

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2020



長城一帶一路
Great Wall Belt & Road

Great Wall Belt & Road Holdings Limited
長城一帶一路控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 524)

TABLE OF CONTENTS

SCOPE AND REPORTING YEAR	2
THE COMPANY'S MISSION AND VISION ON SUSTAINABILITY COMMITMENT	2
ESG Management Approach	2
Certification	2
STAKEHOLDER ENGAGEMENT AND MATERIALITY	
STAKEHOLDERS' FEEDBACK	3
A. ENVIRONMENTAL	3
A1. Emissions	3
A1.1 Types of Emissions	3
A1.2 Greenhouse Gas Emissions	3
A1.3 Hazardous Waste Produced	3
A1.4 Non-hazardous Waste Produced	4
A1.5 Measures to Mitigate Emissions	4
A1.6 Waste Handling and Reduction Initiatives	4
A2. Use of Resources	5
A2.1 Energy Consumption	5
A2.2 Water Consumption	5
A2.3 Energy Use Efficiency Initiatives	5
A2.4 Water Use Efficiency Initiatives	5
A2.5 Packaging Material	5
A3. The Environment and Natural Resources	6
A3.1 Significant Impacts of Activities on the Environment	6
B. SOCIAL	6
B1. Employment	6
B1.1 Total Workforce	7
B1.2 Turnover	8
B2. Employee Health and Safety	8
B2.1 Work-related Fatality	8
B2.2 Lost Days Due to Work Injury	8
B2.3 Group's Health and Safety Policy	9
B3. Development and Training	9
B3.1 Percentage of Employees Trained	10
B3.2 Average Training Hours Completed	10
B4. Labour Standards	10
B4.1 Measures taken to avoid child and forced labour	10
B4.2 Steps taken when such practices are discovered	10
B5. Supply Chain Management	10
B5.1 Suppliers of the Group	10
B5.2 Practices of Engaging Suppliers	10
B6. Product/Service Responsibility	11
B6.1 Recalled Products	11
B6.2 Handling Complaints	11
B6.3 Intellectual Property Rights	11
B6.4 Quality Assurance	11
B6.5 Data Protection	11
B7. Anti-corruption	12
B7.1 Concluded legal cases regarding corrupt practices	12
B7.2 Preventive measures and whistle-blowing procedures	12
B8. Community Investment	12

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SCOPE AND REPORTING YEAR

This is the forth ESG report of Great Wall Belt & Road Holdings Limited (the “Company”, or “Great Wall B&R”) and its key operations (collectively referred to as the “Group”), highlighting its Environmental, Social, and Governance (the “ESG”) performance, with disclosure reference made to the ESG Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

This ESG report covers the Group’s overall performance in two subject areas, namely Environmental and Social, of its key business operations (the “Key Operations” as listed below) in Hong Kong and Hangzhou from 1 January 2019 to 31 December 2019 (the “Reporting Year”), unless otherwise stated.

The key Operations included in the report

- Great Wall B&R, which carries out mainly administrative and investment holding operation in Hong Kong
- Hangzhou Susong Technology Company Limited (“Hangzhou Susong”), which provides financial payment processing solutions, software development services, and distribution businesses

Compared to the previous reporting year, Hangzhou Susong is newly included in the reporting scope; while ZONE Telecom, the telecommunication servicing operation in Singapore, is excluded from the current report, due to difficulty in obtaining and verifying data recorded abroad under the circumstances of the COVID-19 pandemic.

THE COMPANY’S MISSION AND VISION ON SUSTAINABILITY COMMITMENT

The Group is committed to achieving high standards of environmental, social and governance performance and meeting all applicable legal requirements in the markets where it operates. It regards this to be an important foundation for the Group to engage with its stakeholders and grow its business responsibly and sustainably.

ESG MANAGEMENT APPROACH

Acknowledging the potential risks and opportunities that may be brought about by sustainability issues, the Group strives to address these issues by encouraging cross-departmental collaboration. The approach to tackle problems from multiple points of view is expected to provide more comprehensive solutions to problems that are faced today.

The Board also reviews and approves the ESG measures taken; and participates in training in relation to relevant rules and regulations, their roles, and actions that can be taken along with its employees and subsidiaries, such that all parties are aware of the areas that they can devote more time into for enhanced sustainability.

CERTIFICATION

Over the years, the Group has made considerable endeavours in reducing waste in the course of its operations. The Company has been recognised and awarded the “Wastewi\$e Certificate – Excellence Level” by Hong Kong Green Organisation Certification (HKGOC) for the 5th consecutive year. The scheme, established by, among others, the Environmental Protection Department and Environmental Campaign Committee, encourages Hong Kong businesses and organisations in adopting structured measures to reduce the amount of waste generated within their establishments or generated through the services and products they provide. Having acquired and renewed the Excellence Level Certificate means that the Company has (i) fulfilled at least 50% of the waste reduction measures (which surrounds the categories of establishing leadership, avoiding waste, collecting and recycling, and buying recycled products) as required by the HKGOC, (ii) accumulated at least 9 goals that cover at least 2 of the 3 latter categories as aforementioned, and (iii) achieved at least 1 new goal each year. The Group will continue to explore on other schemes and programmes that it can participate in to contribute more in achieving sustainability.

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on its environmental, social and governance approach and performance. Any stakeholder is welcome to give suggestions or share views by writing to the Group at Suite 1402, 14/F, Henley Building, No.5 Queen's Road Central, Central, Hong Kong.

A. ENVIRONMENTAL

A1. EMISSIONS

During the Reporting Year, the Group did not note any cases of material non-compliance relating to air and greenhouse gas ("GHG") emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste as required by the applicable laws and regulations.

A1.1 Types of Emissions

During the Reporting Year, the Group did not emit any air emissions.

A1.2 Greenhouse Gas Emissions

During the Reporting Year, 20.69 tonnes of carbon dioxide equivalent (tCO₂e), which included carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons, was emitted by Great Wall B&R. The intensity was 0.08 tCO₂e/m², or 1.59 tCO₂e/employee. Hangzhou Susong's part of emission is not included within the calculation as it shared an office and did not have to pay utility bills. It did not contribute to any other indirect emissions.

Table 1 Greenhouse Gas Emission by Scope

		Emissions (tCO ₂ e)	Proportion (%)
Scope 1 Direct Emission	N/A	N/A	N/A
Scope 2 Indirect Emission	Purchased electricity	14.00	68
Scope 3 Other Indirect Emission	Business air travel	6.13	32
	Paper waste disposed at landfills	0.55	
Total		20.69	100

Note 1: Emission factors were made reference to Appendix 27 to the Listing Rules and their referred documentation as set out by the Stock Exchange, unless stated otherwise.

Note 2: Combined margin emission factor of 0.8 tCO₂/MWh was used for purchased electricity in Hong Kong.

A1.3 Hazardous Waste Produced

During the Reporting Year, the Company produced 60.55 kg of hazardous waste, which consisted mainly of computer hardware and printing toners. The intensity was 0.24 kg/m², or 4.66 kg/employee. Hangzhou Susong did not contribute any hazardous waste as its operation was minimal.

A1.4 Non-hazardous Waste Produced

During the Reporting Year, the Company generated 182.77 kg of non-hazardous waste, mainly composed of wastepaper, newspaper, and corrugated boxes. The intensity was 0.27 kg/m², or 5.23 kg/employee. As Hangzhou Susong shared an office, it did not record its contribution of non-hazardous waste, but it shall be noted that the amount is insignificant.

A1.5 Measures to Mitigate Emissions

The major source of air emissions contributed by the Group is from electricity consumption. To address that, the Group has offered tips and guidelines for efficient use of energy, which can be found in session A2.3.

In addition to different means of reducing electricity consumption, the Group business travels may also contribute to certain carbon footprint. With that considered, the Group actively uses video conference call system platforms and email discussions to replace unnecessary business travels for reduced emissions. The Group will continue taking steps in further decreasing the dependence on fossil fuels and reduce air emissions.

A1.6 Waste Handling and Reduction Initiatives

While the Group did not generate a significant amount of waste due to its business nature, waste reduction and responsible waste disposal are a priority of the Group's management approach. Since 2015, the Group has been certified the "Wastewi\$e Certification – Excellence Level" for its continuous commitment in establishing waste reduction measures and goals. Having acquired and renewed the Excellence Level Certificate means that the Company has (i) fulfilled at least 50% of the waste reduction measures (which surrounds the categories of establishing leadership, avoiding waste, collecting and recycling, and buying recycled products) as required by the Hong Kong Green Organisation Certification, (ii) accumulated at least 9 goals that cover at least 2 of the 3 latter categories as aforementioned, and (iii) achieved at least 1 new goal each year. Some of the measures that the Group has adopted are as follows:

- Engaging in paperless meetings
- Setting double-sided printing as the default printing mode
- Applying soft copy filing and distribution of documents to the Directors
- Using reusable bulk water coolers, cups, crockeries, and utensils
- Establishing points of collection of materials (e.g. aluminium cans, glass, plastic, paper, textiles, mooncake tins, electronic waste, etc.) for reusing, recycling, and proper disposal
- Collecting and separating solid waste, recyclables, and hazardous waste

The Group will continue to explore on other schemes and programmes that it can participate in to contribute more in achieving sustainability.

A2. USE OF RESOURCES

The Group is aware that resources shall be preserved, thus has established policies and guidelines on the efficient use of energy and water used during daily operational purposes.

A2.1 Energy Consumption

During the Reporting Year, the Great Wall B&R consumed an equivalent of 17,505 kWh energy, with an intensity of 68.77 kWh/m², or 1,346.54 kWh/employee. They were contributed by the consumption of electricity in the office. Electricity consumed by Hangzhou Susong was not available as it shared an office and did not have access to such information.

A2.2 Water Consumption

Water consumption was not recorded during the Reporting Year as water consumed by the offices was managed by the property management of the offices and such information was not readily available.

A2.3 Energy Use Efficiency Initiatives

To minimise energy use, the Group has a list of measures as follows:

- Replacing electrical equipment with those of higher energy efficiency;
- Retrofitting or installing energy-efficient lighting (e.g. LED, CFL, T5);
- Adopting partition in lighting areas based on actual operating needs;
- Turning off unnecessary electrical appliances and setting them in a sleep state during idle periods;
- Maintaining a room temperature of 25.5°C; and
- Installing timing devices in certain equipment for automatic shutdown during non-office hours to avoid unnecessary energy consumption.

Not only do these measures improve energy efficiency and cut cost, they also preserve natural resources and reduce greenhouse gas emissions, contributing to environmental protection as a result.

A2.4 Water Use Efficiency Initiatives

While an insignificant amount of water is consumed due to the Group's business nature of non-water consuming, it understands the importance of conserving water and shares within the workplace on several water saving practices.

A2.5 Packaging Material

During the Reporting Year, no packaging materials was used for finished products due to its irrelevance to the Group's business nature.

A3. THE ENVIRONMENT AND NATURAL RESOURCES

A3.1 Significant Impacts of Activities on the Environment

As the Group's is primarily engaged in investment holding, telecommunicating, and solutions providing services, it does not cause significant impacts to the environment. Yet, the Group is well aware that its daily operational activity still generates emissions and consumes resources. To minimise its impacts on the Earth, it is committed to keep controlling its activity to ensure that it imposes as little burden as possible onto the environment. It will pay attention to relevant laws and regulations and continue reviewing its policies and practices to eliminate any risks involved.

B. SOCIAL

B1. EMPLOYMENT

During the Reporting Year, the Group complied with all relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. No non-compliance was noted.

Employee Engagement

The Group adopts two-way communications policy. Employees have several channels to express their concerns and communicate with management as outlined in the following:

- Noticeboard and newsletter – the Group conveys general information, for instances, new hires, activities, policies and procedures updates to all employees;
- Meeting – the Group holds regular meetings, where the executive directors and management representatives share the Group's status, and employees can share their views;
- Instant messaging tools – the Group sets up chatrooms in the widely used mobile communication platforms, such as WhatsApp and WeChat, to facilitate and encourage communications; and
- Other bonding activities – the Group encourages casual gatherings, holds celebratory parties at Chinese New Year and Christmas, and organises birthday parties and sports events, where employees are encouraged to establish closer ties

Remuneration and Benefits

The Group recognises employees' contributions fairly and objectively by implementing an equitable remuneration policy, which is stated in the employee handbook to incentivise employees. The policy covers working hours, leaves, and other benefits. General speaking, in addition to the basic salaries, a wide range of benefits, including the comprehensive medical and life insurance, is also provided to employees. The remuneration mechanism is reviewed and adjusted regularly to remain competitive. Some of the benefits include:

- Dental and medical benefits, covering both out-patient and hospitalisation;
- Shortened working hours on certain days of festivals, such as the Chinese Winter Solstice Festival, Mid-autumn Festival, and Chinese New Year Eve; and
- Overtime traffic and meal allowance for employees who leave the office after 10 p.m.

Further, the Group recognises and rewards high-performance employees in a fair and transparent reward system. The discretionary reward is linked to the delivery of business goals and expected behaviours.

Recruitment, Promotion and Dismissal

The Group is committed to adopting a fair recruitment and promotion policy that prohibits damage to equal employment opportunity or unfair treatment. As such, the Group strictly enforce an anti-discrimination policy and have zero tolerance for harassment in any form. All candidates/employees shall be granted equal opportunities, and all decisions in relation to recruitment, promotion, and dismissal shall be concluded based on the candidates/employees' experience, ability, capacity, and background, and irrespective of their race, gender, religious belief, social origin or identity, geographic location, age, physical condition and marital status, etc.

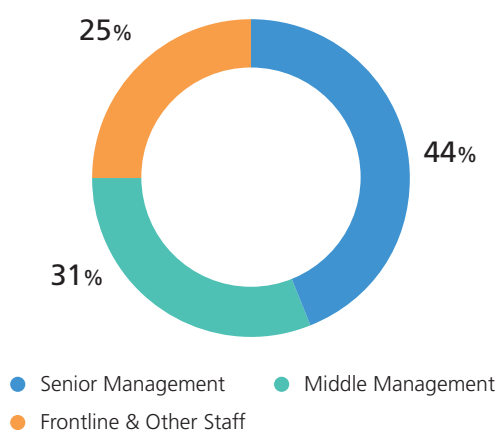
Rest Days and Holidays

The Group provides employees with various paid leaves and holidays as stated in the employment contract according to position ranking. Some holidays provided include statutory holidays, maternity or paternity leaves, study and examination leaves, marriage leaves and annual leaves.

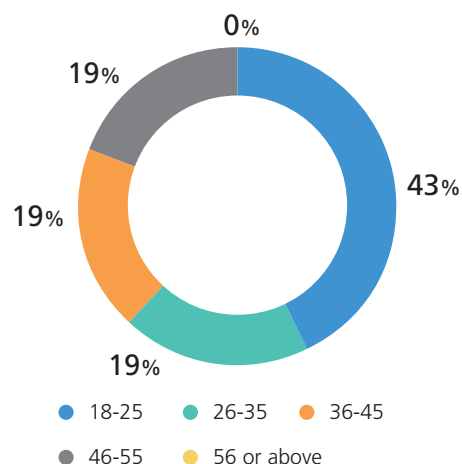
B1.1 Total Workforce

As of 31 December 2019, the Group had 16 employees, 94% of which worked full-time.

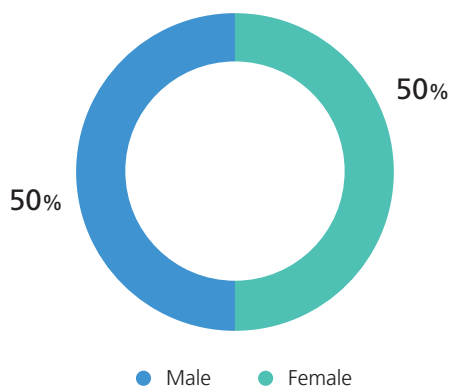
Total Workforce by Job Grade



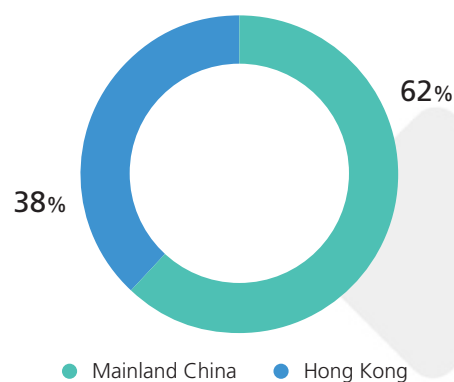
Total Workforce by Age Group



Total Workforce by Gender



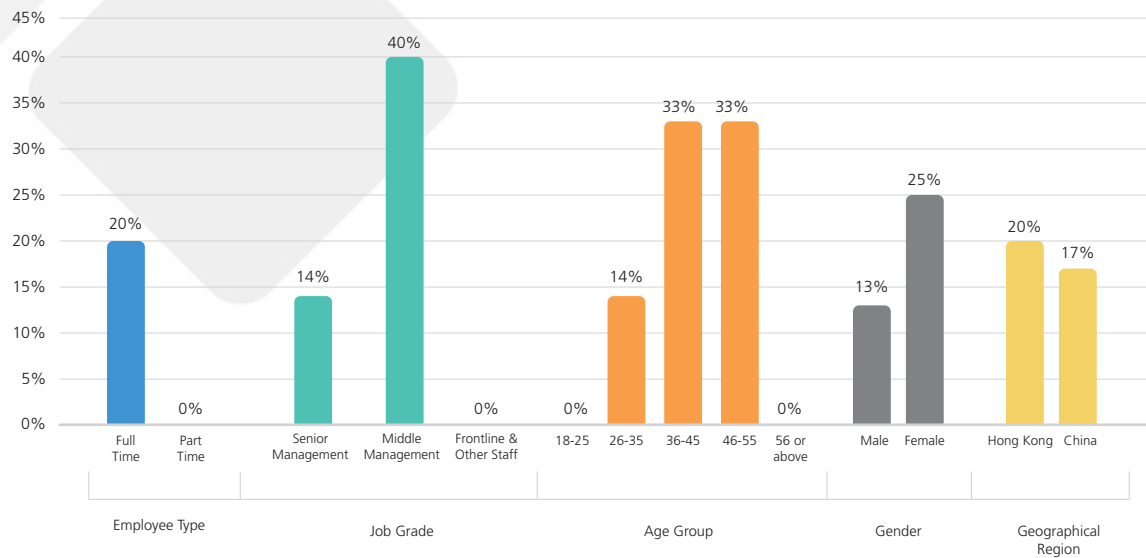
Total Workforce by Geographical Location



B1.2 Turnover

During the Reporting Year, 3 employees left the Group, contributing to a turnover rate of 19%.

Turnover Rate by Employee Category

**B2. EMPLOYEE HEALTH AND SAFETY**

The Group complies with all laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards, and strives to eliminate any risks associated with the operations. No non-compliance was recorded within the Reporting Year.

B2.1 Work-related Fatality

During the Reporting Year, there was no work-related fatality.

B2.2 Lost Days Due to Work Injury

During the Reporting Year, no working days was lost as there were no cases of work injury.

B2.3 Group's Health and Safety Policy

Given the principal businesses of the Group, no substantial safety hazards are involved within the workplace. However, the Group spares no effort to advocate occupational health and safety, where workplace safety classes are arranged for employees who will become safety officers of the corresponding offices upon completion of the classes.

As a general practices, in addition to regular fire drills to familiarise employees with evacuation routes, the Group ensures fire safety in the offices by keeping the fire exits and lightening in good condition; for minor injuries and immediate remedy, first aid kits are available and placed in offices for any emergencies.

In Hong Kong, in addition to complying with relevant laws and regulations, the Company

- installed air purifiers to improve indoor air quality,
- cleans carpets, drinking fountains, and air conditioning systems regularly,
- applies pest control,
- reviews its health and safety policies and practices regularly, and circulates any updates amongst employees instantly, and
- has a comprehensive recording system in place for any health and safety accidents, with a notification mechanism which informs relevant government departments of any substantial health and safety accidents.

B3. DEVELOPMENT AND TRAINING

The Group strives to foster a safe working environment where all individuals are supported and given the opportunity to develop to their fullest potential. The Group is convinced that not only does it empower employees to feel and do better about what they are working on, it is also a key for an enterprise to develop sustainably by having a team of talents cultivated by itself.

In order to achieve that, the Group offers opportunities for employees to develop their knowledge and skills in personal and professional training, through

- sponsoring cross-development training programmes and seminars provided by vendors,
- holding workshops, conferences, regular sharing sessions, peer learning and on-the-job coaching,
- reimbursing external training courses to enhance their competencies in performing their jobs effectively and efficiently, as well as
- providing paid sabbatical leaves for any revision purposes, such as for attending examinations or acquiring professional qualifications, relevant to the industry or job position.

The Group continually reviews training and education needs of employees, assists employees to plan their career development, and encourages employees to participate in professional lectures, seminars and training courses to enhance their ability.

B3.1 Percentage of Employees Trained

During the Reporting Year, the Group did not make records of its training delivered.

B3.2 Average Training Hours Completed

Training hours were not recorded during the Reporting Year. Having said that, training was delivered whenever training needs were identified.

B4. LABOUR STANDARDS

B4.1 Measures taken to avoid child and forced labour

The Group's labour standards primarily focus on conformity with local labour laws and regulations. At all levels, child and forced labour are prohibited in the Group. The Group established a strict recruitment policy, of which only applicants meeting the age requirement are employed. Further, labour being forced to work by means of physical punishment, abuse, involuntary servitude, peonage, or trafficking are strictly forbidden. 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 Year.

B4.2 Steps taken when such practices are discovered

The Group takes all possible measures to eliminate any chances of child or forced labour. Yet, if the Group discovers any of the above practices, the contracts of relevant personnel will be terminated immediately.

B5. SUPPLY CHAIN MANAGEMENT

B5.1 Suppliers of the Group

The supply chain of the Group comprises mainly of equipment and service providers for telecommunication, vendors for office equipment, as well as agents for travel-related services.

B5.2 Practices of Engaging Suppliers

The Group adheres to communication, cooperation and joint growth when engaging its suppliers. Through maintaining close and frequent communications, the Group is able to strengthen its cooperation and trust with suppliers, thus, is enabled to enhance their capability to request environmentally friendly products.

To achieve the goal of establishing an efficient and green supply chain with suppliers and service providers, the Group applies the concept of environmental compliance and sound commitment to social responsibility into the contract terms. For instance, 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 of avoiding child and forced labour, and measures to address such situations if discovered; and
- Environmental management – legal compliance on air emissions, wastewater discharge, hazardous materials, resource efficiency and responsible materials.

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

B6. PRODUCT/SERVICE RESPONSIBILITY

The Group aims to provide high value-added telecommunication services with the highest degree of integrity to clients at competitive rates. A comprehensive recording system which can provide information on individual projects is in place such that details can be retracted at once in case if any problems occur.

B6.1 Recalled Products

There were no products recalled due to health and safety reasons during the Reporting Year.

B6.2 Handling Complaints

The Group established a Customer Service Department which is committed to providing excellent services to clients. Employees are trained to handle client complaints in a prompt and courteous manner.

B6.3 Intellectual Property Rights

The Group's operations do not involve any significant intellectual property rights issues. Yet, it makes sure it follows all relevant regulations to protect intellectual properties belonging to itself or any third parties.

B6.4 Quality Assurance

To improve and maintain the quality of products and services provided, the Group pays attention to all complaints received via established communication channels, and reviews customers' opinions and comments regarding the products sold. Based on such feedbacks, the Group carries out investigations, writes reports and takes corrective measures to ensure that the quality of their products are top-notch.

B6.5 Data Protection

The Group believes that protecting customer data is critical to building a trusting relationship between itself and its clients. Therefore, it has developed a robust data protection policy and regulatory mechanism to control the collection of and access to data of clients.

In the daily operation level, data-protection software is installed on employees' computers. As the software requires employees to renew their login passwords after certain intervals, and carries out regular updates on its own, the systems are kept secured from cyber-attacks.

At the corporate level, the Group is also committed to safeguarding data protection. Unauthorised access to customer information is avoided by restricting access to the database, which is controlled by granting rights only after careful examination and assigning them to designated management.

Regarding paper documents, the Group adopts control to ensure secured access. There is a recording system for the collection and destruction of wastepaper. Shredding facilities and containers of wastepaper are locked and secured during storage and transit.

B7. ANTI-CORRUPTION

Honesty, integrity and fair play are important assets in the Group's business. The Group has zero-tolerance for bribery, extortion, fraud and money laundering.

B7.1 Concluded legal cases regarding corrupt practices

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

B7.2 Preventive measures and whistle-blowing procedures

To prevent corruptive practices and raise employees' awareness regarding such matter, the Group includes the expectations and appropriate procedures of engaging third parties, and standards relating to anti-bribery and anti-corruption in the Employee Handbook. These elements are also incorporated in the Group's internal policies, paid attention to when carrying out its operations, and communicated to employees as well as external stakeholders in order to minimise the chances of any malpractice.

B8. COMMUNITY INVESTMENT

The Group believes that running a successful business is about achieving economic viability and fulfilling social responsibility. Therefore, it strives to nurture a culture of care and mutual support amongst its employees and encourages them to participate in volunteer work. The Group will continue to review its policies and explore potential areas of contribution for community investment, sponsorship and donation activities.



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減廢證書
WastewiSe
—Certificate—