



G-RESOURCES

(Incorporated in Bermuda with limited liability)

Stock Code: 1051



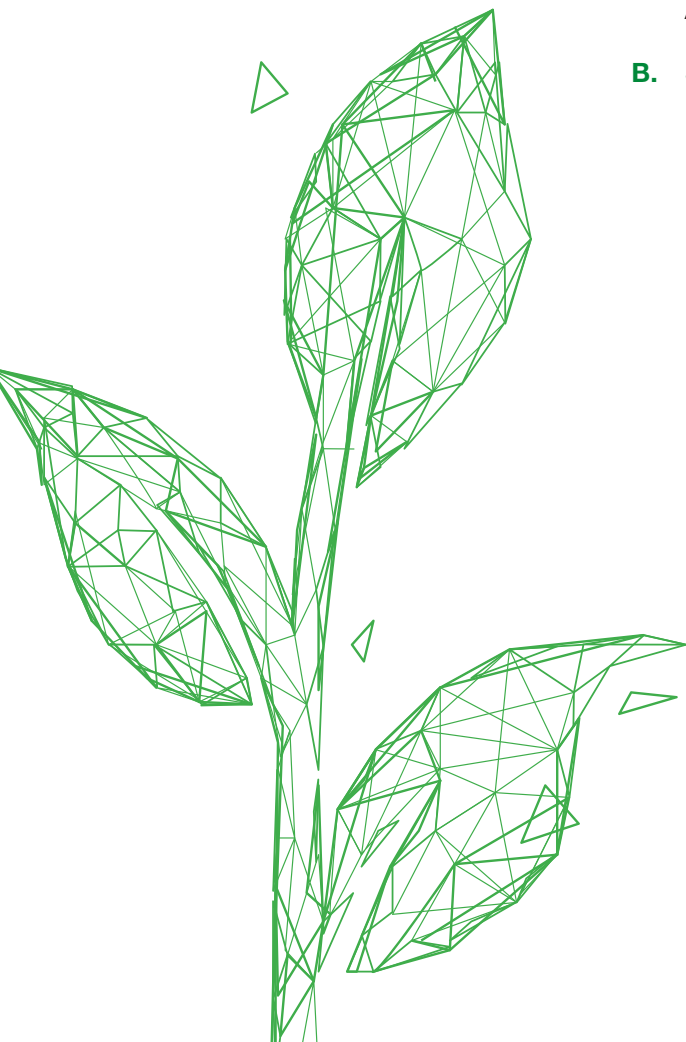
2021

ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT



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ABOUT THIS REPORT

This is the sixth 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 financial services, money lending, principal investment and real property businesses. The report presents our management approach 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 26–39 of our annual report for the year ended 31 December 2021.

The board of directors of the Company (the “Board”) 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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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 2021 (the “Year”).



Board Statement

Though the businesses of the Group have only a minimal impact on the environment, we strive to consider sustainability when taking any decisions and formulating our corporate strategies so as to minimise whatever environmental and social impacts we have on the community.

The Board assumes the final responsibility for addressing all ESG issues and considers them when making decisions about the Group's operations. The Group has set up an ESG Working Group of senior management personnel to manage ESG and related issues. This working group reports to the Board on an annual basis and the Board assesses the outcome of all ESG-related decisions.

ESG-related topics that are considered important are listed and are prioritised after extensive consultations with stakeholders. The final list of material topics and their order of priority are assessed and approved by the Board. That becomes the basis for formulation of the Group's ESG management strategy.

The Group's risk management strategy takes ESG issues into consideration, particularly risks identified and prioritised as these have a higher likelihood of occurrence. We set targets for minimising our impact on the environment, after considering the nature of our business and the current status.

The Board has reviewed and approved this report and confirms that to the best of its knowledge, the report has addressed all material topics and fairly presents the performance on each topic.



ESG MANAGEMENT APPROACH

Growth, Respect, Excellence, Action and Transparency (GREAT) are the principal components of the ideology that drives our ESG management approach. The ultimate responsibility of the Company's ESG performance is that of the Board while actual work is assigned to the management team.



GROWTH in value for all our stakeholders



RESPECT for our people, our communities and for all stakeholders



EXCELLENCE in everything we do



ACTION to deliver on our commitments

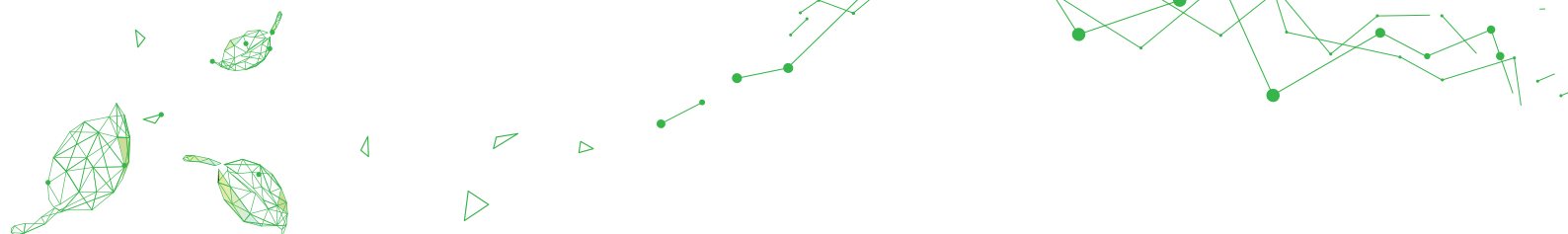


TRANSPARENCY openness, honesty and good governance

G-Resources' Materiality

For identifying risks and opportunities related to ESG and constantly improving performance on the sustainability front, it is necessary to engage with stakeholders and to consider their opinions and suggestions. Therefore, the Group makes it a point to interact with internal and external stakeholders, including employees, investors and shareholders, the Government, customers and the community on an ongoing basis, through appropriate channels. The ways we interact with various stakeholders and the channels we use are listed in the table below.

STAKEHOLDERS	ISSUES	ENGAGEMENT CHANNELS
Investors and Shareholders	<ul style="list-style-type: none"> • Corporate governance • Operational risk • Business operation • 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
Customers	<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



A. ENVIRONMENTAL

The nature of our business is office-based. No production is involved and therefore energy consumption is minimal and so are emissions and pollution effects. However, we pay a great deal of attention to whatever adverse impacts our business has on the environment and sustainability. We continuously try to improve the efficiency of resource usage and reduce greenhouse gas (“GHG”) emissions. We not only encourage our employees to help protect the environment but also provide various kinds of training for this purpose.

We have set targets for different aspects of environmental protection and monitor our performance against these targets regularly. These are as shown in the table below:


Aspect	Target
GHG emissions	Continue to attain the Energywise Certificate under the Hong Kong Green Organisation Certification (the “HKGOC”)
Waste	Recycle 90% of paper used
Energy efficiency	Buy electric equipment only if they have energy efficiency label
Water use	Water related equipment must be of Grade 1 efficiency label

A1. Emissions

The emissions generated by the Group’s operations are all indirect carbon emissions, from the consumption of purchased electricity for office use. In 2021, the total GHG emissions were approximately 109.53 tonnes of carbon dioxide equivalent (“tCO₂e”) and the intensity was 0.002 tCO₂e per thousand USD revenue (2020: 121.13 tCO₂e and 0.002 tCO₂e per thousand USD revenue). During the Year, 125 fluorescent tubes in one of the offices of our subsidiary were replaced with 115 LED tubes including 97 pieces of 18W T8 LED tubes and 18 pieces of 10W T8 tubes. With the replacement of lighting equipment of higher energy use efficiency, it is expected that the GHG emissions and energy consumption of the Group can be reduced.

Our operations being office-based, generation of hazardous or non-hazardous waste is negligible and we strive to reduce even the small amount of waste we generate by encouraging recycling to the extent feasible. We actively pursue green office initiatives and segregate wastepaper, aluminum cans and plastic waste for facilitating recycling. Separate bins are used for holding the major types of waste and employees are required to dispose wastepaper, aluminum cans and plastic waste in designated bins only. The waste collected in bins is sent to the waste recycling station for further sorting. Electronic waste, such as dysfunctional printers, used toner cartridges, etc. are handed over to the appropriate agency for recycling.





During the Year, the Company achieved its waste management target by attaining the basic level of Wastewi\$e Certificate under the HKGOC, recognising the Company's effort to strive for continuous improvement in avoiding and reducing waste generation in daily operations. We will continue to strengthen our effort in reaching our target to recycle 90% of our paper used. We regularly participate in the Green Low Carbon Day organised by The Community Chest of Hong Kong, which increases awareness of environmental-related issues of our employees.

In 2021, 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 GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.



減廢證書
Wastewi\$e
—Certificate—

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 138,643 kWh, with total energy intensity of 0.008 Gigajoules (“GJ”) per thousand USD revenue (2020: 153,324 kWh and 0.010 GJ per thousand USD revenue). The total water consumption of the Company was 241 m³ and the water intensity was 0.004 m³ per thousand USD revenue (2020: 195 m³ and 0.004 m³ per thousand USD revenue).

During the Year, the Group achieved its energy saving target by attaining an excellent level of Energywi\$e Certificate under the HKGOC, recognising the Group's effort to strive for continuous improvement in energy saving, including an action plan to conduct administrative control, procure energy efficient appliances, and encourage our employees to use public transport for commuting in order to help reduce GHG emissions.

During the Year, the Group did not have any issue in sourcing water that is fit for the purpose. Our operations do not involve use of any packaging materials. As a stepped-up measure to resources conservation, we purchase paper, toilet paper and tissues made from recycled resources and use recycled toner cartridges as much as possible.



節能證書
Energywi\$e
—Certificate—


A3. Environment and Natural Resources

Green Office Initiatives – Let's GO

The Group has been proactive in creating an eco-friendly and sustainable workplace. We have been taking part in “Let’s GO”, which is a green office certification scheme serving to incorporate the concept of energy and resources conservation into daily operations through a range of initiatives and actions.




Lighting




- Adopt energy-efficient LED lighting system
- Shut off or reduce use of lighting during lunch breaks unless it is necessary for operations

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 535 plastic bottles, 229 paper drink packing and 365 aluminum cans for recycling
- Install water purifiers to reduce purchase of bottled water
- Provide sufficient reusable utensils to reduce disposable waste

Water



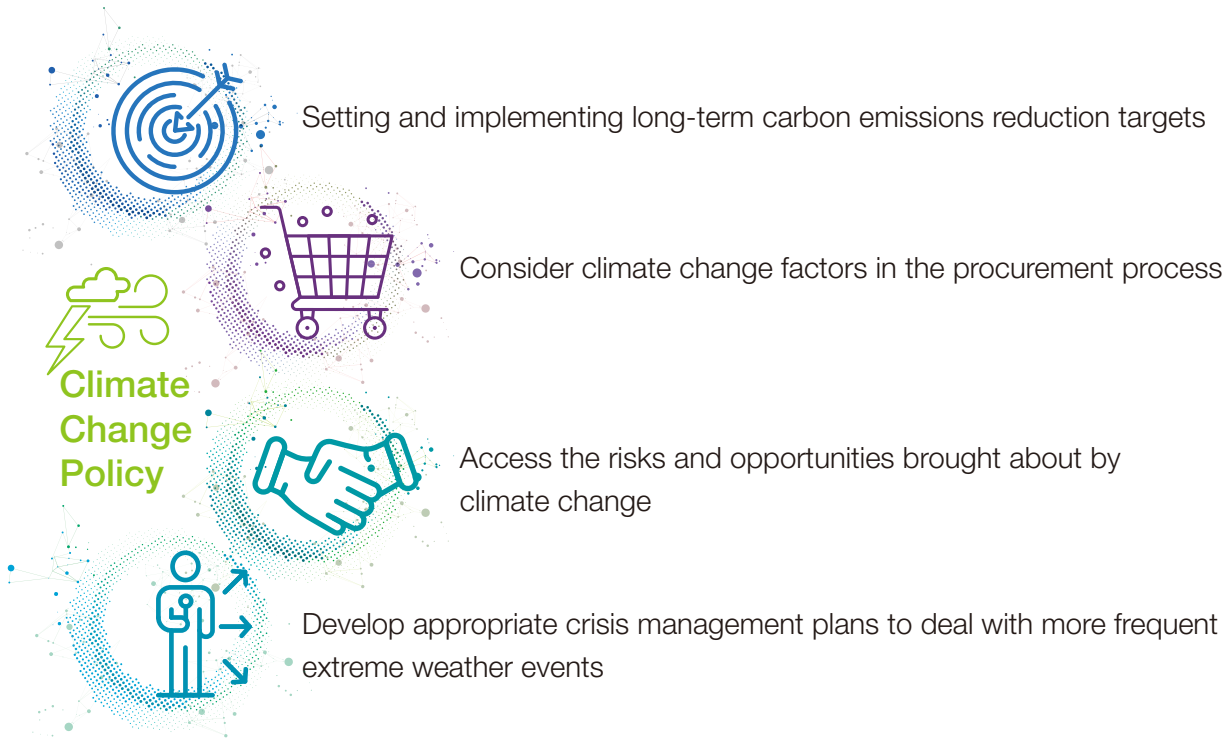
- Encourage conservation of water resources
- Ensure that the water taps are turned off after each use

Resources conservation initiatives



A4. Climate Change

The Group is very conscious that climate change is an issue that needs to be addressed seriously by all. We leave no stone unturned to identify the risks climate change implies for our business and develop strategies on an ongoing basis, while following what our peers are doing. A Climate Change Policy has been formulated, which lists actions required and taken for addressing climate change.





B. Social

Employees of any company are the key factor that determines its success in business and we believe we are no different. We adopt a “people-oriented” approach and try to provide a healthy and safe working environment to all our employees. We strictly complied with all relevant laws and regulations in Hong Kong during the Year.

B1. Employment

Competent and diligent workers are necessary for a company to grow its business as well as to address sustainability. We believe one pre-requisite for attracting and retaining talent is transparency in the processes of hiring and promotion. We ensure that all decisions in this context are made on the basis of merit, performance and professional experience.

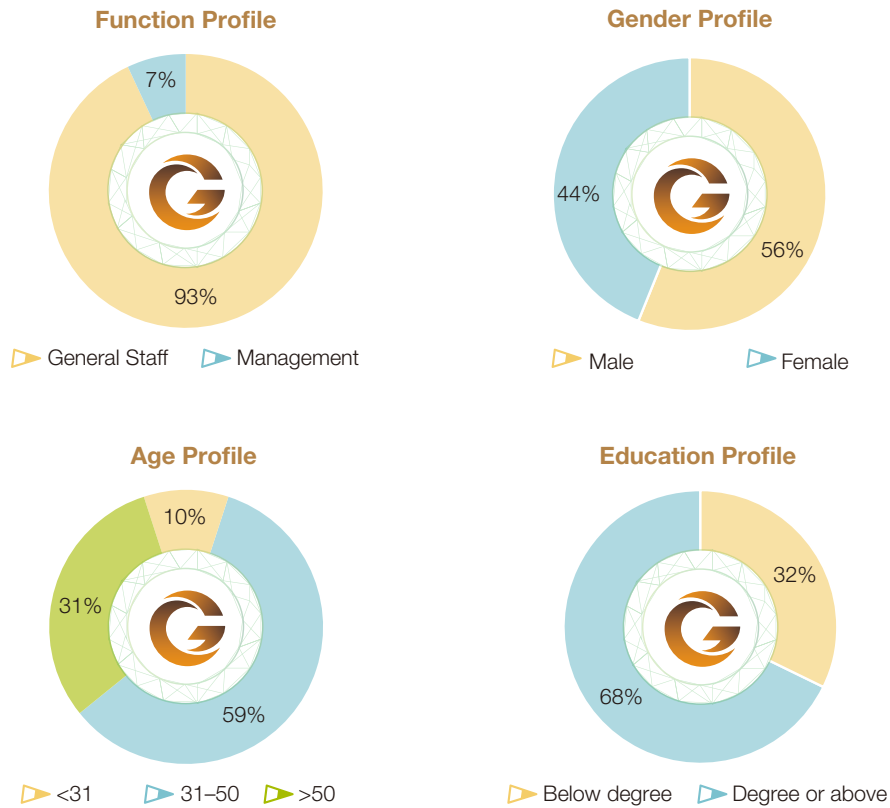
In this context, the Company believes it is equally important to promote diversity and inclusiveness in the internal environment. Discrimination of any kind on the basis of age, gender, marital status, ethnicity, religion or disability in employment related decisions is not tolerated. Besides hiring, we take steps to ensure that no employee is harassed because of prejudices of any sort.

The basic approach to management of human resources is reviewed and revised regularly in order to keep it aligned with market trends in terms of appraisal, remuneration, welfare policies and career development. Assessment of performance and decisions on promotions are always based on transparent and fair considerations, including the need to allow each employee to realise his or her full potential.

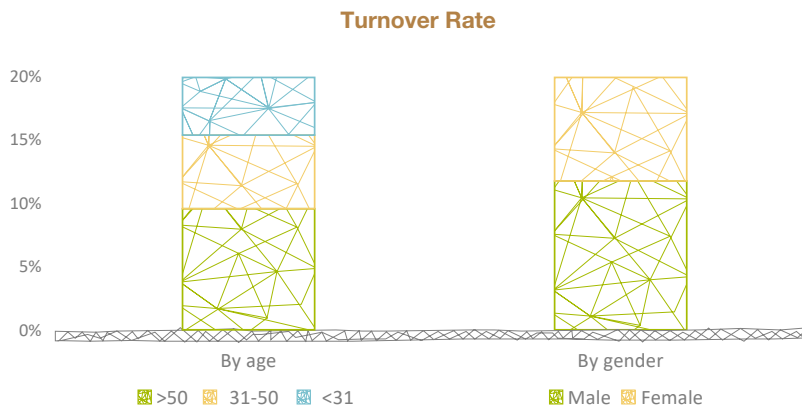
During the Year, the Company did not contravene any relevant laws and regulations that have a significant impact on the Company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Employee Composition

As at 31 December 2021, the Group had a total of 68 full time employees in Hong Kong and the ratio of male to female was about 38:30 and 59% were aged between 31 and 50. About 93% of employees are general staff and 7% are management staff. In terms of education profile, 68% of employees have degree level or higher qualifications.



During the Year, the employee turnover rate is 19%.





Employee Welfare

Our compensation packages include contribution to mandatory provident fund, paid sick leave, insurance, maternity leave, paternity leave, marriage leave, and compassionate leave, besides other welfare benefits. These are reviewed and revised based on the latest regulations and laws with consideration of regular internal monitoring procedures.

Through deploying a digitised attendance system, employees' working hours and rest days are managed effectively to maintain work-life balance across the Group. Over-time work arrangement is enacted on a fully voluntary basis with meal and transportation subsidies provided to support employees who need to work over-time.

Employee Communication

The Group is devoted to sustaining a close and caring relationship with its employees. Outbreak of the COVID-19 pandemic posed challenges to us also. We helped employees to follow the norms of social distancing and provided all assistance needed to cope with the situation. We also ensure that employees are able to maintain a balance between work and life. During the Year, we offered our staff to participate the Gardens & Orchid Festival of Tai Po Island House Conservation Studies Centre organised by WWF-Hong Kong, to give our employees a chance to visit one of Tai Po's iconic monuments to discover its architectural history, stories and gain some first-hand sustainable lifestyle tips that can be applied to their everyday lives.

The right kind of communication with employees is viewed as necessary and it was particularly so last year because of the pandemic. We value concerns of employees and engage with them through a mutual communication platform, emails, regular meetings, and other channels.



B2. Health and Safety




Providing a healthy and safe working environment to employees is a priority. To address the situation arising from COVID-19 pandemic, we have adopted a very flexible approach and have allowed employees to work-from-home where feasible. Although sanitisation of offices is quite routine and simple, we provide training to our staff in order to ensure they know how to use chemical disinfectants and pesticides in a safe way. This shows our commitment to occupational health and safety.

On a regular basis, we review our internal policies and practices relating to working environment and safety regularly which also helps us ensure full compliance with all applicable laws and regulations and also to prevent any occupational health risks. We provide all possible protection to all employees, mainly by providing them a customised insurance policy. We also help employees to address work stress also by arranging suitable online workshops and introducing yoga and breathing techniques.

Basically, the nature of our business is such that there are no serious risks at work. The Company has been a member of the Green Cross Group since 2019, enabling it to strive for excellence in occupational safety and health by benchmarking against industry practices and peers in the industry.

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 were no work-related injuries or deaths of employees for the past three years; thus, there were no lost days due to work injury.



-  Develop office layouts based on ergonomic and safety-related designs to ensure that fire exits are not blocked
-  Regular inspections to ensure fire safety standards are met
-  Appoint a professional cleaning company to clean and disinfect offices and equipment on a regular basis
-  Use of air-conditioned ventilation helps to maintain a work environment with a suitable temperature

Initiatives for maintaining an occupationally safe workplace

B3. Development and Training

We believe we can be successful in the long-term only if our employees are competent and diligent. For this we have to ensure that employees are equipped with needed skills and information. Besides ensuring performance, providing adequate training to employees also helps them maximise their personal and professional potential which in turn helps the Group attract and retain top-class talent. The human resources department is responsible for drawing and implementing training plans in consultation with heads of various departments.

We regularly invite professionals to share their understanding of industry trends and new developments, as well as any changes in relevant laws and regulations with our employees. Those wanting to attend outside training programmes and seminars are helped by way of subsidising the fees of the same. These measures help our staff improve professional knowledge and perform better at work.

Performance of individual employees is assessed in a scientific and transparent manner and outstanding performance is recognised appropriately by way of rewards and awards. Our performance review system includes annual evaluations based on reports from immediate superiors. Salary adjustment, promotion, position transfer and other related decisions are based on these evaluations.

	Average Training Hours		Percentage of Employees Trained	
	2021	2020	2021	2020
By Gender				
Male	9	8	113%*	97%
Female	11	8	103%*	90%
By Function				
Management	10	8	100%	100%
General Staff	10	8	110%*	93%

* The number of attrition is included in the number of employees trained



B4. Labour Standards

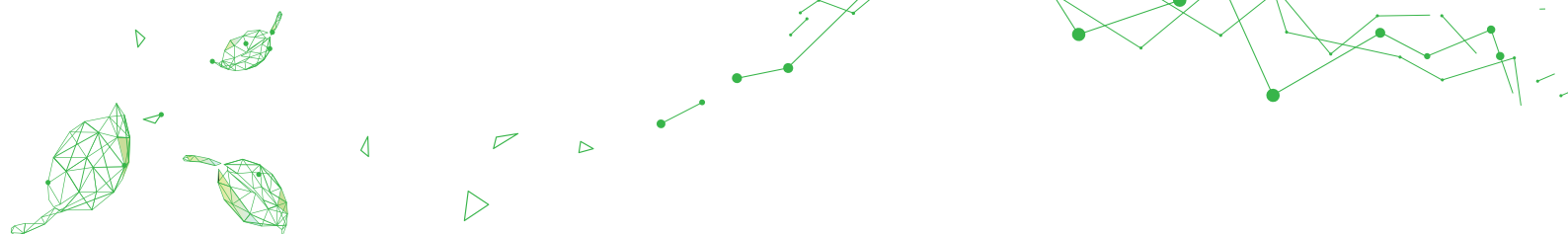
The rights of employees in accordance with labour laws are respected by the management of the Company. We adhere to all relevant laws and regulations in recruitment and child or forced labour are strictly prohibited. We insist that all new employees declare that they are aged 18 or above and demonstrate that by presenting appropriate identification documents.

Given our stringent recruitment process and the risk of hiring children or forced labour in Hong Kong, a developed market is minimal, the Group believes a procedure to eliminate such practices when discovered does not deem necessary.

During the year, the Company did not contravene any relevant laws and regulations that have a significant impact on the Company relating to the prevention of child or forced labour. The Company did not identify any incidents relating to the use of child or forced labour.

B5. Supply Chain Management

Relationships with suppliers are accorded high priority by the Group and therefore it communicates with them regularly to ensure smooth business operations, as well as adequate attention to sustainability issues by suppliers. The nature of our business is such that we do not have many suppliers. Nevertheless, we do interact regularly with suppliers on ESG related issues. Major purchases are of office equipment, amenities and consumables and sourcing is based on product and service quality, reliability and fulfilment of social responsibility by the supplier.



B6. Service Responsibility

Ensuring quality of products and services supplied to customers is one of the most important priorities. It is ensured by the Group that intellectual property rights of others aren't infringed. We procure products from legitimate sources only.

In order to provide financial services to customers at the highest standards and maintain smooth transactions, an unexpected system failure or even delay in execution of transactions because of technological glitches is something we watch out for because an incident of this nature can cause serious losses for clients. We strive to maintain the highest standards of service and have a systematic emergency plan in place. Regular emergency drills are conducted.

The Group attaches high importance to maintenance of good relations with its customers and its corporate image. Any complaints from customers are handled in accordance with procedures prescribed and documented in our Internal Control and Operation Manual. All employees are encouraged to express their opinions on our policies and actions. Even when clients submit complaints verbally, records of the same are maintained meticulously. When complaints are submitted in writing they are processed by responsible officers of the Company. The Board is informed of complaints received and is apprised of outcome of processing. Confidentiality of the complaint is viewed as an important responsibility.

The nature of our business is such that it does not involve product labelling. Similarly, health and safety of products are not significant issues in our operations.

Data Privacy Protection

It is equally important for the Group to maintain data security and privacy of its own and that of its customers and business partners. Our business is such that we have process a very large quantity of data pertaining to clients with very diverse businesses and backgrounds. We follow in letter and in spirit the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), in order to protect all customer data from misuse, loss, damage or corruption.

We have in place a series of codes of conduct that cover all services, particularly to protect client privacy and prevent the risk of data leakage. Unauthorised access, copying, dissemination or disclosure of clients' confidential information are prohibited systematically and concerned employees are trained for this purpose regularly.

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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.





B7. Anti-corruption

Honesty and integrity of conduct is paramount to the Group. Bribery, fraud, and corruption are dealt with severely by our management to keep unethical practices at bay. All personnel are required to follow all applicable laws and regulations, including the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong). Our staff is required not to engage in inappropriate behavior or malpractices that may endanger interests of our customers and other stakeholders.

To identify and investigate unethical behaviours effectively, a whistleblowing policy is set up by the Audit Committee of the Company, encouraging employees, customers, suppliers and other stakeholders of the Group to raise concerns and report any suspected misconducts related to corruption to the Company in a confidential manner. If the case is found to involve criminal offence, it is referred to the Independent Commission Against Corruption (“ICAC”) for further investigation.

During the Year, we invited speakers from ICAC to share their experiences and lead a discussion on business integrity to our Directors and staff. The purpose was to present real-life examples to our personnel so they could understand characteristics of corruption-prone situations and ways to address ethical problems.

During the Year, the Company recorded zero concluded legal cases regarding corrupt practices and was not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to bribery, extortion, fraud and money laundering.

B8. Community Involvement

The Group strives to fulfil its share of social responsibilities. We volunteer to participate in charitable projects and give donations where appropriate to demonstrate that we are a part of the community. We also encourage our employees to volunteer for social work which helps us strengthen ties to the community.

Environmental problems are one of our Group’s main areas of involvement. The Group is devoted to participating in a variety of community activities in order to raise environmental consciousness among its members and the general public.

During the Year, we encouraged our employees to participate Dress Casual Day, Love Teeth Day and Green Low Carbon Day organised by The Community Chest of Hong Kong; and the Gardens & Orchid Festival of Tai Po Island House Conservation Studies Centre organised by WWF-Hong Kong. Looking ahead, the Group will continue to refine our strategies in taking its corporate social responsibility for building a more connected society. The Group donated approximately HK\$5,000.