

Sustainability Statement

Introduction

Sedania Innovator Berhad ("Sedania") believes in the power of technology to positively transform the world via the implementation of digital innovations that will empower economic strength, mitigate environmental impacts and drive social revolutions.

Sedania's value creation strategy centres on "Innovations that Empower Lives Sustainably", which is carried out through businesses that consistently yield maximum values to the community we serve and environment we live in, while also meeting the ever-shifting needs and behaviours of users.

Investments into research and development ("R&D") and talent development allow us to progressively innovate and integrate ICT solutions for Sedania's end consumers in the governmental, commercial and financial sectors to support a thriving marketplace.

Our ongoing sustainability journey has primarily driven the planning and application of relevant policies, processes and solutions that cement positive sustainability in all of our operations, while also encouraging our clients to similarly follow in our steps. This is why we continue to expand our sustainability reporting scope with increased disclosures for the current reporting year to further integrate sustainability into Sedania's culture, people and operations to deliver long-term stakeholder value.



Chairman's Sustainability Message

As Sedania's Chairman, I am honoured to present to you the sustainability developments, plans and strategies that the Group has implemented in its sustainability journey in the financial year ended 31 December 2021 ("FY2021").

The world began its gradual recovery from the Coronavirus disease ("COVID-19") pandemic in FY2021 due to increased rates of vaccinations and the easing up of nation-wide lockdowns and travel restrictions. However, FY2021 no doubt remained a difficult year as Sedania, as with other businesses, continues to deal with various pandemic-related challenges and complexities in its pursuit to realising its financial and non-financial business goals for the year.

Given sustainability's growing importance worldwide and in Malaysia, Sedania remains more committed than ever towards bolstering non-financial value creation. The pandemic has shown us that responsible management of Economic, Environment, Social and Governance ("EESG") issues is needed to fundamentally drive a business' operational sustainability, given that sustainability is the most vital aspect in sustaining long-term, continual value that benefits all stakeholders.

While Sedania's ongoing sustainability agenda has been solid for the last few years, the Group understands the need and opportunity to further enhance its sustainability agenda by implementing a more complete EESG approach into its operations.



In FY2021, we made further progress in sustainability compared to FY2020 with the establishment of a sustainability policy, the initiation of our first formal materiality assessment exercise and the strengthening of data collection processes with the use of organised data templates.

Notably, Sedania has taken a pivotal stance in addressing climate change and emissions as a material topic under its sustainability agenda. We believe we need to play our part to stop the worsening greenhouse gas ("GHG") emissions which is contributing to global warming and climate change, or future generations will inherit an unlivable planet.

No country is spared from the consequences of climate change. Malaysia alone is already experiencing the effects of climate change with one of its worst floods ever experienced in December 2021. We are seeing reduced crop yields, evolving diseases, biodiversity loss, erosion of shorelines and coral reef bleaching in our country, among others.

Consequently, Malaysia has been listed by Swiss Re as one of the nations that would see a drop of 20% in terms of economic growth by the year

2050 even if the increase in global temperature is held at 2°C. Therefore, it is more important than ever to step up our efforts in ensuring that the environment does not deteriorate further.

At Sedania, we believe in creating business opportunities to aggressively drive the sustainability agenda forward. We have a simple common goal in pursuit of this initiative: “*To Reduce Carbon Emissions by Enabling Others*”. Others in this sense include corporations and consumers alike, and even our employees, because by doing this, we are able to reduce carbon emissions whilst growing our businesses sustainably.

To achieve this goal, we strive to provide the right solutions to our customers, and focus on growing our employees and helping them realise their full potential in a sustainable manner. It is also important for us to align our sustainability goals with our staff's own personal values because this would contribute to a collaborative and highly-motivated business entity.

We are also pursuing investments in innovative businesses and projects which have set their goal to help stop climate change by reducing GHG emissions, in particular, carbon dioxide (“CO2”), with these investments managed by our dedicated teams.

Additionally, robust digitalisation in a significant portion of the Group’s operations, businesses, communications and interactions has also contributed to Sedania’s stronger positioning towards environmental security.

The Group also continues to invest in its talent, growing by ensuring it promotes an inclusive, fair and high-quality work culture in order to

maintain a steady business and operational performance. Sedania also continues to be attuned to the community via its strategic corporate social responsibility initiatives that assist underprivileged groups affected by the pandemic and recent floods.

Sedania’s sustainability strategy is also driven by the adoption of carefully-selected United Nations Sustainable Development Goals (“SDGs”), which have further enhanced the framework and identification of the Group’s formal assessment of its material EESG topics in FY2021.

Going forward, Sedania aims to set in place more robust sustainability plans and targets to be achieved in the coming years and beyond. We hope to execute on this ambition in the near future by using the solid foundation of our ongoing sustainability progress and achievements.

Sedania will maintain a strong focus and commitment in driving EESG within the Group in order to achieve short, medium and long-term value creation to chart a brighter horizon for everyone’s future.

Tan Sri Abdul Halim Bin Ali
Senior Independent Non-Executive Chairman

About this Report

This is the fourth annual Sustainability Statement of the Group, and we continue to endeavour in improving our sustainability indicators with each iteration. Sedania's Sustainability Statement 2021 ("SS2021") will discuss how sustainability is governed at Sedania, how we engage with our key stakeholders, as well as the management of material matters of our sustainability.

Statement Of Use

Sedania's Board of Directors ("Board") is its highest decision-making body and has acknowledged the following statement of use: The information reported by Sedania for the FY2021 is prepared in reference to the Global Reporting Initiative Sustainability Reporting Standards ("GRI").

Reporting Scope, Period & Material Boundary

The scope of the SS2021 includes the business operations and activities of the Group and all major subsidiaries within the Group in the areas of Sustainable Energy, Sustainable Healthcare, Financial Technology ("FinTech") and Telco Technology ("TelcoTech") for the FY2021, unless otherwise stated. We have strived to provide historical data for comparison where possible to make our disclosures more meaningful for our stakeholders.

Disclosures on activities that are outsourced and impacts involving joint venture operations, third party vendors and our value chain partners are excluded from this report, unless otherwise stated. However, we are aware of certain significant EESG impacts that may hail from our extended value chain. Thus, Sedania

remains committed towards better embedding sustainability policies, practices and culture to its third-party business partners, suppliers, vendors and contractors. The Group hopes to report on the EESG highlights of our value chain partners in future sustainability statements.

Sedania's sustainability reporting boundaries are governed by the prioritisation of its identified materiality topics and the GRI's Reporting Principles for defining report content and quality.

Frameworks And Guidelines Referenced

The SS2021 was prepared according to the following frameworks and guidelines:

- Global Reporting Initiative Sustainability Reporting Standards
- United Nation Sustainable Development Goals
- Bursa Malaysia FTSE4Good Index Disclosures
- Bursa Malaysia's Sustainability Reporting Guide (Second Edition)

Report Quality & Data Assurance

The Group abides by the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness in its sustainability reporting. The report's data has been internally sourced and verified by the respective business units or information owners. Sedania will continue to strengthen its data collection and analysis procedures to enhance the quality and accuracy of its data going forward.

The report's content is based significantly on our stakeholders' views and assessment of material topics and risk factors, as well as emerging trends and opportunities within the Group's industry environment.

Sedania did not seek third-party assurance for non-financial data for the SS2021, save for the anti-corruption data disclosed under the Governance section of this report. The Group aims to obtain external assurance for additional non-financial and sustainability information in future reporting cycles. Internal audit functions are outsourced to an independent professional consulting firm, Talent League Sdn. Bhd., while our external auditor is BDO PLT.

Limitations

Sedania understands that data-gathering challenges remain for some indicators. Therefore, we are continually working towards applying more robust data tracking and gathering mechanisms to improve our reporting in the future.

Forward-Looking Statements

The SS2021 contains forward-looking statements such as targets, plans and prospects that are reasonably formulated based on expected future performance, current operating conditions and available data at present, all of which may change based on unforeseen circumstances beyond the Group's control. We therefore advise readers to not place undue reliance on forward-looking statements as our business is always subject to risks and uncertainties, with actual results possibly differing.

Availability

The SS2021 is prepared as part of Sedania's Annual Report 2021 ("AR2021"), which can be downloaded from the Group's website at <https://www.sedaniainnovator.com/>.

Feedback

To continue our engagement with stakeholders, we welcome feedback and concerns which can be relayed to:

Rizalzin Mohammed
Chief Financial Officer
Tel: 03 7880 2001
Email: rizalzin@sedaniainnovator.com

FY2021 Sustainability Highlights

As the world continues grappling with the global COVID-19 pandemic on an economic and social level in FY2021, sustainability has remained an important priority for many businesses whose resilience were tested. The operating environment of businesses also encountered negative effects as supply chains, communities and the environment were all also affected in their own way by the pandemic.

Sedania faced these hurdles as well, which drove us to pivot our focus towards ensuring business continuity amidst the tumultuous working conditions and restricted movement protocols caused by the government's Movement Control Orders ("MCO"). However, in FY2021, conditions began to improve in the country as vaccination rates increased in the second half of the year. This saw the MCO rescinded and various other restrictive Standard Operating Procedures ("SOPs") lessened, especially those pertaining to social interactions and travelling.

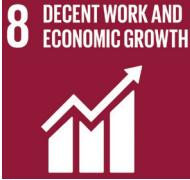
While the unpredictable operating conditions had somewhat hindered Sedania's focus on enhancing our innovation capabilities, caring for the environment and community empowerment during the early half of FY2021, the improving conditions towards the end of year saw Sedania commenced efforts aimed at bolstering our sustainability agenda while maintaining the best interests of our employees, customers, partners, suppliers and other stakeholders. The Group's key efforts towards sustainability in FY2021 includes:

Sustainability Commitments in FY2021	Response and Achievements
Enact company-wide policies and frameworks that can guide and inform internal and external stakeholders on Sedania's sustainability agenda	Created and implemented our official Sustainability Policy which outlines our sustainability principles, procedures and obligations into the Group's larger sustainability framework. The Sustainability Policy can be viewed at https://www.sedaniainnovator.com/sustainability
Reassess, categorise and expand our list of material sustainability topics	Initiated our first formal materiality assessment exercise with an external consultant that included mapping out a materiality matrix of our material EESG topics.
Upgrading the systems of collecting and tabulating our sustainability data for reporting purposes	Fortified our sustainability data collection processes with use of data templates to organise our information.

Sustainability Commitments in FY2021	Response and Achievements
Address climate change and its impacts	Made the reduction of GHG emissions the Group's purpose statement, which is further bolstered by its linkage to the adopted SDG13 on climate action.
Adherence to legislation and regulations	Continued compliance with all regulatory requirements and established COVID-19 SOPs in alignment with the Ministry of Health's ("MoH") guidelines as per FY2020.
Expanding solutions that minimise the need for on-site presence through our TelcoTech and FinTech solutions	Maintained an increased take-up rate of these solutions and helped to reduce site-presence related environmental impacts.
Reduce paper and energy consumption from our printing activities	Continued to encouraged employees to adopt and implement a "think before you print" mindset.
Enhancing integrity and promoting fair and equitable marketplace practices	Implemented Sedania Group's Anti-Bribery and Corruption Policy via policy awareness training for the Board of Directors, key management team, business development team and selected operational personnel.

United Nations Sustainable Development Goals

Sedania continues to commit to its adopted United Nations Sustainable Development Goals ("SDGs") since FY2019 in contributing to the global betterment of the economy, environment and society. We continue to focus on contributions and achievements in the following SDGs amidst the pandemic's persistence in FY2021:

Adopted UNSDGs	
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>Promote sustained, inclusive and sustainable economic growth, while providing full and productive employment and decent work</p>	<p>Sedania continues to deliver financial and non-financial values for its stakeholders through revenue, earnings, shareholder dividends and more. The Group encourages diversity and ensures the Group's workforce has a suitable blend of skills, competencies, experience, gender, and age. We believe that our dedication to creating a safe, sustainable and enjoyable workplace will continue to nurture and uplift our talents in a supportive culture. We offer rewards to all eligible employees, which includes benefits such as health and welfare, various types of leaves, and service awards. We provide competitive salaries and benefits packages to our employees in addition to training opportunities for growth and career development to empower talented individuals to succeed.</p> <p><u>FY2021 Efforts:</u></p> <ul style="list-style-type: none">• We bolstered good corporate governance by expanding our roster of corporate policies to include a Sustainability Policy that aligns the Group towards a stronger and sustainable EESG agenda in its business and operations.• The first formal materiality assessment exercise with an external consultant was carried out with an external consultant to map out a materiality matrix of our material EESG topics and better pivot the Group's business direction and operational feasibility with a stronger and clearer EESG foundation.• We continued to maintain Work-From-Home ("WFH") protocols for our employees as an alternative temporary arrangement given the social-distancing nature of the pandemic. This also entailed daily team video calls, interactions over chats and email as well as frequent updates from HR and senior management have helped mitigate any feeling of isolation.

Adopted UNSDGs	
	<ul style="list-style-type: none"> • We also provided guidance on appropriate personal health, hygiene and safety practices while mandating social distancing on our premises.
 <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>Sedania's technological products and services help to build and manage connected cities and communities, contributing to an inclusive, safe and sustainable urban spaces. As a responsible corporate entity, we strive also to be a social asset to our communities in which we operate. Our engagement in community-related programmes is driven by our pledge to share what we have achieved and give back to society.</p> <p><u>FY2021 Efforts:</u></p> <ul style="list-style-type: none"> • Our recently-established Sustainability Policy includes guidelines on employee volunteerism and community development to further encourage community-related initiatives at Sedania. This is further bolstered by the lessening of movement restrictions which has allowed us to gradually recommence our community programmes. • We continue to ensure the full operational efficiency of our Sustainable Energy, Sustainable Healthcare, FinTech and TelcoTech products and services offering to maintain the social connection of communities and businesses in a physically-distanced world, and remain sustainable towards the environment and the community.
 <p>Take urgent action to combat climate change and its impacts</p>	<p>We take mother nature seriously and have pledged to conduct our business in an ethically and environmentally responsible manner. We focus on the reduction of energy consumption and paper consumption while reusing them where possible. We have also ventured in the areas of environmentally-responsible products where we aim to minimise the environmental impact of our carbon footprints, and help our clients invest for the future through our Sustainable Energy business.</p>

Adopted UNSDGs

FY2021 Efforts:

- We also made the reduction of GHG emissions as the Group's purpose statement as we aim to minimise GHG emissions in tandem with strategic partnerships and collaborations with valuable internal and external stakeholders, given our role as a Sustainable Energy Service Company and provider of Sustainable Healthcare.
- To protect our environment and conserve natural resources, we continue to prioritise our Sustainable Energy through products or services that improve corporate operational performance while reducing costs, energy consumption, waste or negative effects on the environment.
 - We have reduced 10 Malaysian data exchanges' energy consumption by 25%. As of FY2021, our cumulative Sustainable Energy performance is as follows:

Installed Sustainable Energy Base	385 Buildings
Total GWh of Base	56 GWh per year
Total Energy Saved	76 GWh
2021 Annual Energy Saved	14.5 GWh
2021 Average Energy Saving Rate	19%
CO2 Reduction to Date	10,000 tonnes
Equivalent to Trees Planted	170,000 trees

* Number of urban tree seedlings grown for 10 years.

Source:

<https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references#seedlings>

Stakeholder Identification And Engagement

The formulation of our sustainability agenda sees Sedania in continuous engagement with our valued stakeholders to understand their evolving needs and expectations, more so during the pandemic period and given the recent materiality assessment conducted in FY2021. Our key stakeholders have been identified based on their ability to impact Sedania's business activities as well as their interests in our organisation.

The Group usually engages with the stakeholders through meetings, media publications, events, publication of reports and other methods of communication to better streamline the communication process as well as align our interests and vision. Our corporate website is also constantly updated with Sedania's latest corporate announcements, news items, financial results, press releases, reports and Board developments to ensure our stakeholders can pursue the latest information regarding the Group in a timely and accessible manner.

These two-way stakeholder interactions help us garner a strong understanding of our stakeholders' interests and concerns, which in turn informs the Board and Management's decisions on our business and sustainability strategies.

In FY2021, most stakeholder engagement activities remained virtual amid the pandemic, particularly. Any physical stakeholder engagements held are conducted in a safe manner with strict SOP adherence.

We have continued to adhere to the established list of identified principal stakeholders of Sedania and engagement strategy to ensure consistency and streamlining of our stakeholder engagement efforts. Our stakeholder engagement table, as disclosed below, is therefore a restatement from FY2020:

Stakeholders	Engagement Methods	Frequency	Key Concerns / Focus Area	Material Matters
Shareholders & Investors	AGM / EGM	Annually		
	Quarterly & Annual Reports	Quarterly / Annually		
	Periodic announcements	Ad Hoc		
	Investor briefing	Ad Hoc		
	Electronic communication / email	Ad Hoc	<ul style="list-style-type: none">• Company performance• Profitability and growth• Strategy and future orientation• Corporate governance• Sustainability• Dividend• Anti-corruption	<ul style="list-style-type: none">• Corporate governance & ethics• Economic sustainability

Stakeholders	Engagement Methods	Frequency	Key Concerns / Focus Area	Material Matters
Customers	Electronic communication Project Management Advertisement and marketing promotions Corporate website/ Social Media	Throughout the year Throughout the year Throughout the year Throughout the year	<ul style="list-style-type: none"> • Service level agreement • Product & service innovations • Product / service quality • Anti-Corruption • Socioeconomic compliance • Legal / regulatory compliance 	<ul style="list-style-type: none"> • Supply chain • Economic sustainability • Brand & reputation • Product/ service quality
Suppliers / Vendors / Contractors	Order placement Meetings Supplier audit Project management	Monthly Ad Hoc / As needed Throughout the year Ad Hoc/As needed	<ul style="list-style-type: none"> • Service level agreement • Socioeconomic compliance • Legal /regulatory compliance 	<ul style="list-style-type: none"> • Supply chain • Economic sustainability • Brand & reputation • Product/ service quality
Employees	Zoom check-in & check out Townhalls Departmental meeting Teambuilding Events: festive celebrations, birthday tea & cakes break Appraisals, performance review/ incentives e.g. ESOS	Daily (during pandemic) Ad Hoc (2-3 times a year) On going Ad Hoc Ad Hoc Yearly	<ul style="list-style-type: none"> • Employee remuneration & benefits • Career development • Training & education • Corporate strategy 	<ul style="list-style-type: none"> • Economic sustainability • Diversity and inclusion • Training & development • Non-discrimination • Employee welfare & satisfaction • Working environment

Stakeholders	Engagement Methods	Frequency	Key Concerns / Focus Area	Material Matters
	Electronic communication / email	Throughout the year		
Government / Regulatory Authorities	Statutory contributions	Monthly	<ul style="list-style-type: none"> • Anti-Corruption • Socioeconomic compliance • Economic performance • Legal / regulatory compliance 	<ul style="list-style-type: none"> • Corporate governance & ethics • Economic sustainability
	Income tax filing	Annually		
	Annual return	Semi-Annually		
	SST reporting	Bimonthly		
	Local authorities	Ad Hoc		
Media	Media events Press interviews / releases	Ad Hoc / As needed	<ul style="list-style-type: none"> • Company performance • Marketing 	<ul style="list-style-type: none"> • Corporate governance & ethics • Economic sustainability
Local communities	Community engagement CSR Programmes: championing local causes and charities, staff volunteering, environmental initiatives to minimise local pollution	Ad Hoc Ad Hoc	<ul style="list-style-type: none"> • Support in local projects around the Community • Socioeconomic compliance • Economic & social development 	<ul style="list-style-type: none"> • Environmental and social impacts

Materiality

Given the shifting macroeconomic conditions and emerging trends largely caused by the COVID-19 pandemic, Sedania in FY2021 saw fit to reassess its list of material topics to better align with our stakeholders' latest material concerns while also improving Sedania's business sustainability.

The Sedania FY2021 Materiality Assessment was undertaken in tandem with industry best practices and EESG considerations to ensure an accurate identification and prioritisation of the Group's material topics that is in line with our valued stakeholders' concerns.

The selection of material topics for inclusion in the survey was based on the following four pillars:

Economic

Environmental

Social

Governance

The selection of the EESG topics for assessment were made in reference to the following frameworks and sources of information:

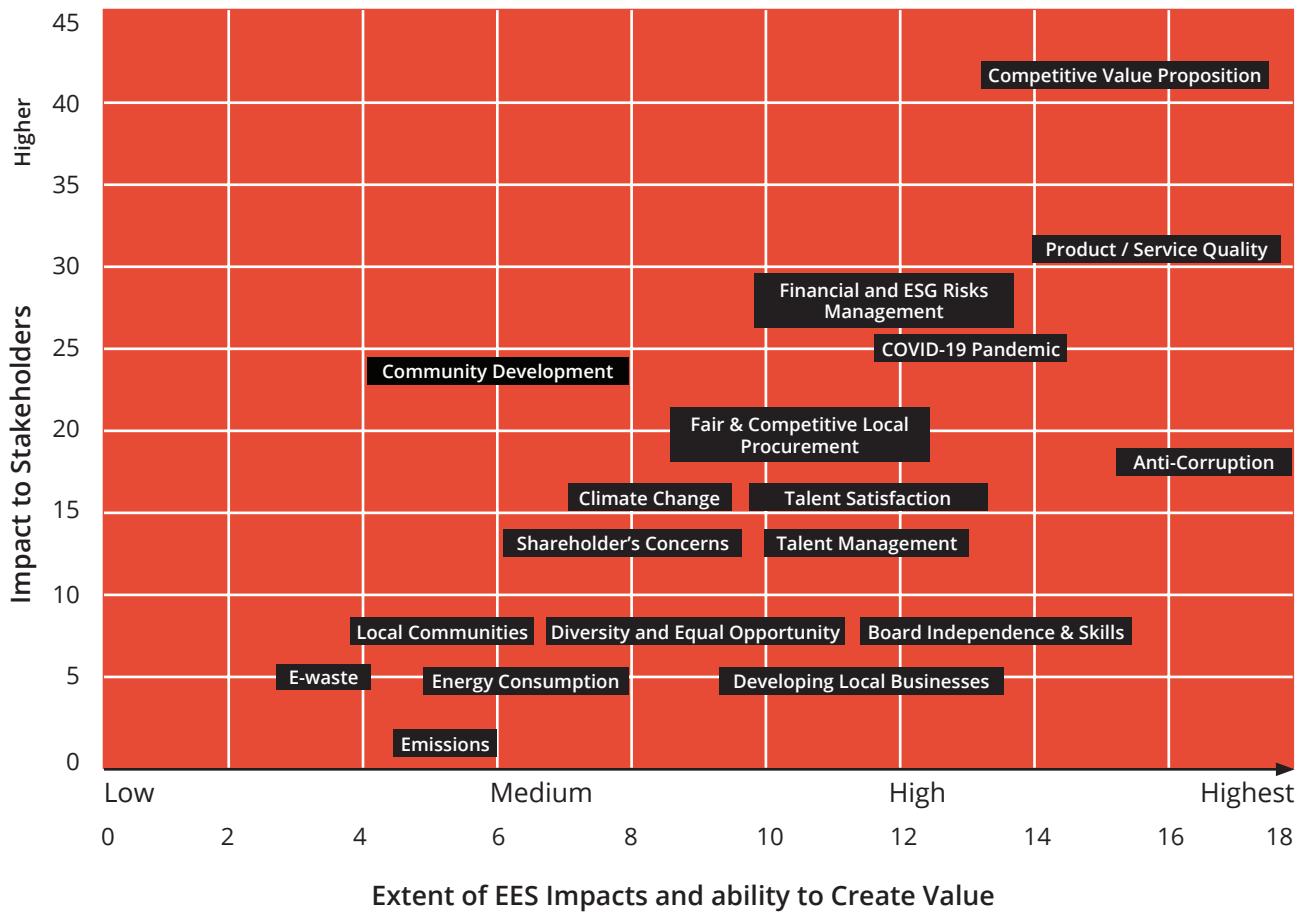
FTSE4Good Index

GRI Sustainability Standard

Industry peer comparison

Stakeholder's key issues and concerns

A survey comprising various multiple and open-ended questions was used to elicit responses. Through the FY2021 Materiality Assessment exercise, Sedania successfully updated its list of material sustainability topics and the prioritisation of these topics within a materiality matrix in line with reporting best practices. The updated materiality matrix shows how the material topics align to the topics' impact to stakeholders as well as the extent of the EESG impact to Sedania's ability to create value. Each material topic is elaborated upon in more detail in the pages of this SS2021.



From the materiality matrix, Sedania's top material topics tend to be economic and governance focused and technologically driven. Climate change has clearly emerged as a mid-high topic, although as a whole, environmental issues rank lower in importance when taking into account e-waste, energy consumption and emissions topics.

As the materiality survey results are based on internal assessments, external validation or feedback would be encouraged for FY2022 or FY2023, as well as third-party input into our materiality assessment.

While we have significantly improved our materiality assessment in FY2021, we understand that materiality in sustainability remains an ongoing journey and we hope to further improve in the future. For instance, we are aware that COVID-19 has distorted the matrix. Sans the pandemic, results would likely be different for the upcoming years. Therefore, a reassessment of the materiality matrix is most likely required in the future.

Governance

Corporate governance plays an important role in ensuring the whole organisation can be managed and directed towards becoming an EESG-driven company. Embodying and practising good corporate governance will ensure integrity, corporate responsibility and accountability are maintained throughout the Group's operations.

The Group has implemented a set of governance frameworks and policies to manage sustainability at Sedania and its subsidiaries:

Board Charter	Code of Conduct and Business Ethics	Terms of Reference - ESOS Committee	Terms of Reference - Audit and Risk Management Committee
Terms of Reference - Nomination Committee	Terms of Reference - Remuneration Committee	Anti-Bribery and Corruption Policy	Whistleblowing Policy
Sustainability Policy		Terms of Reference - Board Sustainability Committee	

The above terms of references and policies can be viewed at our Investor Relations portal at <https://www.sedaniainnovator.com/corporate-governance>. Corporate governance policies will be periodically reviewed by the Board and updated in accordance with the needs of the Group and any new regulations it needs to comply with.

Sustainability Governance Structure

Sustainability at Sedania is governed by the Chairman and Board, who have primary oversight and stewardship over the Group's corporate governance, risks, audit, remuneration and the Group's operations as a whole, as well as matters pertaining to our EESG impacts.

The Executive Director ("ED"), Datuk Noor Syafiroz Bin Mohd Noor and the Chief Executive Officer ("CEO"), Daniel Ruppert, oversee its implementation in our business divisions, assisted by members of our Key Management. Together, they enforce Sedania's sustainability strategy from the top management to operations level, and the progress and performance of our sustainability plans are reported back up the command chain to ensure sound decision-making for sustainability.

In FY2021, in line with strengthening sustainability and providing a more comprehensive oversight of the Group's EESG matters, the Group worked to establish a Board Sustainability Committee ("BSC") which was formalised in 2022. BSC would be responsible for developing an effective response towards material EESG matters to sustain and improve the financial and non-financial values created for stakeholders. Moreover, BSC also strategises the progressive immersion of sustainability within the organisational culture, business model, business strategies and business processes including risk management and mitigation.

Stakeholders	Sustainability Roles & Responsibility	
BSC	The Board of Directors, through the BSC, deliberates and determines the Group's strategies and policies with a focus on EESG aspects  	
ED and CEO	Oversees the overall strategy implementation and progress  	Reviews sustainability related information and presents it to the Board for deliberation
Key Management members	Operationalise the plan in the respective business units and divisions  	Collate sustainability related information against measurable indicators
Working Level	Implement the plan in their respective job functions	

The Compliance Officer and the Board Committee have oversight on the performance of corporate governance within the Group and shall make periodic reviews on governance as and when required.

Board Independence And Skills

The Group distinctly separates the positions of the Chairman and the CEO, which promotes accountability and facilitates the coherent division of responsibilities. The full details of our Directors and their positions, skills, experience and more can be found in the Board of Directors section of this AR2021.

The Board has established a formal and transparent process for the appointment and dismissal of directors in the Annual General Meeting ("AGM"). The last AGM Notice filing date was 24 May 2021 and the AGM was held on 24 June 2021, which is a gap of 31 days.

Additionally, details of our Directors' remuneration is transparently included in Sedania's remuneration disclosure, which may include long-term incentives and ESG-linked remuneration performance indicators in the future. Currently, none of the Board members and Executive Management team has ESG-linked performance objectives included in their remuneration package.

The Board has established a formal and transparent process for approving the remuneration of Non-Executive Directors ("NEDs") and the Executive Director / CEO, whereby the Remuneration Committee is responsible for reviewing the remuneration policy and then making pertinent recommendations on this matter to the Board for approval. All members of the Remuneration Committee are fully Independent Non-Executive Directors.

The Remuneration Committee also presents to the Board and relevant EDs and Key Management team the grant of entitlement under any share schemes. The ESOS Committee reviews and recommends to award / grant ESOS to eligible employees.

Shareholders have the voting rights on our Non-Executive's remuneration. The Remuneration Committee shall annually review the remuneration for the Board prior to providing its recommendations to the shareholders for approval at the AGM.

The Group also has in place guidelines for handling conflicts of interest under its Code of Conduct & Business Ethics to efficiently manage the situation, if a conflict of interest related to the Directors were to arise. Notably, the Board has entrusted the Nomination Committee with the responsibility of carrying out the annual Board Effectiveness Evaluation on the Board and its members.

Board Composition

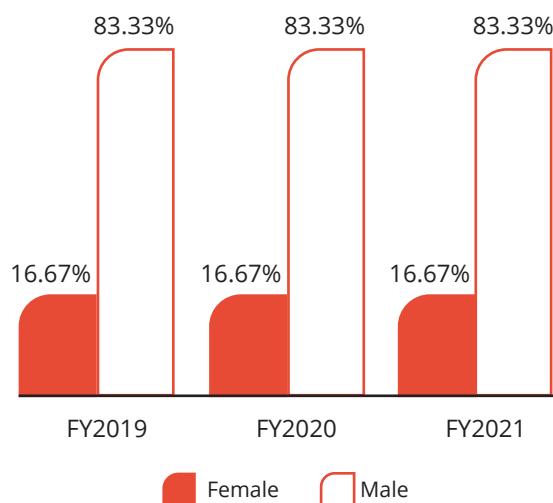
Sedania continually makes an effort to cultivate diverse leadership perspectives to ensure the Board consists of leaders of various professional backgrounds, skills, competencies and ideas that can enrich our decision-making with insights from different, meaningful angles and thought processes.

The Board is of the view that everyone who is qualified shall be given fair and equal consideration, and has appointed one (1) female Board member in 2016 ahead of regulatory requirements in support of gender equality. We are committed to progressively diversify the Board towards attaining 30% women representation on our Board in line with the recommendations set out in the Malaysian Code on Corporate Governance 2021.

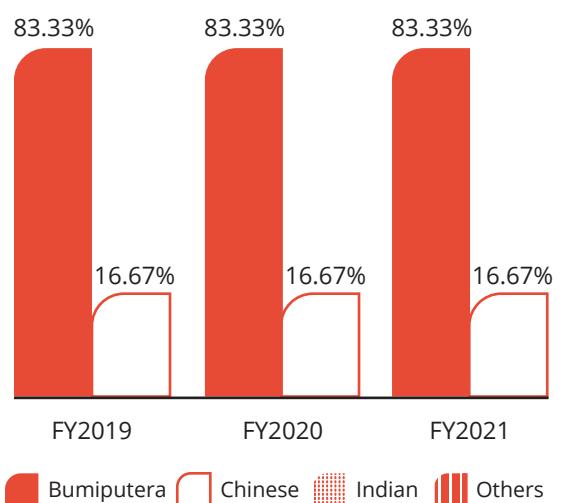
The Board is also committed to ensuring its independence to effectively carry out its oversight functions. Sedania adheres to the best practice in Board independence, with a ratio of four (4) Independent Directors to two (2) Non-Independent Directors, giving Sedania's Board a 66.67% independent majority.

More details can be viewed at our Board Charter at <https://www.sedaniainnovator.com/> and the Corporate Governance Overview Statement of this AR2021. The following graphs showcase the gender, ethnicity and nationality breakdowns of our Board:

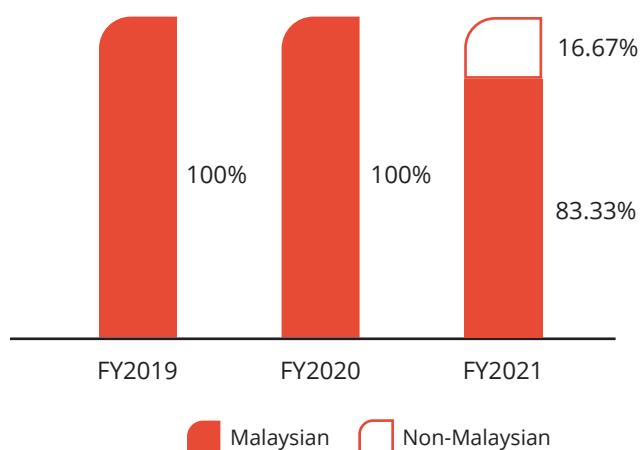
Board Composition Breakdown by Gender (%)



Board Composition Breakdown by Ethnicity (%)



Board Composition Breakdown by Nationality (%)



Financial And EESG Risk Management

The Board has established a robust framework for risk management and internal control at Sedania which are outlined in the reports of the Audit and Risk Management Committee and Statement on Risk Management and Internal Controls in this annual report. Through these Board functions, Sedania makes significant efforts to identify, monitor and address all major risks that have the possibility of affecting the Group's value creation ability, including climate change and other EESG risks, and ensures that our risk register is updated in a timely manner. Our disclosure on risks and mitigation measures are disclosed under "Anticipated or Known Risks" section of the **Management Discussion and Analysis** on page 107 of this Annual Report.

Anti-Bribery And Corruption

Corruption negatively impacts sustainability development, society's wellbeing and inevitably, economic growth. Therefore, one of the primary components of EESG is to eliminate corruption by implementing good practices, governance mechanisms and policies to build a sustainable and transparent business, community and society. The lack of any anti-corruption practices in an organisation will cause the organisation's employees to be less aware of the repercussions of committing fraud, and those actions will inevitably cause the organisation to be negatively impacted through the erosion of trust in our relationship with partners, suppliers and vendors.

Given the consequences, the Group practices a zero-tolerance approach to any form of corruption and bribery within the Group and its third-party partners. The Group has established and implemented the Anti-Bribery and Corruption ("AB & C") Policy in FY2020, pursuant to the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and the MACC (Amendment) Act 2018. The AB & C Policy consists of procedures, compliance factors, monitoring protocols and reporting frameworks for the Group regarding anti-corruption. It serves to promote better organisational transparency towards creating a better future and fostering sustainable economic growth in line with the aspirations of the SDGs. The AB & C Policy can be viewed at the Investor Relations portal at our website: <https://www.sedaniainnovator.com/>.

The Board has oversight of the anti-corruption efforts in the Group. They are supported by the Group's Heads of Department in ensuring compliance to the Policy. All managers and employees are required to be familiar with, and comply with, the Policy.

Organisational resources set aside to drive Sedania's anti-corruption agenda include designated internal personnel such as the Compliance Officer, and departments such as Legal and Secretarial, Finance and Human Resources ("HR") as well as the Audit and Risk Management Committee.

Since the Policy's adoption, the Board has reviewed and ensured the Policy's effectiveness according to the Guidelines on Adequate Procedures ("GAP"), i.e. **T.R.U.S.T** principles, which requires **T**op level commitment, **R**isk assessment, **U**ndertake control measures, **S**ystemic review, monitoring and

enforcement, and Training and communication. All departments of the Group have been appraised according to their respective Risk Assessment and the Board is satisfied with the levels of internal control measures in place to mitigate corruption risks.

In regard to our third-party business partners, due diligence on anti-corruption for those entities has been established following the MACC 2009 Managing Third Party Procedure in addressing corruption, which Sedania fully complies with.

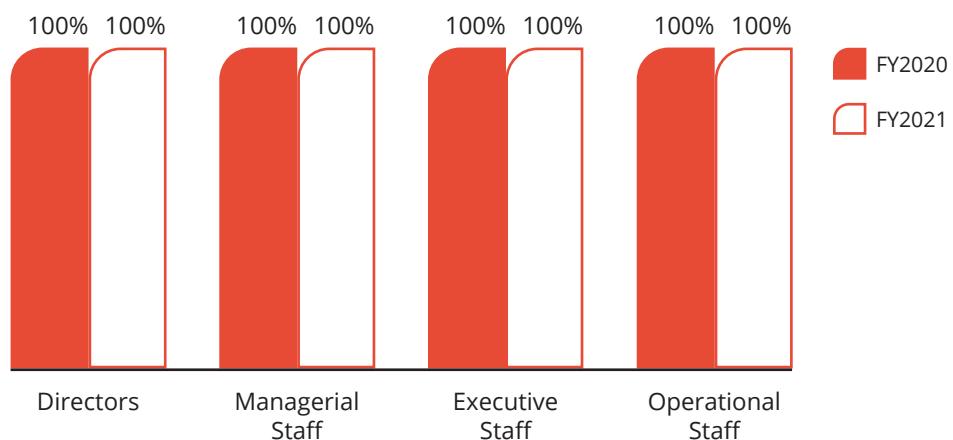
At Sedania, procedures are in place for screening, engaging and managing third-party partners to investigate if there are any direct or indirect conflicts of interest connected to the third-party partner which may increase the possibility of corruption, before we proceed to the decision-making portion of the tender process.

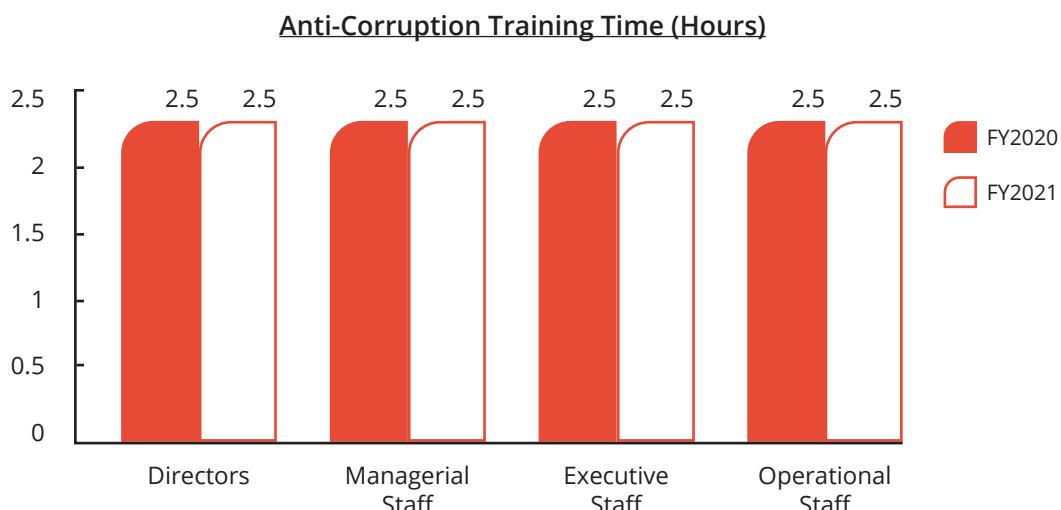
The Group's zero-tolerance stance on corruption and bribery is communicated to all associated third-party partners at the outset of the business relationship with them, and periodically thereafter as when appropriate. A copy of the AB & C Policy is sent to all associated third-party partners.

The Group consistently provides regular internal training on the AB & C Policy and on anti-corruption and anti-bribery laws for all new and existing employees. Anti-corruption awareness is also cascaded throughout the Group via staff meetings, internal memo reminders, posters, banners and others.

Sedania conducted AB & C awareness training in FY2021, with participants that included Board members, Key Management personnel, Business Development team members and Finance / HR / Corporate Communication support team members. 100% of Directors, managerial staff, executive staff and operational staff have had anti-corruption policies and procedures communicated to. The total anti-corruption training time in FY2021 was 2.5 hours.

Personnel Who Have Received Anti-Corruption Communication (%)





Progress reports are made on a quarterly basis to Management, the Board or the relevant Board committee. The Board takes full responsibility in this Policy's implementation, including any investigation and initiation of an action related to the Policy.

In line with our anti-corruption commitment, the Group maintains its stance as an apolitical organisation and has not made any monetary contributions to political parties in the year under review. There has been zero incidence of anti-corruption reported in FY2021.

In FY2021, Sedania has not been fined or censured by regulatory authorities for any environmental non-compliance and social non-compliance. However, the Group paid a late filing penalty of RM5,000 in FY2021 to Kementerian Perumahan dan Kerajaan Tempatan ("KPKT") for its Moneylending license under Sedania Technologies Sdn. Bhd. ("STSB").

The anti-corruption data at Sedania disclosed herein is verified by an independent professional consulting firm, Talent League Sdn. Bhd.

Code of Conduct and Business Ethics

Sedania's formalised Code of Conduct and Business Ethics ("Code") for Directors and employees serves to promote ethical and professional conduct throughout the Group by guiding and nurturing the high standards of behaviour expected of all employees in the discharge of their duties, and in their dealings with the Group, clients and vendors. The Code's guiding principles are:

1. Firstly, the **core** values and culture represented by Sedania;
2. Secondly, the **duties** of good faith, fidelity, diligence and integrity;
3. Thirdly, the **workplace** culture and environment; and
4. Lastly, **discipline**, disciplinary processes and sanctions.

All employees are provided with the Code and are required to declare their adherence to the provisions of the Code. Sedania's Human Resource Department oversees the compliance of employees towards the Code. Any non-compliance with the Code's provisions shall be reported directly to the Human Resource Department for disciplinary action.

More details can be viewed in the full Code at our Investors Relation webpage at <https://www.sedaniainnovator.com/> and the Corporate Governance Overview Statement of this AR2021.

Whistleblowing Mechanism

Sedania's whistleblowing policy has been established to enable employees and other stakeholders of the Group to report any potential or suspected incidents of fraud, misappropriation of monies, concealment of facts or information with the intention to mislead, abuse of power, embezzlement, violation of laws and regulations including taking or giving kickbacks, bribes and favours, endangerment to health and safety, violation of Group policies, abuse of privileges, criminal offences and blackmailing, amongst others.

Any whistleblowing report will be investigated thoroughly and fairly, provided the report is made in good faith. A whistleblowing report can be made to the designated person outlined in the Whistleblowing Policy through verbal communication or in writing.

For matters relating to financial reporting, unethical or illegal conduct, one can report directly to the following designated person:

- 1. Audit and Risk Management Committee Chairman**
Datuk Syed Izuan Bin Syed Kamarulbahrin
- 2. Senior Independent Non-Executive Chairman**
Tan Sri Abdul Halim Bin Ali

For employment-related concerns, one can report directly to the following designated persons:

- 1. Senior Independent Non-Executive Chairman**
Tan Sri Abdul Halim Bin Ali
- 2. Executive Director**
Datuk Noor Syafiroz Bin Mohd Noor
- 3. Chief Financial Officer**
Rizalzin Hashim Bin Mohammed

The identity of the individual who made the whistleblowing report shall remain confidential. In FY2021, zero whistleblowing reports were received.

More details can be viewed in our full Whistleblowing Policy at our Investors Relation webpage at <https://www.sedaniainnovator.com/> and the Corporate Governance Overview Statement of this AR2021.

Local Supply Chain And Procurement

Sedania ensures that good governance, procurement and business practices are observed across the Group's supply chain. The Group's equal playing field approach to supply chain management promotes a fair and competitive bidding as part of its procurement practice in vendor and supplier selection. Our Code outlines the expected employee behaviour in dealings with third parties such as clients, vendors, suppliers and public officials. Similarly, our vendors and suppliers are also required to accept the Code to qualify for our tender process. Vendors found to have violated the Code may find their services terminated or face legal action.

The Group largely utilises local procurement, which is defined as procurement that is based within Malaysia. Other than the Sustainable Healthcare segment, our basic SOPs are to source from local suppliers and vendors where possible, as long as such procurement is effective and the necessary technologies are in place.

The businesses of STSB and Sedania As Salam Capital Sdn. Bhd. ("SASC") are concentrated on delivering solutions in the information technology segment. Their suppliers or vendors are primarily sourced locally, with only a few overseas sources. Offspring Inc Sdn. Bhd. ("Offspring"), on the other hand, are more into the e-commerce and retail business that requires the company to maintain the correct inventory of supplies to meet consumer demands. Their main products are contractually manufactured abroad. Beyond that, Offspring's marketing, packaging and logistics vendors are locally sourced.

Working with local suppliers afford us more flexibility and accessibility in our supply chain as local suppliers are more reactive than suppliers who are farther away in international regions. Local suppliers also ensure a faster delivery and reduced supply chain costs as it is easier for a local supplier to coordinate shipment across local states and districts as opposed to worldwide coordination of supply chain services. This also serves to reduce the carbon footprint from our logistics needs. Additionally, Sedania has greater control of its supply chain when it is local, since interactions such as face-to-face visits allow us to address any supply chain concerns promptly and ensure all products meet our standards i.e. quality oversight and service improvements.

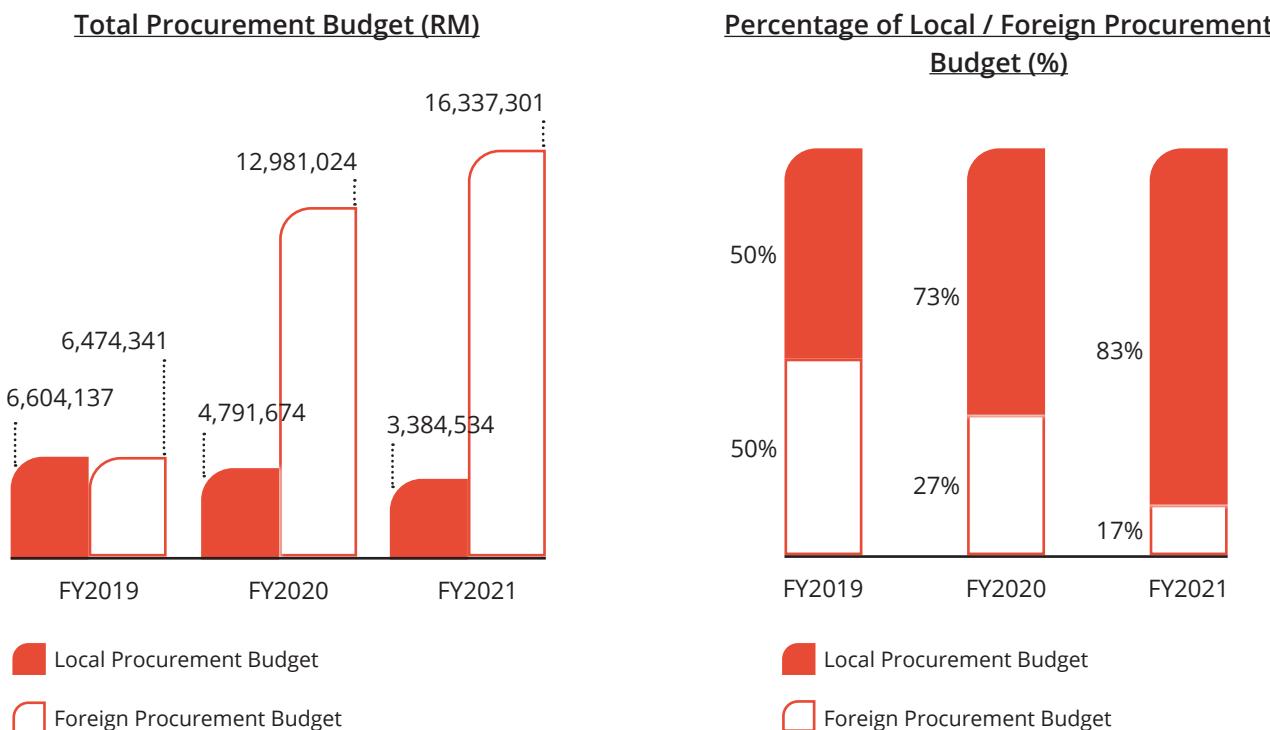
Supporting a local supply chain and procurement promotes circular economy in Malaysia, as it contributes to the development of local economies and a positive community (which may include fundraising, volunteering and sponsored activities from local suppliers). These benefits to the local community are created through sustainable business opportunities with local enterprises.

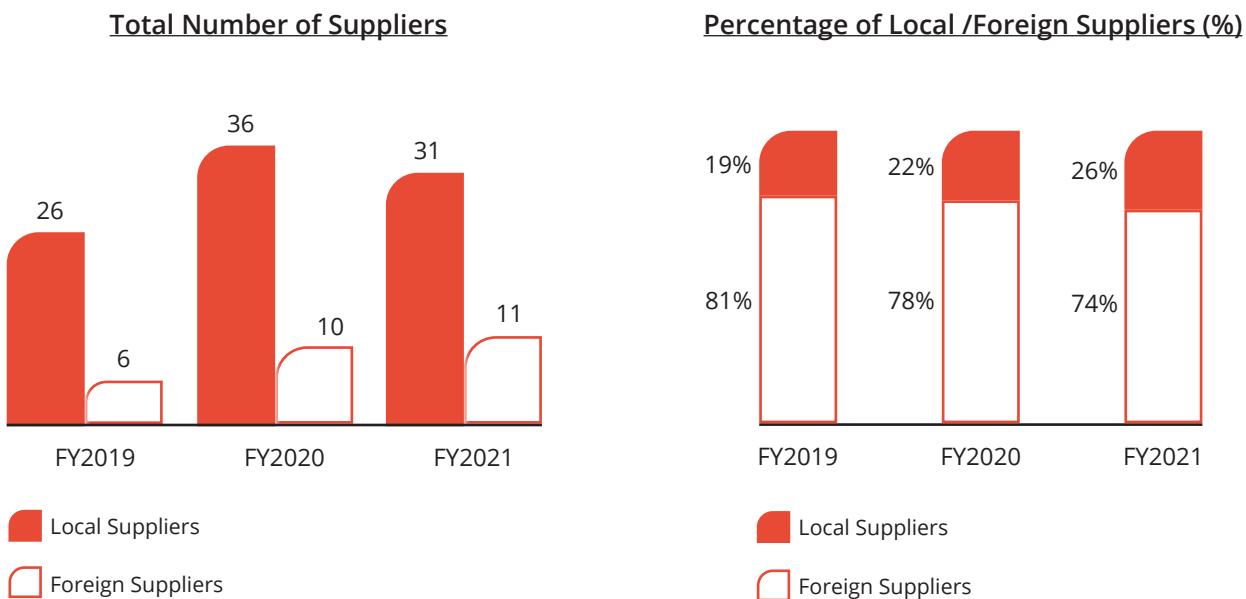
Below are some of the general procurement SOPs that Sedania observes:

- A minimum of 3 quotations is needed to ensure that the company is purchasing goods / services at the lowest possible cost, taking into the account product quality and after-sales support and services.
- The appointment of the vendor must be from an Approved Supplier List.
- Established approval limits:
 - Purchase orders below RM100,000 – to be approved by the CFO
 - Purchase orders of RM100,000 and above – to be verified by the CFO and approved by the ED

Our overall approach to local procurement and supply chain continues to be a journey. We are continuously working to improve and further develop our supply chain policies and procedures. In doing so, we shall ensure that all legal requirements are considered and corresponding measures are initiated where necessary.

The Warehouse and Finance Department is in charge of local procurement at Offspring, while at our other subsidiaries, the Business Unit Heads and Finance Department are in charge of procurement. The Group's Corporate Sustainability coordinates the due diligence activities and processes regarding local supply chain and procurement.





Based on the data above, in FY2019 local procurement of more than RM6 million mainly from local equipment vendors for energy performance contracts with Telekom Malaysia under Sedania's Sustainable Energy segment. Offspring, the main contributor to the Group's Sustainable Healthcare segment, relies on foreign-sourced contract manufacturers for its core products. Their purchasing patterns increased year-on-year ("y-o-y"), corresponding with the increased y-o-y sales.

As part of our responsible supply chain management, Sedania's emphasis on using local procurement sources whenever possible is part of the Group's responsible supply chain management and sourcing, in order to continue creating a thriving local marketplace and fuelling the nation's digital knowledge and economic growth.

Offspring products are manufactured using carefully-selected raw materials which are globally sourced for their specific contributing features and reinforced through various product certifications and accreditations garnered by the various Offspring products. Their products have received the following certifications / accreditations: Australian Allergy Certified, Australian Toxin Free, PETA Cruelty Free and Vegan, EWG Certified (Environmental Working Group VERIFIED Mark), FSC-certified (Forest Stewardship Council), Dermatest Seal, Eco-Cert Cosmos Organic.

These certifications and accreditations are a testament to the claims that Offspring products are natural, organic, cruelty free, eco-friendly, toxin free and dermatologically tested to be suitable for babies, children and adults. We make sure that our suppliers and vendors meet strict safety regulations to fulfil customer and market expectations. The selection of suppliers and vendors must meet the above certifications and accreditations.

Our list of suppliers, vendors and creditors are updated regularly and reviewed annually to identify high-risk suppliers. Supplier audits are conducted based on their performance, quality of product and services, as well as price competitiveness. Suppliers are audited on an informal or ad hoc basis when required. Similarly, physical inspection audits are also conducted on an ad hoc basis as in selected cases, we conduct factory visits / office visits / inspections based on business requirements. We also expect our suppliers to be assessed on voluntary self-reported information.

Due diligence is conducted on new and existing suppliers, looking at past performance and service history to determine their fitness prior to being registered into our panel of approved contractors and suppliers.

We expect all our suppliers and service providers to comply with environmental and social standards and International Labour Organisation ("ILO") standards while also respecting human rights. Generally, suppliers and service providers shall comply with all laws and regulations in the respective countries in which the suppliers operate, including all applicable anti-bribery laws, international laws and regulations as well as those relating to international trade (export controls, reporting obligations, etc.), data protection, confidentiality and privacy as well as intellectual property. Suppliers must also meet the specifications set out in relevant Group subsidiary's contractual documents and purchase orders when delivering the products and services.

Covid-19 Pandemic Response

The COVID-19 pandemic's persistent presence in FY2021 saw Sedania maintaining its various workplace health and safety SOPs in adherence to government laws and regulations. The safety and wellbeing of our people continue to be top of mind in FY2021, which is why the Group has continued to update its Disaster Recovery and Business Continuity Plan Policy and Procedures as and when deemed necessary to ensure all health and safety risks are accounted for. Maintaining operational continuity enables our employees to continue carrying out their responsibilities without endangering them. These include:

WFH Procedures

- Employees are required to work remotely from home during the MCO period.
- We subscribed to Google's G Suite - a collection of cloud computing, productivity and collaboration tools - to manage work flows, and Zoom.us virtual video conferencing tool to facilitate discussions in place of face-to-face meetings.
- To ensure employees can effectively work from home, daily check-in at 9:30am and check-out at 5:30pm is observed and all staff must log in. During Ramadhan month, check-in and check-out times were adjusted to 9:00am and 4:30pm daily.
- Our office remains open to those who want or need to utilise its facilities
- In-office team meetings are carried out at least once a week.

Safety Protocols

- Introduced guidelines on hygienic behaviour for employees similar to those published by Kementerian Kesihatan Malaysia.
- Staff are advised to observe and practice social distancing, wear a face mask and sanitise frequently.
- Acquired disposable face masks and hand hygiene materials to be available for use by employees in the office.
- Changed seating arrangements in office with social distancing markers to increase space between people at work.
- Perform frequent and effective cleaning and sanitisation of the office, so as to reduce the risk that employees will pick up the infection from contaminated surfaces.
- Banning overseas travel during the pandemic.
- Implemented mandatory weekly RTK Antigen Test for employees starting January 2022 to minimise risk of infection at workplace and keep our employee safe.

Given the unpredictable nature of the COVID-19 virus, these aforementioned SOPs and health measures will continue to be in place until the pandemic is effectively contained. Sedania's robust safety protocols, preparations and guidelines have also seen a smoother effort from our side to adapt our operations to this 'new normal' with minimal disruptions, as well as protect those who have to be physically present at the office.

Our risk register continues to be updated accordingly to cover pandemics, and we have endeavoured to ensure that the components of internal control remain functioning with the increased reliance on technology.

There were eight (8) COVID-19 positive cases at Sedania in FY2021. We have put in place specific safety and health measures which will be immediately taken in the event of a COVID-19 positive case to prevent further spread of the infection within the Group's workplace. The individual(s) affected by COVID-19 was safely quarantined and monitored.

To support the national vaccination efforts, the Group encouraged its employees and all other personnel to get vaccinated. To date, 100% of our employees and personnel are fully vaccinated against COVID-19.

Economic

Sedania's economic sustainability continues to be one of its most prioritised material matters as we strive to create long-term value for our business and our stakeholders by adopting a holistic perspective on addressing significant environmental, economic and social impacts, risks and opportunities, which are vital to the continued success and growth of the Group.

Our philosophy towards economic value creation transcends multiple layers, contributed by our activities as a solutions provider, an employer, a consumer of local products and services, and as a payer of taxes and fees to support local economic development. These roles contribute to the national agenda by helping to raise the standards of living of the local population, both directly through financial payouts to our various stakeholders and indirectly through the economic multiplier effect we create. These include supporting the local marketplace through jobs creation and skills transfer, community investment, and the creation digital infrastructure that enables green technology adoption and accelerates the nation towards achieving the goal of net zero carbon emissions by 2050.

Given its importance, the Board has the overall responsibility and oversight of this material topic and is supported by the CEO and Senior Management team in the determination and execution of strategies towards economic value creation.

In FY2021, the Group registered revenue of RM49.1 million and profit before tax of RM12.1 million. Our cash reserves also stand at RM13.3 million as at the end of FY2021. The table below illustrates the indirect economic value distributed for the past 3 years:

	FY2019	FY2020	FY2021
Economic Value Distributed (Opening Costs)	20,029,127	27,043,050	29,573,432
Total monetary value / spend on procurement	13,078,478	17,772,698	19,721,835
Total payout to employees in salaries and benefits	6,228,098	7,423,654	6,689,870
Taxes paid to government	469,372	1,554,614	1,450,834
Repayments to financiers	213,719	287,584	1,688,795
Community investments	39,460	4,500	22,098

Staff costs increased due to higher staff compensation and costs of benefits from the increased number of employees to better support business growth. Additionally, as the Group's business has grown with more economic activities in multiple business segments which has seen the Group post a higher net income, therefore the taxes paid to the government have also increased.

We continue to invest in our various technologies, especially in TelcoTech and Sustainable Healthcare, as we leverage these fast-growing verticals as part of Sedania's strategy to ensure our future economic sustainability.

Additional information on our FY2021 economic performance can be found in:

Financial Highlights: page 9

Management Discussion & Analysis: pages 102 to 113

Financial Statements: pages 147 to 215

Product & Service Quality

The quality of our products and services are paramount to our brand and mission in the long term as this is where our competitive edge in the industry really shines. It is therefore crucial that we consistently strengthen our commitment in pursuing product and service quality and customer satisfaction in all elements of our business, given that our business is sustained by our customers' continued trust and confidence in the quality of our products and services and the value it offers to our customers.

In approaching product and service quality at Sedania, we segregate the quality assurance processes based on the various subsidiaries of the Group for better focus on each of them.

At Offspring, via their product development team, product and service quality involves managing the products' sourcing, ingredients, resources / labour, packaging, delivery as well as omnichannel sales touchpoints and gathering feedback on customer experience via customer surveys. For Offspring's baby diapers and wipes, we also work closely with our contract manufacturers to resolve potential issues at the start of the manufacturing process by performing in-house quality checks on product prototypes / samples. Then we perform inspections on finished products to guarantee stringent control and increase operational flexibility.

At SASC, we ensure that the quality of the trading platform's origination, the trading process' ecosystem as well as the delivery and actions for our banking sector clients are seamless, which ultimately benefits the end user who will enjoy hassle-free and shariah-compliant financing.

Product and service quality as well as customer satisfaction comes under the purview of Quality Control ("QC") department, which provides quality assurance from production to post-production, Sedania's Head of Ops and Head of Technology for quality assurance of technology services, and the various operations involved in handling customer service. Collectively, they work together to ensure customer satisfaction for Sedania's range of products and services. We have also adopted an Information Security Management System ("ISMS") standard to protect the confidentiality, integrity and availability of our assets.

We regularly engage with customers to foster mutually beneficial long-term relationships with them based on trust, integrity, and respect, because understanding their needs and challenges allows us to tailor and innovate our product and services solutions to effectively address our customers' evolving needs.

One of the primary ways of monitoring customer satisfaction involves providing them with our customer survey at least once a year, which forms a key engagement channel with this important stakeholder group. The following table discloses our customer complaint resolution performance for the past 2 years:

	FY2020	FY2021
Customer Complaints Received (Product Complaints)	34	38
Customer Complaints Resolved (Product Complaints)	34	38
Rate of Customer Complaints Solved (%)	100%	100%

Going forward, we plan to further bolster our customer satisfaction initiatives by creating a customer grievance mechanism for our respective business segments, adapted based on each segment's unique nature of business.

Our digital-centric business activities usually bring us into contact with large amounts of customer data and digital information, some of which may be sensitive in nature. We hold a high regard for our customers' right to data privacy and adhere fully to the Personal Data Protection Act 2010 ("PDPA"). Suppliers and business partners who may come into contact with this information during the course of their work are also required to sign Non-Disclosure Agreements to ensure our customers' data privacy.

Similarly, data privacy is also aligned with the data privacy of our banking partners. For auditing purposes, this is aligned with the annual bank's audit on the trading process.

There have been zero fines, penalties or warnings resulting from incidents of non-compliance with regulations or voluntary codes concerning information and labelling of products and services. Moreover, there have been no incidents of non-compliance reported concerning our products on health and safety impacts in the last 3 years.

Innovation & Intellectual Property ("IP")

Sedania remains a vital player in the digitisation of the many segments of the nation's economy. Constant collaboration with our customers on their transformation journey facilitates the creation of efficient operations while enhancing the customers' journey.

In FY2021, SASC and CREALOGIX (a Swiss FinTech 100 company) announced their partnership on bolstering digital adoptions for Malaysian financial institutions. The modern, unified, omnichannel front end for CREALOGIX's client-facing products and services in banking and wealth management will allow SASC to bring this digital expertise and functionality to the Malaysian market. Clients will be able to benefit from local expertise alongside feasible technology integration and solutions, and SASC is confident their collaboration with CREALOGIX will allow them to expand their technological specifications to serve clients better.

Notably, as part of its 'Digital Solutions for All' campaign, SASC has worked with CREALOGIX on several programmes to drive conventional and Islamic digital banking deliverables jointly. The proliferation of digital banking is necessary given Bank Negara Malaysia's imminent announcement of digital banking licenses, and Sedania is eager to remain at the forefront of these digital developments.

As we continue to pursue innovations that will enhance Sedania's economic performance and financial contribution to our stakeholders as well as the wellbeing of society, we also mindful of the need to protect the intellectual capital of the Group, which is crucial to the maintenance of our brand integrity and our continued value creation ability. Patents filed by Sedania over the past few years include:

No	Patent	Applicant	Date of Filing	Application Number	Place of Application
1	Telecommunication Air-time Transfer And Request System And Method	IDOTTV	05.11.2008	PI 20084418	Malaysia
2	A Telecommunication Airtime Trading System	SASC	28.01.2010	PI 2010000455	Malaysia
3	A System and Methods Used for Electronic Billing	IDOTTV	30.03.2011	PI 2011001419	Malaysia
4	A System for Allowing Interaction for a Mobile Device Program, a Server Program and a Bridging Program and a Method for Generating the Programs.	IDOTTV	22.03.2011	PI 2011001287 (product patent)	Malaysia
5	A System for Allowing Interaction for a Mobile Device Program, a Server Program and a Bridging Program and a Method for Generating the Programs.	IDOTTV	22.03.2011	PI 2011001643 (divided out of PI 2011001287) (process patent)	Malaysia
6	Airtime Share	IDOTTV	18.04.2016	PI 2016701419	Malaysia
7	Telecommunication Balance Request And Transfer Method	IDOTTV	18.07.2017	UI 2017702640	Malaysia

Environmental

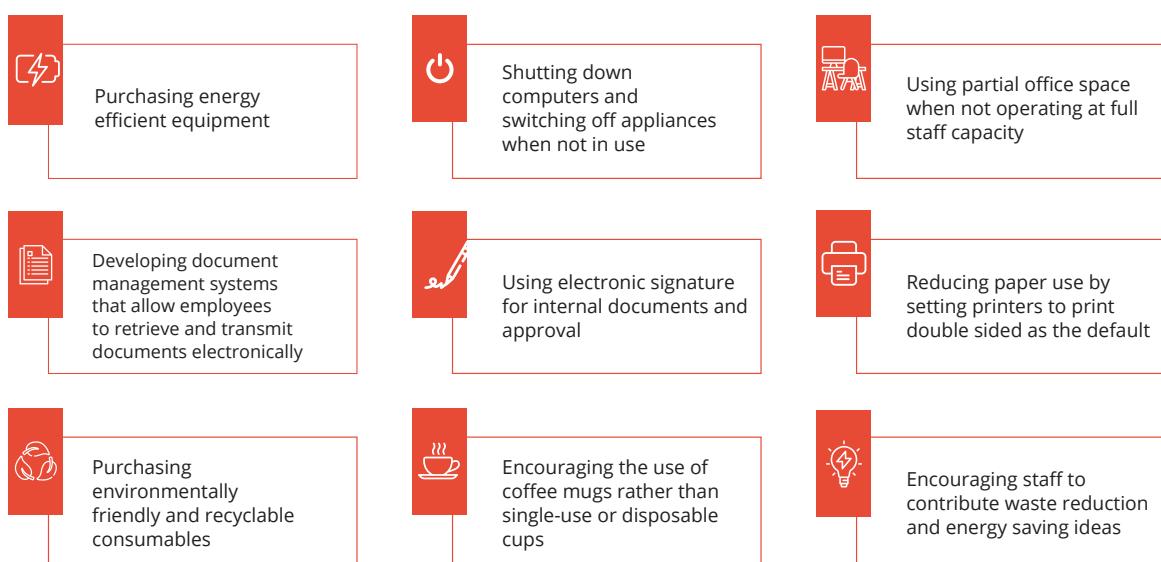
Sedania continues to prioritise the minimisation of our environmental impact through eco-friendly work routines, efficient use of resource, smart energy usage, responsible waste management practices and more. Beyond our direct impacts, our business also helps to mitigate climate change through the provision of Green Technology products and services that helps to reduce the carbon footprint our customers.

We are in adherence to all applicable environmental regulations and legal standards.

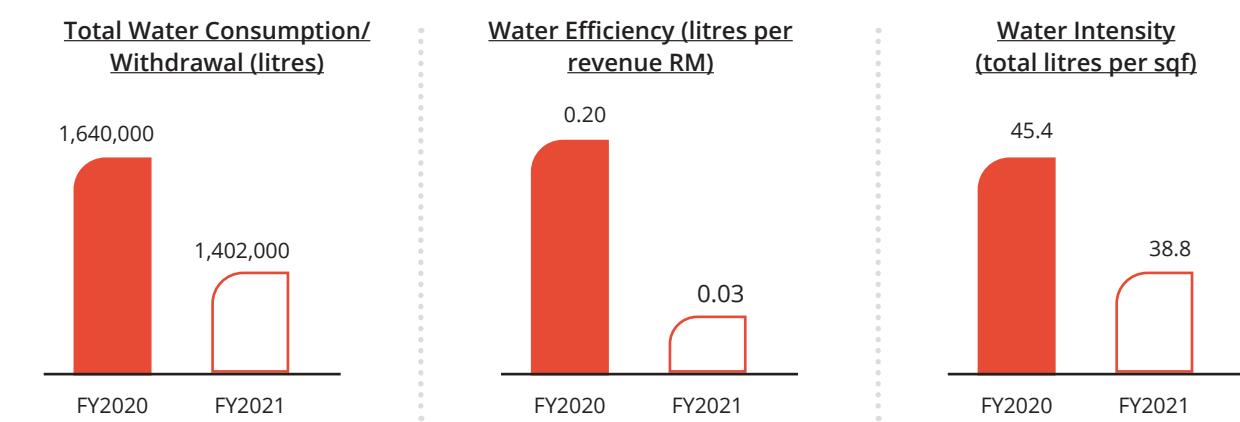
Environmental Consciousness

As a technical solutions provider, Sedania understands that our carbon footprint is mainly limited to energy and resources that are used within the office environment. The Group is aware that despite this, Sedania still has a role to play in addressing indirect environmental impacts such as water consumption and waste production.

The Group has implemented various environmentally friendly initiatives in the workplace and our employees are notified about these initiatives through staff inductions and meetings. Below are examples of the initiatives we have taken to reduce the impacts we have on the environment:



Although water management is also not considered a significant topic for Sedania as the only form of usage comes from basic kitchen needs, Sedania is still committed to reducing our consumption of water as it is a finite resource. Our overall water management has improved from the previous year and is shown in the graph below:



Energy Consumption

Energy consumption and GHG emissions are integral business performance indicators for Sedania. Sedania is committed to reduce our electricity consumption wherever possible to reduce our carbon emissions, switching to energy efficient equipment and replacing fossil fuel energy sources with renewable alternatives to improve our overall energy efficiency.

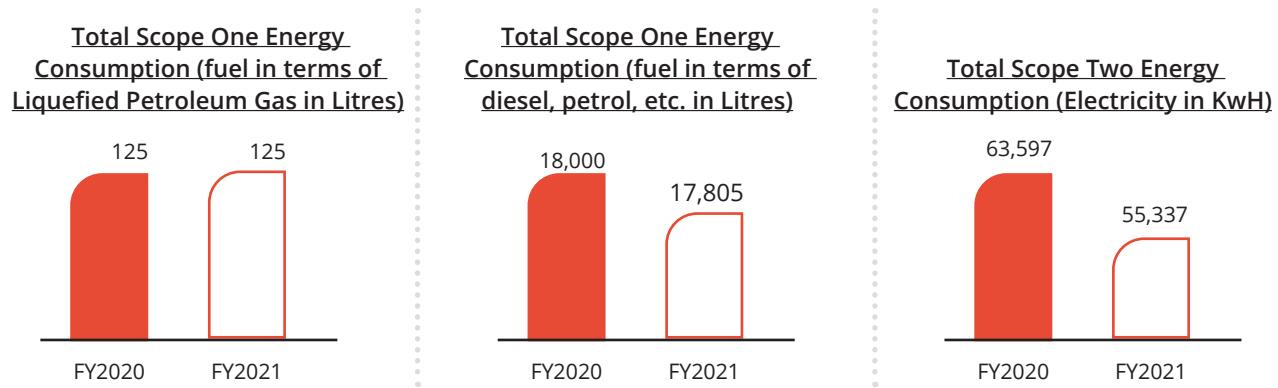
Sedania has identified our main sources of energy consumption as electricity from Tenaga Nasional Berhad's ("TNB") grid, petrol for our company cars, and liquified natural gas ("LNG") for our forklift. Sedania had used 100% grid electricity in FY2021. Among our operating entities, STSB is the biggest contributor to our electricity consumption and is therefore tracked to better improve our energy management going forward.

In order to manage our energy consumption, we are in the midst of preparing an Energy Management policy and have installed an Energy Monitoring system in FY2021. This will help monitor our own energy consumption and help us locate areas where improvements can be made. The system will receive further upgrades in FY2022.

Through our Sustainability Energy service, we provide Energy Efficiency ("EE") and Renewable Energy ("RE") solutions to our clients. This remains a core business for Sedania and is why we have put aside financial resources in excess of RM20 million for the investment of EE and RE equipment and services to provide to our clients. We have also dedicated manpower resources to this effort, with 4 internal and external employees assigned to execute this agenda of developing EE and RE equipment and service. We are committed to promote EE and RE through our personal networks, partners and website.

Energy consumption KPIs and targets have also been set by Sedania. Our own-company target is to reduce our kWh consumption by at least 5% per year and our business target is to save 15 million kilowatt-hours for our clients in 2022. Sedania also hopes to install over 500 kWp of rooftop solar photovoltaic ("PV") technology in 2022.

The Graphs below display our Scope One and Scope Two energy consumption for FY2021:



Climate Change & Emissions

Climate change remains a major concern for Sedania, especially as a Sustainable Energy Service Company ("ESCO"). Beyond the existential crisis posed by climate change, Sedania understands that climate change can directly affect the ecosystems where we operate, which can in turn impact our economic returns and the wellbeing of our community. Growing electricity demand will also greatly increase consumption costs as well as our CO₂ emissions.

Hence, combating climate change is fundamental to our long-term social and economic goals. Sedania will continue to focus on reducing GHG Emissions of our businesses and our customers, and closely monitor how our business operations directly or indirectly impact climate change.

The Group has in place our Sustainable Energy portfolio of solutions and services which focuses on providing design, management, installation, and maintenance of energy-saving solutions for corporations. Sedania hopes to continuously develop our portfolio and expand the range of our Sustainable Energy service. As mentioned previously, this would improve energy consumption and reduce overall emissions, which is Sedania's method of contributing to the fight against climate change.

The following are part of our energy efficiency and energy saving technology portfolio:



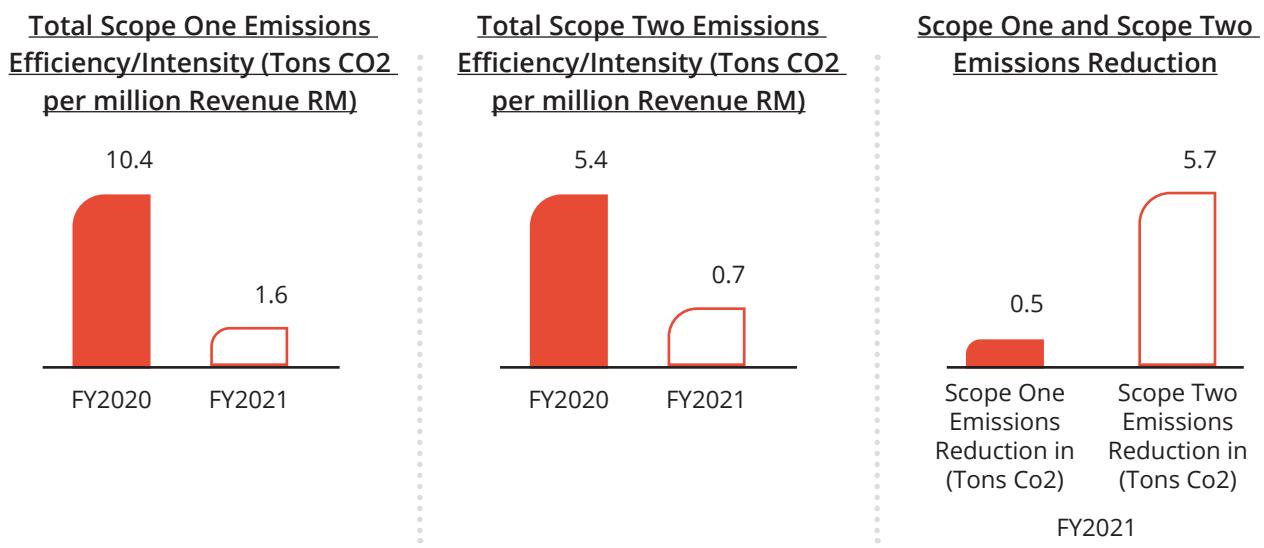
Our Sustainable Energy business operates based on a zero-CAPEX profit sharing model – an alternative financing scheme called an Energy Performance Contract ("EPC") which lowers the barrier of entry for the adoption of green technology among businesses. Under the EPC, the energy-saving technologies are deployed across all our client's buildings and branches without the need of an outright purchase or CAPEX investment from the client. Instead, the green technology solutions are financed through savings on their monthly electricity bills, which will then be shared between the client and Sedania over a few years.

Sedania has a strategic partnership with a well-established energy services company in place that has enabled us to execute energy saving projects and allows investment into the development of products that significantly reduce energy consumption.

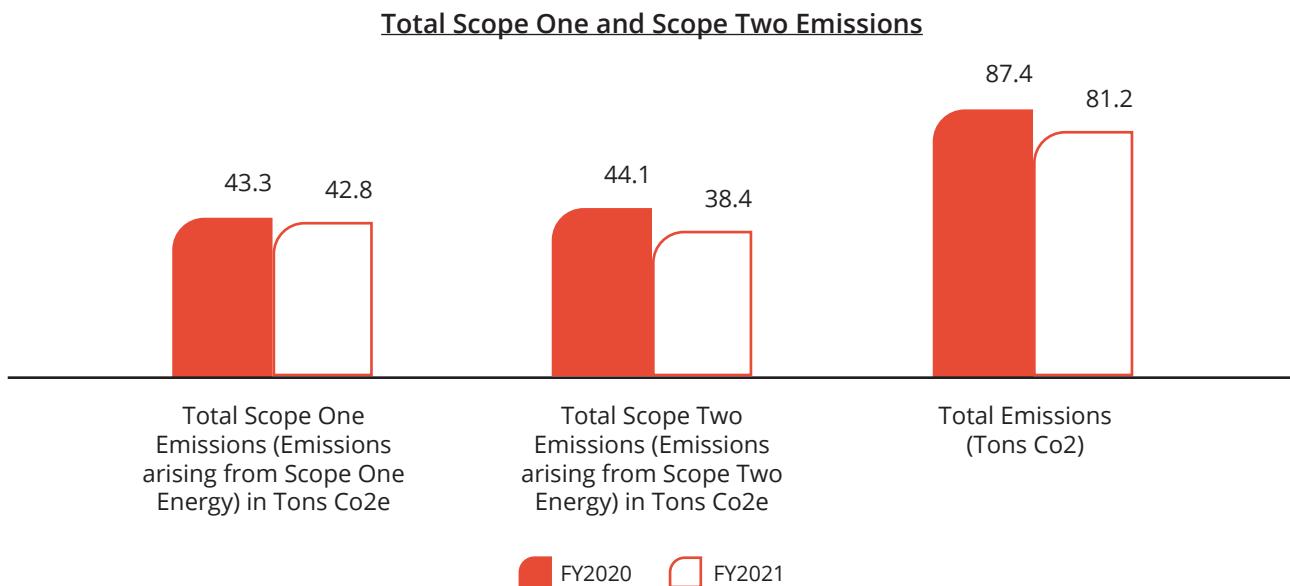
Our Sustainable Energy service contributes a great deal towards preserving the environment as it reduces the use of fossil fuel energy and increases the use of renewable energy for our clients. Our Sustainable Healthcare products are also made out of biodegradable material, which means that less CO2 is released during production. Both these aspects can significantly reduce overall carbon emissions and help achieve SDG 13 on Climate Change.

Beyond the provision of solutions that would lower customers' energy consumption and reduce overall emissions, direct Scope One emissions for Sedania are also monitored as we look to improve our energy efficiency. Our KPI is to improve our CO2 emissions per Million Revenue by at least 5% each year.

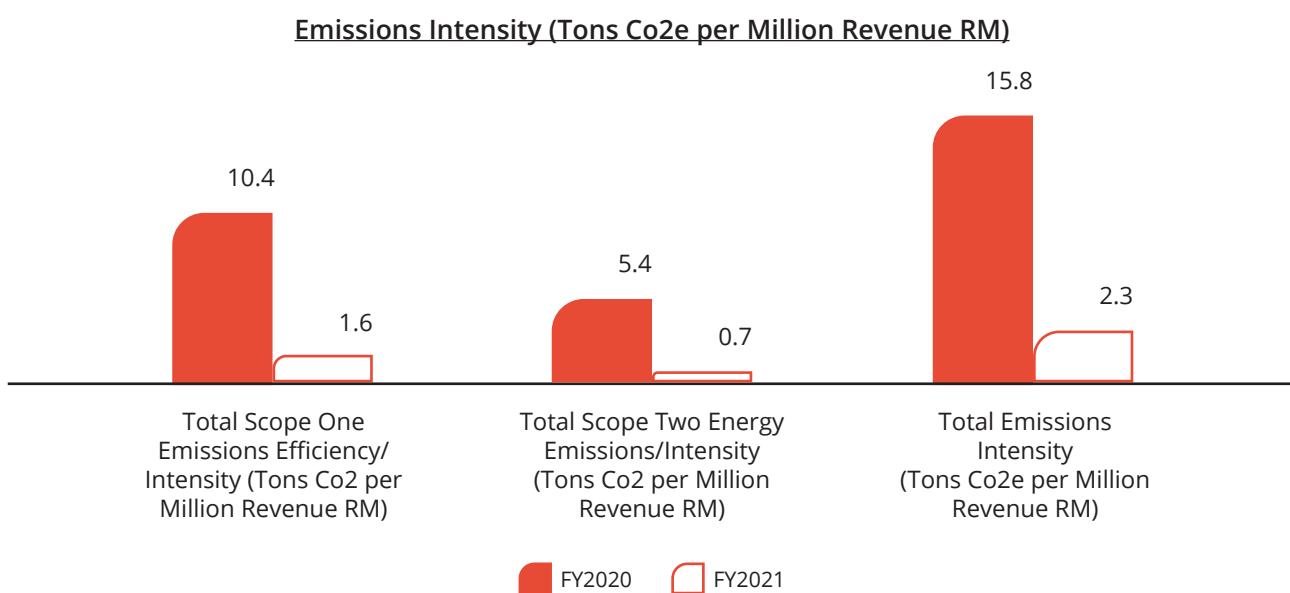
The main source of emission for Sedania would be from our company vehicles and electricity usage. In the year under review, Sedania had seen an improvement of 7.5% when it came to Scope One and Scope Two emissions and had achieved 98% of the targets we had set for this year when it came to emissions. We have improved on our overall efficiency when it comes to both Scope One and Scope Two Emissions as can be seen below:



The below graph shows our total Scope One and Scope Two emissions and our emissions intensity:



The intensity of our operational GHG are also measured and have seen a significant improvement, charting 85% lower than the previous year. Sedania aims to achieve a GHG reduction of 5% per year for the next 5 years for Scope One and Two emissions.



Looking forward, for FY2022, we are adopting an Energy Management Policy which will help monitor our own energy consumption with new energy monitoring devices being installed.

Policies and action plans we have implemented include:

- Using our 3 motorised vehicles as efficiently as possible
- Migration from in-house server applications to cloud-based or externally hosted environment which are more energy efficient
- Reducing usage of electrical equipment
- Switch from desktop to energy-efficient laptop computers

Sedania has also entered into Memorandum of Cooperation with Malaysian Green Technology And Climate Change Corporation (“MGTC”) in 2021 to jointly pursue sustainable energy projects in the future and is a listed Task Force on Climate-Related Financial Disclosures (“TCFD”) supporter.

Through the provision of our services, Sedania has improved the rates at which corporations have adopted green technology. This in turn would help reduce the overall carbon footprint in Malaysia. Our main clients are involved within the telecommunications industry and consume large amounts of electricity compared to other industries. We have made considerable positive change for the environment by reducing ten (10) Malaysian data exchanges energy consumption by 25%.

The growing global awareness on the threat of climate change has provided us an opportunity to further develop our Sustainable Energy service. Demand has increased over the short and medium term for our service as we help clients become more sustainable in their efforts against climate change. Sedania recognises this and has aligned its company strategy to support its growth in its Sustainable Energy segment, setting aside capital expenditure for the development and sourcing of new products, staffing costs for an enlarged team size, and for retrofitting business premises with energy efficiency solutions and installing renewable energy systems, such as rooftop solar.

We hope to continue developing our RE and EE solutions and have set the target to achieve 15 million kWh energy savings via EE and generate over 1 million kWh in RE through the installation of rooftop solar PV for businesses.

Waste & E-Waste Management

Being a business that primarily operates from the office and mainly uses electricity as its source of energy, Sedania produces minimal waste which only amounts to less than 5kg per day. Therefore, waste management is not considered a key material topic for Sedania, but is nonetheless monitored as every bit of waste reduction helps reduce the GHG emissions from landfills.

Towards that end, Sedania adopts a Minimum Waste and Reduce, Reuse and Recycle ("3R") policy, which supports paperless operations and electronic archiving of emails, invoicing and statements as much as possible, as well as reuse and recycle where possible.

We are also mindful to keep equipment in use for as long as possible, conducting regular maintenance as part of the equipment upkeep to ensure its operational integrity. Electrical and electronic equipment that have reached its end life are discarded responsibly to prevent the leaching of toxic chemicals and metals into the environment.

SOCIAL

Talent Management

The professional expertise and experience of Sedania's workforce remains a key material topic for the Group. We maintain a small but committed workforce which we nurture through our merit-based organisational culture, with hiring, retention, reward, promotion and training opportunities determined purely on their competence, skills, capabilities and experience for any job position within the Group.

Talent Management come under the purview of our Human Resource department and is overseen by our ED and Group MD. Sedania implements the following initiatives for our employees to help them grow within the company:

- New Employee Orientation
- Compensation and Benefits
- Salary Adjustments / Revisions
- Open communication channels
- Performance Review
- Training & Development
- Recognising our employees' efforts and having an appropriate reward system
- Effective change management (guiding and supporting employees through organisational changes)

. Additionally, our HR department are also in charge of the following:

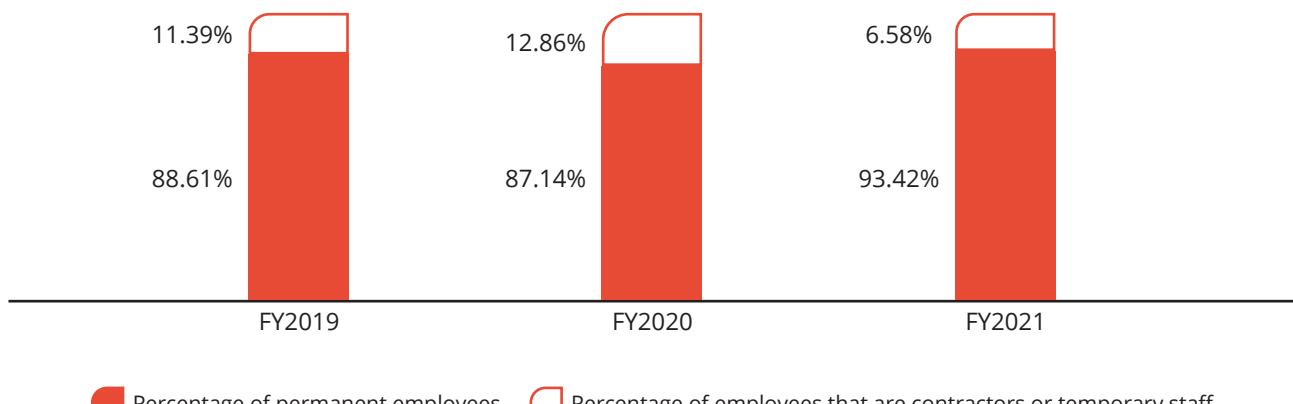
- Prepping of Candidate for Vacant positions
- Sourcing and Attracting Talent
- Receiving Applications
- Selecting and Screening Candidates
- The Interview Process
- Background and Reference Check
- New Employee Onboarding Process

It is important to note that the Group adheres to the Malaysian Employment Act 1955 and Children and Young Persons (Employment) Act 1966, which prohibits exploitative labour practices and is aligned with the guidelines of the International Labour Organisation ("ILO") and the Universal Declaration of Human Rights. We do not practice child labour or forced labour and adheres to the minimum wage requirements of our country of operations.

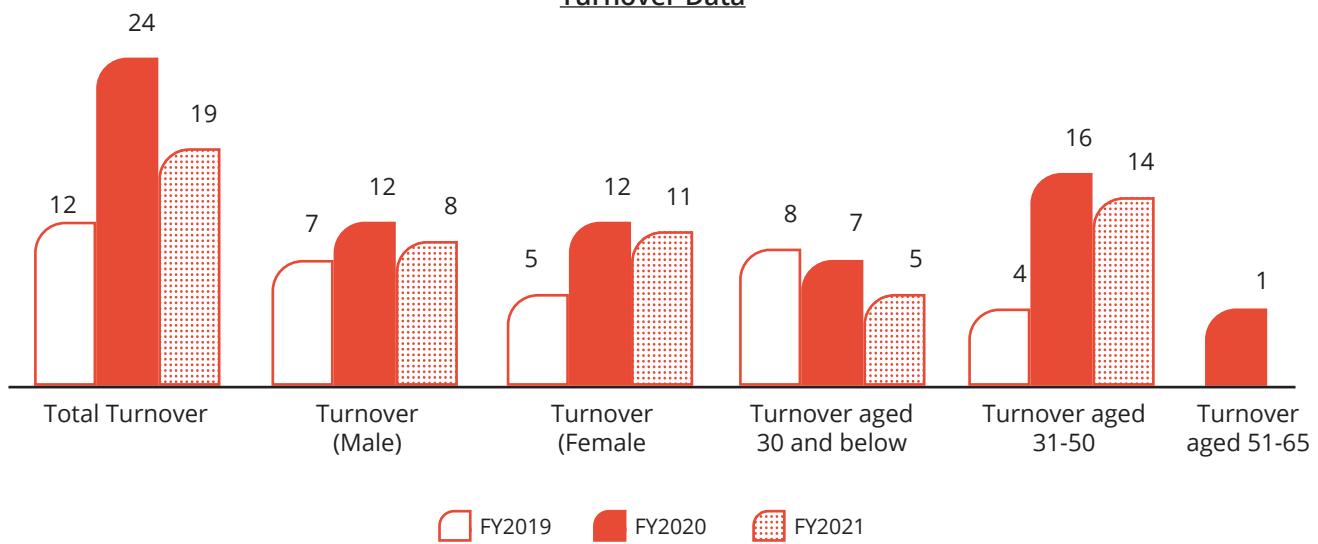
Sedania's employment opportunities consist of various positions that involve different levels within the organisational structure within Sedania, with full time and contractual employment options utilised depending on the needs of the vacancies.

Sedania is committed to reduce our employee turnover rates and keep the skilled talent that form the knowledge foundation of the Group. This has become increasingly difficult when job mobility, especially among the younger generation, is common practice nowadays. Thanks to the effective talent management strategies employed, Sedania's full-time staff voluntary turnover rate for FY2021 has dropped to 25% compared to FY2020's 34.29%. Our employee breakdown by employment type and turnover numbers for the past 3 years are shown below.

Workforce Breakdown by Employment Type

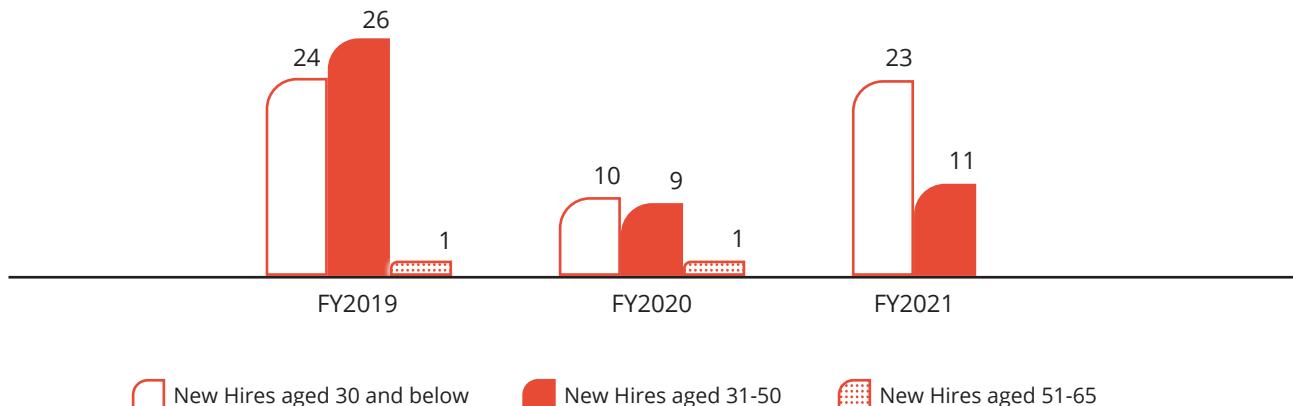


Turnover Data



Given the nature of Sedania's business in the technology and sustainability, a large number of new hires recruited in FY2021 to fill the vacancies are from the younger demographic of 30 and below. We have also seen a higher number of male recruits in FY2021, which has historically been well balanced between the two genders. Whilst Sedania does support the employment of those with disabilities, in FY2021 there were no new hires with disabilities or from under-privileged groups. The age and gender breakdown of our new hires are disclosed below.

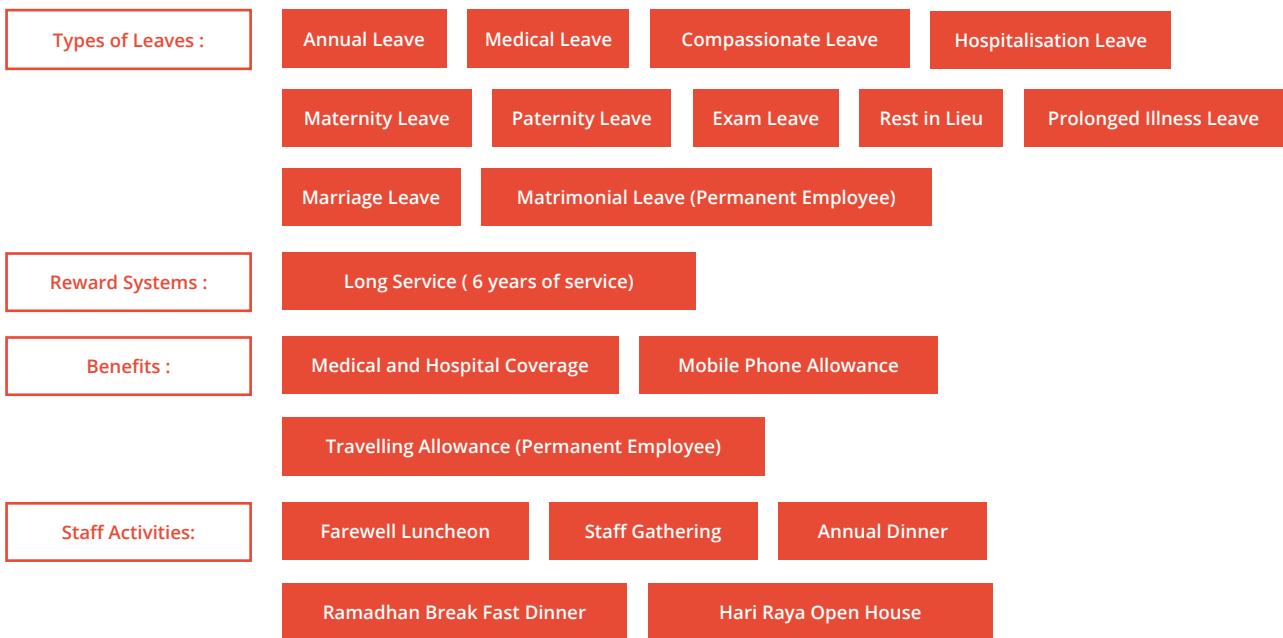
New Hires Age Breakdown



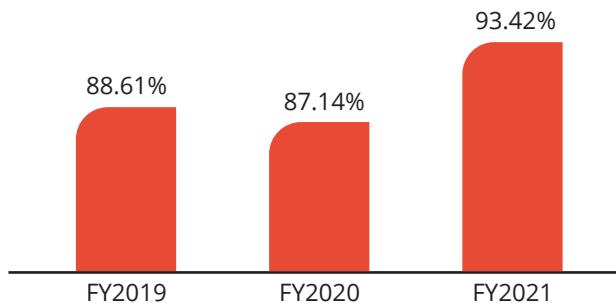
New Hires Gender Breakdown



Sedania provides a competitive mix of remunerations, benefits, entitlements, rewards, training and development opportunities and staff engagement activities as part of our talent attraction and retention strategy. These include:



Percentage of Employees Entitled to Employee Benefits



Female employees are entitled to paid maternity leave of ninety (90) consecutive days for each confinement period and male employees are granted a total of three (3) days of paternity leave. The below table displays the employees parental leave entitlement and utilisation for FY2019 to FY2021:

	FY2019	FY2020	FY2021
Employees Entitled for Maternity and Paternity Leave	87	103	129
Employees Who Took Paternity Leave	2	4	0
Employees Who Took Maternity Leave	1	2	3

To remain a competitive employer, Sedania ensures that our employees are paid wages above the minimum rate. Wages are determined based on industry benchmarks as well as the talents' qualifications, experience and performance.

	FY2019	FY2020	FY2021
Employee salaries, bonuses and benefits (RM)	4,665,605	6,488,178	6,285,374
EPF (RM)	385,981	590,758	605,823
SOCSO (RM)	10,289	14,528	14,524
Life insurance payments including death and disability (RM)	202,834	167,550	249,398
Payments for medical / healthcare benefits (RM)		Outpatient / Hospitalisation / GHS / OP	
Share options granted under ESOS (RM)	140,509	701,604	45,994

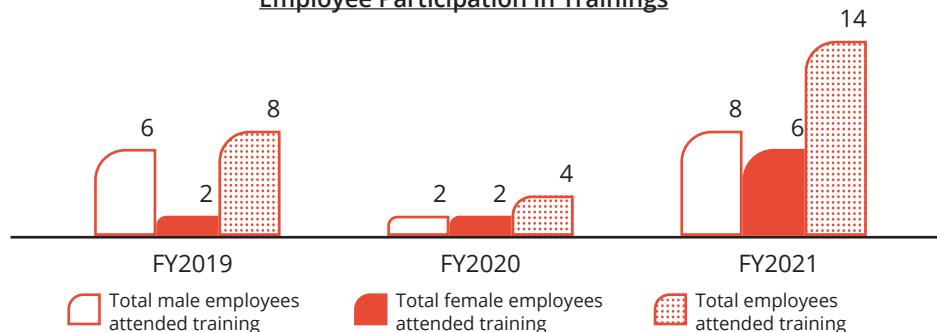
Training and development is also emphasised at Sedania to develop our talent's technical, organisational and communication skills. Our HR department is in charge of organising the training programmes, which includes determining required training areas in consultation with Heads of Departments, planning the training course itself and getting an accurate number of employees participating in the training sessions.

However, the COVID-19 pandemic has made it increasingly difficult to conduct any physical trainings in FY2021. However, the shift to online training does have its benefits. This includes improved accessibility to these trainings, meaning more employees could participate in these trainings and a wider range of training development programmes could be conducted for employees. Our training performance data for the past 3 years are provided below:

	FY2019	FY2020	FY2021
Total training hours as a company	72	189	226
Total training hours Per Division / Business Unit	72	189	57
Average Training Hours Per Employee	9	47	16
Average Training Days Per Employee	1.1 days	5.9 days	2.0 days

	FY2019	FY2020	FY2021
Average Training Hours Per Employee (Male)	54	94	129
Average Training Hours Per Employee (Female)	18	94	97
Average Training Hours Per Employee (Senior Management Staff)	27	47	49
Average Training Hours Per Employee (Executives)	45	142	178
Average Training Hours Per Employee (Non-Executives)	-	-	-

Employee Participation in Trainings

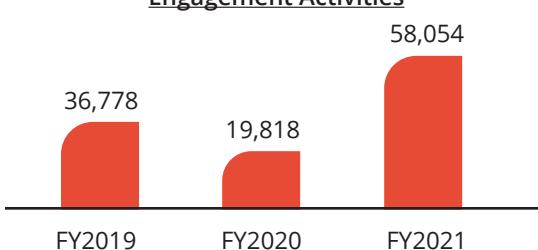


Employee Satisfaction

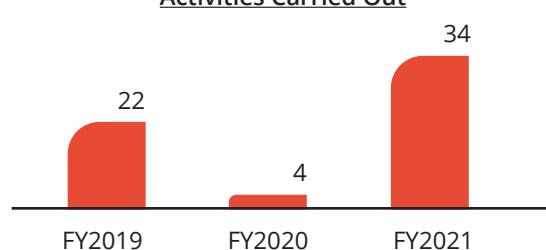
Our employees' satisfaction level is crucial to the creation and retention of an engaged and motivated workforce. Sedania organises a range of non-work related company activities to encourage better work life balance and foster camaraderie among our employees. These include social gatherings, festive celebrations, motivational talks and many more.

While we continued to prioritise employee engagement activities, the COVID-19 pandemic did play its part in limiting the number of activities and events we could organise for FY2021. We understand the importance of investing in our workforce through employee engagement activities and we hope to provide more of these activities in FY2022.

Total Spend (RM) on Employee Engagement Activities



Number of Employee Engagement Activities Carried Out



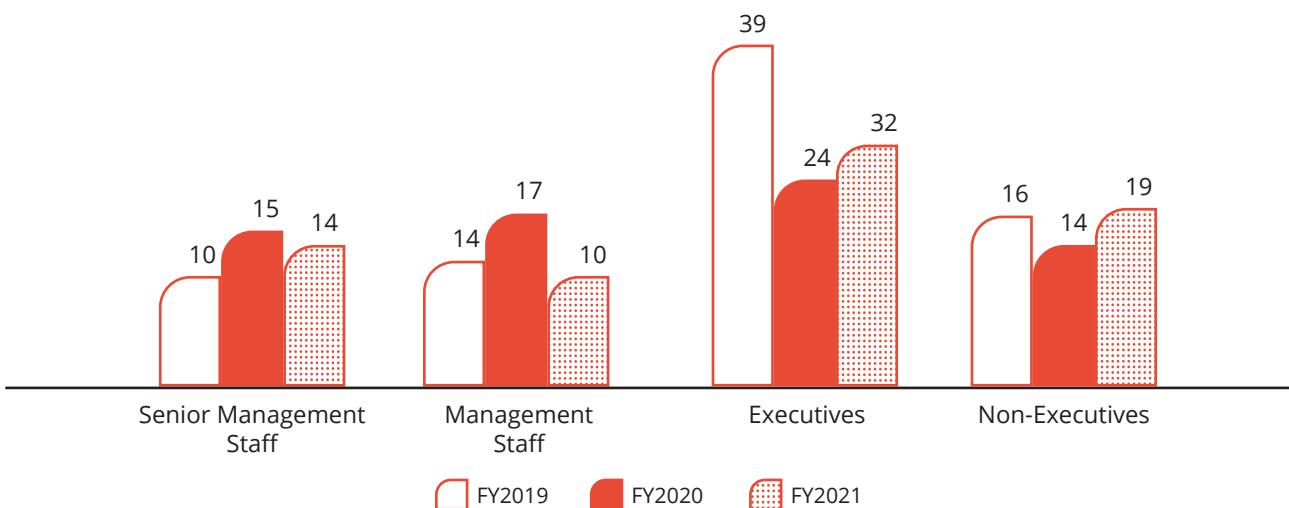
Diversity And Equal Opportunity

Sedania believes that investing in a diverse workforce is essential for our business as the varied perspectives and ideas help enrich our organisation and better inform our decision-making process. Factors such as age, gender, race, religion, sexual orientation, social class, disability and nationality have no impact on the prospects of employment, promotion, training opportunities, salary, remuneration, reward and benefits at Sedania.

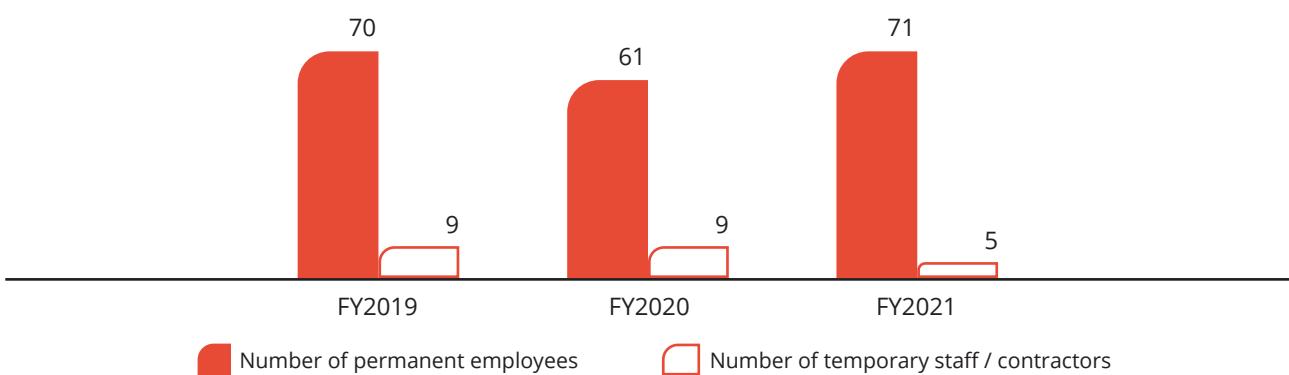
This non-discrimination and inclusive talent management approach has encouraged increased creativity and innovation among our talents, with the diversity of ideas leading to increased profits for the company.

The below graphs show Sedania's breakdown of our workforce:

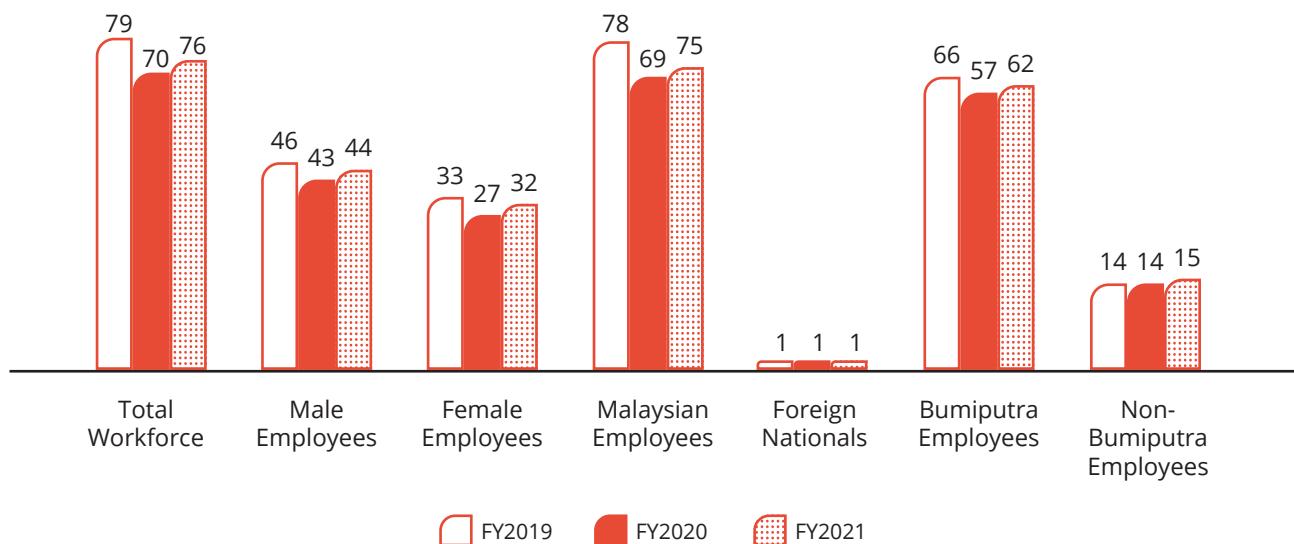
Workforce Breakdown by Position



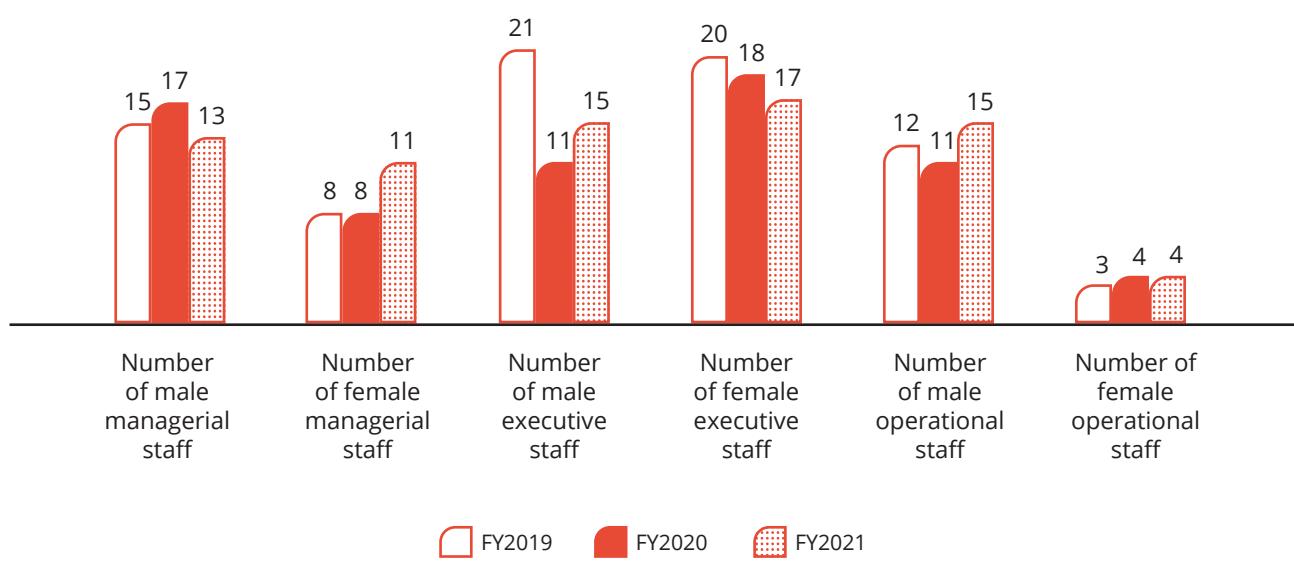
Workforce Breakdown by Employment Type



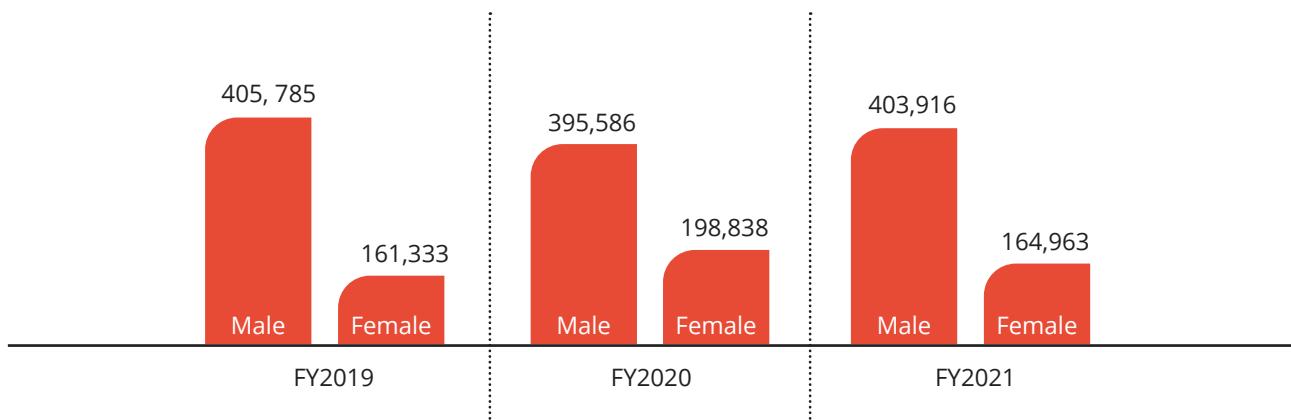
Workforce Diversity Breakdown



Gender Breakdown based on Employment Position



Salary Difference Between Male and Female Employees



Sedania is committed to gradually reduce the gap between male and female employees' median salary in line with our commitment towards gender equality.

Community Investment

Sedania remains committed to fulfilling our role as a responsible corporate citizen. We aim to deliver positive outcomes for society wherever possible and use our position to help the community. This is much needed in FY2021, especially due to the challenges caused by the COVID-19 pandemic.

We are committed to support the socioeconomic progress of the local communities where we operate. One of the key community-driven organisations supported by Sedania is Yayasan Rosni Noor, a non-profit charity organisation that extends financial assistance and development support to three main groups of people: orphaned children, children in need who hail from single mothers, and poor communities including mualaf (Muslim revert).

Our community investment initiatives also entailed providing emergency aid during the widespread floods in December 2021 to employees of the Group who were affected. In assisting the flood-affected community of nearby Kampung RTB Bukit Changgang, Selangor, our Sustainable Energy team deployed a unit of mobile pyrolysis waste management machine to address post-flood waste in the area. This innovative solution uses an eco-friendly process of turning solid waste material into ash without using fire or any fossil energy sources. Offspring also gave out some promotional packs containing hand sanitisers and plant-based wipes to pregnant mothers last year at one of the vaccination centres as part of its drive to support the adult populace during the mass COVID-19 vaccination period.

We encourage our employees to be involved with community activities and initiatives whenever possible. Their participation in company-initiated CSR activities and volunteer efforts in other community service are recognised by the Management.