

SUSTAINABILITY REPORT

ECONOMIC PROSPERITY



Leon Fuat delivers value to customers, partners and communities through sustainable business practices and nurturing innovative culture. We prioritise excellence across the steel value chain, from raw material procurement to the final product delivered to customers, promoting efficiency and effectiveness.

Key Stakeholders	Material Sustainability Matters	Our Shared Values
Investors/Shareholders Management Customers Vendors/Suppliers	<ul style="list-style-type: none"> Operational Excellence Responsible Procurement 	<ul style="list-style-type: none"> Commitment to products and services quality Manage cash resources for operational effectiveness

OPERATIONAL EXCELLENCE

Why is this Important?

Our economic performance showcased robust growth, highlighting the success attributed to our operational excellence achieved through strategic and efficient resource allocation. This secures the creation of long-term value in alignment with the Group's sustainability agenda. With an unwavering resolve, we aim to achieve long-term resilience by leveraging our assets and sharing the generated wealth with our stakeholders.

Our Approach

At Leon Fuat, we prioritise sustainable steel processing, optimising material input while maximising economic output. With a primary focus on steel trading and processing – specialising in carbon steel, alloy steel and stainless steel – we bolstered our economic performance through investments in cutting-edge technologies, streamlined operational processes and a customer-centric approach.

We have designated three (3) machines for permanent night shifts, with plans to further increase capacity next year to bolster operational excellence. Ad-hoc night shifts are scheduled based on order volume and delivery lead times, utilising advanced technology like fibre laser cutting. This approach enhances production efficiency, operating faster and consuming less power compared to conventional laser technology, contributing to increased overall productivity and enhanced energy efficiency at LF Metal and Supreme Steelmakers.

Our Performance

In FY2023, economic performance of our three (3) main subsidiaries and other entities within our Group showcased robust growth, a testament to our operational excellence achieved through strategic and efficient resource allocation.

Economic Performance	Ringgit Malaysia (RM 'million)		
	FY2021	FY2022	FY2023
Economic value generated (revenue)	886.58	1,025.12	928.05
Less: Economic value distributed			
• Operating cost	653.86	922.34	815.73
• Employee wages and benefits	34.84	33.89	36.92
• Payment to provider of capital (dividends)	6.82	6.82	5.12
• Payment to government (tax)	16.77	30.78	7.38
• Community investments	0.02	#	0.01
Net economic value generated	174.27	31.29	62.89

Less than RM10,000.

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RESPONSIBLE PROCUREMENT

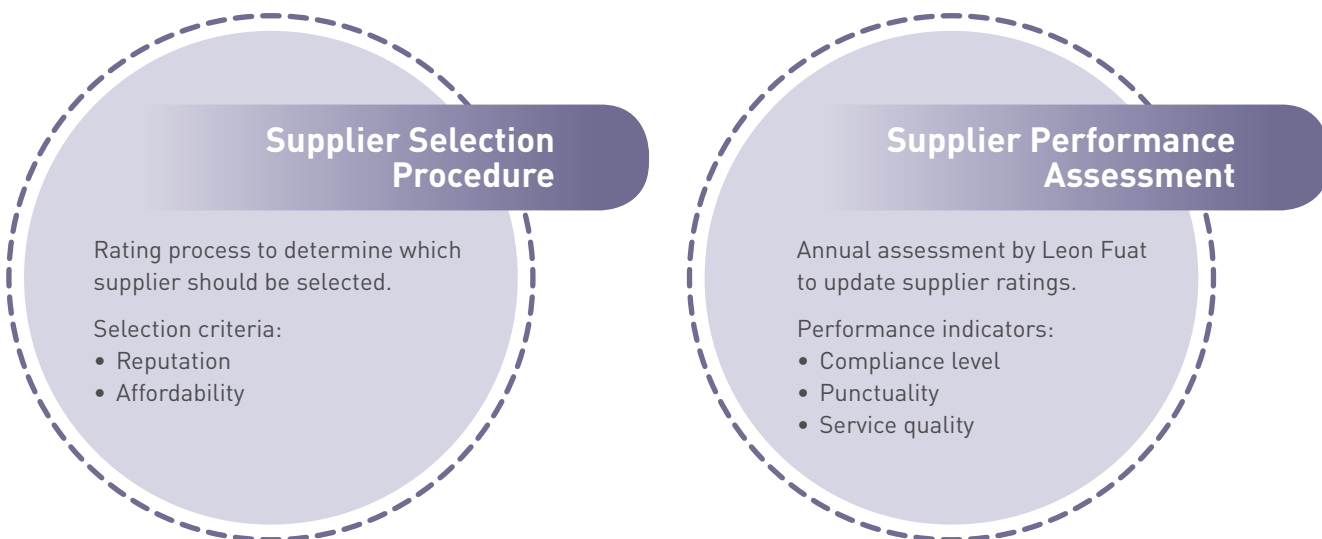
Why is this Important?

Responsible procurement is paramount for our operations, aligning seamlessly with our mission to both decarbonise our supply chain and fortify the local economy. By engaging local suppliers, we stimulate local economic growth and foster job creation. Responsible sourcing also curtails the environmental impact associated with the long-distance transportation of materials.

Our Approach

The Procurement Policies articulate the fair business practices that form the foundation of Leon Fuat’s operations, and we expect our suppliers to uphold these principles. We require that our suppliers, service providers and other collaborators adhere to ethical standards in accordance with Leon Fuat’s corporate values.

At Leon Fuat, we prioritise ensuring that our selected suppliers are committed to the standards that drive procurement excellence. We mandate new suppliers to complete a Vendor Registration Form. Our approach involves the application of precise selection criteria and the implementation of thorough supplier performance evaluations.



Our Performance

In FY2023, local suppliers accounted for 17.4% of our total supplier distribution.

Group Proportion of Spending on Local Suppliers

