





# SUSTAINABILITY STATEMENT

## DEFINITION OF ABBREVIATIONS

Except when the context otherwise requires, the following definition of abbreviations shall apply throughout this report:

▶ ABBREVIATION	▶ DESCRIPTION
 <b>The Group</b>	Citaglobal Berhad (formerly known as WZ Satu Berhad)
 <b>CG Energy</b>	Citaglobal Energy Sdn. Bhd. (formerly known as WZS Misi Setia Sdn Bhd)
 <b>CG Land</b>	Citaglobal Land Sdn. Bhd. (formerly known as WZS Binaraya Sdn Bhd)
 <b>CG Industries</b>	Citaglobal Industries Sdn. Bhd. (formerly known as WZS Industries Sdn Bhd)



## INTRODUCTION

WZ Satu Berhad changed its name to Citaglobal Berhad in June 2022 to better portray the Group's intention to transform into a conglomerate that is involved in facilities management, telecommunications, energy, infrastructure and technology sectors. Citaglobal Berhad Group ("the Group") has continuously recognised and prioritised the importance of sustainability of the Group as we attempt to achieve continual financial performance and uninterrupted growth. The Group is cognisant of the need to grow its businesses in a sustainable and responsible manner. Although challenges brought upon by the COVID-19 pandemic remain to be a factor, we continue to undertake every initiative to integrate sustainability into our business operations and practices.

This Sustainability Statement is produced pursuant to Bursa Malaysia Securities Berhad ("Bursa Securities")'s Main Market Listing Requirements. It describes our performance on non-financial metrics for the period from 1 January 2022 to 31 December 2022 covering our initiatives on economic, environmental and social ("EES") related sustainability matters.

## GOVERNANCE FRAMEWORK

The Board acknowledges the importance for the Group to adopt and continuously practise good corporate governance throughout the Group's operations in ensuring accountability and transparency, as a fundamental part of discharging its responsibilities towards protecting and enhancing the shareholders' value and financial performance of the Group.

Our Group's sustainability strategy is determined by our Board of Directors, who provides oversight of our corporate sustainability policies and performance. The Senior Management, on the other hand, oversees the implementation of the Group's sustainability approach and ensures that key targets are met. The respective Heads of Business Divisions are responsible for identifying, evaluating, monitoring and managing EES risks and opportunities directly.










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## STAKEHOLDERS ENGAGEMENT

The Group recognises the importance of effective communication to ensure that our stakeholders understand our business, governance, financial performance and prospects. We define our stakeholders as those impacted by our activities and projects whose interest may have positive or negative consequences due to our activities and projects.

STAKEHOLDERS	FORMS OF ENGAGEMENT
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Feedbacks / Client Satisfaction Surveys</li> <li>• Marketing plans</li> </ul>
 <b>Shareholders/ Investors</b>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Notices / Circulars</li> <li>• Company's website</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Evaluations / Feedbacks</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Annual Performance Management review based on KPI and Core Competencies</li> <li>• Employee Career Development through training</li> <li>• Succession Planning</li> <li>• Employee Engagement Sessions / Programs</li> <li>• Employee Satisfaction Survey</li> <li>• Town Hall Meetings / Meetings / Discussions</li> </ul>
 <b>Regulatory and Statutory bodies</b>	<ul style="list-style-type: none"> <li>• Active engagement with respective regulating agencies and bodies</li> <li>• Inspection by local authority</li> <li>• Annual licence / certification renewal</li> <li>• Compliance to all Malaysian legislations</li> </ul>
 <b>Principal Partners</b>	<ul style="list-style-type: none"> <li>• Principal engagement</li> <li>• Quarterly progress discussion</li> </ul>
 <b>Government Agencies</b>	<ul style="list-style-type: none"> <li>• Participating in programmes held by government agencies:             <ul style="list-style-type: none"> <li>› Department of Occupational Safety and Health ("DOSH");</li> <li>› National Institute of Occupational Safety &amp; Health ("NIOSH")</li> <li>› Construction Industry Development Board ("CIDB")</li> </ul> </li> </ul>




Our website, which is regularly updated, serves to promote and facilitate communication with our stakeholders while providing them with useful information about the Group and its subsidiaries. Moving forward, we will continue working to address the challenges and opportunities identified through feedback from our stakeholders.

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## KEY SUSTAINABILITY MATTERS

The followings are the Group's material sustainability matters as identified through our materiality assessment:

PILLAR	KEY SUSTAINABILITY MATTERS
 <b>Economic</b>	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Anti-bribery and Anti-corruption</li> <li>Customer Engagement</li> </ul>
 <b>Environmental</b>	<ul style="list-style-type: none"> <li>Environmental Compliance</li> </ul>
 <b>Social</b>	<ul style="list-style-type: none"> <li>Employment Diversity and Equal Opportunity</li> <li>Occupational Health and Safety</li> <li>Training and Education</li> <li>Community Investment</li> </ul>

## ECONOMIC

The Group is principally involved in the business of civil engineering and construction, energy and manufacturing. The Group's strong order book has created employment opportunities for many Malaysians. The Group aims to maintain sustainable businesses to continue its contribution to Malaysia's economic and social development. Indeed, we endeavor to inculcate sustainability within our core operations, in pursuit of creating long-term value for our stakeholders.

### Financial Performance

The sustainability of our subsidiaries' businesses is vital for growth and continuity. Despite the continuing COVID-19 pandemic throughout FY2022, the Group expects a positive recovery in economic growth and strives to deliver the best of products, services and value to our stakeholders while creating positive economic impact and contribution to the community where we operate. In 2022, the Group has completed the acquisition of Citaglobal Engineering Services Sdn Bhd from TIZA Global Sdn Bhd, which enables the Group to focus in civil engineering & construction and telecommunication infrastructure.

Our Civil Engineering and Construction Segment (CG Land) has obtained Suruhanjaya Perkhidmatan Air Negara ("SPAN") Permit Pembetulan (C1 for Sewerage Work) for Water Services Industry work by SPAN, in carrying out construction, installation or modification work of any part of a sewerage system.

As a Group, we are accountable to our investors. We strive to enhance our financial performance continuously to deliver value to our investors and stakeholders. The financial performance and measures to ensure the economic sustainability of the Group are elaborated in the Management Discussion & Analysis section as set out in this Annual Report.

### Anti-Bribery and Anti-Corruption

The Group is committed to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs.

With the enforcement of Section 17A of Malaysian Anti-Corruption Commission Act 2009 on 1 June 2020, the Group has affirmed its commitment to uphold this by having a documented Anti-Bribery and Corruption Policy and Procedure ("**ABC Policy and Procedure**") approved by our Board of Directors for adoption. The said policy has been communicated to all management and employees and has been uploaded to the Company's website.

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**Anti-Bribery and Anti-Corruption (Cont'd)**

The Group adopts the “No Gift” policy, subject only to exceptions which are stated in the ABC Policy and Procedure. Directors and employees are not permitted to solicit or accept and give or offer any gifts or personal favours from or to any contractors, sub-contractors, suppliers, consultants, bankers, dealers, customers or other parties having direct or indirect business dealings with the Group.

The Group has established whistle-blowing policy with the aim of providing a structured mechanism for any person including employees, directors, business associates, third parties and the general public to report any concerns on any suspected or wrongful activities and wrongdoings. These refer to any potential violations or concerns relating to any laws, rules, regulations, acts, ethics, integrity and business conduct, including any violation or concerns relating to malpractice, embezzlement, illegal, immoral or fraudulent activities, which will affect the business and image of the Group. The said policy has been communicated to all management and employees and could be found on the Company’s website at [www.citaglobal.my](http://www.citaglobal.my).

**Customer Engagement**

Customer engagement is one of the key factors to growing and sustaining our business and for us to remain competitive. We adopt the customer-first approach which ensures that customer needs and expectations are determined, converted into requirements and are met with the aim of enhancing customer satisfaction. This is accomplished by assuring continuous engagement with customers through various progress meeting and business performance review meeting.

Our Civil Engineering and Construction Segment (CG Land) and Oil and Gas Division (CG Energy) are certified to ISO 9001:2015, whereby this management system standard is a framework for improving and providing products and services that consistently meet the requirements and expectations of our customers and other relevant interested parties in the most efficient manner possible. In addition, this certification further evidences our commitment towards continual improvement that aims to reduce risks and increase effectiveness.

Customer feedback via customer satisfaction survey exercise serves as part of our commitment towards customer engagement. The certification above is a testament to our continuous improvement in sustainability efforts for quality management system as well as our assurance of conformity to customers and applicable statutory and regulatory requirements.

**ENVIRONMENTAL**

In the field of environmental stewardship, we continued to demonstrate our commitment to conservation through emphasis on managing our resources – reducing waste, practising energy efficiency and introducing initiatives to reduce emissions throughout our operations. We continue to minimise the environmental impact of our activities by complying with all applicable environmental laws, regulations, as well as engaging with our customers in compliance to the related environmental requirements. Our top management also demonstrated their commitment through establishing a separate Environmental Policy for Oil and Gas Division, which states our commitment to minimise the environmental impact of our activities, comply to all applicable laws and regulations and communicate our commitment to our stakeholders.

In addition, we monitor our environmental performance by implementing self-regulation practices based on a set of environmental mainstreaming tools, introduced by the Department of Environment (“DoE”) under the Guided Self-Regulation (“GSR”) programme.

**Environmental Compliance**

Our Civil Engineering and Construction Segment (CG Land) has been involved principally in Malaysia on various civil engineering and infrastructural projects. This segment is supported by a strong and highly experienced management team comprising people with a wealth of technical experience in handling major projects combined with the technology to enable it to undertake complex projects. We are committed to contribute positively to the construction industry, providing innovative solutions and construction services in a safe and responsible manner via our environmental policy commitment.

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### Environmental Compliance (Cont'd)

Our Oil and Gas Division (CG Energy) continues to minimise the environmental impact of our activities by complying with all applicable environmental laws, regulations, as well as engaging with our customers in compliance with the related environmental requirements. We also periodically assess our management system based on the Guided Self-Regulation (“GSR”) programme introduced by DoE.

In addition, our health and safety (“HSE”) team also ensures the fulfillment of the environmental requirements and monitors the environmental indicators on our factory and development sites.

In 2022, there was no incidence of non-compliance with laws and regulations and we endeavor to maintain this track record.



## SOCIAL

The Group’s corporate social responsibility activities are continuously guided by its firm belief that it can contribute positively to society as a caring and responsible corporate entity. A sustainable business is one that enriches its people and the communities in which it operates. We organise gatherings amongst employees in celebrating birthdays and festivities to foster relationships amongst employees, while adhering to the Government imposed COVID-19 standard operating procedures restrictions.

We are concerned about the rights of the employees and ensure no discrimination and comply to all the necessary requirements and policies under the relevant laws and regulations concerning employees. Our employees are well-trained to perform their duties with care and professionalism. To ensure sustainability, we will continue to provide employees with relevant trainings so as to ensure their excellent performance.

In addition, we reach out to society via our philanthropic and corporate social responsibility activities, aimed at the less fortunate where we can make a difference and our employees can participate to give back and foster personal growth in the process.

### Employment Diversity and Equal Opportunity

A diverse and inclusive workforce is always a concern for business growth and sustainability of the Group. To continue to achieve diverse workforce, the Group has built and retained talent with equal opportunity regardless of age, race and gender.

We strongly believe that innovative solutions are developed through interaction amongst employees from different background, knowledge and experience. Having a diverse workforce and ensuring equal opportunity can also help in our talent retention as this will boost staff’s morale and lower talent churn rates.

We value our employees as they are key to competitive success in the marketplace which is vital for business sustainability. As part of the Group hiring practice, we do not discriminate against any race, gender or minorities. Although we emphasise on equal employment opportunity, we also stress that candidates are only hired based on suitability and competency. As at 31 December 2022, our total workforce currently stands at 369.

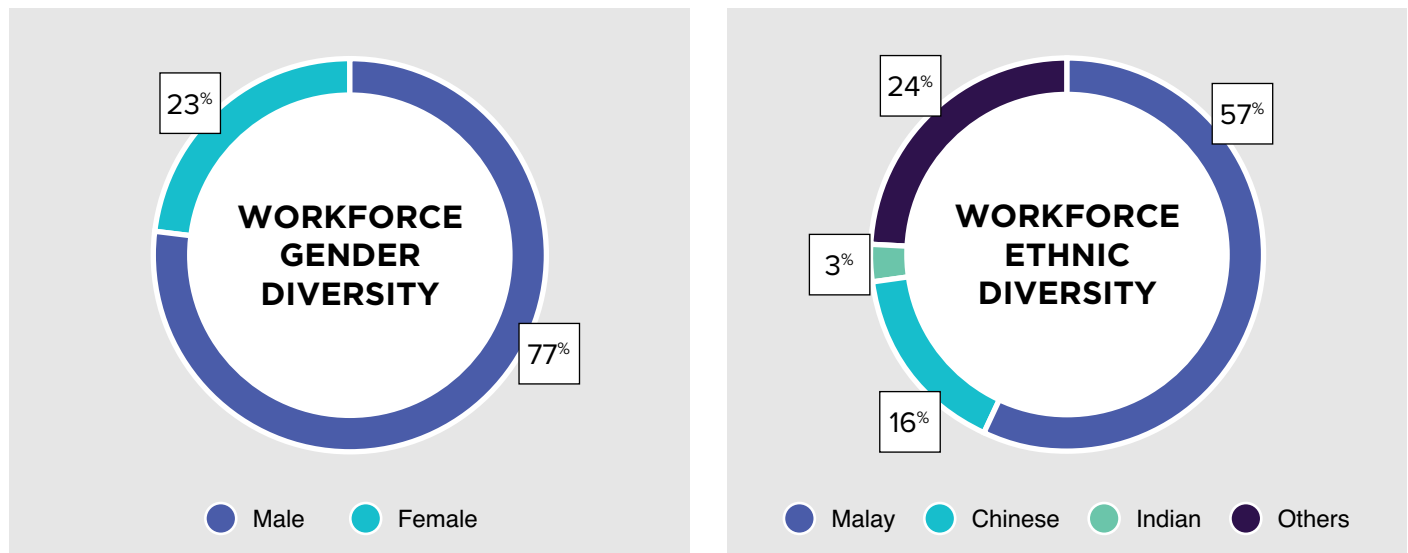
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**Employment Diversity and Equal Opportunity (Cont'd)**

Male employees accounted for 77% of our workforce. This is consistent with the Civil Engineering and Construction, Energy and Manufacturing segments that we are engaged in. We strive to achieve a balanced gender equality at all levels of the organisation.

The employees are also provided with adequate welfare benefits such as medical, hospitalisation and personal accident insurance coverage.

**Occupational Health and Safety**

We are aware that the nature of our diversified businesses exposes our employees to occupational health and safety risks. Health and safety violations could result in fines and/or stop-work orders. We take pride in our achievements in maintaining high standards on occupational health and safety measures to ensure compliance with statutory and regulatory requirements. The Group places high importance on the health and safety of its employees and strives to maintain a workplace that is safe, risk-free and are continuously working towards cultivating a strong health and safety culture in the workplace. Across our operations, we maintain a safe and healthy working environment by implementing key measures to prevent injuries, fatalities and occupational illnesses at project sites and workplaces.

Throughout the COVID-19 pandemic, we continue to ensure compliance with the government's COVID-19 standard operating procedures by educating our employees to embrace the new normal, avoiding the 3Cs (confined and enclosed spaces, crowded places and close-contact settings) and practicing 3Ws (wear face mask, wash hands regularly, watch your distance).

Safety is always our number one priority. We leverage on health and safety best practices across our operations. Our wholly-owned subsidiaries, CG Land, CG Energy and CG Industries are certified to ISO 9001:2015. In addition, CG Energy is also certified to ISO 45001:2018 which means that our occupational health and safety management system not only focus on controlling hazards but also, encouraging risk-based thinking as a more proactive, flexible and preventative approach.

As part of our sustainability initiative, we have tracked our manhours worked without Lost Time Injury ("LTI"), and have included the results in this Sustainability Statement. As at 31 December 2022, our Oil and Gas Division (CG Energy) and Civil Engineering and Construction Segment (CG Land) achieved accumulated 17,286,669 manhours worked without LTI since 2006, and 7,776,888 manhours worked without LTI since 2018, respectively.



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## Occupational Health and Safety (Cont'd)

Company	Manhours Worked Without Lost Time Injury	
	As at 31 December	
	2022	2021
CG Energy	17,286,669	16,993,689
CG Land	7,776,888	6,866,198

The Group believes in creating a strong safety culture and places employees' and workers' safety at the forefront. In 2022, we had achieved our target where there were no reported fatalities in our workplace. The Group aims to continue to achieve this target in the forthcoming year.

Target	Performance in 2022
Life Loss: Zero	Zero Fatality
Injury which resulted in Lost Time: Zero	Zero Lost Time Injury (LTI)

Due to the nature of our operations, our employees are exposed to numerous types of hazards at the workplace. Therefore, it is our utmost responsibility to safeguard our employee's health and safety.

For our Oil & Gas Division (CG Energy), it is compulsory for every new site staff to attend the Oil & Gas Safety Passport ("OGSP") training programme hosted by the National Institute of Occupational Safety and Health ("NIOSH"). This is to enable all site staff to acquire the prerequisite health and safety knowledge required for their respective jobs.

In addition, during 2022, our Civil Engineering and Construction Segment (CG Land) had obtained multiple recognitions and certificates in respect of management system which covers safety aspects as follows:

Description of Recognition	Entity	Recognition by
3 stars rating for PR1MA P-QUICK (PR1MA Quality In-Construction Compliance Check)	CG Land	Perbadanan PR1MA Malaysia
3 stars rating for PR1MA P-WAS (PR1MA Workmanship Assessment System)	CG Land	Perbadanan PR1MA Malaysia
4 stars rating for PR1MA project P-EpSI (PR1MA-Environment plus Safety Inspection)	CG Land	Perbadanan PR1MA Malaysia
4 stars rating for visionary leadership, efficient management and technical capabilities, compliance to best practices, innovative, very good integrated ICT system and project management. Able to export services to international market	CG Land	Construction Industry Development Board

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**Learning & Development**

We believe that an empowered learning and development team improves employee retention. The Group values the right employees as our assets and it is imperative that the employees are kept abreast of the latest developments both professionally and personally. Ultimately, the Group wish to have a high retention of employees who will grow with the organisation. Thus, the Group is prepared to invest in employee's career development.

In addition, employee retention is absolutely a key Human Resources objective that directly impacts the company's bottom line and is part of retaining top talents to improve organisational growth. Some of the Learning & Development programmes that the Company had focused on thus far relevant to the businesses are Malaysian Financial Reporting Standards (MFRS), Finance for Non-Finance Managers, Organisational Change and Enterprise Risk Management for Global Change, Green Building Index Standard for Sustainability, Leadership & Coaching Programmes and Effective Strategic Management.

**Community Investment**

During the year, the Company donated to the following causes:-

No	Name	Purpose
1	Tabung Kebajikan Sukan Dan Sosial Polis Kuala Lumpur	Kejohanan Golf Piala Ketua Polis Negara
2	Infiniti Indah Sdn Bhd	Sponsorship For Pesta Kuantan 88
3	Pasukan Hoki Veteran Sultan Ahmad Shah	Sponsorship For Masters Hockey World Cup 2022
4	Pertubuhan Kebajikan Serantau	Sponsorship For "Jamuan Rakyat" Programme In Kelantan
5	Universiti Pendidikan Sultan Idris	Sponsorship To Tabung Biasiswa Bitara UPSI

**Moving Forward**

We recognise that much can be done as far as sustainability efforts are concerned towards creating positive impacts on economic, environmental and social aspects. The Group shall continuously seek for new opportunities to realise our sustainability commitment and roadmap.