

# 新礦資源有限公司

NEWTON RESOURCES LTD

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1231



## Environmental, Social and Governance Report 2019



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## Introduction

Newton Resources Ltd (hereinafter referred to as the “Company” or “we”) together with its subsidiaries (collectively, the “Group”) has been sparing no efforts in growing its trading business of iron ore and other commodities (the “Trading Business”). For the year ended 31 December 2019 (“FY2019” or the “Reporting Period”), the Group has implemented several changes and improvements to the Trading Business model and made progress in improving its profitability and sustainability. In particular, to cope with the growth in the Trading Business, the Group has expanded the supplier network which now includes mostly mine owners. With the success in securing the restated long term hematite supply agreement in May 2019 and other supply contracts with mine owners, the Group managed to secure stable and sustainable supply of quality iron ore from reputable overseas mines. Apart from this, through building up the professional business development team, the Group has been able to establish business relationships with the sourcing arms of end-user steel mills and the trading arms of State-owned enterprises with stable and growing businesses.

Through securing the stable and sustainable supply of quality iron ore and other commodities from reputable overseas mines on a long-term basis, the Group has transformed into a commodity supplier, specialising in offering of a wide spectrum of iron ore products and other commodities and the distribution of resources extracted by and sourced from our own mine and/or other independent mine owners. As such, the business of the Group has successfully evolved into a resources business (the “Resources Business”), which is believed to be more adaptable with a competitive edge under the global economy which is now in a synchronised slowdown and may be worsened due to the trade conflicts and the COVID-19 outbreak.

Apart from these, the Group will continue to evaluate and pursue new business opportunities so as to develop the Resources Business and seek potential offtake or long term supply agreements, with the aim of bringing in more sustainable income and profit to the Group.

As regards our mining business at the Yanjiazhuang Mine in Hebei Province, the People’s Republic of China (“China” or the “PRC”), the Company entered into a sale and purchase agreement in late December 2019 for the disposal of our entire interest in that mining business (the “Disposal”), and such Disposal had recently been completed in June 2020.

Having a deep ambition to construct long-term trusted ties with our stakeholders in the community, the Group is pleased to publish our 2019 environmental, social and governance (“ESG”) report (the “Report”) summarising our ESG performance and initiatives.



## Introduction *(Continued)*

### Scope of the Report

The Report presents the Group's ESG management approach and strategy, environmental and social performance and material topics within our operational boundaries, mainly including the Resources Business and the administrative activities at the offices in Hong Kong during FY2019. Operations in relation to our mining business are excluded in the Report due to the Disposal as mentioned earlier. The board of directors (the "Board") of the Company is well aware of its role and responsibility in oversight of ESG matters, as well as assessment and management of material environmental and social risks issues. This ESG report has been approved by the Board. Information about our corporate governance is not included in this ESG report as it has been disclosed in our annual report for the year ended 31 December 2019 in compliance with Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("HKEx").

### Reporting Standard

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("HKEx ESG Reporting Guide") under Appendix 27 to the Listing Rules.

### Contact & Feedback

The Group believes a strong trusted relationship with our community is critical for our business sustainability. We strive to manage the Group for the best interests of our stakeholders; therefore, we treasure your feedback on this ESG report and our sustainability performance. If you have any comments or suggestions, please feel free to contact us at (852) 2521-8168 or via [esg@newton-resources.com](mailto:esg@newton-resources.com).

## Stakeholder Engagement

Engaging and responding to our stakeholders is the cornerstone of our overall ESG management approach. We regularly engage a broad set of key stakeholders to gauge how we can appropriately respond to their needs. It is vital for us to capture and understand how their views change and ultimately how we can respond and implement improvements (as appropriate) to our business today and in future.

To identify stakeholders' insights and concerns of relevance to business operations of the Group, the Group has not only identified and engaged key stakeholder groups which have concern about issues that may have a significant impact on our business operations, but also those key stakeholder groups which could be significantly affected by our operations. The Group has also been maintaining regular communication with them through various channels, which are illustrated in the table below:



## Stakeholder Engagement *(Continued)*

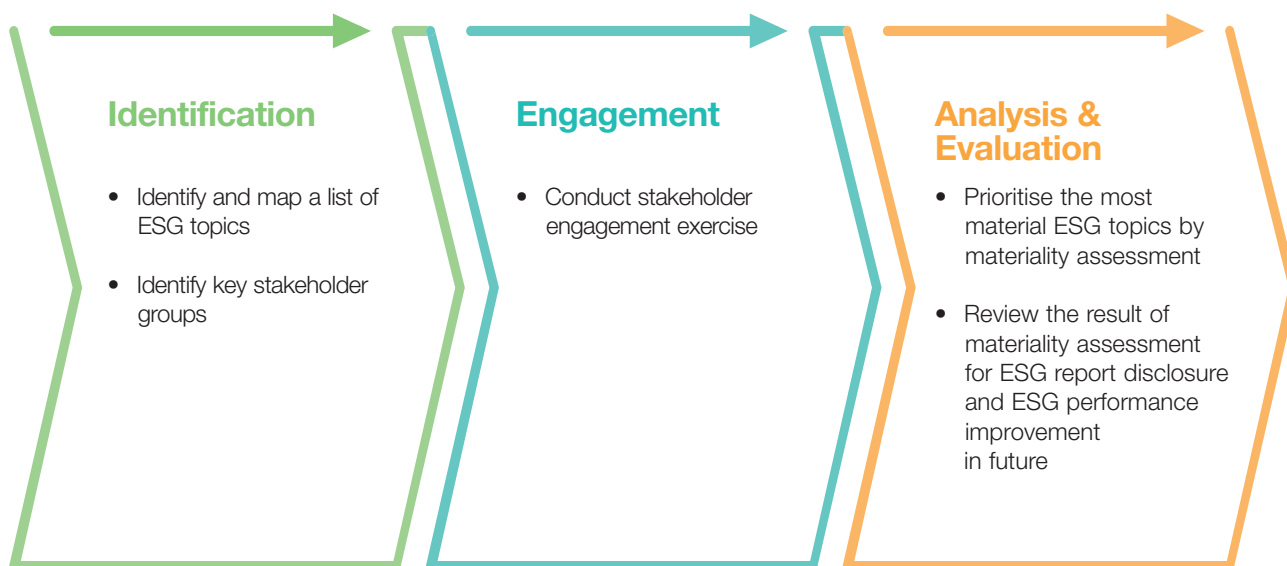
Stakeholder groups	Communication channels
Investors and shareholders	<ul style="list-style-type: none"><li>• Company website</li><li>• Designated investor relations hotline and email</li><li>• Company's announcements</li><li>• Annual general meeting</li><li>• Annual and interim reports</li></ul>
Customers	<ul style="list-style-type: none"><li>• Face-to-face meetings and on-site visits</li><li>• Periodic follow up by account officers</li><li>• Customers' feedback collection</li></ul>
Employees	<ul style="list-style-type: none"><li>• Training and orientation</li><li>• Emails and notice board</li><li>• Performance appraisal</li><li>• Employee team building activities</li></ul>
Suppliers and business partners	<ul style="list-style-type: none"><li>• Face-to-face meetings and on-site visits</li><li>• Procurement meetings</li><li>• Regular contacts by procurement officers</li><li>• Suppliers' feedback collection</li><li>• Industry seminars</li></ul>
Government relations	<ul style="list-style-type: none"><li>• Forums, conferences and workshops</li><li>• Information submission</li></ul>
Community, media and the public	<ul style="list-style-type: none"><li>• Corporate website</li><li>• Company's announcements</li><li>• Community activities</li><li>• Charity donations</li></ul>



## Materiality Assessment

In order to identify the ESG issues that are material to the Group in formulating appropriate ESG strategies on ESG management and determining the direction of the Report, the Group has commissioned an independent consultancy firm to conduct a materiality assessment in form of an online questionnaire. Our key stakeholder groups (e.g. employees, customers, suppliers and shareholders) were invited to fill in the questionnaire and determine the relevance and importance of the identified 27 ESG topics to the Group's business operations and the stakeholders themselves respectively.

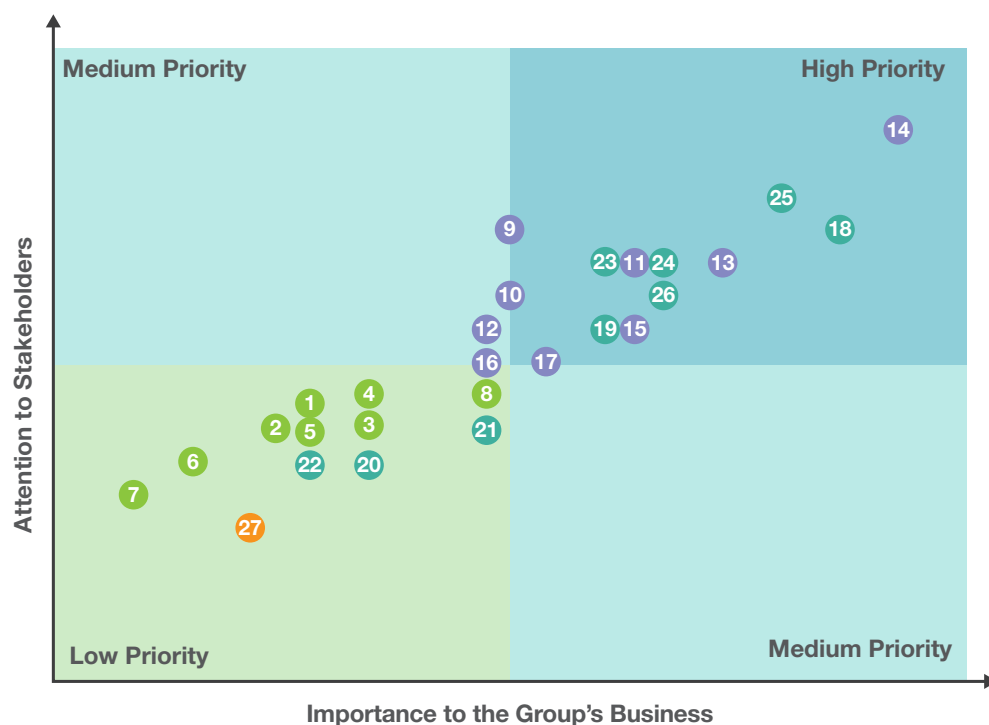
Based on the materiality of each of the ESG topics expressed by the stakeholders, the ESG topics are prioritised and shown in the materiality assessment matrix below. The topics which fell in the upper right corner of the matrix were defined as the topics that matter most to the Group's business operations and our stakeholders as far as they are concerned.





## Materiality Assessment *(Continued)*

### Materiality Assessment Matrix



Environment	Social	
	Employment	Operation
1. Air emission	9. Labour rights	18. Customer satisfaction
2. Greenhouse gas emission	10. Labour-management relations	19. Product and service quality and complaints handling
3. Climate change	11. Employee retention	20. Customer health and safety
4. Energy efficiency	12. Diversity and equal opportunity	21. Marketing and product and service labelling compliance
5. Water and effluents	13. Non-discrimination	22. Intellectual property
6. Use of materials	14. Occupational health and safety	23. Customer privacy and data protection
7. Waste management	15. Employee training	24. Responsible supply chain management
8. Environmental compliance	16. Employee development	25. Business ethics
	17. Prevention of child labour and forced labour	26. Socio-economic compliance
		Community
		27. Community investment



## Materiality Assessment *(Continued)*

According to the results of the materiality assessment matrix, the Group should place tremendous attention on operation and employment sustainability. Our responses to these key concerns raised by our stakeholders are summarised in the following table.

Key concerns from stakeholders	Our responses	Sections
Labour rights, opportunities and safety	A fair and safe workplace and opportunities for career development are considered material by our stakeholders. Having heard from them, in addition to strict compliance in relevant labour requirements, we realise it is our responsibility to maintain regular and open communication with our people, as well as taking care of their well-being.	Responsible Employment
Customer satisfaction, product and service quality and complaint handling	Our stakeholders believe product and service quality is what we should focus on. It is always our responsibility to ensure the delivery of high-quality products that are good value for money, through a series of assessment and inspection.	Sustainable Operation
Customer privacy and data protection	Stakeholders' concerns of customer privacy and data protection are growing under the technology era. We have implemented policies, internal controls and IT security measures for handling confidential information.	Sustainable Operation
Supply chain management	Responsible management of supply chain is recognised as a material operation topic by our stakeholders. We only select suppliers that are ethical and capable of providing quality products under a safe production environment, and conduct assessments regularly to ensure their compliance with the mutually agreed standards.	Sustainable Operation
Business ethics and compliance	Our stakeholders recognise the importance of ethical operation. We abide by all the relevant local and international laws on environment and operation and we will continue to fulfil our responsibility in the community.	Sustainable Operation





## Materiality Assessment *(Continued)*

Looking forward, the Group will continue to review and develop corresponding ESG policies and targets, as well as optimising the ESG reporting disclosure in order to pursue continuous improvement in our ESG performance in future. Details of our efforts in FY2019 are presented in the later sections.

## Responsible Employment

The Group believes attracting and retaining talents is the key to our business sustainable development; thus, employee development, employment conditions and workplace standards have always been our prime concerns. With growing concern about labour rights as illustrated in the materiality assessment, we are committed to maintaining a quality workplace that values safety, fairness, diversity and learning.

In order to support the growth in business volume and scale of the Resources Business, the Group has been expanding its business development team during the Reporting Period, which now comprised of an experienced market and industry leader, operation and finance staff members, shipping specialists and designated hedging executives.

### Healthy and Safe Workplace

The Group's Resources Business possesses a relatively low risk indoor workplace which does not involve the use of heavy machinery that poses potential safety issues. However, we still regard our employees' health and safety as our utmost concern. The Group arranges regular carpet sanitising and disinfection and pest control for provision of a clean workplace. Medical and hospitality insurance are also provided to serve as a shield for our people's well-being.

Besides, our employees' safety awareness is also the key for our workplace safety and employee wellbeing. Fire drills are held regularly to ensure employees are familiarised with evacuation routes, skills of evacuation, and proper application of relevant equipment to handle emergency situations. Annual inspection of emergency light and fire extinguisher is also carried out to get us prepared for emergency situations.

During the Reporting Period, we were not aware of any material breach of relevant laws and regulations in Hong Kong pertaining to provision of a safe working environment and protection of employees from occupational hazards, such as Occupational Safety and Health Ordinance (Cap. 509) and Employees' Compensation Ordinance (Cap. 282).

Subsequent to FY2019, the Group is aware of the COVID-19 outbreak and the increasing numbers of confirmed cases and fatalities globally. The Group has followed the measures and directives issued by the government authorities in the cities with operations and adopted appropriate preventive measures to protect the employees and provide them with flexible working arrangements and healthy and hygienic working environments within the offices and premises.



## Responsible Employment *(Continued)*

### Employment Practices

In order to attract and retain experienced people of high calibre to manage our business and development, we offer equitable and market-competitive remuneration packages that conform to employees' experience, qualification and responsibilities. The Group understands a motivating workplace is vital for its strategic growth; thus salary review is conducted regularly, and discretionary bonus, other fringe benefits and promotion opportunities are offered according to individual's performance.

Besides, the Group understands how indispensable family time and protection are to our employees. Apart from the statutory holidays and paid annual leave, all our staff are also entitled to additional leave entitlements such as marriage leave, maternity leave, birthday leave and others. Additional benefits, such as medical and hospitality insurance, accident and life insurance, and employees' compensation insurance are offered to protect our staff and provide benefits to their close family members.

The Group also seeks to foster a diverse workplace, prohibits any forms of discrimination, and that talents are hired, remunerated, evaluated and promoted solely based on their education qualifications, abilities, knowledge, experience and performance for the relevant period. The Group has zero tolerance for discrimination or harassment based on age, gender, race, disability, marital status or other non-work related criteria. Meanwhile, the Group is committed to providing equal opportunities for all employees in all aspects of their work, from recruitment, training and development to performance evaluation.

Furthermore, any forms of child or forced labour are strictly prohibited in our business operations. All candidates qualified for employment must have reached the statutory required age and have been in possession of valid identification documents. All employees are required to enter into labour contracts for the prevention of forced labour and are employed on a voluntary and equal basis. Valuing the labour rights, the Group has extended its commitments to enact a zero tolerance policy on child and forced labour in its supply chain by promoting ethical and sustainable business practices.

During the Reporting Period, we were not aware of any material breach of relevant laws and regulations in Hong Kong, including among others the Employment Ordinance (Cap. 57), relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, and child and forced labour. The compliance showcases our respect to labour rights so as to strengthen trust, loyalty and motivation of our employees.

### Development and Training

The Group firmly believes that professional competency and development of its employees serve pivotal roles in its business thrives, and it is vital to cultivate a continuous development culture and unleash its workers' potentials. The Group recognises the various training needs of its employees; thus, it offers annual educational subsidies, examination leaves and flexible working schedules to its staff. Therefore, they can attend a range of internal and external training activities tailored to their needs and develop their own learning path.



## **Responsible Employment** *(Continued)*

### **Development and Training** *(Continued)*

The Group in addition believes it is of predominant importance for our people to adapt to the industry's current regulations and practices, business environment, and the Group's business direction and strategy in order to enhance their working efficiency. Performance-based appraisals were conducted regularly for its people to receive constructive feedback from their supervisors. Goal-setting is highly valued in our workplace to promote continuous learning and development and progressive improvement.

### **Harmonious Workplace**

A cohesive and harmonious labour and management relationship is another material employment topic of the Group. In order to promote mutual trust and employees' loyalty, we have organised a wide range of activities during the Reporting Period, including regular team gatherings and group festive gatherings. Through these events, our employees have enjoyed a better work-life balance, developed a stronger bond among themselves and cultivated a sense of belonging to the Group.

## **Sustainable Operation**

In FY2019, the Group acquired the contractual rights and obligations to purchase hematite ore derived from a hematite mine located in Australia (the "Hematite Mine"). The Hematite Mine is well known for its high grade quality hematite ore output and the supplier is an established producer of high quality, direct shipping grade iron ore products in Australia. Apart from the supply from the Hematite Mine, the Group has been sparing no effort in expanding the supplier network and building relationships with mine owners with a view to securing the continual supply of quality products on the one hand, and diversifying the Group's product offerings on the other hand. As a result, the Group also sourced new iron ore supplies from other overseas mines in Australia, South Africa and Brazil during the Reporting Period. The Group has demonstrated its ability to engage new suppliers and will continue in our persistent drive for expansion of supplier network.

In addition to our efforts on the supply-side and the expansion of our business development team (as mentioned in Section "Responsible Employment" above), the Group has also been working on the strengthening of the customer business network so that, with the stable long-term supply of quality products, the Group could develop and improve customer relations with good business continuity and repeated orders from customers so as to support the sustainable growth of the Resources Business in the long run.

Customer satisfaction is one of the top material ESG topics of the Group according to our materiality assessment. This reinforces the importance of our strategic focus on bringing quality products and services to our customers; thus, we have imposed stringent quality standards for both our products and services in every single stage, from supplier engagement to product sale.



## **Sustainable Operation** *(Continued)*

### **Product and Service Quality**

The Group is dedicated in providing products with good quality and up to the specification as required by our customers. Customers of the Resources Business are provided with quality certificates issued by reputable mines or suppliers to substantiate the quality and specification of our products. Composition of iron ores is assessed by stringent chemical analysis and physical tests, standards of which are internationally recognised and standardised. Our customers prescribed the chemical composition and physical specification of their required iron ore, and only iron ore that could fulfil their requirements and the analyses and tests will be procured and sold to them. Otherwise, pre-agreed price adjustments will apply to compensate the customers for the deviation from the prescribed contractual specification where applicable.

During the Reporting Period, we were not aware of any material breach of relevant laws and regulations relating to health and product safety, advertising and labelling in connection to our products and services provided by the Group and method of redress.

### **Supply Chain Management**

Supply chain management is another ESG management approach for securing quality products that satisfy customer demands; thus, we are committed to establishing a close collaboration based on mutual respect with qualified suppliers for our long-term development.

The major suppliers of the Group are reputable mining companies located in Australia, South Africa and Brazil. When choosing suppliers, the Group requires the suppliers to provide relevant information such as quality analysis report, product samples and mining technical report (where applicable) to conduct internal evaluation. The Group then conducts face-to-face meeting and performs site inspection to assess the eligible suppliers based on their product quality, quality management systems, mining facilities and equipment, financial position, etc.

The Group has also reviewed the sustainability reports of our major suppliers of the Resources Business for its awareness and commitment to environmental and social responsibilities. The Group is dedicated to reducing the impact on the environment when coordinated with our suppliers. Suppliers with proper environmental licence are preferred in our sourcing of commodity supplies.

### **Business Integrity**

As an ethical corporate, the Group upholds the highest level of business integrity and takes a zero-tolerance approach to any acts of corruption, bribery, extortion, fraud and money laundering. During the Reporting Period, we were not aware of any material breach of Prevention of Bribery Ordinance (Cap. 201) and other laws and regulations relating to bribery, extortion, fraud and money-laundering, nor any legal cases regarding corruption practices against the Group or our employees.



## **Sustainable Operation** *(Continued)*

### **Business Integrity** *(Continued)*

#### **Anti-corruption**

Employees are strictly prohibited from offering or accepting any forms of advantages such as gifts, entertainment, rewards and commissions under any circumstances as stipulated in the Group's internal Code of Conduct. Employee infringing the Group's policy will be subjected to dismissal or other disciplinary actions. A whistle-blowing policy is in place to encourage our employees to report any suspected business improprieties in written or verbal form. All suspected cases on bribery, extortion, fraud, money-laundering and anti-competition behaviour will be investigated promptly and reported to relevant authorities (e.g. Independent Commission Against Corruption of Hong Kong) for further handling under any necessary circumstances.

#### **Customer Complaints and Privacy**

The Group confirms orders and services through hotlines and emails with our customers. The Group performs the evaluation and investigation upon receipt of customer complaints to identify the cause of the problems. The Group would work out specific solutions and response with relevant clients and record the complaints. During FY2019, the Group has not received any complaints nor any requests for sales returns.

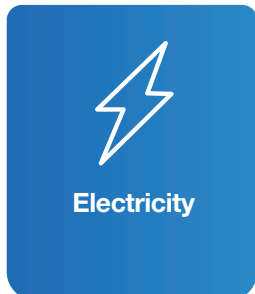
Employees are forbidden to disclose or divulge confidential information, including business plans, and customer and supplier data, to unauthorised parties without prior consent from the Group. All employees are required to sign a confidentiality agreement and adhere to the stringent standards on handling confidential information. During the Reporting Period, we were not aware of any material non-compliance with relevant laws and regulations relating to privacy and confidentiality matters. We believe such compliance is the pre-requisite to promote customer loyalty and business sustainability.

## **Environmental Protection**

Our Resources Business deprives limited amount of natural resources; thus, we should have a relatively small carbon footprint on our precious environment. While environmental protection is regarded by the key stakeholder groups as a less significant issue as far as our business operations and the stakeholders themselves are concerned with reference to the results of our materiality assessment, the Group, however, sees the importance of environmental stewardship, and is still unswervingly pursuing breakthroughs in setting itself on a green path to integrate environmental principles into our daily operation and supply chain management.

The Group advocates 3Rs – Reduce, Reuse and Recycle throughout our operation to boost resource efficiency and reduce carbon emission. We also strive to raise our employees' environmental awareness and competence on environmental protection by establishing green office guidelines. Facing the global warming challenge, we shall measure and record our energy and water consumption as well as our greenhouse gas ("GHG") emission level (where applicable) on a regular basis to identify methods for improving the efficiency in our operations.

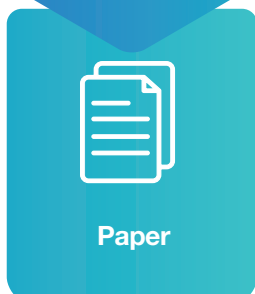
## Environmental Protection *(Continued)*



- Procure energy-saving equipment
- Display notice to remind employees to switch off idle lighting and air-conditioning
- Replace old lighting system with LED lighting system
- Pose temperature and hour cap for air-conditioning



- Repair timely for dripping, spraying and leaky faucets
- Keep faucets off when they are not in use



- Promote e-platform for internal information circulation
- Encourage the use of recycled paper and double-sided printing
- Procure paper that is certified by the Forest Stewardship Council ("FSC") or the Programme for the Endorsement of Forest Certification ("PEFC")



- Nominate vessels that comply with the International Management Code for the Safe Operation of Ships and for Pollution Prevention for iron ore cargo delivery
- Minimise unnecessary transportation including air travel



## Environmental Protection *(Continued)*

Our environmental performance, including our energy and paper consumption and GHG emission during the Reporting Period are summarised in the table below.

Key Environmental Performance Indicators	Unit	FY2018	FY2019
Direct GHG emission (Scope 1) <sup>1</sup>	Tonne of carbon dioxide equivalent ("tCO <sub>2</sub> e")	N/A	N/A
Energy indirect GHG emission (Scope 2) <sup>2</sup>	tCO <sub>2</sub> e	7	2.32
Other indirect GHG emission (Scope 3) <sup>3</sup>	tCO <sub>2</sub> e	3	37.95 <sup>4</sup>
Total	tCO <sub>2</sub> e	10	40.27
Intensity	tCO <sub>2</sub> e per Full-time employee ("FTE")	1	1.75
Electricity Consumption	kWh	8,538	2,901 <sup>5</sup>
	GJ <sup>6</sup>	30.74	10.44
Intensity	kWh per FTE	657	126

Due to the business nature of our Resources Business, we are not aware of any environmental laws and regulations that may pose a significant impact on the Group's operations. Besides, the Group was not aware of any significant non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, generation of waste and use of resources in Hong Kong and places where the Group's products are sourced and/or sold and there was no issue in sourcing water that is fit for use in the Group's operations during the Reporting Period.

### Remarks on environmental data:

- <sup>1</sup> Scope 1: Our business operation does not contribute to direct GHG emission that covers the emission from the combustion of stationary and mobile sources, and fugitive emissions from the use of refrigerants.
- <sup>2</sup> Scope 2: Energy indirect GHG emissions are caused by the use of purchased electricity. The calculation is based on the published emission factors of CLP Sustainability Report.
- <sup>3</sup> Scope 3: Other indirect GHG emissions are caused by business air travels by the Group's employees. Methane gas generated in the paper disposal is included in FY2019. The calculation has made reference to GHG Conversion Factors for Company Reporting published by the UK Government and the published emission factors of the "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEx.
- <sup>4</sup> The increase in other indirect GHG emission for FY2019 is due to the expansion of our Resources Business.
- <sup>5</sup> Data for FY2019 only covers the Group's sales office in Hong Kong which commenced business in late 2019. Last year's data covered the consumption by the Group's head office which were no longer attributable to the Group after its relocation of head office by the end of 2018.
- <sup>6</sup> The conversion factors from volumetric units of unleaded petrol and diesel oil consumption to energy units are in reference to CDP Technical note: Conversion of fuel data to MWh.



## Community Engagement

The Group believes winning trust from the communities where we operate and winning their recognition of the Group's contribution are essential to our sustainable business development. As a socially responsible enterprise, we undertake the mission to promote the harmonious development of community in a greener environment. We encourage employees to participate in volunteer work and support investment in community development. Our care for the community, contribution to the society and development in the industry are considered as core responsibilities that form part of the Group's long-term development. During the Reporting Period, we focused on supporting charity and green organisations and continued to participate in, among others, Dress Casual Day organised by the Community Chest and Heifer Hong Kong and No Air Con Night organised by Green Sense.





## HKEx ESG Reporting Guide Index

### HKEx ESG Reporting Guide General Disclosures & KPIs

### Explanation/Reference Section

#### Aspect A Environmental

##### A1 Emission

Information on:

Environmental Protection

- the policies; and
- compliance with relevant laws and regulations that have a significant impact on the issuer

relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.

##### KPI A1.1

The types of emissions and respective emissions data.

Our business does not involve significant emission

##### KPI A1.2

Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).

Environmental Protection

##### KPI A1.3

Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).

Our business does not involve significant hazardous waste generation

##### KPI A1.4

Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).

Our business does not involve significant non-hazardous waste generation

##### KPI A1.5

Description of measures to mitigate emissions and results achieved.

Environmental Protection

##### KPI A1.6

Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.

Our business does not involve significant waste generation



## HKEx ESG Reporting Guide Index *(Continued)*

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
<b>A2 Use of Resource</b>	Policies on efficient use of resources including energy, water and other raw materials.	Environmental Protection
<b>KPI A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Protection
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water consumption is not material to our business as it relates only to the non-commercial consumption in our office premises
<b>KPI A2.3</b>	Description of energy use efficiency initiatives and results achieved.	Environmental Protection
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Environmental Protection
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Our business does not involve consumption of packaging materials
<b>A3 The Environment and Natural Resources</b>	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Protection
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection



## HKEx ESG Reporting Guide Index *(Continued)*

### HKEx ESG Reporting Guide General Disclosures & KPIs

### Explanation/Reference Section

#### Aspect B Social

##### B1 Employment

Information on:

- the policies; and
- compliance with relevant laws and regulations that have a significant impact on the issuer

relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Responsible Employment –  
Employment Practices

##### B2 Health and Safety

Information on:

- the policies; and
- compliance with relevant laws and regulations that have a significant impacts on the issuer

relating to providing a safe working environment and protecting employees from occupational hazards.

Responsible Employment –  
Healthy and Safe Workplace

##### B3 Development and Training

Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.

Responsible Employment –  
Development and Training

##### B4 Labour Standards

Information on:

- the policies; and
- compliance with relevant laws and regulations that have a significant impact on the issuer

relating to preventing child and forced labour.

Responsible Employment –  
Employment Practices



## HKEx ESG Reporting Guide Index *(Continued)*

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
<b>B5 Supply Chain Management</b>	Policies on managing environmental and social risks of supply chain.	Sustainable Operation – Supply Chain Management
<b>B6 Product Responsibility</b>	<p>Information on:</p> <ul style="list-style-type: none"><li>– the policies; and</li><li>– compliance with relevant laws and regulations that have a significant impact on the issuer</li></ul> <p>relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.</p>	Sustainable Operation – Product and Service Quality, Business Integrity
<b>B7 Anti-corruption</b>	<p>Information on:</p> <ul style="list-style-type: none"><li>– the policies; and</li><li>– compliance with relevant laws and regulations that have a significant impact on the issuer</li></ul> <p>relating to bribery, extortion, fraud and money laundering.</p>	Sustainable Operation – Business Integrity
<b>B8 Community Investment</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Engagement



**新礦資源有限公司**  
NEWTON RESOURCES LTD

Suite 4117, 41/F, Jardine House,  
1 Connaught Place, Central, Hong Kong  
Tel: (852) 2521 8168  
Fax: (852) 2521 8117

[www.newton-resources.com](http://www.newton-resources.com)