



## SUSTAINABILITY STATEMENT

### ABOUT THIS REPORT

Citaglobal Berhad Group (“the Group”) is pleased to present our Annual Sustainability Statement (SS) covering the period from 1 January 2023 to 31 December 2023, unless stated otherwise.

The Group continues our sustainability journey, recognising and prioritising the importance of managing and operating a responsible business as we strive to achieve continual financial performance and long-term value creation. In the year 2023, we continue to embed sustainability in our investment decision-making and daily business operations and practices

The Group acknowledges our responsibility to ensure that our services, practices and offerings are delivered in a way that recognises the interconnectedness of environmental, social, economic and governance issues, striving to address these considerations in a balanced and sustainable way. The Group is committed to conduct our business and operations in an environmentally conscious and socially responsible manner, whilst upholding good governance standards. This means being resilient, capitalising on opportunities to create value and prudently managing risks to achieve financial and operational sustainability.

Restatement of information for this reporting cycle can be found in the Performance Data table on page 48 to 49.

#### SCOPE AND BASIS OF SCOPE

This statement covers the Group’s sustainability performance and progress of our business operations at various locations in Peninsular Malaysia covering Energy, Civil Engineering and Construction, Property and Manufacturing.

The Group has expanded the reporting scope in this Statement to include our new business operations that we embark in 2023, i.e. renewable energy.

#### REPORTING FRAMEWORKS AND STANDARDS

This Statement has been developed according to Bursa Malaysia’s Listing Requirement, with reference to Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), Global Reporting Initiative (GRI) Standards and Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.

### FEEDBACK

The Group seeks to continuously improve the disclosure standards and drive more meaningful integration of sustainability practices within the organisation. As such, the Group welcomes all feedback and suggestions for improvement to this Statement and the issues covered to us via email at [sustainability@citaglobal.my](mailto:sustainability@citaglobal.my) or through the communication channels available as listed on our website [www.citaglobal.my](http://www.citaglobal.my).





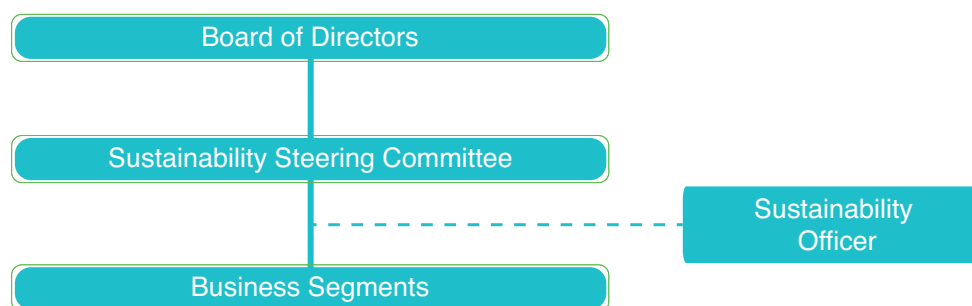
## SUSTAINABILITY STATEMENT (Cont'd)

### SUSTAINABILITY GOVERNANCE

The Board acknowledges the importance for the Group to adopt and continuously practice 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 shareholders' value and financial performance of the Group. The Group's sustainability practice is guided by the Group's Sustainability Policy, which was established in year 2021.

The Group believes in the institutionalisation of sustainability throughout all levels of the organisation, as it is a collective responsibility. Accordingly, the sustainability practices are reflected through robust governance and operational structures, guiding the implementation of initiatives and the building of a culture that values and promotes sustainability. The sustainability matters (Economic, Environment, Social and Governance) is governed by the structure below that allows material matters to be strategised, monitored, assessed and deliberated across all levels of the Group:

#### Citaglobal's Sustainability Governance Structure



The responsibilities of the Board and its Committees have been broadened to encompass sustainability elements, as reflected in their respective Terms of Reference. The Board is ultimately responsible for the Group's oversight and strategic direction on sustainability, while being supported by the Sustainability Steering Committee. The Board also ensures that sustainability matters are considered and sustainability culture is progressively embedded throughout the Group as part of our efforts to respond to the increased levels of scrutiny in corporate responsibility, transparency, fairness and accountability.

The Sustainability Steering Committee provides stewardship on the Group's sustainability policies, programmes and strategies; reviews progress on key initiatives and deliberates on key sustainability challenges as well as review the sustainability statement. This Committee also oversees the management of material sustainability matters.

Head of Business Segments are responsible for the day-to-day implementation of sustainability initiatives and plans. They work alongside various business functions to identify, evaluate, monitor and manage sustainability risks and opportunities directly. They take the lead in driving the involvement of the employees in executing sustainability strategies and play a key role in promoting a sustainability culture across all level.

The Sustainability Officer, who reports to the GCOO, coordinates the Group's efforts and performance, including undertaking the materiality assessment process and periodically reports the status of sustainability initiatives and performance to the Sustainability Steering Committee and the Board.

The Board strives to continuously be equipped with the necessary knowledge on sustainability management (including the related risks and opportunities) to drive informed decision making by attending periodic capacity-building programs.










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### OUR STAKEHOLDERS ENGAGEMENT

The Group acknowledges seven primary stakeholder categories that make an impact or are directly impacted by our value creation initiatives. These stakeholders are directly or indirectly engaged in this value creation process, making them integral to the overall sustainability of the Group. Effective communication is imperative to ensure that our stakeholders understand our business, governance, financial performance and prospects. These engagements also help us to identify relevant material issues and provide insights into emerging opportunities and risks while responding to their needs more effectively.

STAKEHOLDERS	ENGAGEMENT PLATFORM
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Feedback</li> <li>• Marketing plans</li> <li>• Sales activities</li> <li>• Social media</li> <li>• Public engagements / events / campaigns</li> <li>• Customer satisfaction survey</li> </ul>
 <b>Shareholders, Investors, Financiers</b>	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• One-on-one and group meetings</li> <li>• Financial reports and announcements</li> <li>• Notices / Circulars</li> <li>• Investor's briefings</li> <li>• General Meetings</li> <li>• Annual reports</li> </ul>
 <b>Suppliers/ Contractors</b>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Supplier evaluations / Feedback</li> <li>• Tender exercises</li> <li>• Toolbox sessions</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Induction</li> <li>• Performance management</li> <li>• Workshop and training</li> <li>• Succession Planning</li> <li>• Employee engagement sessions / programs</li> <li>• Town halls / meetings / discussions</li> <li>• Internal communications / emails</li> <li>• Corporate announcements</li> </ul>
 <b>Regulatory and Statutory bodies</b>	<ul style="list-style-type: none"> <li>• Active engagement with regulating agencies and bodies including Suruhanjaya Tenaga, Malaysian Communications and Multimedia Commission ("MCMC")</li> <li>• Inspections by local authorities</li> <li>• Annual license renewals</li> </ul>
 <b>Government Agencies</b>	<ul style="list-style-type: none"> <li>• Engagement 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> <li>- Sustainable Energy Development Authority ("SEDA")</li> <li>- Perkeso</li> <li>- Local Authorities</li> </ul> </li> </ul>
 <b>Media</b>	<ul style="list-style-type: none"> <li>• Media releases and interviews</li> <li>• Advertorial placements</li> <li>• Media briefing and press kits</li> </ul>

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



## SUSTAINABILITY STATEMENT (Cont'd)

### MATERIAL MATTERS

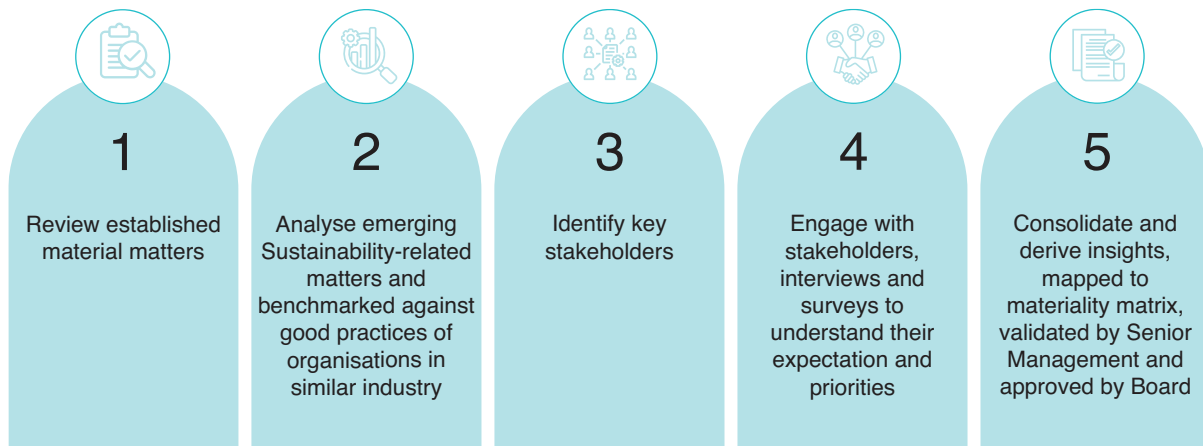
The Group's sustainability covers four key pillars that are sustainably material where we can make the greatest impact – Economic, Environmental, Social and Governance. In achieving this, the Group is committed to conduct our business and operations in an environmentally conscious and socially responsible manner, while upholding good governance. These material issues can directly or indirectly impact our ability to create long-term value for our stakeholders. The Group endeavours to inculcate sustainability within our core operations that influence our business strategies and decisions on resource allocation to material sustainability issues in the pursuit of creating long-term value.

The Group aims to conduct a comprehensive materiality assessment once every 3 years and undertake an annual review of the relevance of our previously prioritised Economic, Environment, Social and Governance impacts arising from our day-to-day activities, involving both internal and external stakeholders.

Through a limited-scale materiality assessment performed in year 2023, a total of 10 material matters (vs 8 in year 2022) are aligned to the Group's strategic priorities and stakeholder expectations. Two material matters, namely Contract Management and Data Security and Privacy have been added to the material matters list.

In 2023, the Group refined the material matters to reflect stakeholders' expectations post pandemic and take into consideration changes in strategy, opportunities and risks, external business, operating environment and industry practices.

The following steps were used in performing the materiality assessment:



These were also benchmarked against the relevant frameworks, i.e. Global Reporting Initiatives (GRI), Sustainability Accounting Standards Board ("SASB"), Task Force on Climate-Related Financial Disclosures ("TCFD") and relevant regulatory requirements. Additionally, comparison was also made against industry and other competitive landscape evaluation to understand matters that our peers are focusing on with respect to sustainability.

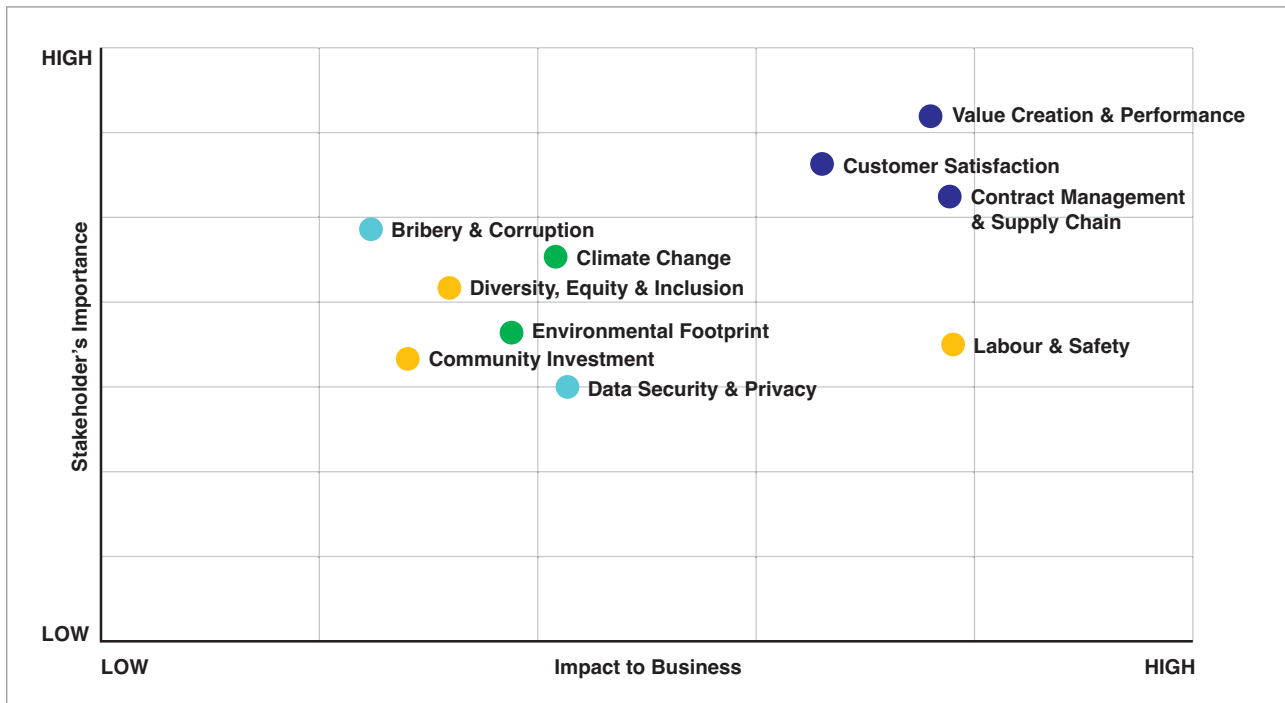


# SUSTAINABILITY STATEMENT

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The material matters are mapped to the Materiality Matrix as follows:

**Citaglobal's Materiality Matrix 2023**



● Economic ● Environment ● Social ● Governance







## SUSTAINABILITY STATEMENT (Cont'd)

### RISK MANAGEMENT

Citaglobal's Enterprise Risk Management (ERM) Framework has integrated sustainability and climate-related risks in addition to our strategic, financial and operational risks to build readiness and resilience through the identification and management of potential risks encountered by the Group. All identified risks are ensured to stay within our risk appetite through revision and monitoring by the Risk Management Unit under the Internal Audit & Risk Management Department which is further deliberated by the Sustainability Steering Committee.

Material Matters	Risks	Opportunities
1. Value creation & performance	Poor financial performance threatens business continuity, value creation and loss of investment opportunities	Renewable energy is an important global agenda as the world continues to mitigate the impacts of climate change and global warming. Citaglobal intends to play a key role in supporting states and nations to implement their energy transition roadmap.
2. Contract Management	Poorly designed and potential breach of contract terms may lead to disputes over deliverables or payments, and failure to meet regulatory compliance, litigation and affecting company's reputation.	Cost savings through optimised terms, improved relationships with suppliers or clients, and reduced legal risks through clear documentation and communication.
3. Customer Satisfaction	Inability to meet customers' expectations may lead to loss of confidence, loss of business, negative word-of-mouth, affecting company's reputation	Effectively managed customer expectation can lead to increased customer retention, positive referrals, and enhanced brand reputation, ultimately driving business growth and profitability.
4. Climate Change	Poor water, waste and energy management may lead to increased cost, wastage, regulatory compliance issues, and reputational damage due to environmental impact.	Cost savings, enhanced sustainability, and improved operational efficiency through measures such as energy conservation, renewable energy adoption, compliance with emissions standards and tax incentives
5. Environmental Footprint	Environmental harm, regulatory fines for non-compliance and reputational damage.	Cost savings through efficiency improvements, compliance with emissions standards and enhanced sustainability practices and improved public perception and stakeholder's confidence.
6. Labour & Safety	Potential workplace accidents lead to productivity loss, legal and regulatory repercussion and reputational damage.	Proper labour and safety practices will improve employees' morale and productivity and enhance brand reputation as a responsible employer.
7. Diversity, Equity & Inclusion	Potential legal liabilities, decreased employee morale and engagement, discriminatory practices and limited innovation and creativity.	Improved employee satisfaction and retention, enhanced creativity will enhance productivity, innovation which will result in enhanced overall company's performance and broader market appeal as employer of choice.
8. Community Investment	Potential backlash from stakeholders if initiatives are perceived as insincere or insufficient, misalignment with business objectives may impact company's reputation.	Investing in the community presents opportunities for building strong relationships, enhancing brand reputation, attracting socially conscious customers and investors and fostering long-term social and economic sustainability, positively impacting society and the environment
9. Bribery & Corruption	Legal consequences, damage to reputation, and loss of business opportunities.	Fostering a culture of integrity and trust, gaining competitive advantage through ethical business practices, and building stronger relationships with stakeholders.
10. Data Security & Privacy	Cybersecurity threats, can result in a loss of trust, disruption to operations, damage to reputation and strained customer relationship	Robust cybersecurity measures and improved data management protect critical customer information will increase customer's trust and loyalty, compliance with data protection regulations, and innovation in data-driven business strategies.

# SUSTAINABILITY STATEMENT

(Cont'd)

## SUSTAINABILITY FRAMEWORK

The sustainability initiatives are guided by an overarching framework with aspirations to provide clarity, foster cross-functional collaborations and ensure sustainability aspects are given due consideration in the development of our strategies.

<b>Vision</b>	To inculcate sustainability within our core operations, in pursuit of creating long-term value for our stakeholders			
<b>Mission</b>	To conduct our business in an environmentally conscious and socially responsible manner, while upholding good governance that will empower the future			
<b>Sustainability Pillars</b>	<b>Economic</b>	<b>Environment</b>	<b>Social</b>	<b>Governance</b>
<b>Aspiration</b>	<ul style="list-style-type: none"> <li>Protecting and enhancing shareholders' value and financial performance of the Group while upholding transparency and accountability</li> </ul>	<ul style="list-style-type: none"> <li>To reduce carbon emission in our operations and increase the use of renewable energy</li> <li>To leverage on green technology for operational excellence and competitiveness</li> <li>Embed good environmental practices and Sustainability mindset into strategic and operational decision making</li> </ul>	<ul style="list-style-type: none"> <li>To uphold our mission and apply core values in delivering stakeholder expectations</li> <li>To create positive social and economic impact for all stakeholders across our business ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>To achieve our business objectives while embedding good governance practices and ensuring compliance to laws and regulation</li> <li>To ensure business Sustainability by actively identifying and managing risks and opportunities</li> </ul>
<b>Alignment to</b>				
<b>Enabler</b>	Governance and Operational structure			
	Communication and awareness			



## SUSTAINABILITY STATEMENT (Cont'd)

### MANAGEMENT APPROACH TO MATERIAL MATTERS

## 1. Value Creation and Performance

### Why it matters

The Group is expected to stay its course and remain focus on the key areas of competency such as Energy, Civil Engineering and Construction, Property and Manufacturing.

The Group is in a transition phase to focus on renewable energy (RE) division where it is diversifying into renewable energy development works (i.e. BESS, solar and hydro) via strategic collaboration with technical partners and strategic client engagements. This transition is expected to allow the Group to expand its service portfolios into wider customer base hence contribute positively to the Group's journey of transition into a low carbon operation.

The performance outlook of the Group will depend on the actual commencement date of contracts and the finalisation of joint venture agreements with various collaborative partners. Therefore, the short term economic and financial sustainability of the Group is vital to ensure the continued development of future RE assets, which over the longer term have positive impact to the environment and local communities.

Sustainable economic performance plays a pivotable role in shaping the overall well-being of an organisation and enhance investors and stakeholders' confidence.

### Our Approach and Achievement

In 2023, the Group continues with merger and acquisition, collaboration with local and international partners venturing into business frontiers with the aim to diversity revenue streams, enhancing profitability and creating values for our stakeholders. Among the achievements recorded are as follows:

- i. On 4 December 2023, Citaglobal, Masdar and TNB Renewables partner for a RM9.75 billion solar farm in Pahang.
- ii. On 20 April 2023, Citaglobal and Reneuco Berhad established a 60:40 SPV to supply power to the train stations, commercial and industrial parks along the ECRL 665km alignment.
- iii. On 11 April 2023, Citaglobal-Genetec JV unveiled Malaysia's first locally produced battery energy storage system (BESS) by showcasing its fully operational 1MW BESS prototype which now supports the energy needs of Genetec's EPIC Plant.

### Moving forward

The Group's transition to renewable energy represents an important global agenda as the world continues to mitigate the impacts of climate change and global warming. Citaglobal aspires to play a key role in supporting states and nations implement their energy transition roadmap.

In year 2023, the Group has successfully secured several MOUs for large-scale renewable energy projects, including waste-to-energy, development of battery energy storage system; marking a significant milestone in our strategic growth initiatives. Moving forward, our focus will be on translating these MOUs into tangible economic value. We are committed to leveraging our expertise, resources, and partnerships to diligently materialise these projects, driving economic growth, creating employment opportunities, and delivering sustainable value to our stakeholders.





# SUSTAINABILITY STATEMENT (Cont'd)



## 2. Anti-Bribery and Corruption

### Why it matters

The Group is committed to upholding the highest standards of integrity and ethical conduct in all aspects of our operations. We recognise the destructive impact of corruption on societies, economies, and the environment. Our anti-bribery and corruption efforts are an integral part of our commitment to sustainability, transparency, and responsible business practices.

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.

The Group has adopted a "No Gift" policy, subject only to exceptions which are stated in the ABC Policy and Procedures. Directors and employees are not permitted to solicit, accept, give, or offer any gifts or personal favors 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 also established a Whistleblowing 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 regarding suspected or wrongful activities and wrongdoings. These refer to 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 that could affect the business and image of the Group. This policy has been communicated to all Management and employees and can be found on Citaglobal's website.

Our suppliers are also subject to ethical conduct and anti-bribery and corruption guidelines as specified in our ABC Policy and Procedure. All suppliers will need to sign a declaration indicating their agreement to abide by the guidelines and policies set forth in the ABC Policy and Procedure in their business dealings.

### Our Approach and Achievement

Training is tailored to the specific needs of different employee categories, ensuring that all staff members are well-informed about the Group's policies and their role in preventing corruption.

Our robust internal controls and reporting mechanisms have played a key role in preventing and detecting any potential misconduct. In the rare event that an issue arises, our commitment to transparency is demonstrated through swift and decisive action.

- For the year 2023, the percentage of employees who received training on anti-corruption are as follows:

Employee Category	Percentage
Senior Management	100%
Middle Management	100%
Executive and Non-Executive	100%

- ZERO confirmed incidents of corruption within our organisation during the reporting period.

### Moving forward

By actively promoting anti-corruption training and awareness, conducting bribery risk assessments, enhancing the related internal controls and maintaining a strong commitment to transparency, the Group remains dedicated to fostering a culture of integrity and ethical conduct throughout our operations. We will continue to evolve and improve our anti-corruption initiatives to contribute positively to the communities and environments in which we operate.



## SUSTAINABILITY STATEMENT (Cont'd)

### 3. Community Investment

#### Why it matters

The Group recognises the profound impact businesses can have on the communities. The Group's commitment to sustainability extends beyond economic considerations to encompass our responsibility to the broader society. Through strategic community investments, we strive to create positive change and contribute to the well-being of the areas we serve.

The Group believes in measuring success not just in financial terms but also in the positive changes experienced by those who matter most - the people in our communities.

#### Our Approach and Achievement

The goal is not only to be a responsible corporate citizen today but to actively contribute to building sustainable and resilient communities for the future. Investing in the well-being of the communities we serve; we contribute not only to our own success but to a sustainable and harmonious future for all as well as promote better social inclusion.

- The Group is pleased to exercise our corporate strategic responsibility to assist the target group in improving their chances of owning a home in the face of rising property prices. Our alignment with PR1MA's mission involves the development of affordable, high-quality residences to the community through the D'Marina project in Kuantan, Pahang.
- In the year 2023, the Group has invested RM478,000 in the communities where we operate. These investments were targeted at initiatives that promote social development, environmental stewardship, and economic empowerment. During the year, among others, The Group has donated and sponsored for the following causes:
  - i. Providing access to education especially for rural areas and nurture local talent
  - ii. Mental health and support
  - iii. Promote the participation of women in leadership roles within their communities
  - iv. The development and financing of green technology projects that promote sustainable development and driving innovation in green technology
- The Group's investments in community initiatives directly benefited 43,950 individuals. These beneficiaries represent diverse segments of the community, including students, families, and local businesses. Non-monetary contributions include food distribution to the local communities.

#### Moving forward

- Increase the depth and scope of our community investments, focusing on areas that align with our core operations and values as well as other areas where we can make a meaningful difference.
- Forge stronger partnerships with local organisations, NGOs and community leaders to co-create initiatives that address specific needs and leverage collective expertise.
- Continue to provide transparent and detailed reporting on our community investments, ensuring stakeholders have visibility into the positive changes resulting from our efforts.



## SUSTAINABILITY STATEMENT (Cont'd)



### 4. Diversity, Equity and Inclusion

#### Why it matters

The Group recognises the intrinsic value of diversity and inclusion in driving innovation, creativity, and overall organisation success. The Group is committed to maintaining a workplace that reflects the diversity of the global community. Our efforts to promote diversity extend across all levels of the organisation, from the executive boardroom to the entry-level positions described in our Diversity Policy as well as the Code of Conduct. Diversity is also one of the core values of Citaglobal.

The Group's success is also inseparable from the well-being of our employees. Upholding high labour practices and standards is not just an obligation; it is a reflection of our values and commitment to fostering a workplace where every individual thrives. The Group recruit and retain employees with disabilities, ensuring their distinctive needs are met by providing the support to enhance their accessibility and inclusion within the workplace.

The Group strongly advocate for equitable gender representation on our Board, and to that end, a woman director has joined the predominantly male directors in 2023. This is also cascaded to the Management level by increasing women participation in leadership roles.

#### Our Approach and Achievement

In the fiscal year 2023, the Group achieved notable milestones in various aspects of our labour practices. We strive to provide decent work for all employees regardless of their gender, race or any disabilities. The following table provides a snapshot of our commitment to diversity:

Employee Category	Gender	Age <30	Age 30 – 50	Age >50
Senior Management	Male	0%	2%	3%
	Female	0%	0%	1%
Middle Management	Male	1%	6%	5%
	Female	0%	4%	1%
Executive	Male	3%	9%	2%
	Female	4%	10%	1%
Non-Executive	Male	16%	22%	4%
	Female	3%	3%	0%
<b>Total</b>		<b>27%</b>	<b>56%</b>	<b>17%</b>

- These figures demonstrate the Group's commitment to building a diverse workforce that mirrors the demographics of the societies in which we operate. The Group continue to implement initiatives to foster an inclusive workplace, ensuring equal opportunities for career development and advancement for all employees.
- Our Board of Directors is dedicated to leading by example in championing diversity. The following table illustrates the composition of our Board in terms of gender and age group:

Director Category	Gender	Age 21 – 40	Age 41 – 60	Age 61 – 70	Age 71>
Directors	Male	12.5%	37.5%	12.5%	25%
	Female	0%	12.5%	0%	0%



## SUSTAINABILITY STATEMENT (Cont'd)

- In 2023 our employees collectively underwent 1,923 hours of training across various categories, ensuring they are equipped with the skills and knowledge necessary to excel in their roles.

Employee Category	Training Hours
Senior Management	81
Middle Management	843
Executive	763
Non-Executive	236

- This investment not only enhances individual performance but also contributes to the overall growth and innovation of our organisation.
- Despite the project-based nature of our operations, only 36.2% of our workforce is comprised of contract or temporary staff. This figure underscores our commitment to providing stable and long-term employment opportunities, fostering a sense of job security and continuity for our employees.
- While the Group strives to create an environment that retains top talent, we acknowledge that turnover is a natural aspect of any dynamic workplace. In 2023, the total number of employee turnover was 63, with turnover rates varying across employee categories. A detailed breakdown is provided below:

These figures guide our ongoing efforts to improve retention strategies and employee satisfaction.

Employee Category	No. of Turnover
Senior Management	5
Middle Management	10
Executive	19
Non-Executive	29

- In our effort to continue fostering mutual respect and inclusion among our employees, celebrations of cultural and religious festivities and birthdays were carried out throughout the year.
- the Group takes allegations of human rights violations seriously. In 2023, there was ZERO substantiated complaints concerning human rights violations reported.

### Moving forward

- the Group is committed to further enhancing diversity at the highest levels of leadership. Our Board recognises the importance of diverse perspectives in decision-making and remains dedicated to cultivating an inclusive corporate culture.
- the Group will continue to invest in programs that promote diversity and inclusion, foster a culture of belonging, and ensure that our workforce reflects the rich tapestry of the community.
- Continue to invest in advanced training programs to ensure our workforce stays ahead in an ever-evolving business landscape.
- Maintaining an appropriate percentage of temporary or contract staff and exploring opportunities to transition temporary positions into permanent roles.
- Implementing initiatives to enhance employee engagement and satisfaction, addressing potential turnover triggers.
- Strengthening our grievance mechanisms to encourage open communication and timely resolution of concerns.

the Group views our workforce as our greatest asset, and we remain steadfast in our commitment to fostering a workplace that values diversity, encourages growth, and upholds the highest standards of labor practices.



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## 5. Climate Change

### Why it matters

The Group recognises the critical role energy management plays in our journey towards sustainability. The energy we consume and Greenhouse Gases (GHG) emissions contribute to climate change. As a corporate citizen, it is our responsibility to reduce our carbon footprint while also embracing opportunities that unfold while making the transition to a low-carbon economy.

Energy is the fundamental resource required for the seamless functioning of the Group's major operations, encompassing Energy, Civil Engineering & Construction, Property and Manufacturing. The current sources of energy include electricity, petrol, and diesel, derived from coal and fossil fuels, contributing to the emission of GHG. Addressing this issue aligns with the Group's commitment to the Malaysian government's pledge under the Paris Agreement, aiming to reduce carbon intensity by 45% in 2030 and achieve Net Zero by 2050.

The Group aspires to expand our footprint in the region and internationally. Our renewable energy solutions encompass solar, battery energy storage system (BESS), carbon capture and biogas engines. Leveraging on these strategies, the Group is confident to achieve our aspiration to emerge as a leading regional player in renewable energy industry.

### Our Approach and Achievement

In our D'Marina property development project in Kuantan, Pahang, the Group has adopted the Industrialised Building System ("IBS") for more efficient use of materials to minimise the environmental footprint of our activities. Additionally, by incorporating innovative energy efficient rooftop insulation to repel heat, the Group bolsters energy performance and reduce household energy consumption and emission for our customers.

In 2023, our total emissions for the year amounted to 471.5 tCO<sub>2</sub>-e for Scope 1 and 999.9 tCO<sub>2</sub>-e for Scope 2, affirming our steadfast dedication to monitor our carbon emissions towards sustainable practices in the future.

### Moving forward

As the Group moves forward, we are committed to:

- Implementing advanced technologies and best practices to further enhance our energy efficiency and reduce overall consumption.
- Increasing the proportion of energy sourced from renewable sources, with a focus on long-term sustainability.
- Maintaining transparency in our energy management practices, sharing progress, challenges, and achievements with our stakeholders.
- Enhance the utilisation of renewable energy by installing solar rooftop photovoltaic panels in our upcoming property developments, providing a more sustainable energy alternative and lowering energy expenses for our customers.





## SUSTAINABILITY STATEMENT (Cont'd)

### 6. Labour and Safety

#### Why it matters

Labour and safety are crucial aspects within the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work and its follow-up. Similar emphasis is maintained by relevant Acts in Malaysia, such as the Employment Act 1955 and the Occupational Safety and Health Act 1994. The well-being of our employees and our contractors working within our premises is our top priority. The Group recognises that a safe and healthy workplace is fundamental to the success of our organisation and the overall satisfaction and productivity of our workforce. Our commitment to health and safety is embedded in our culture, guiding our actions and decisions each day.

By prioritising health and safety, we not only protect our most valuable asset – our people – but also foster a culture of trust, collaboration, and productivity. At Citaglobal, we remain steadfast in our commitment to providing a safe and secure workplace for everyone.

#### Our Approach and Achievement

- The Group is pleased to report that in the year 2023, there was ZERO work-related fatalities and work-related injuries.
- Our commitment to maximising workplace incidents is evident in our Lost Time Incident Rate, which stands at ZERO. This rate is calculated based on the number of hours worked and is a key indicator of our efforts to create a safe environment where employees can perform their duties without unnecessary risks.
- Investing in employee training and development is a cornerstone of our health and safety strategy. In 2023, 185 of our operational employees underwent training programs on health and safety standards. This training ensures that our workforce is equipped with the knowledge and skills to identify potential hazards, follow safety protocols, and contribute to a secure working environment.

#### Moving forward

While the Group is proud of our achievements, we recognise that the journey towards an incident-free workplace is a continuous effort. In the coming year, we are committed to:

- Expanding our training initiatives to further empower our employees with the latest health and safety information and skills.
- Implementing measures to proactively identify and address potential hazards, ensuring a preventive rather than reactive approach.
- Encouraging open communication between Management and staff as well as our contractors to promptly address concerns and suggestions related to health and safety.



## SUSTAINABILITY STATEMENT (Cont'd)



### 7. Customer Satisfaction

#### Why it matters

Customer satisfaction and loyalty are key factors in achieving long-term success, sustaining our business, remaining competitive and maintaining our reputation. The Group adopts 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 ensuring continuous engagement with customers through various channels including obtaining periodic feedback via progress meeting and business performance review meeting.

#### Our Approach and Achievement

The Group provides customer support platform for customers to lodge their feedback. Upon identifying areas for improvement, we discuss the potential solutions to address the underlying causes in a timely manner. These efforts enable us to gain insight into our customers' needs and expectations and enhance our products and services.

Our subsidiaries, Citaglobal Land and Citaglobal 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.

#### Moving forward

Customer feedback via customer satisfaction surveys demonstrates 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. The Group will continue to strive to enhance customer satisfaction by considering their feedback and ensuring that high quality standards are met across our products and service offerings.

### 8. Contract Management and Supply Chain

#### Why it matters

Citaglobal and its subsidiaries are involved with contractors and sub-contractors at various stages of their project value chain. Contract management is a crucial aspect, encompassing the oversight and administration of contracts among the parties engaged in the projects. This entails essential activities such as negotiating contract terms, monitoring compliance, resolving disputes, allocating resources, and monitoring budgets. Therefore, effective contract management is a pivotal factor in ensuring the successful outcome of the projects.

In our pursuit of sustainable business practices, the Group recognises the pivotal role our supply chain plays in shaping a resilient and inclusive local economy. The Group is dedicated to fostering meaningful connections with our surrounding communities, and one tangible way we demonstrate this commitment is through our supply chain and contract management.

The Group is dedicated to promoting responsible procurement practices and enhancing our procurement lifecycle. We firmly believe in supporting local businesses and driving economic growth in the communities where we operate. Therefore, the Group prioritises sourcing from local suppliers, to the best extend possible; and providing business opportunities to local contractors and improve their livelihoods. This sustainable procurement expectations are extended to our suppliers, service providers and consultant.



## SUSTAINABILITY STATEMENT (Cont'd)

### Our Approach and Achievement

#### a. Community-Centric Procurement

In the past fiscal year, the Group is proud to report that 83% of our total procurement expenditure were sourced from local suppliers. This deliberate strategy not only ensures the vitality of nearby businesses but also creates a positive ripple effect by generating employment opportunities, fostering innovation, and enhancing overall community well-being.

#### b. Impact on Sustainable Development Goals

Our commitment to prioritising local suppliers aligns seamlessly with the United Nations Sustainable Development Goals (UN SDGs), particularly Goal 8 (Decent Work and Economic Growth) and Goal 12 (Responsible Consumption and Production). By investing in local businesses, the Group contributes to job creation, poverty reduction, and responsible consumption patterns, thereby advancing the broader agenda of sustainable development.

#### c. Compliance and Risk Mitigation

The Group is dedicated to ensuring that our contracts strictly adhered to environmental regulations, uphold labour standards and abide to ethical guidelines. This commitment mitigates the risk of adverse impact on communities and ecosystems.

#### d. Sustainability Assessment

Our procurement processes embed sustainability elements in our qualification process as part of sustainability awareness across our supply chain. All suppliers are expected to address our set of sustainability requirements which focuses on suppliers' practices on ethical conducts, health and safety, environmental management and human rights principles. The Group categorises our suppliers based on their maturity conduct performance review, develop risk mitigation considerations and aim to implement targeted intervention programs to support our suppliers in embracing sustainable sourcing principles.

#### e. Innovation and Collaboration

Our contract management processes foster innovation and collaboration aimed at achieving sustainability objectives. In 2023, we actively cultivate partnership with Genetec Technology Berhad to produce the first locally produced battery energy storage system (BESS) in Malaysia aiming to offer sustainable green energy alternative to our customers.

### Moving forward

While the Group celebrates our achievements, we recognise that sustainability is an ongoing journey. We remain steadfast in our commitment to refining our supply chain and contract management practices continually. This includes identifying new opportunities for local partnerships, implementing sustainable sourcing practices, and engaging in transparent communication with our stakeholders.

The Group will ensure that our procurement practices are fair and transparent in order to award tenders to the most credible suppliers while also collaborating with socially and environmentally conscious suppliers.



# SUSTAINABILITY STATEMENT (Cont'd)



## 9. Data Privacy and Security

### Why it matters

The Group views data privacy and security as paramount elements of our commitment to excellence. Security and integrity of data assets are crucial for safeguarding sensitive information and ensuring the mitigation of risks to maintain trust and reliability. With the acceleration of various trends revolving around remote working, e-commerce and automation, the Group has the responsibility to manage the growing threats, protect our business and customers' sensitive information and prevent any leakage or loss of information.

### Our Approach and Achievement

The Group continues to strengthen our information technology and cybersecurity measures within our operations and processes, adhering strictly to our Data Privacy Policy. Regular review is conducted to ensure our data privacy and security controls and processes are operating effectively. We take reasonable measures to ensure we collect data by lawful means, and that we are transparent about how data is gathered, used and secured. User access and activities are regularly reviewed to prevent unauthorised access or misuse of authority.

The Group is pleased to report that, as of the current date, we have received ZERO substantiated complaints concerning breaches of customer privacy and losses of customer data was received. This achievement reflects our unwavering dedication to safeguarding the trust our stakeholders place in us.

### Moving forward

While celebrating our current success, the Group is committed to implementing robust data security measures and stringent privacy protocols to safeguard our valuable business data and uphold the trust of our stakeholders. This commitment will not only protect our assets but also serve as a foundation for our continued business expansion and success.



## SUSTAINABILITY STATEMENT (Cont'd)

### 10. Environmental Footprint

#### Why it matters

The Group recognises the vital role water, energy and waste management play in sustaining life and ecosystems. As stewards of the environment, we are committed to responsible water, energy and waste management practices.

The National Energy Roadmap 2022 and National Energy Transition Roadmap 2023 (NETR) outline objectives to shift towards renewable energy sources (RE), such as solar power. This transition aids in diminishing dependence on fossil fuels, mitigating carbon emissions from energy production, and if executed effectively, ensures competitive long-term energy prices. Embracing sustainable energy sources is a crucial global initiative in the ongoing efforts to combat climate change and global warming. Citaglobal is poised to play a pivotal role in supporting states and nations in implementing their energy transition roadmaps.

In addition, the Group prioritises proper waste management to reduce its environmental impact and benefit the surrounding communities, especially in relation to our construction segment. Recognising the severity of its potential impact, it is imperative that we implement proactive measures to ensure responsible waste management practices across all our operations.

#### Our Approach and Achievement

- Our strategy involves redirecting all waste away from environmentally harmful landfills towards waste-to-energy (WtE) facilities, aiming to comprehensively address Malaysia's waste disposal challenges. By integrating WtE systems alongside conventional fossil fuel-based power generation, the Group aims to foster renewable energy production, diminish the need for landfills, and bolster revenue for local governments. This pledge was materialised through the signing of a RM15 billion Memorandum of Understanding (MoU) with Shanghai SUS Environment Co. Ltd in September 2023 to establish WtE projects in Malaysia.
- Our approach to energy management prioritises efficiency, conservation, and the integration of renewable sources wherever possible. This breakdown reflects our commitment to reducing reliance on non-renewable resources, embracing sustainable alternatives, and minimising our environmental footprint.

In the fiscal year 2023, our total energy consumption was measured at 1,281,917 Kwh to meet our operational requirements.

- Our water consumption primarily stems from construction activities as well as from our site offices, worker facilities and main office. The Group is committed to implementing water conservation initiatives and raising employees' awareness on proper water management at all our premises. 68.34 megalitres of water was consumed in year 2023.

#### Moving forward

Implementing efficient water management technologies and practices has been a priority for the Group. These measures not only reduce our environmental impact but also contribute to long-term sustainability.

- Intensify our efforts and enhance the efficiency of resources utilised in our daily operations and implement innovative solutions, where possible, to drive sustainable energy, water and waste management practices.
- Raise employees' awareness on proper water, energy and waste management at all locations where we operate.





# SUSTAINABILITY STATEMENT (Cont'd)

## Performance Data Table

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Middle Management	Percentage	100.00
Executive and Non-Executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	478,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	43,950
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Below 30	Percentage	0.00
Senior Management Between 30-50	Percentage	35.00
Senior Management Above 50	Percentage	65.00
Middle Management Below 30	Percentage	3.00
Middle Management Between 30-50	Percentage	60.00
Middle Management Above 50	Percentage	37.00
Executive Below 30	Percentage	23.00
Executive Between 30-50	Percentage	68.00
Executive Above 50	Percentage	9.00
Non-Executive Below 30	Percentage	38.00
Non-Executive Between 30-50	Percentage	54.00
Non-Executive Above 50	Percentage	8.00
Gender Group by Employee Category		
Senior Management Male	Percentage	81.00
Senior Management Female	Percentage	19.00
Middle Management Male	Percentage	73.00
Middle Management Female	Percentage	27.00
Executive Male	Percentage	49.00
Executive Female	Percentage	51.00
Non-Executive Male	Percentage	89.00
Non-Executive Female	Percentage	11.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	87.50
Female	Percentage	12.50
Between 21- 40	Percentage	12.50
Between 41 - 60	Percentage	50.00
Between 61 - 70	Percentage	12.50
Above 71	Percentage	25.00
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	185

Internal assurance External assurance No assurance

(\*)Restated



# SUSTAINABILITY STATEMENT (Cont'd)

## Performance Data Table (Continued)

Indicator	Measurement Unit	2023
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	81
Middle Management	Hours	843
Executive	Hours	763
Non-Executive	Hours	236
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	36.20
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	5
Middle Management	Number	10
Executive	Number	19
Non-Executive	Number	29
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	83.00
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	1,281.92
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	68.340000
<b>Bursa (Emissions management)</b>		
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	471.50
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	999.90

Internal assurance

External assurance

No assurance

(\*)Restated



# SUSTAINABILITY STATEMENT (Cont'd)

## CARE & RESPONSIBILITY

### CSR PROGRAM YEAR 2023

#### 'JALINAN KASIH CITAGLOBAL' - DISTRIBUTION OF 'BUBUR LAMBUK' DURING THE MONTH OF RAMADAN 2023



As part of Citaglobal's Corporate Social Responsibility (CSR) program and in the spirit of giving back, the Company had distributed 1,000 packs of 'Bubur Lambuk' as Iftar meals for Citaglobal employees and the public at Plaza Sentral, Kuala Lumpur, during our 'Jalinan Kasih Citaglobal' program on Tuesday, 18th April 2023.

The main objective for the program was to share the joy of Ramadan, provide wholesome and nutritious meal, boosting morale, and nurturing a sense of togetherness and compassion during the holy month of Ramadan. Our team of volunteers not only distributed the 'Bubur Lambuk' but also actively connected with fellow colleagues and the public, creating memorable moments throughout the distribution process.

The success of our 'Bubur Lambuk' distribution exemplifies the positive impact that collective efforts can have on our employees and the community. The 'Jalinan Kasih Citaglobal' program also embodied the spirit of compassion and generosity that is in line with Citaglobal's core values to deliver the best to our stakeholders and to become an organisation that our employees and stakeholders are proud to be associated with.

