



SWIFT ENERGY GROUP OF COMPANIES

SUSTAINABILITY POLICY AND FRAMEWORK

Introduction

This policy is intended for Swift Energy Technology Berhad and its subsidiaries (“the Group”). The Group aspires to grow sustainably by strengthening operational efficiency, sustainability performance and leadership within the industry to future proof the success of its business. We address the Environmental, Social and Governance (“ESG”) aspects of our operations by monitoring and managing the Group’s impact on the environment, society and economy throughout our value chain.

Objectives

This policy aims to:

- Integrate sustainable development into its business strategy and adopt corporate governance best practices in delivering performance and long-term growth for its stakeholders;
- Comply with, where practicable, all applicable legislation, regulations and codes of practice, as well as align existing policies to support the sustainability objectives of the Group;
- Ensure that the Board is involved in the review of the Group’s sustainability performance following implementation of the policy by the appointed Management Committee;
- Establish/adopt relevant Environmental, Social and Governance (“ESG”) indicators to measure the Group’s sustainability progress/ performance; and
- Promote a culture of sustainability within the Group, with an emphasis on integrating environmental, social, economic and governance considerations into decision making to influence the delivery of outcomes to ultimately enhance long-term shareholder value.

As such, we operate within an established framework of oversight and reporting, underpinned by our core values whilst working towards a clearly articulated vision and mission. The tone of driving and managing sustainability throughout the organisation is set from the top through our Board and our Board and Managing Director. Our Sustainability Working Committee (“SWC”), comprises senior representatives from all departments. This inclusive and robust structure ensures that there is regular guidance on the direction, management and reporting of important business sustainability matters.

Sustainability framework

Sustainability Practice

The Group will be guided by the ACE Market Listing Requirements and Sustainability Reporting Guide of Bursa Malaysia Securities Berhad (“Bursa Securities”). The approach in our communication with stakeholders on sustainability issues shall be based on the framework and guidance provided by Bursa Securities as well as the Global Reporting Initiative’s sustainability reporting guidelines (“GRI”), focusing on the following 4 key areas:

- Stakeholder Inclusiveness – being responsive to stakeholder expectations and interests;
- Sustainability Context – presenting performance in the wide sustainability context;
- Materiality – focusing on issues with the greatest impact and are most important to the Group’s business stakeholders;
- Completeness – including all information that is of significant economic, environmental and social (“ESS”) impact to enable stakeholders to assess the Group’s performance.

Our Values

The Group’s Code of Conduct and Ethics governs the standard of conduct and behavior expected of our directors and employees, committing inter-alia, to:

- conduct business and act in an ethical and lawful manner;
- comply with all the relevant rules and regulations prescribed by the Securities Commission Malaysia (“SC”), Bursa Securities, and by all other relevant authorities;
- conduct in a transparent and accountable manner;
- use of authority in a proper manner in the best interest of the Group;
- respect and care for the wellbeing of all employees and continuously identify opportunities for performing employees for career advancement; and
- act with appropriate decorum when acting as Board members and employees of the Group

Sustainability Strategy

The strategies of integrating and embedding ESS factors into our business are to enable the Group and stakeholders (internal and external) to realize the following key benefits:

- Enhancing risk management, governance, and transparency;
- Promoting innovation and attracting new customers
- Enhancing talent management to sustain the businesses and operations;
- Securing capital for growth and expansion purposes from shareholders and/or other external providers of funds;
- Improving productivity and cost optimization within the organisation; and
- Enhancing brand value and reputation in the marketplace.

Towards achieving the objectives of the sustainability strategy, the Board shall implement the following action plan whereby the Group shall:

- Emphasis, elevate and embed sustainability in the Group's governance, through engaging in Board oversight and accountability over ESS issues and maintain more diversity and special expertise on the Board and Board committees;
- Link employees' compensation with sustainability goals as part of their KPIs;
- Maintain regular and robust dialogues with key stakeholders of the Group on sustainability challenges, including employees, investors, suppliers, regulators and customers;
- Develop systematic performance improvements to achieve environmental neutrality and other sustainability goals across the entire value chain, including operations, supply chain and procuring and/or delivering of products and services; and
- Provide reliable and quality services that meet the expectations of customers as they are part of the Group's valued stakeholders.

Sustainability framework (Cont'd)

Governance structure

In order to deliver out sustainability commitment effectively, we have put in place a robust governance structure throughout our organization. At SEB, our sustainability initiatives are steered by Board of Director, management committee and SWC, who are vital in the formulation of the Group's overall sustainability strategies.

We have board oversight on various sustainability aspects and coverage as depicted in the diagram below:



Structure	Roles & Responsibility
Board of Directors	The Board is ultimately responsible for sustainability framework <ul style="list-style-type: none"> • Tan Bin Chee • Chin Saw Yong • Mohammad Nizar Bin Idris • Leong Choong Wah • Zurul Ain Zulkarnian • Connie Yee Kim Mei
Management Committee	<ul style="list-style-type: none"> • Kelvin Kok • Wong Choon Kin • Josnie Lim • Suzana
Sustainability Working Committee	<ul style="list-style-type: none"> • Shermaine Chew • Mazliana • Gus Lok • Shirley Wong

Our Board is the main decision-making body for group-wide matters and policies, including those pertaining to sustainability. They are critical in scrutinising and approving the overall strategic plan, with attention given to managing the sustainability impacts of the Group's business operations. The Management Committee will formulate and oversees the implementation of strategies and plans which are approved by the Board.

Sustainability framework (Cont'd)

The Management committee is supported by the Sustainability Working Committee which is tasked with implementing, monitoring, and reporting sustainability management efforts across its business/department divisions.

Materiality Assessment Process

Despite the ever-changing landscape where the Group operates, the Group shall continue to practice prudence in our risk appetites, remain vigilance on regulatory compliance and risk management but still stay focused on delivering quality and sustainable growth, whilst being watchful of emerging and disruptive risks impacting the Group. The Group is fully committed to upholding responsible financing which is reflected through its prudent infrastructure transformation as well as sustainability in its supply chain.

The 5 key processes of identifying materiality matters are depicted below:

1. Objectives & scope

The Group shall undertake a materiality study within the top management and middle management to determine the objectives and scope of sustainability reporting. The scope and boundaries cover all our entities and operations in Malaysia.

2. Identifying our material business sustainability matters

In order to better understand issues in the area of business sustainability considered relevant to our stakeholders and our Group, we conducted a review of the following:

Our current business strategy;

- Relevant requirements, guidelines, and policies, including those issued by Bursa Malaysia Securities Berhad as well as its Sustainability Reporting Guide and Toolkit; and
- ESG themes and indicators utilised by the FTSE4Good Index.

We also drew upon our existing risk assessment and management processes as well as feedback and input received through our regular interactions with our key stakeholders, in addition to aligning ourselves with the applicable UN SDG.

2. Identifying our material business sustainability matters (cont'd)



Risk Assessment

We endeavour to maintain a comprehensive and disciplined approach to risk management whilst combining this activity with a pragmatic approach to business needs, operational excellence and the delivery of business objectives. Through a comprehensive process of identifying and managing our business and operational risk exposure areas, we strive to operate effectively whilst protecting our people, the environment, and communities in the vicinity of our operational facilities via a well-defined system of corporate governance.

The Group's Material Factors

As we monitor, manage and report on a wide variety of issues, the key to our approach is focusing our resources on material sustainability risks, and opportunities that are associated with each material factor. Understanding our key priorities allows us to set our time, resources, and investment to the best use. The materiality process involved several steps including:

- Identification of potential material topics by reviewing GRI aspects, benchmarking against key corporate peers and analyzing past reports, which reflects the feedback from customers, community representatives, and employees generally.
- Inventory of aspects and topics most important to external stakeholders, customers and their supply chain vendors, based upon requests, surveys, and ongoing engagement during the reporting period.

2. Identifying our material business sustainability matters (cont'd)

The following table illustrates the Group's efforts in brief, in managing each material matter.

Material matter	Why material	Managing Materiality
Financial performance		
Financial Performance	Financial result remains the key decision driver for all stakeholder	The Group continues to implement cost-effective measures to maximise profit while delivering quality products to our consumers
Corporate Governance		
Corporate Ethics	Maintaining business ethics is our core values	Swift upholds excellent standards of ethical business conduct. We adopt robust governance frameworks, codes of conduct, policies and standard operating procedures in line with best practices
Regulatory Compliance	Compliance with laws and regulations is one of our main requirements.	Sufficient mechanisms are established to keep our operations abreast with latest regulatory changes to ensure compliance.
Product and Services		
Quality & reliable products & services with assurances	Delivery of services that at least meet customers' expectations	The Group strive to offer the best ideas and solutions through our project and design team's experience and by actively pursuing collaboration and innovation with clients and consultants
Procurement practices & Sub-contractor Management		
Supply Chain Management	It is important to build relationship with supplier.	The Group develop long-term partnerships with local manufacturers or service providers within our factory vicinity to support our supply chain needs.

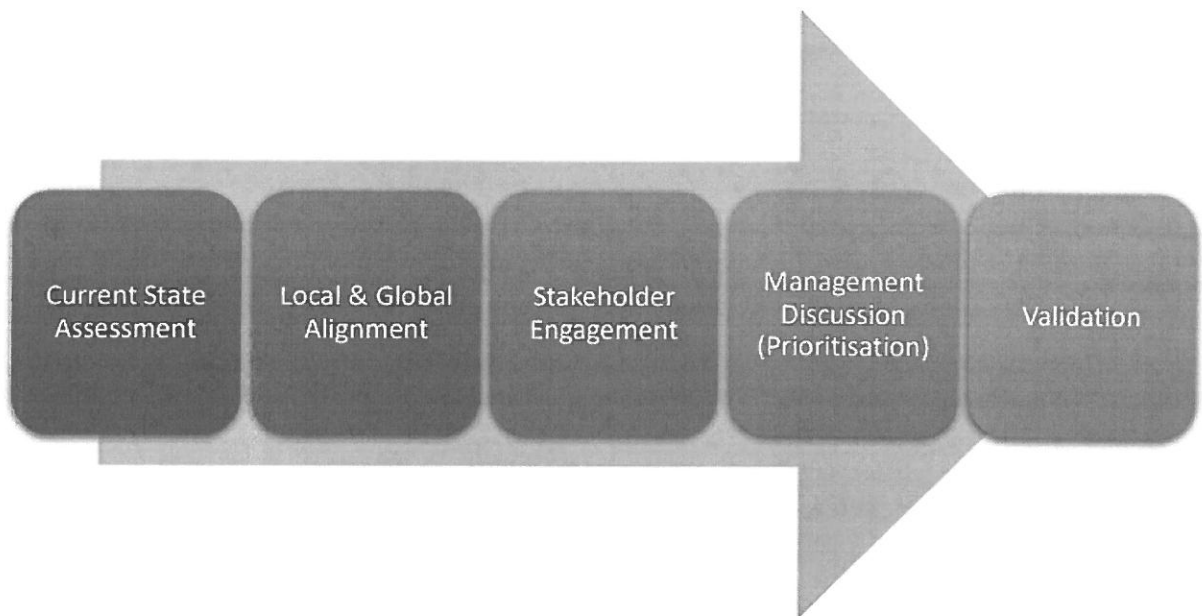
2. Identifying our material business sustainability matters (cont'd)

Material matter	Why material	Managing Materiality
Environmental Compliance		
Waste Management	Better environment	The surplus or leftover material such as copper, sheet metal, and surplus wire is collected and segregated for ease of future use. The scrap waste would be disposed of at the waste material recycling collection centre.
Emissions	Better environment	The Group regularly evaluates the impact its production and manufacturing processes have on the environment.
Water Management	Better environment	Adopting laser technology to remove the metal welding stain in place of the traditional water cleaning
Health and Safety		
Occupational Health & Safety	Maintaining business ethics is our core values	We organise health and safety training for all staff at the workplace as well as adhere to standard operating procedures to minimise workplace-related injuries
Employee Wellbeing		
Talent Management	Retain a diverse and robust talent pool to support and drive business growth	The Group fosters a conducive work environment for employees by encouraging workplace diversity, providing fair remuneration, and supporting career development and growth.
Local Communities		
Local Communities	thriving local economy	We collaborate with the local institution of higher learning each year to invite their student to participate in our internship program. The collaboration enables the student to have the right industrial skill exposure which is invaluable, hence would enhance their employment opportunity

3. Engaging with our Stakeholders

An essential component embedded within the core of our sustainability model is stakeholder inclusiveness. We engage closely with our stakeholders to understand their diverse views and evolving expectations within the full spectrum of our business and operating activities.

Based on the results of extensive stakeholders' engagement, involving both internal and external stakeholders and other interested parties Data sources include interviews, market surveys, targeted focus group studies, brainstorming sessions, research, dialogue with stakeholders review of peers' sustainability-related articles and other studies to identify the most significant trends in the relevant sector and the wider domestic industry. This allows for the insights received from our stakeholders to be incorporated into our business strategies and plans to create lasting value.



4. Prioritizing our material business sustainability matters

After the initial identification of material sustainability issues, we performed internal reviews with Senior Management and the Board to finalize key material themes, initiatives currently being performed (and those planned for action), as well as related qualitative and quantitative indicators.

Criteria used for our assessment included how issues could affect our stakeholders and our Group's business, e.g. through the lenses of legislation, reputational damage, employee turnover, license to operate, legal action, or stakeholder relationships, and how these could affect our business strategy, financial or operational performance.

5. Process Review

The materiality process is undertaken as a key component of the Group journey toward identifying the material sustainability matters. The management shall conduct the review and approve the processes and outcome of the materiality process including the Group's materiality which guides the Group in addressing and managing material sustainability matters in the business operations. The areas to explore by the SC and the Board regarding ESS factors shall include the following matters:

ECONOMIC

The economic scenario remains as our core element based on the market condition of the global influence. The Group will take a great level of measures to identify the critical risk which influence the strategy of the Group. By taking indispensable steps with the senior management and the board, we foresee mitigating the risk elements. We also conduct periodic monthly and ad-hoc meetings with the Head of Group Departments on the business aspects to cater to the market needs.

Some of our key policies and terms of references that guide our operations are as follows:

- *Board Charter*
- *Terms of References of the Board Committees*
- *Code of Conduct & Ethics*
- *Whistleblowing Policy*
- *Corporate Governance Overview & Statement*
- *Anti-Bribery & Anti-Corruption Policies and Procedures*
- *Enterprise Risk Management Policy*
- *Human Resources Handbook*
- *Personal Data Protection Policies & Procedures*
- *Related Party Transactions and conflict of interest policy*
- *Accounting Manual*
- *Credit control policy*

5. Process Review (Cont'd)

ENVIRONMENTAL

The Group's nature of operation does not have a significant impact on the environment; however, we consider the direct and indirect impacts of our business on the environment and manage our ecological footprint as we grow. As a responsible company, we operate with a strong respect for our environment and enforced several operational measures to ensure that we operate in an environmentally amicable manner.

The Group encourages all its employees to conserve electricity and we also promote eco-friendly practices in the workplace such as installing energy-saving light bulbs in our office, promoting e-statements, a paperless environment, and recycling papers in the workplace to reduce the use of paper for communication purposes both internally and externally which indirectly reduces the logging of trees.

Water Management & Consumption

We shall promote water saving practices among employees and adopt water-efficient practices and equipment wherever possible such as:

- Laser technology to remove the metal welding stain in place of the traditional water cleaning

The water usage consumed by the Group shall be disclosed together with an explanatory note on why consumption increases or decreases year-on-year as follows.

Environmental	FY2019	FY2020	FY2021
Total Water Consumption			

Electricity Management & Consumption

We understand that the energy management is essential for combating climate change and for lowering an organization's overall environmental footprint. We aim to minimize the energy usage by implementing, where practicable, the following efforts:

- Maintenance and replacement of electrical equipment and light fittings to maximize energy efficiency
- Educate the staff to switch off the lighting, water dispenser, air conditioning, or other electrical appliances in the office and pantry when they are not required.

The electricity consumption by the Group shall be disclosed together with an explanatory note on why consumption increases or decreases year-on-year as follows.

Environmental	FY2019	FY2020	FY2021
Total Electricity Consumption			

5. Process Review (Cont'd)

ENVIRONMENTAL(CONT'D)

Waste Management

The Group acknowledges that the environmental impact of paper usage is significant. The Group's approach to waste management is to avoid unnecessary paper consumption and waste generation, where possible and appropriate, in order to reduce wastage. The Group shall always look at ways to reduce paper usage, so that less waste. Generally, the Group should practice the following paper management:

- Reducing paper – by encouraging avoiding printing and photocopying and emphasizing paperless and electronic modes. In addition to this, practice double-sided printing or reduce the size to have the best economical usage of papers.
- Reusing – by printing on the other side of the printed papers
- Recycle – recycle the papers by having proper recycling bins

SOCIAL

The Group embraces the philosophy of harmony and respect for each other. All neighboring factories and institutions are operating in adherence to the safety and governing law in order not to cause any grievances to each other. We develop long-term partnerships with local manufacturers or service providers within our factory vicinity to support our supply chain needs.

The Group will collaborate with the local institution of higher learning each year to invite their student to participate in our internship program. The collaboration enables the student to have the right industrial skill exposure which is invaluable, hence would enhance their employment opportunity.

5. Process Review (Cont'd)

SOCIAL (CONT'D)

The Group's efforts in sustaining CSR responsibilities are as listed below:

OUR APPROACH

Workplace

The Group aspires to be the employer of choice, the basic ingredient to having the right staff for the right tasks at the right time with the maxim – a happy employee is indeed a productive employee – for our staff to retain the highest level of productivity.

The Group believes that employees are vital contributors to the long-term success of the Group. To achieve maximum productivity, the Group shall consider, amongst others:

- Providing a clear career path to all employees;
- Enhancing their skills and competencies through various training & development programmes, seminars, and workshops; and
- Providing all employees with a better workplace.

Recognising the importance of a healthy and positive lifestyle, the Group shall promote sports and its CSR principles, and the management shall cultivate teamwork as well as a sense of belonging among employees including conducting teambuilding events and sports activities periodically.

Education & Individual Development

The group will encourage its employees to become industry experts in order to provide expertise in servicing our clients while also performing efficiently at work.

The Group shall embark to focus on talent development by offering the employees learning opportunities through in-house as well as external training programmes.

The Group will commit to improving best practises by training employees and providing relevant circulars/guidelines to raise awareness of corporate governance and risk issues affecting the industry, as well as instilling and implementing new measures to prevent fraudulent practices.

Sports & Recreational Activities

As part of our culture and belief, sport and recreation can be a vehicle for positive social change. Participating in sport can improve the quality of life of individuals and communities, promote social inclusion, improve health, counter anti-social behaviour, raise individual self-esteem and confidence, and widen horizons.

The Group will form alliances with a variety of organisations and agencies in order to demonstrate the extent to which sports can contribute and to assist the organisations in achieving their goals.

SOCIAL (CONT'D)

The group should constantly and consciously address corporate social responsibility (CSR), which is deemed an extension of the spirit of good corporate governance. We shall pursue CSR based on three principles as follows:

- Responsibility, Transparency, and Accountability;
- Care and Unity; and
- Value Creation and Enhancement for All

The Group shall make concerted efforts to channel direct help to address our community's needs through the Group's management. The group will give back to the community through various CSR initiatives.

The Group will continue to encourage people who may not have the financial resources or the time and skills to participate in volunteer programmes to make a difference. The Group's contribution to society shall be included in the Annual Report.

Safe Workplace Practices

As a responsible corporation, we respect the interests of our stakeholders, our shareholders, employees, customers, suppliers, teaming partners, and the wider community, and we actively seek out opportunities both to improve the environment and to contribute to the well-being of the communities in which we do business.

The group will place emphasis on the safety and health aspects of its employees while maintaining a comfortable and conducive work environment through some initiatives.

The Group shall emphasise a workplace that is free from theft, violence, harassment, intimidation, and other unsafe and disruptive influences due to internal and external conditions.

Reports and Disclosures

The Group will set long-term and short-term targets for our sustainability efforts. The targets must be along with metrics for measurement, tracking, and reporting. The Group will integrate the metrics into the Company's performance management as part of the sustainability strategy.

The Group will compile reports on sustainability performance on a periodic basis and disclose the results to the public. This policy shall be reviewed annually by the Group.