corresponding government departments will be informed of any substantial health and safety accidents. In ZONE Telecom, we participate in workplace safety assessment by the Work Safety and Health Council and obtained bizSAFE level 3 re-certification.

The Group has not identified any casualties and accidents in relation to workplace health and safety during the Reporting Period.

3. DEVELOPMENT AND TRAINING

We acknowledge the importance of training for the development of our employees as well as the Group. We encourage and support our employees in personal and professional training, through sponsoring cross-development training programmes, seminars provided by vendors, workshops and conferences, regular sharing sessions, peer learning and on-the-job coaching, as well as reimbursement for external training courses to enhance their competencies in performing their jobs effectively and efficiently. In addition, we provide paid sabbatical leave to employees after considering their needs. For instance, leave for study or exams for professional qualifications is provided.

Through providing various types of training allowance and flexibilities, we believe this is mutually beneficial to employees and the Group. During the Reporting Period, employees of all grades and categories completed a total of 104 hours of training. Percentages of employees completing training by employee category are as follows:



4. LABOUR STANDARD

We prohibit any child and forced labour in any of our operations and services. Labour being forced to work by means of physical punishment, abuse, involuntary servitude, peonage or trafficking are strictly forbidden. Furthermore, our employees will not be forced to work overtime and may apply for flexible working hours depending on the work situation.

There were no non-compliance cases noted in relation to labour standards laws and regulations during the Reporting Period.

5. SUPPLY CHAIN MANAGEMENT

Our supply chain primarily comprises a variety of equipment and service providers in telecommunication, vendors for office equipment, as well as travel-related services. We believe that building a sustainable supply chain can create value for our employees, suppliers, service providers, communities and clients. We also emphasize on facilitating the interaction and communication with our suppliers and service providers. To achieve the sustainability goal of establishing an efficient and green supply chain with our suppliers and service providers, we apply the concept of environmental compliance and sound commitment to social responsibility into the contract terms. For instance, our suppliers and service providers shall declare the following when necessary:

- Employee management – legal compliance on the age of employees, working hours and contract terms
- Labour management – policies and measures to avoid the use and address any case of child and forced labour
- Environmental management – legal compliance on air emissions, wastewater discharge, hazardous materials, resource efficiency and responsible materials

In addition, we conduct periodic reviews on the performance of our suppliers and service providers with the objective of better control and assurance on the products and service quality.

6. PRODUCT/SERVICE RESPONSIBILITY

We dedicate ourselves to provide high value-added telecommunication services with the highest degree of integrity to our clients at competitive rates. We always seek to exceed our clients' expectation. In terms of sustainability, client satisfaction is vital to our growth in the future. We summarize below our approach to achieving this aim and the significant efforts that we have put into the operations:

(a) Client Data Security

The Group is committed to complying with the laws and regulations in relation to the data privacy. We have developed a robust data protection and regulatory mechanism to control collection and access to data of clients.

In the daily operation level, data-protection software is installed on employees' computers. This enables employees to renew login password at regular intervals. The software update is applied regularly to ensure the systems are secure from latest forms of cyber-attack.

Further, we implement data protection at the corporate level. Access right to the database is strictly controlled to avoid unauthorized access to customer information. Granting of the access right is examined carefully and approved by the designated management.

Regarding paper document, we adopt accountability and control to ensure secured access. Shredding facility and containers of waste paper are locked and secured during storage and transit. Records of collection and destruction of waste paper are kept.

(b) After-sales Service & Customer Complaints

We established Customer Service Department which is committed to providing excellent services to clients. Further, in our IT system, we installed the SmarterTrack software, a cloud-based system to ensure zero-miss and the tracking of customer complaints. Employees are trained to handle client complaints in a prompt and courteous manner.

(c) Compliance

During the Reporting Period, there were no incidents of non-compliance with laws and regulations concerning breaches of customer privacy, loss of data, as well as the provision of products and services.

7. ANTI-CORRUPTION


Honesty, integrity and fair play are important assets in our business. We expect all our employees to adhere to the highest professional behaviour and standards. The Group's commitment to respect human and labour rights and to ethical business conduct are outlined in the Group's Code of Conduct, and more detailed expectations and related procedures are set out in the Group's Employee Handbook as well as subsidiaries' employment handbooks. With regard to ethical conduct and anti-corruption, the Group's zero-tolerance approach to all forms of bribery, extortion, fraud and money laundering are explicitly addressed in the handbooks, orientation and other internal training with compliance assessed through internal and external audits.

During the Reporting Period, no legal cases regarding corrupt practices were brought against the Group or its employees.

8. COMMUNITY INVESTMENT

We believe that a sustainable business is dependent on the stability and well-being of the community and we support long-term community investment by encouraging our employees to actively participate in charitable activities.

During the Reporting Period, the Group contributed to the cultural and classical music development of Hong Kong through the donation to Hong Kong Philharmonic Orchestra, as well as the Chinese development in Singapore through donation to Chinese Development Assistance Council. The total donation amount was HKD1,800,000.

HKD  **1,800,000** **donations**
 in 2017

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減廢證書
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