



G-RESOURCES

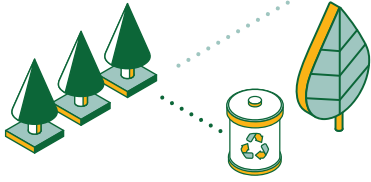
(Incorporated in Bermuda with limited liability)

Stock Code: 1051

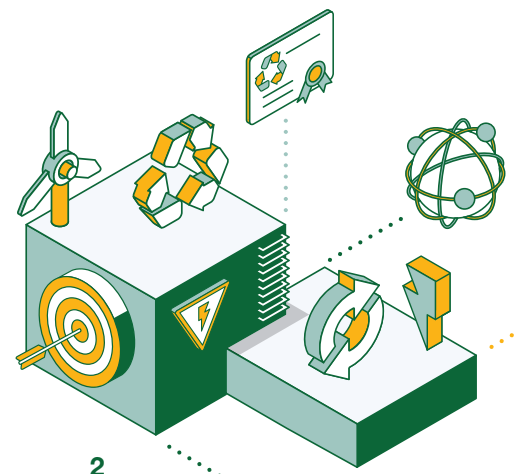


2019

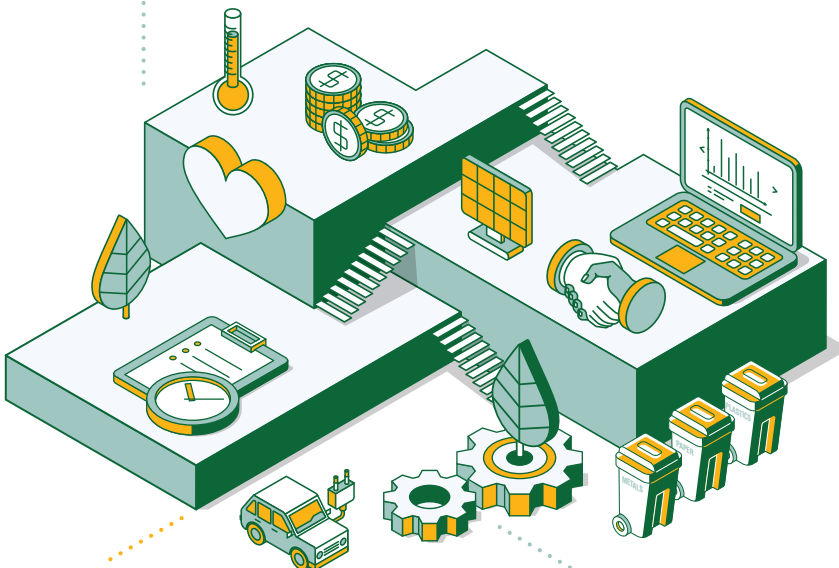
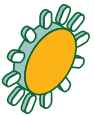
ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT

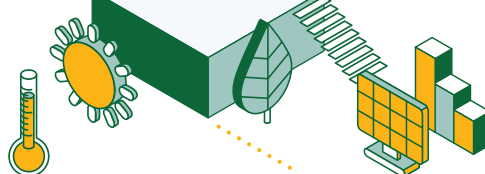
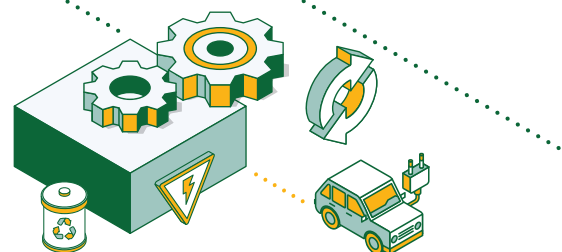


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ABOUT THIS REPORT

This is the fourth stand-alone Environmental, Social and Governance (“ESG”) Report of G-Resources Group Limited (the “Company”) and its subsidiaries (collectively the “Group”). The Group is engaged in principal investment, financial services, money lending and real property businesses. The report presents our management approach on and the performance of environmental and social aspects. This report should be read in conjunction with our annual report. For corporate governance section, please refer to pages 25–39 of our annual report for the year ended 31 December 2019.

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 all material topics related to the Group’s operations and fairly presents the Group’s performance on each topic.

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 websites of both the Stock Exchange and the Company.



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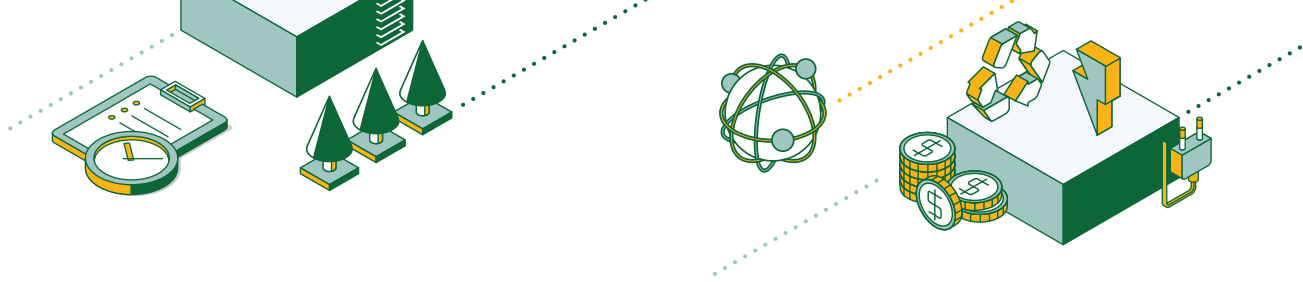
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Website: www.g-resources.com

Reporting Period and Scope

The report covers all operations of the Group and presents information relevant to the ESG management approach and performance for the financial year from 1 January to 31 December 2019 (the “Year”). The reporting boundary of this report has been extended to cover the operations of Funderstone Securities Holdings Limited (“FSHL”) and its subsidiaries which was acquired by the Group in late 2018.





ESG MANAGEMENT APPROACH

The Board assumes the ultimate responsibility for the Company’s environmental performance, and the management team is responsible for daily management of various aspects of ESG and adherence to its corporate values, namely GREAT which stands for Growth, Respect, Excellence, Action and Transparency.



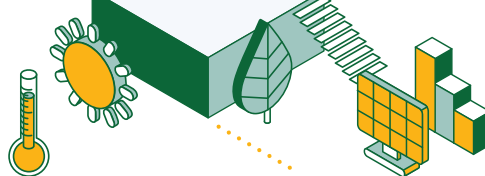
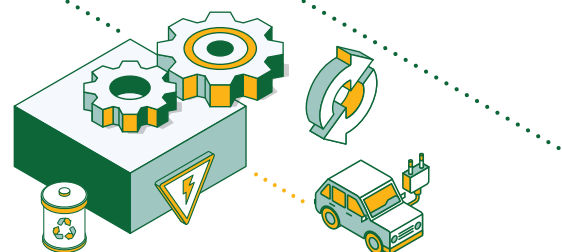
We are committed to achieving the best we can for all of our stakeholders as well as gradually integrating sustainability into our corporate development strategy, in order to minimise the impacts of our business operations on the environment and the community.

Stakeholder Engagement

The Company values the opinions of its stakeholders and continues to engage and work with them to optimise the ESG management approach and performance.

We regularly engage with both internal and external stakeholders including employees, investors and shareholders, the government, clients and community through various approaches to keep pace with their needs and concerns. The table below summarises their concerned topics and the ways we engage with them.

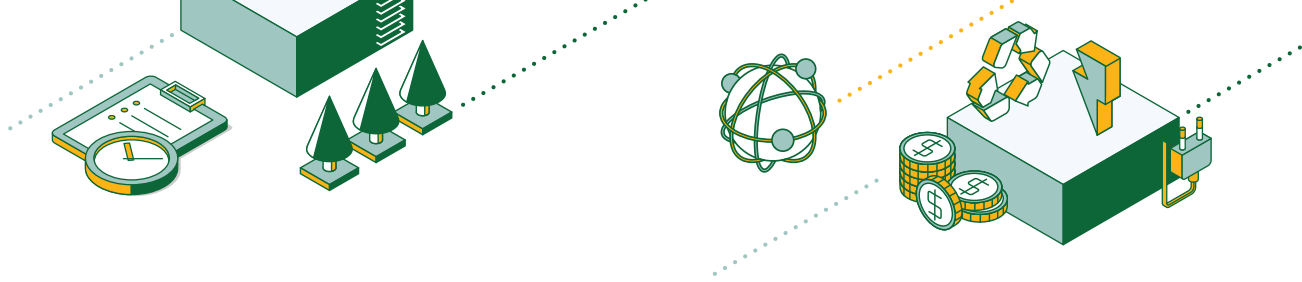




STAKEHOLDERS	ISSUES	ENGAGEMENT CHANNELS
Investors and Shareholders	<ul style="list-style-type: none"> Corporate governance Operational risk Business operations Disclosure 	<ul style="list-style-type: none"> Investor conferences and roadshows Shareholders' meetings Financial reports and press releases 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

As a financial service company with an office-based nature, we acknowledge the impacts of our operations relating to material ESG topics on the Company and society. We will continue to conduct our business in strict regulatory compliance, with actions for addressing the material topics in our day-to-day operations.





A. ENVIRONMENTAL

While the Company's operations do not involve any direct energy-intensive production processes since the nature of its business is office-based, it is committed to minimising its environmental impacts and operating in an environmentally-friendly manner. We take environmental and ethical perspectives into consideration such as reducing natural resources consumption and waste generation during our business operations. We strive to educate employees and strengthen their awareness on the need to reduce environmental impacts, with relevant training provided if necessary.

In 2019, the Company strictly complied with all environmental-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

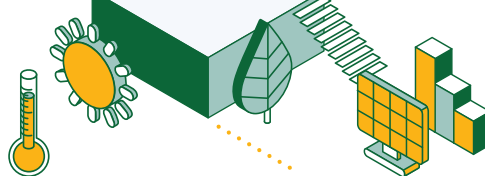
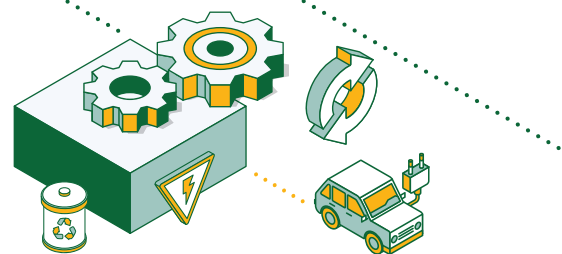
The emissions generated by the Company's operations are all indirect carbon emissions, from the consumption of purchased electricity for office use. In 2019, the total greenhouse gas ("GHG") emissions were approximately 131.69 tonnes of carbon dioxide equivalent ("tCO₂e") and the intensity was 0.005 tCO₂e per thousand USD revenue (2018: 87.7 tCO₂e and 0.003 tCO₂e per thousand USD revenue).

No material hazardous nor non-hazardous waste is generated as our operations are office-based in nature. Despite the insignificant amount of waste, the Company pursues waste reduction at source by encouraging waste recycling and management. We sort wastepaper, aluminum cans and plastic waste for recycling. Recycling bins are set up in the office, such as placing paper recycling bins next to each copier and printer. Employees are instructed to dispose waste as per classification. The collected classified waste is then transported to the waste recycling station set up by the property management and records of the same are kept. Obsolete printers, used toner or ink cartridges are sent to suppliers or recyclers for recycling.

During the Year, the Company attained the basic level of Wastewi\$e Certificate under the Hong Kong Green Organisation Certification ("HKGOC"), benchmarking its achievements in green management and recognising its efforts and commitment to environment. We encourage employees to use public transportation to reduce GHG emissions and enhance their awareness of environmental protection.

The HKGOC is led by the Environmental Campaign Committee (ECC) alongside the Environmental Protection Department and in conjunction with nine organisations, offering a prestigious certification that has high credibility. It encourages the Company to strive for self-improvement in preventing and reducing waste generation in daily operations, as well as enhancing the collection and recycling of recyclable materials.





A2. Use of Resources

The Company consumes electricity and water in the course of its daily operations. During the Year, total energy consumption in the form of electricity was approximately 166,693 kWh, with total energy intensity of 0.022 Gigajoules (“GJ”) per thousand USD revenue (2018: 110,992 kWh and 0.012 GJ per thousand USD revenue). The increase in electricity consumption was due to including the data of FSHL and its subsidiaries which was acquired by the Group in late 2018.

The total water consumption of the Company was 70 m³ and the water intensity was 0.003 m³ per thousand USD revenue (2018: 75 m³ and 0.002 m³ per thousand USD revenue). During the Year, the Company did not have any issue in sourcing water that is fit for the purpose. Our operations do not involve use of any packaging materials. To further contribute to resources conservation, we purchase paper, toilet paper and tissues made from recycled resources and use recycled toner cartridges whenever possible.

A3. Environment and Natural Resources

Green Office Initiatives — Let’s GO

In pursuit of an environmentally friendly and sustainable workplace, the Company has participated in “Let’s GO”, which is a green office certification scheme designed by a consulting firm. The Company aims at embedding the concept of energy and resources conservation into daily operations through a series of initiatives and actions.



Lighting

- Adopt energy-efficient LED lighting system
- Shut off or reduce use of lighting during lunch breaks



Air Conditioning

- Maintain average room temperature at 25°C -27°C
- Switch off air conditioning when not in use
- Install solar film on windows to reduce cooling costs



Office Equipment

- Adopt energy-efficient printers and refrigerators
- Lower the brightness and disable the use of screensavers on desktop
- Turn off the office appliances when not in use

Energy conservation initiatives





Paper

- Use electronic equipment (e.g. tablets and projectors) to replace printouts
- Use Forest Stewardship Council (FSC) certified paper
- Reuse envelopes for internal mailing
- Set double-side printing as default



Waste

- Recycle paper, obsolete printers and used toner cartridges
- Collected approximately 620 plastic bottles and approximately 400 aluminum cans for recycling
- Install water purifiers to reduce purchase of bottled water
- Provide sufficient reusable utensils to reduce disposable waste



Water

- Encourage conservation of water resources
- Ensure that the water taps are locked after each use

Resources conservation initiatives

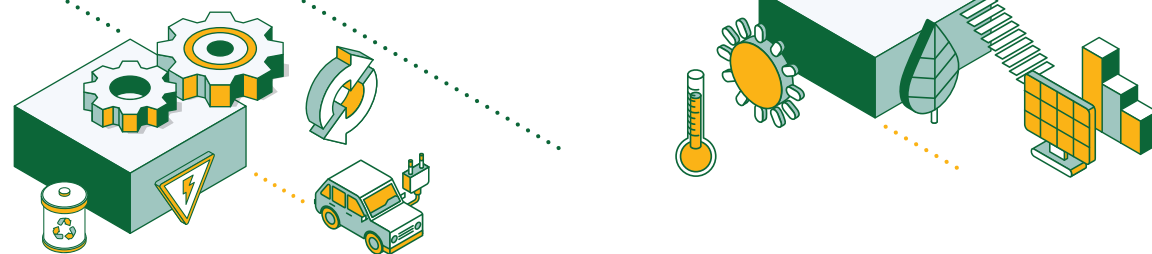
B. Social

Recognising people as its greatest assets and the importance of sustainable talent development, the Company upholds the principle of “people-oriented” and provides its employees with a safe, equal and diversified working environment through effective management. 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

Improving employees’ sense of belonging is one of the keys for long-term success and therefore, the Company evaluates and improves its human resources (“HR”) management policies, including appraisal, remuneration, career development and welfare policies, from time to time and ensures that they are appropriately implemented. A strict performance evaluation and promotion system is also established, enabling us to comprehensively and objectively evaluate employees’ personal qualities, work performance and potential.





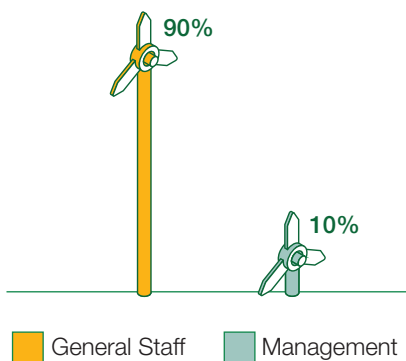
The Company highly respects each individual and is committed to providing equal opportunities in all aspects of employment regardless of age, religion, gender, sexual orientation, ethnicity, disability, marital status, social class and political background. Adopting an anti-discrimination approach in recruitment, promotion and dismissal of talents, we have zero tolerance to any incidents of discrimination or harassment. Recruitment and promotion are solely based on merit, work performance and professional experience. We also ensure our recruitment commercials do not contain any discriminatory requirements. All suspected cases are taken up for further investigation while disciplinary actions are taken if necessary.

During the Year, the Company did not contravene any 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.

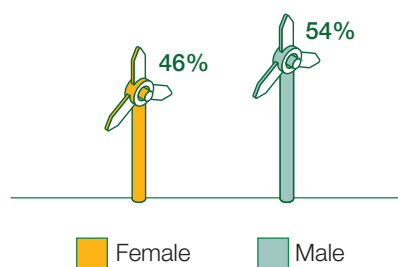
Employee Composition

As of 31 December 2019, the Company had a total of 68 employees in Hong Kong and the ratio of male to female was about 6:5, 63% of whom were aged between 31 and 50. Approximately 90% of the Company's employees were general staff, and approximately 10% were management. In terms of education profile, about 65% of employees had degree level or higher qualifications.

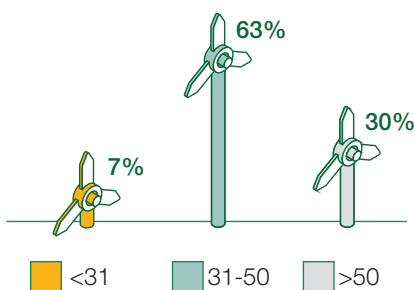
Function Profile



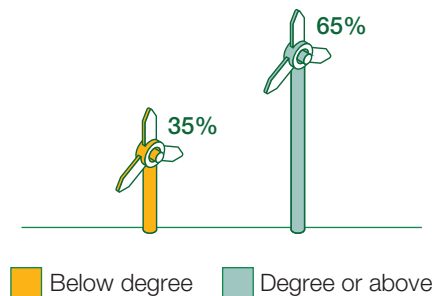
Gender Profile

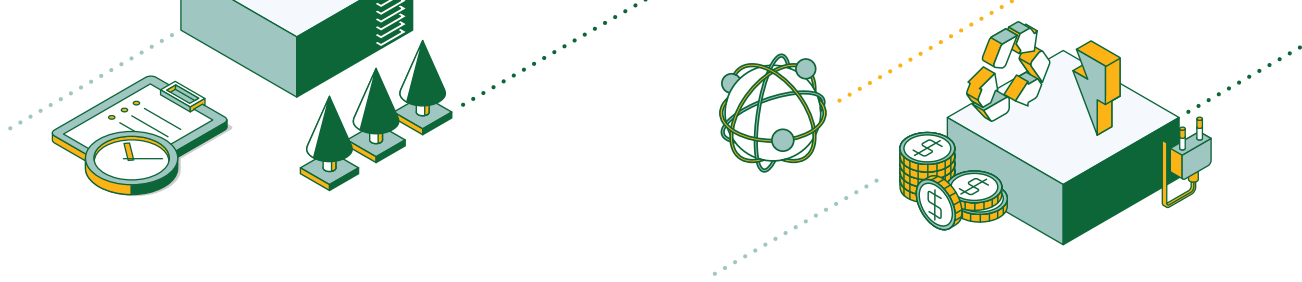


Age Profile



Education Profile





Employee Welfare

We provide attractive remuneration packages and welfare benefits such as mandatory provident fund, paid sick leave, insurance, maternity leave, paternity leave, marriage leave and compassionate leave, etc., which are revised subject to relevant regulations and laws with consideration of regular internal monitoring procedures.

By adopting a digitised attendance system, employees' working-hours and rest days are managed effectively to maintain work-life balance across the Company. Over-time work requirements are enforced only with employees' consents, with meal and transportation subsidies offered to support employees who are required to work over-time.

Employee Communication

The Company is committed to maintaining a harmonious relationship with its employees. We arrange activities and lunches for our employees during festivals to strengthen their bonds with each other. We also organise regular family activities with employees, creating an environment with work-life balance. During the Year, we invited our employees to visit the Hoi Ha Wan Marine Park, aiming to raise their awareness on environmental protection and enhance interactions among them.

The Company's business growth is driven by its dedicated employees. The Company maintains effective communication with our employees by encouraging them to put forth their ideas or concerns through email, meetings and other channels.

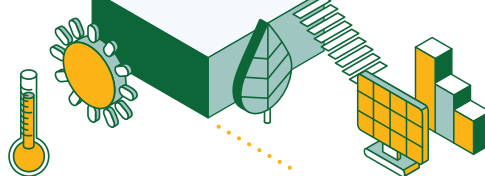
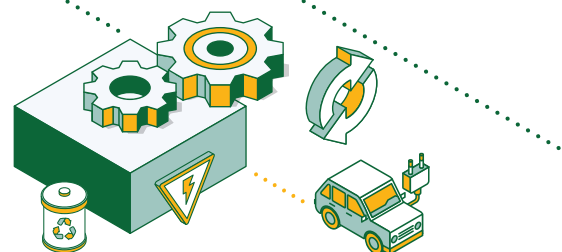
B2. Health and Safety

Despite the relatively lower occupational risks compared with other industries due to the nature of its business operations, the Company strives to provide a healthy and safe working environment to its employees.

We regularly review internal policies related to workplace environment and safety, ensuring that our daily operations are in full compliance with the applicable laws and regulations. All occupational incidents must be reported to the Company, with individual assessments carried out in accordance with internal guidelines and standard procedures.

During the Year, we provided training on basic infection control at work to employees. Employees can thus be equipped with basic knowledge and skills regarding occupational health and safety regulations, pollution control, preventive measures, cleaning and disinfection and waste handling etc.. We also arranged acupuncture classes for employees, helping them to relieve stress at work.





The Company became a member of the Green Cross Group in 2019, enabling it to strive for excellence in occupational safety and health through benchmarking. We have also adopted a series of safety measures to ensure an occupationally safe environment in the workplace.

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.

Office layout is designed to guarantee accessibility to fire escape on the basis of ergonomics and safety related provisions

Fire equipment is checked on a regular basis in accordance with requirements of fire safety standards

Cleaning companies are hired to perform routine cleaning and disinfection in office and its equipment

Good ventilation is kept to maintain indoor air quality

Initiatives in maintaining a safe workplace

B3. Development and Training

The Company values training as it helps employees stay competitive and keep abreast of trends of the financial services industry. We encourage employees to continue their education and provide them with diversified and professional training and development opportunities. Our HR Department is responsible for establishing an annual training plan in collaboration with different department leaders and assessing the quality and effectiveness of the training before its implementation.





We encourage and subsidise employees to participate in relevant courses organised by professional institutes, which enrich their professional knowledge and enhance their performances. We also regularly invite professional bodies and suppliers to share views on latest industry developments and updated laws and regulations. The collaboration with different parties can further facilitate the exchange of ideas and market insights. Various training opportunities enable our employees to better equip themselves with proper job-related knowledge and skills so as to maintain the Company's market competitiveness.



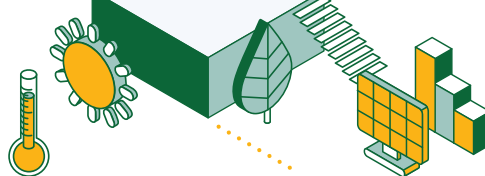
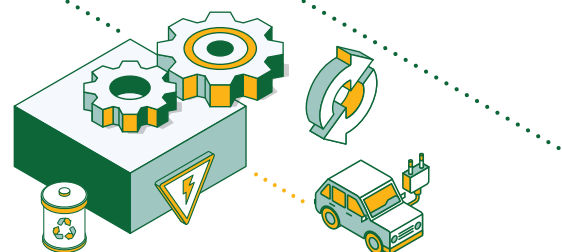
Examples of professional institutes where employees can attend courses

The Company fully recognises outstanding employees. Our management team reviews the overall performance of individual employees on an annual basis. To initiate and motivate employees to pursue their career goals, those who fulfil specific requirements are rewarded as an appreciation of their efforts. We have also in place a performance assessment mechanism consisting of probationary and annual evaluation for retaining talents. Employees' work quality and ability are assessed by their direct supervisors and the results are considered for salary adjustment, promotion, position transfer, termination, disciplinary action or training provision.

	Average Training Hours		Percentage of Employees Trained	
	2019*	2018	2019*	2018
By Gender				
Male	8	11	97%	82%
Female	7	8	90%	76%
By Function				
Management	10	11	100%	100%
General Staff	7	9	93%	77%

* Data for 2019 includes the employees of FSHL and its subsidiaries which was acquired by the Group in late 2018.





B4. Labour Standards

A system in HR is in place to protect employees' rights. Adhering to strict guidelines issued by the HR Department, our recruitment policy prohibits all forms of child or forced labour. Identification documents of new employees are checked to ensure that 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 Company relating to prevention of any child and forced labour. The Company did not identify any incidents relating to the use of child or forced labour.

B5. Supply Chain Management

The Company understands the importance of communicating with suppliers. Given the nature of our business operations, we do not have many suppliers. Still, we maintain regular communication with suppliers on ESG related issues. We select suppliers of office amenities based on special evaluation criteria including product and service quality, reliability and social responsibility.

B6. Service Responsibility

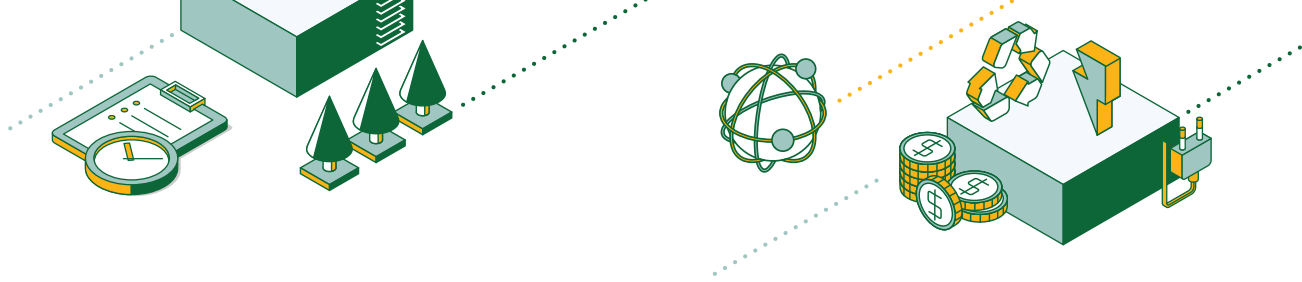
The Company strives to improve its products and services to better serve its customers. To fulfil our commitment to avoid risk of intellectual property rights infringement, we process resources procured from legitimate sources.

To deliver the highest quality of financial services to its customers and maintain smooth transactions, the Company has implemented a systematic emergency plan to avoid any loss to clients in case of any system failures or delays. We also arrange regular emergency drills to optimise the existing systems and provide better services to clients.

A grievance handling procedure is a part and parcel of our Internal Control and Operation Manual. All employees and clients are welcome to express their opinions over our behaviours through the channel. The verbal complaints from clients are recorded by responsible operators when necessary, while written complaints are transferred to responsible persons for primary processing and storage. The responsible persons report written complaints to the Board and process them in a fair and efficient manner. We take up immediate investigation if the complaint is related to illegal misconduct. All information received from complainants 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 Protection

The Company is committed to ensuring data security and privacy of its business partners. We recognise the importance of data privacy as our daily operations involve the processing of enormous data from diversified clients. We strictly comply with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), ensuring all customer data is protected from improper disclosures, misuse, loss, damage or corruption.

We have developed detailed operations and services codes of conduct to protect client privacy, minimising the risk of client data leakage. Relevant training courses are arranged for employees on a regular basis, with guidelines provided to prohibit any unauthorised access, copying, dissemination or disclosure of confidential information, including client identities and transaction records.

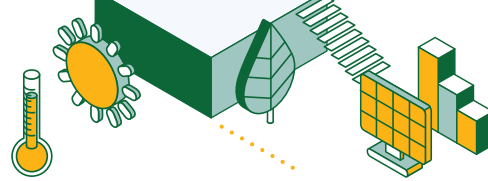
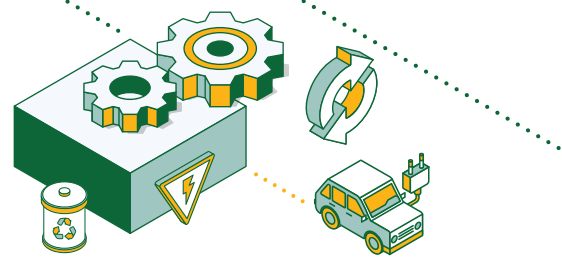
During the Year, the Company was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Company relating to privacy matters related to services provided.

B7. Anti-corruption

Adhering to high ethical and moral standards, the Company strives to establish a corporate culture of integrity in which all unethical behaviours such as bribery and corruption are strictly prohibited. Our operations stringently comply with 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 and was not involved in any corruption cases.

Our employees are obliged to follow internal and external codes of conduct and commit themselves to integrity and honesty. They are prohibited from all inappropriate behaviours or malpractices which may compromise a healthy and lawful workplace as well as the interests of our stakeholders. A whistleblowing policy is adopted by the Audit Committee of the Company, encouraging relevant employees, clients, suppliers and other stakeholders of the Group to raise concerns and provide comments on any improper behaviours related to the Company in a confidential manner. Details of the policy can either be obtained from the Company's 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.





B8. Community Involvement

The Company is committed to taking on its share of social responsibility. We support the community through different ways such as charitable donations. We also encourage our employees to actively participate in voluntary activities to strengthen bonding with and contribute to the society.

During the year, we continued to support the Community Chest by making donation to “Christmas Greeting for the Chest 2019”. Also, we supported the “Love Teeth Day 2019”, a healthy and meaningful fund-raising event. We took part in this campaign to raise awareness on oral health and support oral health education. Moreover, our employees participated in “Run for Wellness 2019” held by the Hong Kong Federation of Youth Groups. The funds raised from this event were used for providing subsidies and timely intervention for young people in need. The Company will continue to support the community and fulfill its corporate social responsibility for creating a harmonious society.

