



新礦資源有限公司

NEWTON RESOURCES LTD

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1231



2022



Environmental,
Social and
Governance Report



TABLE OF CONTENTS

2	ABOUT THE REPORT
2	Scope of the Report
2	Reporting Standard
3	Contact and Feedback
3	BOARD STATEMENT
5	OUR SUSTAINABILITY APPROACH
7	STAKEHOLDER ENGAGEMENT
8	MATERIALITY ASSESSMENT
11	SUSTAINABLE OPERATIONS
11	Business Ethics
12	Supply Chain Management
15	Enhancing Customer Satisfaction
16	EMPLOYEE WELFARE
17	Healthy and Safe Workplace
18	Fulfilling Workplace
19	Training and Development
20	Human and Labour Rights
22	ENVIRONMENTAL PROTECTION
23	Dealing with Climate Change
23	Environmental Performance
24	COMMUNITY ENGAGEMENT
25	HKE_x ESG REPORTING GUIDE INDEX



ABOUT THE REPORT

Newton Resources Ltd (hereinafter referred to as the “Company” or “we”) together with its subsidiaries (collectively, the “Group”) serves as a supplier and distributor of iron ores and other commodities (the “Resources Business”). The Group is pleased to release our 2022 environmental, social, and governance (“ESG”) report (the “Report”) summarising our ESG performance in order to foster relationships and create shared value with our stakeholders.

Scope of the Report

The Report covers the Group’s ESG management approaches and the corresponding performance within our operational boundaries during the financial year ended 31 December 2022 (the “Reporting Period” or “2022”). We have included the ESG performance of the Group’s Resources Business and corporate activities at the offices in Hong Kong in this Report. Unless otherwise specified, the scope of the Report remains the same as last year.

Reporting Standard

The Report has been prepared in accordance with the ESG Reporting Guide (“ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“HKEx”). In preparing the Report, we adopt the reporting principles of materiality, quantitative, balance, and consistency, as described below:

Reporting principles	Description
Materiality	We have identified the material topics by means of internal discussion and engagement with the key stakeholders. The results are summarised in the section headed “Materiality Assessment”.
Quantitative	In accordance with the ESG Reporting Guide, we illustrated our ESG performance with the aid of environmental and social key performance indicators (“KPIs”) using sound methodologies, so that the effectiveness of our ESG policies and management systems can be evaluated and validated.
Balance	We have calculated and presented the relevant data and information required by the environmental and social KPIs with reference to the ESG Reporting Guide. Sound methodologies were adopted as illustrated in the respective sections of the Report. We have included data comparisons over years to provide an objective presentation of our ESG performance from time to time.
Consistency	The same methodologies, standard and reporting scope have been adopted for the Report, as compared to last year.

The Report has been reviewed and approved by the board of directors (the “Board”) of the Company.



ABOUT THE REPORT *(Continued)*

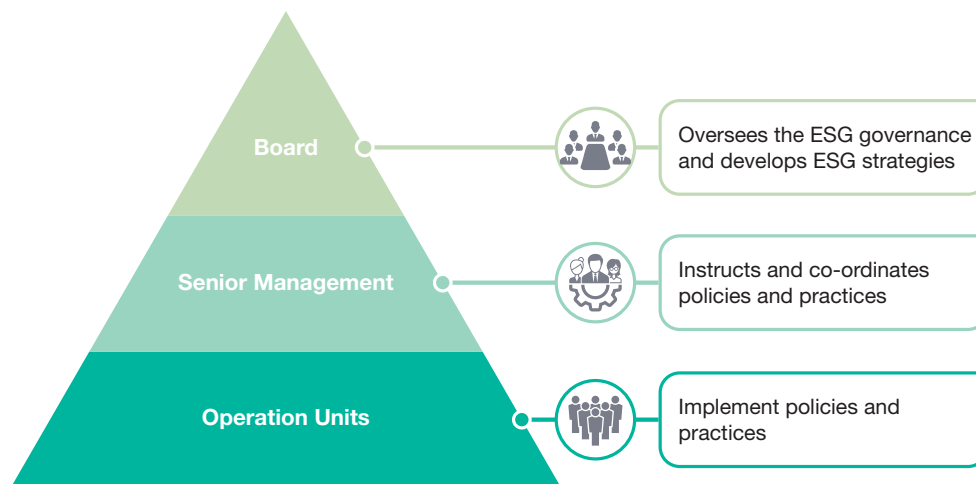
Contact and Feedback

The Group strives to build a long-standing relationship with the key stakeholders and the community. We formulate our ESG strategies in the best interest of our stakeholders. Therefore, we value your feedback on this Report and our sustainability performance. If you have any comments or suggestions, please feel free to send your written inquiries or feedback to the Group through email to esg@newton-resources.com or contact us at (852) 2521-8168.

BOARD STATEMENT

A high standard and effective corporate governance structure and risk management are critical for the management of ESG issues. Our ESG framework is composed of the Board, senior management and operation units. The Board is ultimately responsible for overseeing the ESG governance, strategic decisions and progress evaluation.

The Board has delegated to senior management the authority and responsibility for the co-ordination of ESG strategies and policies throughout the operation units of the Group. The ESG initiatives are executed by employees in each operation unit in the daily operations of the Group.



Our corporate governance places a strong focus on transparency and complete accountability toward all our stakeholders to achieve our philosophy of “Creating Shared Value”. The Group has commissioned an independent consultant to perform materiality assessment and ESG risk assessment yearly. The materiality assessment is conducted by collecting opinions from various stakeholder groups (including, among others, investors and shareholders, customers, suppliers, business partners and employees) to identify material ESG issues. This enhances our stakeholder engagement and helps us understand their concerns and expectation.

We recognise the importance of ESG factors to our business and have taken ESG considerations into account in our risk management approach. The identification, evaluation, and management of ESG-related risks are included in the ESG risk assessment to understand and identify areas for improvement. The outcomes of ESG risk assessment are reviewed and incorporated into the business strategies of the Group from time to time.



BOARD STATEMENT *(Continued)*

Below are some risks identified during the Reporting Period and our responses:

ESG risks	Potential impacts	Our responses
Widespread disease risk	Widespread disease, such as the Coronavirus disease 2019 (“COVID-19”) pandemic, is one of the major public health challenges in recent years confronting the Group with operational, sales and supply chain challenges.	The Group has implemented a protocol on mitigation of the impact of COVID-19 pandemic on our operations. As affected by COVID-19 and other business factors, steel demand in China in 2022 demonstrated a reduction. In order to cope with the reduced steel demand, our Business Development Team adopted a cautious approach in sourcing iron ores from other mines in 2022. We will continue to identify and explore new supplies of iron ores and other commodities to cope with any significant disruption in our supply chain and our shipment arrangement in the future.
Procurement risk	Engaging suppliers which underperform in environmental and social aspects may undermine the Group’s ability to manage the environmental and social risks along the supply chain.	The Group has included environmental and social considerations as part of our supplier selection criteria. We will also explore ways to further enhance our responsible sourcing practices.



OUR SUSTAINABILITY APPROACH

We have established our sustainability policy referencing the ten principles of the United Nations Global Compact. We strive to strengthen our governance and foster the well-being of our stakeholders on sustainability issues in the five key areas as follows:



Business Operations

- Create long-term value for our stakeholders through a focused strategy and by developing synergy among subsidiaries to connect business success with social progress
- Observe high standards of corporate governance and ensure the effectiveness of our risk management and internal control system
- Maintain high standards of ethics and integrity, and comply with all relevant laws and regulations in our business transactions and operations
- Deliver services and products that are safe and reliable, and do so in an environmentally responsible manner
- Encourage our suppliers and business partners to align with our sustainability standards and expectation to corporate sustainability to create a more sustainable supply chain



Human Capital

- Provide a safe and caring working environment for our employees and strive to prevent work-related accidents, injuries and illnesses
- Promote equal opportunities and ensure that all employees are treated with dignity and respect regardless of age, gender, ethnicity and other forms of diversity
- Provide competitive, fair and equitable remuneration, and invest in professional development and training programmes to help our employees unleash their potential
- Promote a healthy work-life balance and create an inclusive, family-friendly workplace so as to improve employee satisfaction and productivity



OUR SUSTAINABILITY APPROACH *(Continued)*



Value Chain

- Prioritise collaboration with suppliers and business partners who can demonstrate their commitments to align with our sustainability principles
- Develop supplier engagement and monitoring procedures so as to manage environmental and social risks throughout our value chain
- Invest in technologies and innovative solutions to foster communication, safeguard customer privacy protection and protect customer health and safety so as to enhance customer experience



Community Investment

- Strive to enhance the quality of life of our stakeholders and create value for communities where we operate by leveraging our strengths and resources, and go beyond conventional corporate social responsibility framework
- Encourage and empower our employees to contribute to society by participating in volunteering works
- Raise employees' awareness on environmental and social issues



Environment

- Comply with all relevant environmental laws and regulations, and strive to act beyond the legal requirements where possible and practicable
- Take every reasonable and practical measure to conserve resources and minimise waste in our operations
- Strive to manage the Group's direct and indirect impacts on environment
- Contribute to reducing our greenhouse gas ("GHG") emissions by investing in clean and energy-efficient technologies and by reducing our energy consumption
- Promote awareness, motivation and participation in environmentally-friendly initiatives among our employees as well as stakeholders in our supply chain



STAKEHOLDER ENGAGEMENT

We believe proactively building constructive relationships with our stakeholders is essential to achieve our philosophy of “Creating Shared Value”. We conduct stakeholder engagement through the communication channels as set out below and update the materiality matrix every year to understand issues that are significant to them and make sure we align the strategies and policies of our ESG management with their priorities.

The key stakeholder groups we identified and channels we used to communicate with them are summarised in the table below:

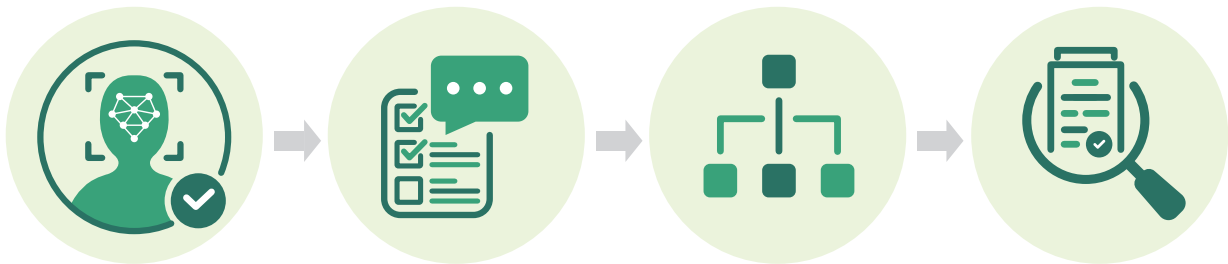
Stakeholder groups	Communication channels
Investors and shareholders	<ul style="list-style-type: none"> • Company website • Share Registrar • Designated investor relations hotline and email • Company’s announcements • Annual general meeting • Annual and interim reports, ESG reports
Customers	<ul style="list-style-type: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



MATERIALITY ASSESSMENT

Materiality assessment serves to identify material ESG topics that matter the most to the Group and our stakeholders, and integrate them with our ESG management strategies. Opinions from various stakeholder groups were collected via an online survey platform developed by an independent consultant and the aforementioned communication channels. Based on the stakeholders' views and opinions, we set the framework for the Report and developed our ESG management strategies, so as to address our stakeholders' concerns on ESG issues.

The top 14 ESG-related topics were determined based on our stakeholders' feedback. These topics were prioritised and shown in the materiality matrix on page 9. The topics which fell in the upper right corner of the matrix were determined as the topics that mattered the most to the Group's business operations and our stakeholders as far as they were concerned.



Identification	Engagement	Analysis and Evaluation	Review
Create and categorise a list of potential ESG topics and identify key stakeholder groups.	Invite internal and external stakeholders to complete an online survey.	Evaluate and prioritise the most material ESG topics.	Review the results to determine the priority of the ESG topics for ESG report disclosure and future improvement.



MATERIALITY ASSESSMENT *(Continued)*

Materiality Matrix



Environment	Social	
	Employment	Operation
1. Climate change	3. Labour rights	10. Product and service quality and complaints handling
2. Environmental compliance	4. Labour-management relations	11. Customer satisfaction
	5. Employee retention	12. Business ethics
	6. Diversity and equal opportunity	13. Socio-economic compliance
	7. Non-discrimination	
	8. Occupational health and safety	
	9. Employee training and development	
		Community
		14. Community investment



MATERIALITY ASSESSMENT *(Continued)*

The most significant ESG topics were further refined through materiality assessment which enabled us to address the stakeholders' concerns in our business decision. The table below outlines some of the key concerns and approaches we take to manage the issues identified:

Key concerns from stakeholders	Our responses	Section
Responsible supply chain management	The Group has implemented a series of measures and policies to manage our supply chain and ensure our compatibility with operational sustainability.	SUSTAINABLE OPERATIONS – Supply Chain Management
Customer satisfaction	We are committed to enhancing customer satisfaction by ensuring that the quality of our products and services meet customer expectations. We have also been maintaining close communication with customers to understand their needs, expectations and feedbacks.	SUSTAINABLE OPERATIONS – Enhancing Customer Satisfaction
Business ethics	The Group strictly observes ethical standards at all times throughout the entire business operation, and has set out an internal policy on anti-corruption and confidentiality to protect the interest of stakeholders. A whistleblowing channel is in place for employees to report any suspected behaviours of misconduct.	SUSTAINABLE OPERATIONS – Business Ethics
Socio-economic compliance	The Group has no issue in complying with any applicable laws and regulations pertaining to employees' rights, health and safety, as well as diversity and inclusiveness during the Reporting Period.	All relevant sections
Environmental compliance	The Group has no issue in complying with any applicable environmental laws and regulations during the Reporting Period.	ENVIRONMENTAL PROTECTION



SUSTAINABLE OPERATIONS

We believe that building business resilience in a morally upright and ethical manner at every stage of the business throughout our operations is crucial for long-term success. ESG risk are identified and consideration are embedded in our supplier selection and monitoring system to increase oversight and make sure the standards adopted in our suppliers are in alignment with ours. Quality control system is also in place to ensure the Group deliver products and services of high quality.

Business Ethics

Understanding that mutual trust is the cornerstone of the relationship with our stakeholders, the Group continues to uphold the highest ethical standards at all-time throughout the entire business operation. Policies and systems are put in place to protect the reputation of the Company. During the Reporting Period, the Group was not aware of any material breach of laws and regulations, including among others, the Prevention of Bribery Ordinance of Hong Kong (Cap. 201), relating to bribery, extortion, fraud, and money laundering, nor any concluded legal cases regarding corrupt practices brought against the Group or our employees.

Anti-corruption

The Group takes a zero-tolerance approach to any behaviours of corruption and dishonesty. We issued an internal Code of Conduct to outline the standards of conduct expected from the Group and prevent employees from making poor decisions in different circumstances that fall short of the expectation of our stakeholders. Any type of corruptions, including soliciting, taking, or providing benefits and entertainment are strictly prohibited. When selecting and evaluating our business partners, the same standards and regulations of business ethics are expected to prevent tarnishing our name. During the Reporting Period, to upkeep the awareness and importance of anti-corruption within the Group, we provided directors and employees with training materials on “Business Integrity” provided by Hong Kong Independent Commission Against Corruption.

Whistleblowing and Investigation

A complete internal control and risk management system cannot be fully implemented without an effective internal communication system. The Group has established a whistleblowing policy to provide reporting channel for our employees and ensure a proper mechanism is in place. Employees who have any concerns or allegations that corruption, fraud, malpractice, or other misconduct are occurring or have occurred in the Group are encouraged to report internally. The identities of the employees who report any genuinely suspected misconduct cases in good faith will be kept strictly confidential. The matter will be reviewed by the Board and the Audit Committee and investigated by the Risk Management Department in a prompt and confidential manner.



SUSTAINABLE OPERATIONS *(Continued)*

Business Ethics *(Continued)*

Data Protection and Privacy

We are dedicated to protecting the privacy of our stakeholders. The Group has established a confidentiality policy that restricts our employees from disclosing or divulging sensitive information, such as customer and supplier data, and business plans to unauthorised parties without prior consent from the Group. A signed agreement is also required from our employees upon each of them being hired to ensure the acknowledgment of our policy on confidentiality. All employees are required under the policy to maintain the confidentiality of the Group's sensitive 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.

Supply Chain Management

We are committed to maintaining a sustainable and reliable supply chain. Sustainability consideration is integrated into the supply chain management by implementing sustainable procurement and supplier code of conduct. ESG risk and performance of the suppliers will be taken into account during the selection and the regular evaluation processes of suppliers to promote ethical sourcing and reduce carbon footprint along the operation. As a wide range of suppliers such as iron ore suppliers, vessel owners, shipping agents, professional firms, and other service providers are involved in our business, active and close communication is maintained to ensure consistent compliance with our environmental and social standards. During the Reporting Period, we collaborated with among others, three suppliers with the mines located in Australia.

The Group has adopted sustainable procurement principles that incorporate environmental and social factors in the supplier selection criteria to maintain a sustainable supply chain. We strive to reduce our carbon footprint by evaluating the product and service life-cycle and minimising detrimental environmental and social impact. In view of this, we prioritise suppliers that demonstrate a commitment to sustainable development. Preferences are given to suppliers that implement sustainable policy and comply with all applicable ESG-related laws, our procurement policy, and supplier code of conduct.



SUSTAINABLE OPERATIONS *(Continued)*

Supply Chain Management *(Continued)*

Sustainability Procurement Principles

Reducing environmental footprint

- ✓ Consider environmental impacts of the full product or service life-cycle
- ✓ Prioritise environmentally-friendly products when sourcing in the market
- ✓ Avoid unnecessary purchases and single-use disposable items
- ✓ Encourage reuse and recycling

Responsible and ethical sourcing

- ✓ Consider social impacts and costs of the full product or service life-cycle
- ✓ Prioritise products and services which are beneficial to the health and wellness of end-users as an alternative to conventional options
- ✓ Avoid products which pose potential environmental, safety, and health concerns
- ✓ Explore the feasibility of procurement from suppliers that support the local economy and/or socially vulnerable groups

To integrate sustainability into our supplier management, ESG risks are identified and performance of suppliers are assessed in the selection and regular evaluation process of our suppliers. Suppliers are required to abide by our supplier code of conduct, which underpins the Group's standards in the areas of environment, business ethics, labour relations, health and safety, as well as freedom and rights. ESG risk and performance of products and services procured will be identified during the regular review. Suppliers who pose a higher ESG risk would be encouraged to adopt a risk management plan in an appropriate timeframe. We may consider ceasing collaboration with suppliers who fail to demonstrate satisfactory improvement.



SUSTAINABLE OPERATIONS *(Continued)*

Supply Chain Management *(Continued)*

Supplier Code of Conduct

Environmental guidelines

- ✓ Adhere to all applicable environmental codes and practices, laws and regulations in the jurisdictions where the suppliers operate
- ✓ Hold all necessary environmental permits to conduct their business
- ✓ Adopt an effective environmental management system including measurement and reporting of their environmental impacts
- ✓ Utilise all appropriate and reasonable practices to preserve and protect the environment through proper waste management, pollution control and recycling

Social guidelines

- ✓ Practise business integrity in every aspect and avoid business misconduct and conflict of interest in their business
- ✓ Implement legitimate and equitable employment practices and set up effective internal communication channels
- ✓ Comply with applicable occupational safety and health legislation and requirements and maintain a safe and healthy working environment
- ✓ Educate and practice labour rights and freedoms, and avoid any behaviours of discrimination

In addition to the environmental and social standards, our suppliers must also meet other requirements for punctuality, quality, and overall performance that matches the demand of our customers. A background check and regular ongoing evaluation are also incorporated into the supplier management of new and existing suppliers to determine their credibility and reliability.



SUSTAINABLE OPERATIONS *(Continued)*

Enhancing Customer Satisfaction

We care about building trusted relationship with our stakeholders and the community. Throughout the pre-sale, contract-signing, and after-sale stages, we are dedicated to offering our clients the highest quality products, services, and supports. Communication channels are in place to understand their expectations and keep constant contact with our customers. During the Reporting Period, we were not aware of any material breach of relevant laws and regulations relating to health and product safety, advertising, labelling and privacy matters in connection to the products and services provided by the Group and method of redress.

Quality Control

The Group makes sure that the quality and specification of our products are warranted by quality certificates issued by reputed mines or suppliers to ensure that the Group's products match our quality standards and customers' expectation. Robust physical testing and chemical analysis are used to evaluate the composition of iron ores to make sure they adhere to recognised global standards. The items are also subjected to quality checks before being delivered to the clients. Customers can specify the chemical compositions and physical requirements for the required iron ores. To resolve any quality issues, we collaborate closely with our customers and suppliers.

Since the commodity supply typically poses little or no safety and health risks, the Group does not have any product recall procedures. Pre-agreed price formulae are outlined as a mean of redress to balance the impact of the quality variation from the prescribed contractual specifications where applicable.

During the Reporting Period, the Group did not receive any complaints nor any requests for significant sales returns and no sold or shipped products were subject to recalls for safety and health reasons.

Customer Satisfaction

Customer feedbacks and complaints are collected systematically in order to more effectively address and resolve their problems to increase customer satisfaction. Customer satisfaction analysis would be conducted based on the results to help us determine the product strengths and weaknesses and make improvements in the future. We would also maintain regular communication in order to resolve any quality concerns throughout the service.

Intellectual Property

The Group also places emphasis on the protection of intellectual property ("IP") rights from the relevant copyright owners. We have implemented policy to ensure compliance with the relevant IP rules and regulations in Hong Kong and provide guidance on the usage of copyright works. It is strictly forbidden to use any IP, including but not limited to invention, design, copyright work and trademark, of the Group or external parties without prior consent and approval. Regular software audits and penalties are also in place to ensure compliance with the intellectual property law and regulations. During the Reporting Period, the Group was not aware of any non-compliance with the applicable laws and regulations relating to IP rights.



EMPLOYEE WELFARE

The Group strives to offer our employees a healthy, safe, and supportive workplace to support their personal growth and improve the competitiveness of our organisation. In addition to complying with local labour laws, our employment practices also follow the guidelines of the United Nations Global Compact. At the end of the Reporting Period, the Group employed 23 employees in Hong Kong and Mainland China, with a turnover rate of about 20%. The following table shows the employment figures of the Group as of the end of the Reporting Period:

		2022	2021
Total number of employees		23	27
By gender (%)	Male	48%	41%
	Female	52%	59%
By age group (%)	Below 30	4%	7%
	30 to 50	61%	63%
	Over 50	35%	30%
By employment type (%)	Full-time	91%	93%
	Part-time	9%	7%
By geographical region (%)	Hong Kong	91%	93%
	Mainland China	9%	7%
Employee turnover rate¹			
Total		20%	11%
By gender (%)	Male	4%	4%
	Female	16%	7%
By age group (%)	Below 30	12%	4%
	30 to 50	8%	7%
By geographical region (%)	Hong Kong	20%	11%

¹ The turnover rate was calculated by dividing the number of employees leaving the Group in 2022 by the average number of employees of the Group for the Reporting Period. As the job market is relatively more competitive for young talents in 2022, our turnover rate has increased accordingly.



EMPLOYEE WELFARE *(Continued)*

Healthy and Safe Workplace

The Group puts the health, safety, and well-being of our employees in the first place at all times.

We strive to be a caring employer and aim to provide our employees with a safe and healthy working environment and promoting the concepts of work-life balance and well-being among employees. In order to manage health and safety risks, the Group has adopted health and safety practices covering various aspects as summarised below:

Health and Safety Practices

Occupational health and safety

- ✓ Incorporate health and safety risk into our risk management and implement health and safety practice
- ✓ Report all health and safety incidents properly and timely for follow-up and remedial actions
- ✓ Conduct in-depth analysis on the reported incidents if applicable

Employee engagement

- ✓ Communicate closely with the employees on our health and safety guidelines and standards, and provide training accordingly
- ✓ Organise information sharing programmes on improving employees' health and safety practice

Hygienic workplace

- ✓ Keep our offices clean and tidy, and carry out cleaning of carpet and air-conditioner regularly

Protecting employees' health

- ✓ Provide eligible employees with medical benefits and insurance
- ✓ Offer influenza vaccination to employees under medical plan
- ✓ Provide employees with free rapid antigen test kits

Business continuity plan

- ✓ Provide a framework to deal with and measures to mitigate from a disruptive incident such as outbreaks of contagious diseases, fire, and cyber attacks



EMPLOYEE WELFARE *(Continued)*

Healthy and Safe Workplace *(Continued)*

Dealing with the COVID-19 Pandemic

Protecting the health and safety of our employees and minimising potential business disruptions under the COVID-19 pandemic were the two main priorities of the Group during the Reporting Period, when the COVID-19 pandemic continued to have an impact on our business, health and safety of our employees. We have taken preventive measures to minimise the impact of the COVID-19 pandemic on the health of our employees and their families, and stakeholders, as well as our operations.

To promote COVID-19 vaccination, minimise the risk of infection and protect public health, we provided holiday incentives to employees who received the vaccination during the Reporting Period. To further minimise the risk of an outbreak at our offices, we enabled and facilitated employees to work from home, and provided clear guidelines to the employees who have to undertake a self-quarantine.

The Group adheres to all applicable health and safety laws and regulations. During the Reporting Period, we were not aware of any material breach of relevant laws and regulations in Hong Kong pertaining to the 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). There was no work-related injury cases or fatalities occurred as well as lost days due to work injury in the past three years.

Fulfilling Workplace

Employees stand at the very heart of our success and are the most valuable assets of the Group. As such, maintaining a close relationship with employees to understand their need is a top priority for us. To motivate our employees, we provide employees with a dynamic working environment and attractive compensation and benefits which are competitive in the market. During the Reporting Period, the Group was not aware of any material breach of relevant laws and regulations, including among others, the Employment Ordinance (Cap. 57) of Hong Kong, that had a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, other benefits and welfare, as well as child and forced labour.



EMPLOYEE WELFARE *(Continued)*

Fulfilling Workplace *(Continued)*

Benefits

The remuneration policy and distribution of human resources are based on our development strategies, which are subject to periodic review. We recognise employee contribution through attractive and competitive remuneration packages that are prepared by reference to the work nature and prevailing market conditions. Year-end bonuses and share options will be reviewed and offered in line with their individual performances and industry practice. We also contribute to the Mandatory Provident Fund according to the local laws and regulations. Employee benefit scheme including medical and other insurance is provided to protect our employees and their families.

Work-life Balance

Work-life balance is an important aspect of the well-being of employees. Employees are eligible for supplementary leave benefits such as marriage leave and birthday leave in addition to the statutory holidays. To improve mental health and foster a sense of community among our staff, we organise a series of social events for our employees, such as Chinese New Year lunch gathering and Christmas party.

Training and Development

The Group is dedicated to supporting our employees to excel in their roles and thrive in the future. In response to the fast-changing world, we encourage employees to strengthen their job-related skills and expertise by providing training support and investing in their skill development. We provide options for the employees to attend seminars and training programs in accordance with their job nature and cater to their needs of obtaining certain professional qualifications. Education subsidies are offered to eligible employees for continuous staff training and development. Our employees also have access to a range of internal and external training activities tailored to their needs.



EMPLOYEE WELFARE *(Continued)*

Training and Development *(Continued)*

Our training data are summarised in the table below:

	2022		2021	
Total number of hours of training received by employees	174		268	
	Average hours of training per employee	Percentage of employees who received training¹	Average hours of training per employee	Percentage of employees who received training
By gender				
Male	8.0	100%	13.4	100%
Female	7.2	100%	7.5	100%
By employment category				
Senior Management	26.7	100%	28.3	100%
Middle Management	9.7	100%	13.9	100%
General Staff	1.4	100%	1.9	100%
Overall	7.6	100%	9.9	100%

Besides training, a mentoring scheme is also set up to provide guidance through job difficulties and facilitate intrapersonal relationship within the company. Experience of the mentors enhances skill development of new employees and creates an effective learning and working culture. Constructive feedback from their mentors will be given in their appraisals. Promotion and other career progression opportunities will also be examined based on the results of the appraisals.

Human and Labour Rights

The Group is committed to creating an equitable and inclusive working culture to generate value for all our stakeholders including our staff and customers. The Group fully complies with all statutory requirements on work hours, holidays, remunerations, and codes that are in force from time to time in Hong Kong. Every effort is made to drive equal opportunity, labour rights, and fairness in our workplace. The employment of child and forced labour are prohibited in both our Group and our supply chain.

¹ It is calculated by dividing the employees received training in the specified category by the total number of employees in the specified category at the end of the Reporting Period.



EMPLOYEE WELFARE *(Continued)*

Human and Labour Rights *(Continued)*

Diversity and Inclusiveness

Every employee is expected to treat each other with dignity, respect, and courtesy as well as all our stakeholders. The Group is dedicated to ensuring that decisions made on staff hiring, training, compensation, and promotion are exclusively based on performance and qualification.

We have been actively promoting mutual respect and bear zero tolerance to any behaviours of discrimination, harassment, intimidation, or violence on the bases of race, ethnicity, nationality, religious and political beliefs, gender, age, sexual orientation, marital status, family status, disability, medical condition, among others. Therefore, any form of harassment based on a person's sex, disability, family status, or race will not be tolerated. Internal communication channels and our respect for freedom of association are also included in the policy. The Group is dedicated to handling complaints in a timely manner.

The Group complies with all applicable employment and anti-discrimination laws and regulations. We were not aware of any material breach of relevant laws and regulations including among others, the Employment Ordinance, Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527) and Race Discrimination Ordinance (Cap. 602).

Child and Forced Labour

Another important aspect of labour right protection is the prevention of child and forced labour. The Group has established a stringent policy on avoiding all forms of illegal labour including child and forced labour. Not only do we strictly adhere to our policy of child and forced labour prevention throughout employment and operation processes, we also closely communicate with our suppliers to ensure that they are in line with our standards.

During the Reporting Period, the Group was not aware of any identified case regarding child and forced labour, as well as material non-compliance with laws and regulations, including among others, the Employment Ordinance (Cap. 57) of Hong Kong, relating to child and forced labour.



ENVIRONMENTAL PROTECTION

Global warming continues to intensify extreme weather at an astonishing speed in the recent years. The Group is dedicated to being a sustainable organisation and committed to taking action in addressing climate change. As our business nature is generally office-based, appropriate principles and measures are adopted and integrated into our green office policy and climate change policy to mitigate the environmental impacts related to our business operation. We also participated in some green events in order to boost environmental awareness in our business.

During the Reporting Period, the Group had no material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and use of resources in Hong Kong. There was no issue in sourcing water that is suitable for use in the Group's operations in Hong Kong.

Green Operations

Our climate change policy addresses climate change through practices applied in both our internal business operation and supply chain. In order to better understand climate-related risks and opportunities, climate risk is incorporated and analysed in our risk management regularly to allow us to review and revise the policy accordingly. Appropriate measures are formed to minimise any potential impact and seize the opportunities that arise. The risk of climate change and extreme weather events are considered and incorporated in our business continuity plans and short-term and long-term reduction targets. To improve our ability to adapt and keep up with the impact of climate change on our operations, we promote resource conservation and green habits through training and green initiatives. Additionally, we are looking into active use of clean and renewable energy in our operations and our suppliers whenever feasible. Looking forward, we aim to maintain the level of GHG emissions, energy consumption, water consumption, and waste generation at low levels.

Green Events

To practise environmental sustainability in our daily operation, we participated in a green event during the Reporting Period as shown below:

No Air Con Night

Air conditioner is one of the most energy-intensive electrical appliances used on a daily basis. Along with maintaining an energy-efficient temperature during our regular business hours, we participated in the 'No Air Con Night' organised by Green Sense. In the event, participating employees switched off the air conditioner for a certain period of time to conserve energy to raise the employees' awareness of environmental issues and call for more "Low Carbon" action in our everyday routine.



ENVIRONMENTAL PROTECTION *(Continued)*

Dealing with Climate Change

As a sustainable enterprise, the Group is dedicated to halting climate change by making a contribution and implementing suitable best practices that minimize the climate change risks and impacts on our business operation. We value transparency and accountability in our monitoring and reporting process. A climate change policy is established and climate events are also included in our business continuity plan to direct our strategies and address the potential impacts of climate change. In order to reduce any possible repercussions and seize any opportunities, we have included climate risks in our risk management and evaluate climate risks and opportunities. All of our business partners are urged to look into methods to increase the resources efficiency of their use of water and energy. The Group will periodically review our climate change policy and make any necessary revisions.

Environmental Performance

Given the fact that the majority of our company operations take place in the office, we do not generate significant hazardous and non-hazardous waste during the Reporting Period. Our environmental data are illustrated in the table below:

Key environmental performance indicators	Unit	2022	2021
GHG Emission			
Direct GHG emissions (Scope 1) ¹	Tonne of carbon dioxide equivalent ("tCO ₂ e")	13.91	5.23
Energy indirect GHG emissions (Scope 2) ²	tCO ₂ e	19.18	11.66
Other indirect GHG emissions (Scope 3) ³	tCO ₂ e	6.42	7.34
Total	tCO ₂ e	39.51	24.23
Intensity	tCO ₂ e per Full-time employee ("FTE")	1.72	0.90
Electricity			
	kWh'000	27.01 ⁴	16.42
	GJ	97.25	59.11
Intensity	kWh'000 per FTE	1.17	0.61
Paper			
Intensity	Tonne per FTE	0.02	0.02
Water			
	m ³	18.00 ⁴	1.00
Intensity	m ³ per FTE	0.78	0.04

¹ Scope 1: Direct GHG emissions generated from the use of unleaded petrol and diesel oil by company vehicles. The rise in Scope 1 emission in 2022 was attributed to the increased consumption of mobile fuel due to the gradual resumption of business travelling using company vehicles.

² Scope 2: Energy indirect GHG emissions were caused by the use of purchased electricity. The calculation was based on the published emission factors of Carbon Calculator by The Hongkong Electric Company, Limited.

³ Scope 3: Other indirect GHG emissions were caused by business air travels by the Group's employees and methane gas generated in the paper disposal. The calculation had 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.

⁴ As the data was unavailable before October 2021 while it was being managed by the property management, the electricity and water consumption of FY2021 only included data acquired after that month.



COMMUNITY ENGAGEMENT

The Group fully supports the community where we operate, especially the health and well-being of the people of local society. Every year, we actively take part in different fundraising events and charity events promoting general environmental awareness organised by local charitable organisations. During the Reporting Period, we participated in four local events, including the Dress Casual Day organised by the Community Chest, No Air Con Night 2022 organised by Green Sense, Purchase Gold Flags organised by WWF and Po Leung Kuk Virtual Charity Walk.



HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs

Explanation/Reference Section

Aspect A: Environmental

A1 Emissions

Information on:

ENVIRONMENTAL PROTECTION

(a) the policies; and

(b) 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 waste.

Note:

Air emissions include nitrogen oxides, sulphur oxides, and other pollutants regulated under national laws and regulations.

Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

Hazardous wastes are those defined by national regulations.

KPI A1.1

The types of emissions and respective emissions data.

ENVIRONMENTAL PROTECTION - Environmental Performance

KPI A1.2

Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).

ENVIRONMENTAL PROTECTION - Environmental Performance

KPI A1.3

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

Not applicable – our business activities mainly took place in office, which did not generate significant amount of hazardous waste during the Reporting Period

KPI A1.4

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

Not applicable – our business activities mainly took place in office, which did not generate significant amount of non-hazardous waste during the Reporting Period

KPI A1.5

Description of emission target(s) set and steps taken to achieve them.

ENVIRONMENTAL PROTECTION



HKEx ESG REPORTING GUIDE INDEX *(Continued)*

HKEx ESG Reporting Guide General Disclosures & KPIs	Explanation/Reference Section
<p>KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.</p>	<p>Not applicable – our business activities mainly took place in office, which did not generate significant amount of hazardous and non-hazardous waste during the Reporting Period</p>
<p>A2 Use of Resources Policies on efficient use of resources including energy, water and other raw materials.</p> <p>Note:</p> <p>Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	<p>ENVIRONMENTAL PROTECTION</p>
<p>KPI A2.1 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).</p>	<p>ENVIRONMENTAL PROTECTION – Environmental Performance</p>
<p>KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p>	<p>ENVIRONMENTAL PROTECTION – Environmental Performance</p>
<p>KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.</p>	<p>ENVIRONMENTAL PROTECTION</p>
<p>KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.</p>	<p>ENVIRONMENTAL PROTECTION</p>
<p>KPI A2.5 Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.</p>	<p>Not applicable – the use of packaging materials is immaterial due to the Group's business nature</p>



HKEx ESG REPORTING GUIDE INDEX *(Continued)*

HKEx ESG Reporting Guide General Disclosures & KPIs	Explanation/Reference Section	
A3 The Environment and Natural Resources	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	ENVIRONMENTAL PROTECTION
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENTAL PROTECTION
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	ENVIRONMENTAL PROTECTION – Dealing with Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	ENVIRONMENTAL PROTECTION – Dealing with Climate Change
Aspect B: Social		
B1 Employment	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	EMPLOYEE WELFARE – Fulfilling Workplace
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	EMPLOYEE WELFARE
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	EMPLOYEE WELFARE



HKEx ESG REPORTING GUIDE INDEX *(Continued)*

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B2 Health and Safety	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	EMPLOYEE WELFARE – Healthy and Safe Workplace
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	EMPLOYEE WELFARE – Healthy and Safe Workplace
KPI B2.2	Lost days due to work injury.	EMPLOYEE WELFARE – Healthy and Safe Workplace
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	EMPLOYEE WELFARE – Healthy and Safe Workplace
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	EMPLOYEE WELFARE – Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	EMPLOYEE WELFARE – Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	EMPLOYEE WELFARE – Training and Development



HKEx ESG REPORTING GUIDE INDEX *(Continued)*

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B4 Labour Standards	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	EMPLOYEE WELFARE – Fulfilling Workplace, Human and Labour Rights
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	EMPLOYEE WELFARE – Human and Labour Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Not applicable – no case of child or forced labour was discovered during the Reporting Period
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	SUSTAINABLE OPERATIONS – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	SUSTAINABLE OPERATIONS – Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	SUSTAINABLE OPERATIONS – Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SUSTAINABLE OPERATIONS – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SUSTAINABLE OPERATIONS – Supply Chain Management



HKEx ESG REPORTING GUIDE INDEX *(Continued)*

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B6 Product Responsibility	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	SUSTAINABLE OPERATIONS – Enhancing Customer Satisfaction
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	SUSTAINABLE OPERATIONS – Enhancing Customer Satisfaction
KPI B6.2	Number of product and service related complaints received and how they are dealt with.	SUSTAINABLE OPERATIONS – Enhancing Customer Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	SUSTAINABLE OPERATIONS – Enhancing Customer Satisfaction
KPI B6.4	Description of quality assurance process and recall procedures.	SUSTAINABLE OPERATIONS – Enhancing Customer Satisfaction
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	SUSTAINABLE OPERATIONS – Business Ethics
B7 Anti-corruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	SUSTAINABLE OPERATIONS – Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	SUSTAINABLE OPERATIONS – Business Ethics
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	SUSTAINABLE OPERATIONS – Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	SUSTAINABLE OPERATIONS – Business Ethics



HKEx ESG REPORTING GUIDE INDEX *(Continued)*

HKEx ESG Reporting Guide General Disclosures & KPIs	Explanation/Reference Section
B8 Community Investment	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.
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.





新礦資源有限公司
NEWTON RESOURCES LTD

Units 4204-05, 42/F, Dah Sing Financial Centre,
248 Queen's Road East, Wan Chai, Hong Kong
Tel: (852) 2521 8168
Fax: (852) 2521 8117

www.newton-resources.com