



G-RESOURCES

(Incorporated in Bermuda with limited liability)
Stock Code: 1051



2018

ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT



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ABOUT THIS REPORT

This is the third stand-alone Environmental, Social and Governance (“ESG”) Report of G-Resources Group Limited (the “Company”) and its subsidiaries (collectively the “Group”). The Group are engaged in principal investment, financial services, money lending and real property businesses. The report presents our management approach and performance on environmental and social aspects. This report should be read in conjunction with our annual report. For corporate governance section, please refer to pages 22–36 of our annual report for the year ended 31 December 2018.

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 and performance 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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). This report is also available in Chinese. In case of any discrepancy between the meanings 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 the financial year from 1 January to 31 December 2018 (the “Year”).

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ESG MANAGEMENT APPROACH

Adhering to its GREAT values, the Company is committed to gradually integrating sustainability into its corporate development strategy. The Board has the ultimate responsibility for the Company's environmental performance, while the management team is responsible for the day-to-day management of ESG issues.

Striving to maintaining the highest ethical standards in operation, the Company attaches great importance to preventing leaks of client data and provide quality services to them and maintains a corruption-free environment for its clients and employees.



We review human resources management policies regularly to protect our employees' rights and benefits, in compliance with the relevant laws. Given the office-based nature of our operations, of the potential work-related hazard is limited, we have allocated resources for implementing measures to provide a safe and healthy working environment to our employees.

Our environmental impacts are relatively insignificant due to limited resources consumption and emissions. Still, we are committed to operating in an environment-friendly manner by implementing a series of green office initiatives.

Looking ahead, the Company will continue to work with its stakeholders to optimise the ESG management approach and strengthen communications with them.



The Company regularly engages with employees and external stakeholders including customers, the government, community, investors and shareholders through various approaches in order to keep abreast of their concerns. The table below summarises their concerned topics and our engagement channels.

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 ❖ Shareholder’s meetings ❖ 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 ❖ Annual reviews
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
Clients	<ul style="list-style-type: none"> ❖ Data privacy 	<ul style="list-style-type: none"> ❖ Company’s website ❖ 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 organisations in the relevant field

LAWFUL OPERATIONS

The Company is dedicated to delivering consistent and quality services to its clients. We insist upon integrity and legal compliance of operations. We conduct our business in accordance with the legal and regulatory frameworks and provisions of all applicable laws.



A. ENVIRONMENTAL

The operation of the Company is office-based in nature and does not involve energy-intensive business, it is committed to operating in an environment-friendly manner by considering environmental and ethical perspectives when conducting business.

In 2018, the Company strictly complied with all environment-related laws and regulations. We were not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Company, relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

A1. Emissions

The only emission caused by operations of the Company is indirect carbon emission from consumption of purchased electricity. In 2018, the greenhouse gas (GHG) emission was approximately 87.7 tonnes of carbon dioxide equivalent (tCO₂e) and the intensity was about 0.003 tCO₂e per thousand USD revenue (2017: 70.1 tCO₂e and 0.002 tCO₂e per thousand USD revenue).

Although the volume of hazardous and non-hazardous waste generated is considered to be immaterial due to office-based operations, we are striving to reduce waste at its source. Subsequent to the end of the Year, the Company has obtained the basic level of Wastewi\$e Certificate under the Hong Kong Green Organization Certification (HKGOC). It is led by the Environmental Campaign Committee (ECC) alongside the Environmental Protection Department and in conjunction with nine organisations. The certification recognises our achievements in waste reduction and encourages us to strive for further improvement.

The Company encourages its employees to participate in the “Green Monday” and use public transportation to reduce GHG emissions and enhance their awareness about the need for environmental protection.



減廢證書
Wastewi\$e
—Certificate—



A2. Use of Resources

At our office, we use electricity and water in the course of our daily operations. In 2018, the Company's total energy consumption from the use of electricity was approximately 110,992 kWh, with total energy intensity of 0.012 Gigajoules (GJ) per thousand USD revenue (2017: 88,699 kWh and 0.011 GJ per thousand USD revenue). The Company's water consumption was 75 m³ and the water intensity was 0.002 m³ per thousand USD revenue (2017: 39 m³ and 0.001 m³ per thousand USD revenue).

During the Year, one of our subsidiaries enhanced its futures trading platform which resulted in a rise in electricity consumption. And water consumption increased due to relocation of office.

There were no issues on sourcing of water reported during the Year. Our operations do not involve use of any packaging materials.

A3. Environment and Natural Resources

Green Office Initiatives – Let's GO

The Company promotes the concept of energy- and resources-saving by participating in "Let's GO", a green office scheme designed by a consulting firm. This certification scheme aims at embedding environmental sustainability into its daily operations.



Lighting

- Use LED lighting system
- Shut off or reduce use of lightings during lunch breaks

Air Conditioning

- Maintain average room temperature at 25°C – 27°C
- Switch off air conditioning when not in use
- Installed solar film on windows

Equipment Office

- Use energy-efficient printers and refrigerators
- Lower the brightness of and disable use of screensavers on desktops
- Turned off the office appliances when not in use

Energy Conservation Initiatives



Paper

- Use electronic equipment to replace printouts
- Use Forest Stewardship Council-certified paper
- Reuse envelopes for internal mailing
- Set double-side printing as default



Waste

- Recycled paper, obsolete printers and unused toner cartridges
- Collected approximately 230 plastic bottles and approximately 200 aluminum cans for recycling
- Installed water purifiers to reduce purchase of bottled water
- Provided sufficient reusable utensils

Resources Conservation Initiatives

B. SOCIAL

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 laws and regulations in Hong Kong. Hiring child or forced labour is strictly prohibited in the Company.

B1. Employment

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.

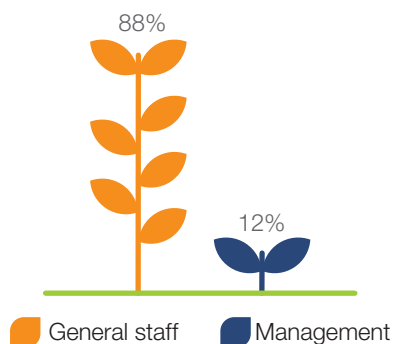


During the Year, the Company was not aware of any non-compliance of the relevant laws and regulations that have a significant impact on the Company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

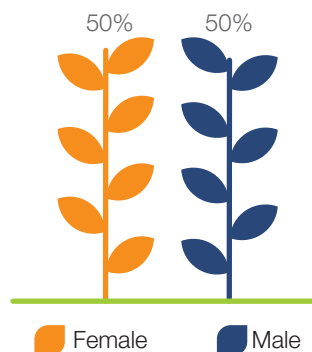
Employee Composition

As of 31 December 2018, the Company had a total of 66¹ employees in Hong Kong. Approximately 88% of the Company's employees were general staff, and approximately 12% were management. The proportion of male to female employees was equal to 1:1. Approximately 82% of the total workforce was aged between 31 and 50. In terms of education profile, about 68% of employees had degree level or higher qualifications.

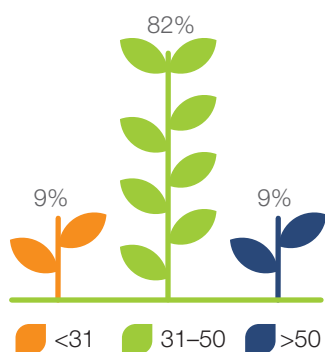
Function Profile



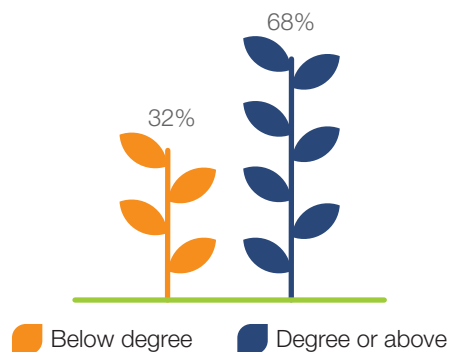
Gender Profile



Age Profile



Education Profile



¹ The information below excludes Lippo Securities Holdings Limited (now known as Funderstone Securities Holdings Limited) and its subsidiaries which was acquired by the Group on 11 December 2018.



Employee Welfare

We believe that enhancing employees' sense of belonging can raise their productivity as well as reduce recruitment and induction training costs. The Company optimises its human resources 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 adopt a computerised attendance system to manage working hours and resting dates of employees effectively. 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.

Employee Communication

The Company treasures its relationship with its employees and strives to create an environment with work-life balance for them. During the Year, we organized some activities and lunches during festivals.

To maintain effective communication with its employees, the Company encourages them to put forth their ideas or concerns through email, meetings and other channels.

B2. Health and Safety

Given the nature of our business operations, chances of having occupational accidents are relatively lower than other industries. The Company is still committed to provide a healthy and safe working environment to its employees.

The Company conducts regular reviews of internal policies related to workplace environment and safety. We ensure that our daily operations are fully compliant with the applicable laws and regulations. All occupational incidents are required to be reported to the Company and are assessed individually based on preset internal standard procedures.

This Year, two of our employees attended and completed the Certificate of Competence in Display Screen Equipment Assessment organised by the Occupational Safety and Health Council, with a total of 12 safety training hours. They are qualified to carry out risk assessments on using display screens in the workplace. This helps the Company to develop the corresponding control measures.



To maintain an occupationally safe environment in the workplace, the Company has implemented various safety measures. The office layout is designed to guarantee accessibility to fire escape on the basis of ergonomics and safety related provisions. The fire equipment is checked on a regular basis in accordance with requirements of fire safety standards. We arrange cleaning companies to perform routine cleaning and disinfection in office and its equipment. We also keep good ventilation to maintain indoor air quality.

During the Year, the Company was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Company relating to providing a safe working environment and protection of employees from occupational hazards. There was no reported case regarding work-related fatalities or occupational illness.

B3. Development and Training

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 subsidies to qualified employees for attending relevant courses organised 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. The average training hours and percentage of employees trained by gender and function categories are presented as the table below.

	Average Training Hours		Percentage of Employees Trained	
	2017	2018	2017	2018
By Gender				
Male	5	11	48%	82%
Female	2	8	27%	76%
By Function				
Management	9	11	100%	100%
General Staff	2	9	24%	77%

Our Human Resources ("HR") Department establishes an annual training plan collaboratively with different department leaders. The HR department assesses the quality and effectiveness of the training before starting the programs.



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.

The Company has established a performance assessment mechanism consisting of probationary and annual evaluation for retaining talents. The employees' direct supervisors are responsible for conducting the assessments based on their work quality and ability. The results are considered for salary adjustment, promotion, position transfer, termination, disciplinary action or training provision.

B4. Labour Standards

The Company has implemented recruitment policy which prohibits the employment of child and forced labour, adhering to stringent guideline issued by the HR Department during the recruitment process. Identification documents of new joiners are checked to ensure they are aged 18 or above. Labour contracts are formulated based on mutual agreement from both the Company and employees.

During the Year, the Company was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Group relating to preventing child or forced labour. Nor did the Company identify any incidents relating to the use of child or forced labour.

B5. Supply Chain Management

The business activities of the Company do not involve a wide range of suppliers. We nonetheless undertake regular communication with suppliers on ESG related issues. We select and collaborate with suppliers of office amenities based on specific evaluation criteria, such as product and service quality, reliability and social responsibility.

B6. 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 obligation to avoid risk of intellectual property rights infringement.

We understand that maintaining smooth transactions is the utmost concern of our clients. Therefore, we have implemented a systematic emergency plan to avoid any loss to clients in case of any system failures or delays. Regular emergency drills are arranged to optimise the existing systems to deliver a better experience to clients.



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.

Our business does not involve product labelling. Health and safety of products are not significant issues in our operations. During the Year, the Company was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Company relating to advertising related to services provided.

Data Privacy

Data privacy is key to a trusting relationship between the Company and its business partners. In our daily operations, we have to process enormous data from diversified clients. 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.

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 unauthorised access, copying, dissemination or disclosure of confidential information, including client identities and transaction records.

During the Year, the Company was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Company relating to privacy matters related to services provided.

B7. 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 non-compliance of relevant laws and regulations that have a significant impact on the Company relating to bribery, extortion, fraud and money laundering. The Company was not involved in any corruption cases.



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.

To strengthen our employees' ethical awareness, we have arranged for Independent Commission Against Corruption ("ICAC") to deliver a training course for them during the Year. Our employees' skills in handling ethical dilemmas were sharpened.

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's website or Company Secretary. Any cases or matters suggested to be relating to criminal offence, corruption or bribery are reported to the ICAC.

B8. Community Investment

The Company has always strived to embed social responsibility in its corporate culture. We support local community through making charitable donations and encouraging our employees to participate in various voluntary activities.

During the Year, we participated in the "Walk for Nature Mai Po 2018", organised by the World Wildlife Fund for Nature ("WWF"). They understood the significance of wetlands in balancing ecosystem under guidance of the staff of WWF. The Company also supported the Community Chest Dress Casual Day. The donations collected were used for social welfare services in the community. We will continue to fulfill our corporate social responsibility for building a cohesive society.

