

# **ESG REPORT**

**SSGE BIO-ENERGY COMPANY LIMITED**

**(Registered in Hong Kong)**

<b>Contents</b>	<b>Page</b>
<b>Corporate Introduction</b>	<b>3</b>
Introduction of ESG	3
The Importance of ESG Report	3 – 4
Development of an ESG Report	4
SSGE Bio-energy Co Ltd's ESG Report	5
<b>1. ENVIRONMENTAL ISSUES</b>	<b>5</b>
1.1 Climate Change by Taking Initiatives to Improve Environmental Issues	5 – 6
1.2 Measurement of Air Quality	6
1.3 Clean Technology Usage and Energy Efficiency	7
1.4 Pandemics and Other Threats to Public Health	7 – 8
1.5 Lowering Greenhouse Gas Emissions	8 – 9
<b>2. SOCIAL CATEGORY</b>	<b>9</b>
2.1 Respecting Standards of Labour	9
2.2 Employee Relationship	9 – 10
2.3 Human Rights	10 – 11
2.4 Discrimination in Workplace	11 – 12
2.5 Protection Against Sexual Harassment	12 – 13
2.6 Pay Fair Wages	14 – 16
<b>3. GOVERNANCE CATEGORY</b>	<b>16</b>
3.1 Shareholders Right	16 – 17
3.2 Fraud and Corruption	17 – 18
3.3 Compliance of Data	18
3.4 Transparency and Disclosures	19
3.5 Business Ethics	19 – 20

<b>Contents</b>	<b>Page</b>
3.6 Corporate Culture	20
3.7 Conflicts of Interest	21
ESG Reporting Summary	22
For Further Information	22

## **Corporate Introduction**

SSBE (Myanmar) Group Company Limited was established and registered in Myanmar. It is a wholly owned subsidiary of SSGE Bio-energy Company Limited - a holding company was formed and registered in Hong Kong. The subsidiary is operating an industrial processing plant which is utilizing agri-residues as raw materials to produce agri-residues based torrefied pellet.

### **Introduction of ESG**

Expectation regarding the role the corporation in society are shifting. As consequences, many investors and companies are re-examining and adjusting the way they do business. For decades, the nearly unquestioned wisdom, at least in the United States, has been that, as economist Milton Friedman famously declared in 1970, "social responsibility of business is to increase its profits". That foundational promise has started to crack. Many business leaders, investors, legal practitioners, and scholars are now calling into question the "shareholder supremacy" business model. Instead, they say, a corporation must jointly serve the interests of many stakeholders, including customers, suppliers, employees, local communities, and shareholders, and should no longer focus narrowly on "maximizing shareholder value." One manifestation of these sentiments is the emergence of non-financial corporate performance metrics, often referred to as "environmental, social and governance." or just "ESG."

### **The Importance of ESG Report**

SSGE Bio-energy Co Ltd is committed to playing an indispensable role in the conservation of our planet. It is becoming quite significant for companies as not only investors and creditors are now requiring them to disclose their sustainability, environmental and governance strategies. Some countries have also instated regulations to hold people accountable.

It allows businesses to be more transparent about their problems, risks and opportunities they are facing and double their efforts at adapting to any circumstances.

ESG reporting is also quite necessary for SSGE Bio-energy Co Ltd to manage and bridge the gap between companies and investors. There will be no more "he said, she said", but a concrete proof

of their ecological intentions.

It depicts a clear meaning of our business' value and the type of risk they are looking to endure, if faced with sanctions.

Furthermore, it is evident that companies that foresee the future environmental dangers, that decide to take the fundamental precautions to avoid such, will look sustainable in the long-term and attractive to an investor. Why? Because when business owners participate in this eco-friendly process, their operational costs are lowered, they receive government support, funding from banks and perform better than companies that do not. Makes sense why investors would turn a blind eye to non-eco, right? They want to reduce that investment risk as much as possible.

Finally, it is only growing, as it is estimated that at least 80% of investors have an ESG component when seeking to partner or hold shares in businesses.

### **Development of an ESG Report**

Now that its value has previously been stated, it is essential to know how SSGE Bio-energy Co Ltd develops its ESG report in future, so it will be ready for investors and creditors' harvesting season.

As it can be considered as data are collected, SSGE Bio-energy Co Ltd will need to do is to:

- Analyze and classify the series of stakeholders who impact our business and vice versa.
- Delineate our business internal and external material sustainability difficulties such as gender diversity, GHG emissions to stakeholder and, particularly, suitable and proper ones.
- Figure out the importance those issues hold for the shareholders and how to expertly deliver their development, evolution to them.
- Assemble and prepare internal resources, teams and data necessary to get the report started
- And then, present our ESG reporting framework to stakeholders, while trying to improve our impact, but not forgetting to constantly keep them in the loop about the ecological issues encountered in the business.

## **SSGE Bio-energy Co Ltd's ESG Report**

While there may be no precise commonly accepted definition of ESG, it is broadly speaking a constellation of corporate performance metrics across three non-financial dimensions : E-the impact on the environment, S-the impact on the social institutions and human relationships, and G-the way in which an organization governs itself and makes decisions.

No specific ESG report has so far been issued out as SSGE Bio-energy Co Ltd just commenced production. The company's wholly owned subsidiary is complying all the rules and regulations of the National Law of Myanmar. Besides, SSGE Bio-energy Co Ltd was certified as an organization which has complied with the principles and criteria of RSB (Roundtable Sustainable Bio-materials) to run the business. RSB Global Certificate and RSB EU RED Certificate were granted to SSGE Bio-energy Co Ltd in December 2021.

Realizing the significant important of ESG Reporting, it will be issued and released to the shareholders and stakeholders who have a direct and an indirect vested interest in SSGE Bio-energy Co Ltd when it is appropriate to do so.

After taking into full consideration of the current social,economic and political conditions of Myanmar, The ESG report of SSGE Bio-energy Co Ltd will cover three main categories which include the following:

### **1. ENVIRONMENTAL CATEGORY**

#### **1.1 Climate change by taking initiatives to improve environmental issues**

SSGE is committed to taking the necessary measures to improve the environmental issues by adopting the following appropriate action :

- Campaigning to produce behavioral change.
- Developing more sustainable commuting.
- Producing products utilizing local resources efficiently and effectively.
- Providing services to people affected by climate change.
- Reducing the use of energy in the buildings/factory.
- Local solution for sustainable energy access and transformation.
- Creating wealth from waste,

- Reclaiming green space.
- Implementing the sharing economy.

## **1.2 Measurement of Air Quality**

The purpose of air quality monitoring is to assess the level of pollution in relation to air quality standards. These standards are regulatory measure to set the target for pollution reduction and ultimately clean and breathable air.

Air quality monitors are outfitted with sensors designed to detect pollutants. Some lasers are also used to scan particulate matter density in a cubic meter of air, while other rely on satellite imaging to measure energy reflected or emitted by earth.

A locally based environmental consultancy firm - Hexagonal Angle International Consultants Co Ltd was engaged to conduct air quality monitoring on behalf SSGE Bio-energy Co Ltd by using the WHO Guidelines and the National Environmental Quality (Emission) Guidelines (2015) for measuring outdoor air quality, it was found that the measured results in terms of are dust (PM10 and PM25),gas (NO<sub>2</sub>, CO, SO<sub>2</sub>, O<sub>3</sub>),total suspended particulate (TSP),relative humidity, and temperatures etc are the line with the guidelines.

Regular monitoring of the air quality is an on-going basis in the production factory. Possible measures include the implementation and or the consideration of the following action to continue improve the air quality:

- Switch over to renewable energy. That is the reason why SSGE is using renewable clean energy to power the production plant.
- Use wet scrubbers and other mitigation technologies.
- Consideration is also given to use electric vehicles in the supply chain.
- Adopt cleaner, non-toxic raw materials.
- Comply with office and building smoking policy.
- Dispose garbage promptly and properly.
- Do not block air-vents or grilles.
- Use predictive analytics for more efficient enterprise planning.

### **1.3 Clean Technology and Energy Usage and Efficiency,**

Clean technology encompasses any measures taken to reduce, or preferably eliminate, negative environmental impacts whilst encouraging economic and social development. National resources should be preserved and avoided if possible, and clean technology is all about working in a way on the need to preserve these non-renewable resources.

SSGE Bio-energy Co Ltd is aware of the clean technology aims to eliminate or reduce pollution and waste whilst improve productivity and efficiency at the same time. These changes are implemented through each step of the product or process life cycle.

Energy efficiency is regarded as the consumption of less energy to perform the same task or produce the same result. SSGE believes that its current energy efficiency program is using less energy to heat, cool, and run appliances and electronics, and energy efficient processing plant like ours is using renewable energy to produce goods.

As part of the company's policy to improve the energy efficiency, a number of measures have been adopted to achieve this objective including:

- To switch off motors during breaks and lunch.

- To turn all machines such as fans, pumps and conveyors at the end of the day.

- To label switch correctly so staff know which operating machinery they can turn off and how to do it correctly.

### **1.4 Pandemics and Other Threats to Public Health,**

Pandemics are large scale outbreaks of infectious disease that can greatly increase mortality and mortality over a wide geographic area and cause significant economic, social and political disruption. Evidence suggests that the likelihood of pandemics have increased over the past century because of increased global travel and integration, urbanization, changes in land use, and greater exploitation of natural environment. These trends likely will continue and will intensify. Significant policy attention has focused on the need to identify and limit emerging outbreaks that may lead to pandemics and to expand and sustain investment to build preparedness and health capacity.



Measures have been observed by SSGE Bio-energy Co Ltd of how to mitigate future pandemics include:

- Reduced deforestation.
- Better management of wildlife and hunting.
- Better surveillance of zoonotic pathogens before they spill into the human population.

All staff are strongly urged to wash hands with soap and water. Sanitize the hands with sanitizers, regularly wear face masks and/or face shields whenever it is necessary to do so. More importantly, personal hygiene is crucial to the prevention of spreadable virus. These should effectively removing germs and the virus that causes COVID-19 from hands.

### **1.5 Lowering Greenhouse Gas Emissions.**

Carbon emissions refer to the release of carbon dioxide, a type of greenhouse gas (GHG) that filters into the atmosphere both naturally and from human activities like deforestation, electricity consumption, and industrial manufacturing. Greenhouse gas emission traps heat in atmosphere, leading to several changes like global warming, deforestation of the ozone layer, and destruction of ecosystems. While gases like methane and nitrous oxide are also harmful and contribute to our overall carbon footprint, carbon dioxide the most prevalent. While plants and animals also emit carbon, human activity like the burning of fossil fuels, manufacturing, and transportation has been a leading cause of the sharp increase in CO<sub>2</sub> emission, at levels that are impossible for nature to balance on its own.

Reducing carbon emissions is important because it can help offset the dangerous and harmful effects high levels of CO<sub>2</sub> have on our environment. Reducing carbon emission can :

- Save lives.
- Ease the burden of the health system.
- Reduce wildfires.

SSGE Bio-energy Co Ltd commits to reducing GHG emissions from the factory by the application of the following measures:

- Attention is paid to energy efficiency.
- Fuel switching by the application of renewable energy for the production.
- More efficient use and recycling of materials.
- Plant more trees in the vicinity of the factories.
- Turn off all electric switches when they are not in use.

## **2. SOCIAL CATEGORY**

### **2.1 Respecting Standards of Labour**

Foreign nationals working in Myanmar are currently covered under the same labour laws as Myanmar citizens: there are no other specific provisions for foreign nationals. Similarly, employment laws in Myanmar apply equally to all employees working within the country, including those working for foreign owned companies, and employees are transferred or seconded to Myanmar for a short duration under a subsisting foreign employment contract must ensure that they comply with Myanmar labour laws through their time working in the country.

SSGE Bio-energy Co Ltd is aware that under the Factories Act (1951), ordinary working hours are eight (8) hours per day and 44 hours per week. (48 hours if the work must for technical reasons be carried out continuously throughout the day), with a break every five (5) hours and spread over no more than ten (10) hours. All these strict standards of labour are properly respected.

### **2.2 Employee Relationship**

SSGE is aware of positive employee relationships climate and high level of employee engagement have the potential to lead to enhanced business outcomes, better health and well-being.

Employee relationship management is the process of adopting controlling methods and practices to regulate employee relations. One of the main goals associated with employee relationship management focuses on establishing and retaining productive relationships of employee within a company.

Five ways to improve employee relations are being maintained:

- Set the tone from their first day, First impressions matter...
- Provide positive feedback. More often than not, the focus of evaluation are on how an

employee can improve and what he needs to do better...

- Improve communication.
- Offer career development.
- Help them be happy.

Employee experience is influenced by many factors, but five are key for creating the climate necessary for positive employee well-being:

- Mental and emotional support.
- Personal support.
- Financial health.
- Meaningful connections.

In general, SSGE realizes that there is a positive correlation between employee relations and job satisfaction in an organization. The organizations which are maintaining a better relationship with employees are being able to keep their employees inspired.

### **2.3 Human Rights**

SSGE recognizes human rights are the basic rights and freedoms that belong to every person in the world, from birth until death. They apply regardless where you are from, and what you believe or how you choose to live your life.

These are the rights to life, to freedom from torture, to freedom from enslavement or servitude, to protection from imprisonment for debt, to freedom from retroactive penal laws, to recognition as a person before the law, and to freedom of thought, conscience and religion.

In continued support of the human rights in the local area, SSGE will join or start a local group. Organizing or joining a campaigning group in the local community is the great way to meet the like-minded people and take action on the issues you care about..Meet the politicians...And organize a stunt.

In order to improve the protection of human rights, every action, no matter how small, has the potential to make a difference.

- Speak up to what you care about.
- Volunteer or donate to a global organization.
- Choose fair trade and ethically made gifts.
- Listen to other stories.
- Stay connected with the social movements.
- Stand up against discrimination,

Addressing human rights help mitigate global risks. Businesses thrive in an environment where civil rights are respected. Promoting workers' rights increase productivity and profitability. Respecting for human rights improve relations with local civil society. Businesses are expected to respect human rights regardless of the size of the business and geographical scope of its operations. The responsibilities of the business enterprises to respect human rights apply to all enterprises regardless of their size, sector, operational context, ownership and structure.

In general, SSGE is upholding the principles of human rights which are recognized as rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion or other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education and many more

#### **2.4 Discrimination in Workplace**

Discrimination happens when an employer treats one employee less favourably than others. It could mean a female employee being paid less than a male colleague for doing the same job, or an employee from a minority ethnic community being refused the training opportunities offered to other colleagues.

SSGE identifies basically three types of discrimination which is race, sex and colour. Measures have been implemented to prevent workplace discrimination include the following:

- Be familiar with the law.
- Develop and implement anti-discrimination policies
- Conduct regular anti-discrimination training programs.

- Establish proper investigative procedures.
- Create bias free job ads.
- Reflect on company practices.

Discrimination can be stopped in the workplace which includes the following :

- Develop a written policy that defines procedures and rules,
- Educate all the workforce about discrimination.
- Consider more than one options for communication channels.
- Implement an anti-discrimination program.
- Conduct team-building activities.
- Focus group,

In summary, discrimination in the workplace is unethical and has negative effects on the employee and the company both. The employee could face mental and emotional stress and the employer could face a lawsuit, as well as negative reputation. Without workplace discrimination, both the employer and the employee could have a positive work environment and experience together.

## **2.5 Protection Against Sexual Harassment**

Sexual harassment includes unwelcome sexual advances, request for sexual favours, and other verbal or physical harassment of a sexual nature in the workplace or learning environment. Research closely associates sexual harassment with job dissatisfaction and disengagement. Other consequences of sexual harassment that affect the workplace are tardiness, absenteeism, project neglect, and employee distraction.

SSGE is aware of the fact that by taking a different approach to address sexual harassment prevention, employers can effectively diminish the potential for harassment and ensure a safe, harassment-free work place for all. SSGE has seven solutions to prevent sexual harassment at work.

- Make it crystal clear that sexual harassment prevention harassment is a company priority.
- Make sure that employees and management understand what sexual harassment is.
- Keep sexual harassment prevention training positive.
- Lighten up on the legalese.

- Enlist employees is ensuring harassment-free workplace.
- Enlist employees as social influencers.
- Take swift and decisive action as issues arise.

SSGE ultimately believes that preventing and ending sexual harassment will require creating work cultures of civility and respect that no longer tolerate or normalize sexual harassment. Legal structures that protect all workers, and workplace of fairness and opportunity that value the contributions and talents of all workers.

## 2.6 Pays Fair Wages

Fair wage, decent wage, living wage...it does not matter what you call it, it is about paying workers enough so that they can cover the basic costs required for a dignified and healthy living environment.

13 techniques to ensure employees feel fairly compensated are being adhered and observed by SSGE:

1. **Have an honest conversation:**employers should have an honest conversation during the recruitment process about the candidate's compensation expectations and the company's ability to pay.The company should offer compensation that is competitive based on the job market and the ability to pay. Candidates should be allowed to discuss what compensation works for them based on their expectation.Your employees will feel valued.
2. **Start on top of the market;**invest in salary survey and the bench marking,and review how roles stack up against market at least once or twice a year.While it may not be an exact science,this can help indicate whether you are paying more or less than other organizations for a similar role. This also helps increase employees'perceptions of fairness.
3. **Utilize salary survey and research:**basing salaries on past history has traditionally led to income inequality and contributed to the gender pay gap.Employers can use salary survey to ensure workers are paid fairly based on their job duties and qualifications.
4. **Balance expertise,potential and market value:**experience and expertise are only part of the equation.Using multiple perspectives provides clarity for an employee's market value. A clear, objective definition of potential helps managers avoid bias,under-estimation and over-estimation when considering compensation. Higher potential employees know their worth,so having a strategy to pay them starts with how they are identified and managed.
5. **Ask individualize:**throughout the interview process,have clear conversations with candidates about their compensation needs an expectations.Ask them about which compensation elements are most important to them.compensation is emotional and individual.
6. **Know what matters to them:**knowing what is important to individuals as they go through the candidate experience is key to ensure your offer will be attractive and throughout their employment.

-11-

With experienced executives, their needs can be very different than emerging leaders or recent graduates. Having options, such as long-term incentive plans or tuition reimbursement, can allow companies to attract the best talent.

7. **Have a clear compensation strategy:** compensation inequality is a real problem in today's workforce. A clear compensation strategy can eliminate arbitrary salary decisions, and to ensure employees are fairly compensated and valued. Additionally, a quarterly review of compensation can make sure they are not major discrepancies.

8. **Pay what is worth to you:** you can run market analysis and pay at a percentile of the market, but there is not always a great short or long-term strategy to retain people. Pay what the job is worth to you or the organization.

9. **Understand and react to employees' needs:** what can't be matched dollar-to-dollar can be offset by pulling other levers, including flexibility, benefits, perks, growth opportunities etc. Transparent policies and programs that reflect your employees' needs make it known that they are understood, heard and valued by their employer. Regular conversations and surveys asking this type of feedback will allow employers to react appropriately.

10. **Show them the total package:** too often companies fail to communicate the total investment being made to an employee. Yes, salary is important and should be aligned to the market, but taking it a step further and showing individuals the total you are investing. Do this through total compensation statement for employees, and total investment outlines for candidates.

11. **Give them a compensation preview:** create steps in the hiring process that engage the candidate in a compensation preview. First share ranges and key elements of the compensation plan to set expectation. Ask the candidate for reaction and what they most value. Later ask specifics, including details like paid time off or match. It is a simple way to identify issues early on and re-enforce the value of total compensation.

12. **Be fair and equitable in your pay practices:** being fair and equitable goes a long way for employees to feel valued, engaged and retained. Provide clarity on how employees are assessed and how raises, bonuses and other forms of rewards are earned, and ensure you are paying equitably for the same work, regardless if someone was compensated much lower in a previous company.



13. **Seek value alignment:** know what works for your organization and strategic goals, then screen candidates whose values are aligned. A misalignment from forcing an anomaly in pay structure is destructive and rarely succeeds. Non-profits may pay less but offer to community. High risk and reward drive some, while steady compensation drives others. With a strong alignment in the work and compensation, your employees will feel valued.

### **3. GOVERNANCE CATEGORY**

#### **3.1 Shareholders Right**

SSGE is aware of the legal protection of the shareholders right. Common shareholders are granted six rights: voting power, ownership, the right to transfer ownership, dividends, the right to inspect corporate documents, and the right to use for wrongful acts.

1. **Voting powers on major issues:** voting power includes electing directors and proposal for fundamental changes affecting the company such as mergers and liquidation. Voting takes place at the company's annual meeting. If the shareholder cannot attend, they can do so by proxy and mail in their votes.

2. **Ownership in a portion of the company:** when business thrives, common shareholders own a piece of something that has value. Common shareholders have a claim on a portion of the assets owned by the company. As these assets generate profits and the profits are re-invested in additional assets, shareholders see a return as the value of their shares increases as stock prices rise.

3. **The right to transfer ownership:** the right to transfer ownership means shareholders are allowed to trade their stock on an exchange. The right to transfer ownership might seem mundane, but the liquidity provided by stock exchange is important. Liquidity the degree to which an asset or security bought or sold in the market without affecting the asset's price-is one of the key factors that differentiates stocks from an investment such as real estate. If the investor owns the property, it can take months to convert the investment into cash. Because stocks are so liquid, investors can move their money into other places almost instantaneously.

4. **Entitlement to dividends:** along with a claim on assets, investors can receive a claim to any profit of the company paid out in the form of a dividend. Management of a company essentially has

two options with profits:they can be re-invested into the firm (thus,one hopes,increasing the company's overall value)or paid out in the form of a dividend.

Investors do not have a say as to what percentage of profits should be paid out - the board of directors decides this. However,whenever dividends are declared,common shareholders are entitled to receive their share.

**5. Opportunity to inspect corporate books and records:**shareholders have the right to examine basic documents such as company bylaws and minutes of board meetings.

**6. The right to sue for wrongful acts:**suing a company typically takes the form of a shareholder class action lawsuit.

### **3.2 Fraud and Corruption**

Fraud and corruption are detrimental to any business. SSGE has measures to prevent or minimize the degree of this event which may happen in an organization unexpectedly with the knowledge of the management team.

Employee fraud is a key concern for many businesses,regardless of the size or type.It may include asset misappropriation,financial statement fraud,and corruption.With proper fraud detection and prevention techniques,you can reduce the overall occurrence of fraud.Six ways have been adopted to prevent fraud:

- Leverage an ethics hotline.
- Know your employees.
- Conduct regular audits.
- Segregate accounting and bookkeeping duties.
- Implement internal controls.
- Secure credit card data.

Corruption is a form of dishonesty or a criminal offense which is undertaken by a person or an organization which is entrusted in a position of authority,in order to acquire illicit benefits or abuse power for one's personal gain.

Corruption can be summarized in three categories: corruption can be defined and categorized in

different ways. The most common types or categories of common corruption are supply versus demand corruption, grand versus petty corruption, conventional versus unconventional corruption and public versus private corruption.

SSGE recognizes the negative effects of corruption and therefore has measures to prevent the occurrence of corruption. These include the following measures:

- Understand the law and other regulations.
- Conduct a risk assessment.
- Set the tone top-down.
- Always conduct due diligence.
- Keep reviewing the company's policy.
- Communicate and train.
- Always protect whistle blowers.
- Monitor and review.

### **3.3 Compliance of Data**

Data compliance is the formal governance structure in place to ensure an organization complies with laws, regulations, and standards around its data. The process governs the possession, organization, storage, and management of data assets or data to prevent it from loss, theft, misuse or compromise.

SSGE recognizes that data compliance ensures that sensitive data is organized and managed in a way that allows companies to meet legal governmental regulations along with enterprise business rules. Data compliance is global. SSGE complies with data regulations in the territories in which it operates in, not just the local area.

#### **Seven elements of an effective compliance programme :**

- Implementing written policies and procedures.
- Designating a compliance officer and compliance committee.
- Conducting effective training and education.
- Developing effective lines of communication.
- Conducting internal monitoring and auditing.

### **3.4 Transparency and Disclosures**

Transparency, leading to full disclosure to both action and behaviour, is understood in corporate governance as establishing standards of corporate ethics to deter unscrupulous corporate practices while preserving a fair business environment.

SSGE is aware of the four principles that lie at the heart of good corporate governance. Accountability, transparency, fairness and responsibility all impact the decisions board members make.

By disclosing and making transparent corporate governance policies and structures, SSGE gives stakeholders, the regulators and the public at large a glimpse of how the company operates and the state of its finance. This increases public trust in the organization and improves its credibility.

SSGE ensures the key elements of transparency are maintained. These include the following areas:

- Communication. In order to be transparent, one needs to communicate effectively - it is imperative.
- Sharing information. Making relevant information readily available for people is an important way of improving transparency.
- Rationale.
- Embed the culture.

### **3.5 Business Ethics**

SSGE has its own document relating to the Code of Ethics and Professional Conduct. Recognizing the importance of business ethics, further emphasis is highlighted here in this ESG Report.

Business ethics refers to implementing appropriate policies and practices with regard to arguably controversial subjects. Some issues that come up in a discussion of ethics include corporate governance, insider trading, bribery, discrimination, social responsibility and fiduciary responsibilities.

Business ethics are the set of practices and policies that companies use to them through decisions

about finances, negotiations and deals, corporate social responsibilities, and more. Without a strong set of ethics, a business can run afoul of the law, encounter financial pitfalls and more dilemmas. In order to adhere and implement the the code of business ethics,SSGE strictly follows the eight business ethics:

The discipline comprises the following business ethics:

- Corporate responsibility.
- Personal responsibility.
- Social responsibility.
- Loyalty.
- Fairness.
- Respect.
- Trustworthiness.
- Technology ethics.

### **3.6 Corporate Culture**

Corporate culture,also known as company culture, refers to a set of beliefs and behaviors that guide how a company's management and employees interact and handle external business transactions.

SSGE's culture is reflected in its dress code,business hours,office setup,employee benefits,turnover,hiring decisions,treatment of employees and clients,client satisfaction,and every other aspect of operations.

Positive culture is an attitude and environment within an organization that cultivate collaboration,productivity and satisfaction among its employees.In this type of environment,managers trust their employees to produce quality work and make good decisions without constant oversight.

SSGE is aware of the seven benefits of a good company culture:

- Better on-boarding process.
- Increase retention.
- Elevated productivity.

- Employee development.
- Well defined goals.
- Enhances the company brand.
- Increased joy at work,

### **3.7 Conflicts of Interest**

Conflict of interest is when someone's judgement or actions at work - or could be affected by something unconnected with their role. This includes any circumstances that affect - or could be seen to affect-someone's independence or impartiality.

SSGE identifies conflict of interest and duty:

- Open all.
- Actual conflict of interest. There is a real conflict between an employee or director's public duties and private interests.
- Potential conflict of interest.
- Perceived conflict of interest.
- Conflict of duties.

SSGE realizes conflict of interest requires a balance :

- Identifying risks.
- Prohibiting unacceptable forms of private interest.
- Raising awareness of the circumstances in which conflicts can arise.
- Building capacities to prevent conflict of interest through training.

Minimization of conflict of interest is always regarded as the top priority of SSGE dealing with this issue which includes the following measures:

- Comply with regulations. SSGE adheres to institutional and governmental requirements for identifying, disclosing, and managing conflicts of interest.
- Avoid and minimize conflict.
- Disclose interests.
- Manage conflicts.
- Keep learning.

## **ESG Reporting Summary**

SSGE Bio-energy Co Ltd is aware of the significant importance of a ESG Report to either a shareholder or a stakeholder, it will be released when it is appropriate to keep the interested parties fully informed of the result achieved by the company.

It is a communication tool that plays an important role in convincing sceptical observers that the company's actions are sincere.

For investors, they are increasingly applying these non-financial factors as part of their analysis process to identify material risks and growth opportunities.

---

### **For further information, please contact the following department :**

Monitoring and Compliance Committee :

C M Yeung., Director of Corporate Sustainability

Dennis Lai., Monitoring and Compliance Officer

SSGE Bio-energy Company Limited., Room B2, 1st Floor, Block B, Cheong Wah Factory Building,  
39-41 Sheung Heung Road, Tokwawan, Kowloon, Hong Kong.

Web-page: [ssge-energy.com](http://ssge-energy.com), email: [info@ssge-energy.com](mailto:info@ssge-energy.com) Tel: ++852-23633383