



(Incorporated in Bermuda with limited liability)

Stock Code: 1051



ENVIRONMENTAL,
SOCIAL AND GOVERNANCE
2017 REPORT

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About this Report



G-Resources Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”) are engaged in principal investment, financial services, money lending and real property businesses. The Company reaffirms its commitment towards sustainability with the publication of its second Environmental, Social and Governance (“ESG”) Report, aiming at raising stakeholders’ awareness of environmental and social performance as well as the management’s approach to sustainability and related issues. This report should be read in conjunction with our annual report. For corporate governance section, please refer to pages 20–32 of our annual report for the year ended 31 December 2017.

The board of director(s) (“Board”) of the Company confirms that it has reviewed and approved the report which, to the best of its knowledge, addresses material issues and fairly presents the ESG management approach of the Company.



Reporting Guideline

This report is prepared in compliance with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Report is also available in Chinese; in case of any difference between the meaning conveyed by the two versions, the English version shall prevail. The electronic version is released on both Stock Exchange’s and the Company’s website.

Reporting Period and Scope

This report covers all operations of the Group and presents information relevant to the ESG management approach of the Group for financial year 2017, from 1 January 2017 to 31 December 2017 (the “Year”).

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ESG Management Approach

We strive to be a GREAT company in all of our operations and dealings with people. The GREAT values are the foundation of our Company, and provide a core commitment to achieve the best we can for all of G-Resources' stakeholders.



Adhering to the Company's GREAT values, we are committed to gradually integrating sustainability into our corporate development strategy, aiming to minimise the impact on the environment and the community from our business operations. We have maintained a sound corporate governance structure and formulated policies to ensure that our activities demonstrate a high level of ethics and integrity.

The Board has the ultimate responsibility for our environmental performance, and our management team is responsible for the daily management of ESG issues. As the Company's operations are predominantly office-based, our environmental impact is relatively minor. Nevertheless, the Company conducts its business in an environmentally friendly manner through adopting a series of green office measures and raising the environmental awareness of its employees.

Striving to be a responsible financial services firm, we are fully aware that data security is vital. The Company has established a comprehensive emergency plan to avoid clients suffering any loss due to system failures or delays in transactions. We also recognize the importance of data privacy and pay close attention to the confidentiality of personal data and privacy of our clients.

The Company attaches great importance to human resources management. We are committed to providing our employees with a healthy and safe workplace. During the Year, we continued to invest resources to promote employees' self-improvement, so as to establish a stronger team to complement the Group's business development.

We appreciate the backing from all our investors, regulators, employees, customers and suppliers during the Year. Looking ahead, we will continue to improve our management approach on ESG and strengthen our engagement with key stakeholder groups.

Stakeholder Engagement

To keep engaging with our stakeholders is essential to the Company's ESG management approach. Their concerns help us identify risks of and opportunities in sustainability. Through various channels, we understand and provide concrete responses to their concerns.

Below are the communications channels and topics that stakeholders are concerned about.

STAKEHOLDERS	ISSUES	ENGAGEMENT CHANNELS
Investors and shareholders	<ul style="list-style-type: none"> ❖ Corporate governance ❖ Operational risk ❖ Business operations ❖ Disclosure 	<ul style="list-style-type: none"> ❖ Investor conferences and roadshows ❖ Annual general meeting ❖ Financial reports and press releases ❖ ESG report
Employees	<ul style="list-style-type: none"> ❖ Training and development ❖ Remuneration ❖ Occupational health and safety 	<ul style="list-style-type: none"> ❖ Whistleblowing policy ❖ Feedback of training workshops ❖ Remuneration policies
The Government	<ul style="list-style-type: none"> ❖ Taxation compliance ❖ Employee protection ❖ Business ethics 	<ul style="list-style-type: none"> ❖ Compliance with laws and regulations ❖ Active response to government policy ❖ Ongoing communication with relevant government departments
Customers	<ul style="list-style-type: none"> ❖ Data privacy 	<ul style="list-style-type: none"> ❖ Website of the Company ❖ Feedback from front-line employees
Community	<ul style="list-style-type: none"> ❖ Helping people in need and poverty relief 	<ul style="list-style-type: none"> ❖ Support charity organizations in the relevant field

Lawful Operations

The Company insists on integrity as well as legal compliance of its operations. We conduct our business in accordance with the legal and regulatory frameworks and provisions of all applicable laws. The Board has reviewed the Company's corporate governance practices and confirmed that they meet all code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the Year except some deviations which have been explained in our 2017 annual report.

Service Responsibility

The Company is committed to delivering the highest quality of financial services to its customers. By processing resources procured from legitimate sources, the Company meets its obligations to avoid the risk of Intellectual Property Rights infringement. In case of any system failures or delays in execution of transactions, a systematic emergency plan is properly established to avoid any loss to clients. Emergency drills are arranged regularly so as to ensure prompt redressal of any system errors and thus minimise potential losses of clients.

Complaint Handling Procedure



We have formulated the grievance handling procedure based upon our Internal Control and Operation Manual. The channel is open to all employees and clients raising their voice over our behaviors. All verbal complaints from clients are recorded by responsible operators when necessary. Written complaints, on the other hand, are transferred to responsible operators for primary processing and storage. Responsible operators are mandatorily responsible to report written complaints to the Board and process them in a fair and efficient manner. Immediate investigation is taken up if any complaints about illegal misconduct are revealed. All information received from complaints is kept confidential.



Data Privacy

As a financial services firm engaged in money lending business, we have to process enormous data from diversified clients on a daily basis. Therefore, we attach great importance to data privacy and promise to handle customer data with care. The Company strictly complies with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), ensuring all customer information is protected from improper disclosure, misuse, loss, damage or corruption. During the Year, the Company was not aware of any incidents of non-compliance with laws and regulations having a significant impact on the Company, relating to privacy matters concerning services provided.

To minimise the risk of client data leakage, we have developed detailed operations and services codes of conduct to protect client privacy. We regularly arrange relevant training courses for employees, requiring them to strictly follow the guidance on handling client data; therefore, prohibiting any unauthorized access, copying, dissemination or disclosure of confidential information, including client identities and transaction records.

Anti-corruption

The Company emphasizes integrity and expects its employees and suppliers to share this value. We strictly uphold the responsibility of achieving highest possible standards of probity, accountability, openness, law abidance, anti-discrimination and anti-corruption practices. Our operations abide by all applicable laws and regulations, including the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong). During the Year, the Company was not aware of any breach of laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

Our employees are obligated to follow internal and external codes of conduct to commit themselves to integrity and honesty. Any inappropriate behaviors or malpractices that compromise a healthy and lawful workplace as well as the interests of our stakeholders are strictly forbidden.

Our whistleblowing policy, adopted by the Audit Committee of the Company, aims to launch a communication channel for employees, clients, suppliers, and other stakeholders to raise concerns while maintaining confidentiality, over misconduct, malpractices or irregularities in any matters related to the Company. Details of the policy can be either obtained from Company website or Company Secretary. Any cases or matters suggested to be relating to criminal offence, corruption or bribery are reported to the Independent Commission Against Corruption.

Supply Chain Management

The business activities of the Company are not associated with a wide range of suppliers, we nonetheless undertake regular and transparent communication with stakeholders on all ESG related issues. With the objective of pursuing sustainability, we assess suppliers' performance by screening and continuous monitoring in terms of product and service quality, reliability and social responsibility aligning with outlined ESG factors. We select and collaborate with suppliers of office amenities under evaluation criteria, such as environmental certifications, in our procurement process.

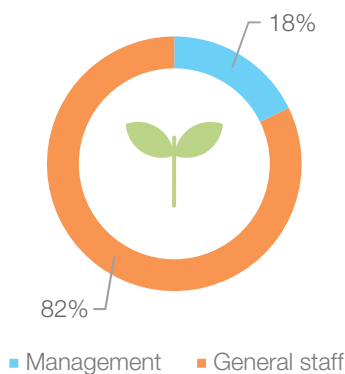
Our People

We regard employees as the Company's important assets, leading us to sustain our business performance. The Company has adopted people-oriented management to provide a safe and healthy workplace for employees. During the Year, we strictly complied with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and other relevant legislations in Hong Kong and did not employ any child labor or forced labor.

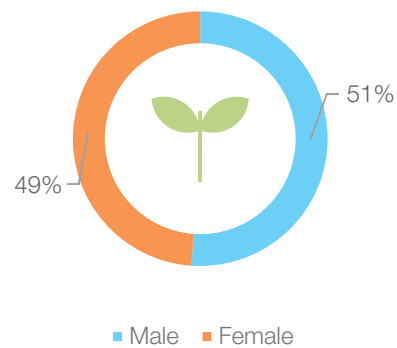
Employee Composition

As of 31 December 2017, the Company had a total of 45 employees in Hong Kong. 82% of the Company's employees were general staff, and 18% were management. The proportion of male to female employees was 51:49. 60% of the total workforce was aged between 31 and 50. Over 50% of employees had degree level or higher qualifications.

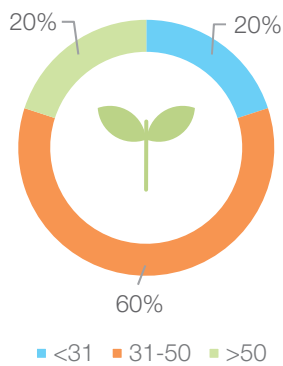
Professional Profile



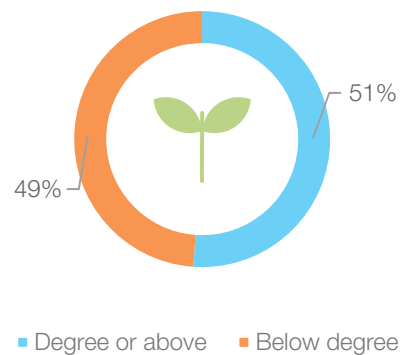
Gender Profile



Age Profile



Education Profile





Employee Welfare

We believe that enhancing employees' sense of belonging can raise their productivity as well as reduce recruitment and training costs. The Company optimises its human resource management policies including performance appraisal, remuneration, career development and welfare policies to ensure they are appropriately implemented. Benefits such as mandatory provident fund, paid sick leave, maternity leave, paternity leave, marriage leave and compassionate leave, etc., are provided to our employees and are revised subject to relevant regulations and laws with consideration of regular internal monitoring procedure.

Maintaining work-life balance across the Company, we implement computerized attendance systems to effectively manage working hours and resting dates of employees. Any over-time work requirements are enforced only with employees' consents. To support employees who work over-time, the Company offers subsidies on dining fees and taxi fares. The Company attaches great importance to establishing a good relationship with its employees. We organized a Chinese New Year Banquet this year to express our special thanks to our employees.

Equal Employment Opportunity

We strive to create a harmonious working environment free of discrimination and harassment. Being an equal opportunity employer, the Company provides equal opportunities in all aspects of employment regardless of age, gender, race, religion, disability, sexual orientation, marital status, social class, political background or beliefs.

We adopt anti-discrimination approach in recruitment, promotion and dismissal of talents as a means to respect human rights. Recruitment and promotion are solely based on merit, work performance and professional experience. The Company also ensures its recruitment commercials do not contain any discriminatory requirements. The Company has zero tolerance on any harassment or discrimination. All suspected cases are taken up for further investigation while disciplinary actions are taken if necessary.



Training and Development

Employees are advised to bolster continuous learning for coping with challenges evolving from fast-paced economies and the financial services industry. To improve our employees' professional knowledge and competitive advantages, the Company provides financial assistance to qualified employees for attending relevant courses organized by professional institutes, such as Hong Kong Securities and Investment Institute, Hong Kong Institute of Certified Public Accountants, The Hong Kong Institute of Chartered Secretaries and The Hong Kong Institute of Directors, etc..

We regularly invite professional bodies and suppliers to share views on latest industry developments and updated laws and regulations. Various training opportunities imply prospects for career progression as employees get deep insights and acquire job related knowledge, equipping themselves with proper skills as well as maintaining our market competitiveness. During the Year, the Company's total training hours reached 157 hours and the total training person-time was 17.

We acknowledge that retaining the pool of motivated talents is the key to grasp success in financial industry. Besides attractive remuneration, our management team reviews the overall performance of subordinates annually. Employees fulfilling specific requirements are rewarded, as an appreciation to their efforts, to initiate and motivate them to pursue their career goals.

	Total Training Hours	Total Training Person-time	Training Coverage
By Gender			
Male	111	11	24%
Female	46	6	13%
By Function			
Management	73	8	18%
General Staff	84	9	20%

Occupational Health and Safety (“OHS”)

Given the nature of our business operations, chances of occupational accidents are comparatively lower than other industries. Still, the Company undertakes to provide employees with a healthy working environment by conducting regular reviews of its workplace environmental and safety policies. We ensure that our daily operations are fully compliant with all applicable rules to mitigate the risk faced by our employees. All occupational incidents are required to be reported to the Company and are assessed individually based on preset internal standard procedures. No work-related injuries or accidents were reported during the Year.



Varied means are implemented by the Company to create a safe and healthy workplace, such as forbidding smoking in all offices, ensuring proper operations of lighting and ventilation systems, as well as maintaining a quiet workplace. During the Year, owing to office relocation, we hired a cleaning company to provide VOC control service including testing and treatment to protect employees’ respiratory health from indoor air pollution. The Company regularly arranges cleaning companies to perform routine cleaning and disinfection in offices and its equipment. We ensure the office furniture is in appropriate condition and is replaced if found damaged. Regarding corporate security policy, only employees and approved visitors are authorized to enter our offices. Customized insurance plans are provided to protect employees’ rights and reduce their burden of medical expenses.



Regarding fire safety, the office layout is designed to guarantee accessibility to fire escape on the basis of ergonomics and safety related provisions. Regular inspections of fire equipment are conducted in accordance with fire safety standards. The Company also organizes fire drills to enhance employees understanding of emergency measures to cope with incidents. In 2017, the Company's total safety training hours were 16 hours and the total training person-time was 16.

Community Involvement

The Company cares about the community and creates values other than those from business operations to encourage cultural and social development. The Company is striving hard to incorporate varied community projects to encourage its employees to participate in voluntary and community work to gain fulfillment and arouse their awareness of cultural diversity and community values.

Environmental Protection

The Company is committed to operating in an environmentally friendly manner through minimising consumption of natural resources and generation of waste. As the Company is not directly involved in any production process, the most significant environmental impact of our operations is the indirect emission of greenhouse gas generated by the use of electricity in office.

In 2017, the Company strictly complied with all relevant environmental laws and regulations in Hong Kong. We were not aware of any non-compliance of laws and regulations that have a significant impact on the Company relating to air and greenhouse gas emissions, discharges into water and land, or generation of hazardous and non-hazardous waste.

Resources Consumption

The Company's daily operation involves the use of electricity and water. In 2017, the Company's total energy consumption from the use of electricity was approximately 88,699 kWh, with total energy intensity of 0.011 Gigajoules (GJ) per thousand USD revenue. The Company's water consumption was 39 m³ and the water intensity was 0.001 m³ per thousand USD revenue. There was no issue in sourcing water. Our operation does not involve use of any packaging materials.

Emissions

As the Company does not possess any vehicles, the only emission caused by its operations is indirect carbon emission due to consumption of purchased electricity. In 2017, the total carbon emissions equivalent were 70.1 tonnes. The volume of hazardous waste and non-hazardous waste generated is considered to be immaterial due to office-based operation.

Green Office Initiative – Let's GO

We strive to ensure an environmentally friendly workplace by participating in “Let's GO”, a green office scheme designed by a consulting firm, aiming to promote the concept of energy-saving, resources conservation and pollution mitigation in office.

Environmental performance of our offices is evaluated on the basis of the “Let's GO” scheme. After evaluation, stickers and posters were provided to educate our staff to develop greener habits. Our employees are required to sign an online pledge about creating a greener workplace.



Energy Conservation



Lighting



Air Conditioning



Office Equipment

Reducing our energy consumption not only contribute to environmental conservation, but also to lower the overhead cost of running the business. Our staff are encouraged to change their behaviors for saving energy, such as switching off all lights, air-conditioners and office equipment, e.g. shredder, when not in use. Switch-sockets are used to reduce the redundant energy use of office equipment. To make office operations more climate friendly while offering a pleasant workplace, we set the temperature within 25 to 27 degrees Celsius for all air-conditioners. Also, solar film has been installed on windows to reduce cooling costs. Almost all offices are installed with energy efficient LED lighting system.

Besides, the lighting system is switched off during lunch break unless it is necessary for operations. Our desktop monitors are disabled from using screensavers and adjusted to lower brightness for saving use of power. The multi-function printer purchased has a qualified International Energy Star Label, and all refrigerators are certified with Grade 1 Energy Label in recognition of energy efficiency initiative.

Resources Conservation



Paper Use Conservation



Plastic Waste Reduction



Waste Electrical and Electronic Equipment (WEEE) Recycling



Water Conservation

Regarding resources conservation, the Company strengthens its capabilities to integrate waste recycling and management into organizational culture and daily practices.

In order to reduce the use of paper, we use electronic equipment such as tablets and projectors in place of printouts, put paper recycling bins next to each photocopier and printer with double-side printing as default setting, purchase paper from Forest Stewardship Council (FSC) and also reuse envelopes for internal mailing.

Obsolete printers and unused toner cartridges are sent to the vendors for recycling. For plastics, we have assigned an area to collect reusable plastic packaging material and have installed water purifiers in our pantry to reduce purchase of bottled water, besides providing employees with sufficient reusable

utensils to reduce disposable waste. In addition, we encourage our employees to conserve water resources and ensure that there are no leaky taps in the office.

In order to help build an organizational culture incorporating environmental awareness, the Company has established various education courses and necessary communication channels for staff at all levels. Feedbacks were collected from staff regarding our environmental initiatives, and then incorporated in our internal policies and standards.