

SUSTAINABILITY REPORT

SOCIAL RESPONSIBILITY



The social responsibility initiatives at Leon Fuat are centred on the welfare of our employees, the local community and society at large. Achieving equilibrium between economic development, environmental sustainability and community benefits is integral to our business practices. Accordingly, we proactively uphold a solid foundation for corporate social responsibility and adhere to a robust Corporate Social Responsibility framework. This pledge exemplifies our drive to meaningfully contribute to our people and the broader societal landscape.

Key Stakeholders	Material Sustainability Matters	Our Shared Values
Government/Regulatory Authorities Management Employees Customers Communities	<ul style="list-style-type: none"> Product Quality and Customer Satisfaction Occupational Health and Safety Labour Practices and Standards Diversity and Inclusiveness Corporate Social Responsibility 	<ul style="list-style-type: none"> Strengthen business processes to best service customers Commitment to products and services quality

OCCUPATIONAL HEALTH AND SAFETY

Why is this Important?

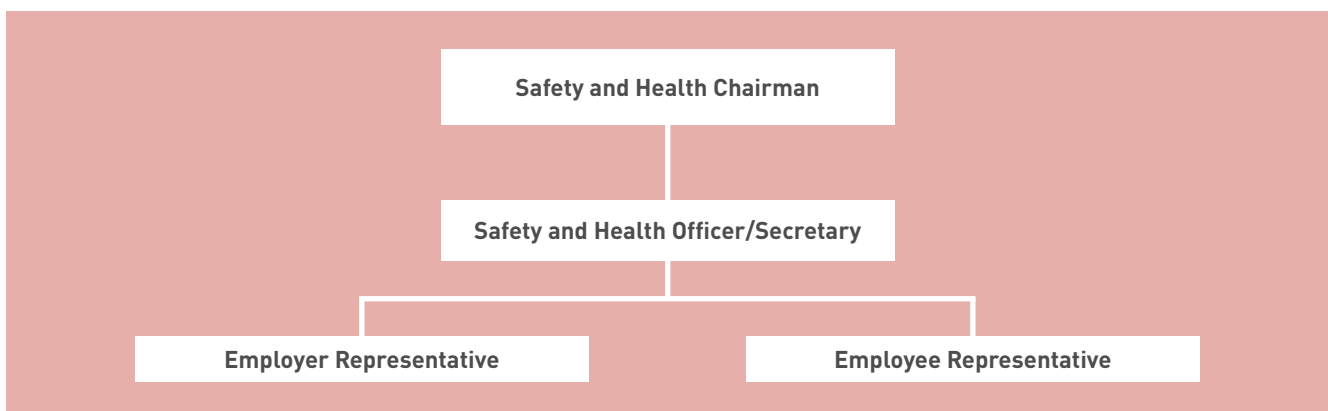
By preserving the health and safety of our employees, we safeguard their physical and mental well-being while bolstering overall productivity and job satisfaction. Our dedication to maintaining a secure working environment is rooted in this awareness. Leon Fuat works to safeguard our employees by adhering to stringent health and safety standards, actively mitigating workplace risks and fostering a culture of responsibility.

Our Approach

Our mission to attain zero (0) injuries among our employees, contractors and the communities where we operate is steered by our Safety and Health Policy. It directs us in cultivating a safety-conscious culture through frequent training sessions that emphasises the development and upkeep of safe workplace practices.

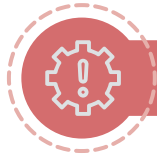
In tandem with our policy, we implemented a comprehensive Safety and Health Manual. This manual serves as a control system overseen by the Safety and Health Committee to ensure operational safety. It delineates the tasks and responsibilities of the appointed Safety and Health Officer, along with essential safety procedures tailored to our steel trading and processing facilities. Routine inspections are conducted to uphold health and safety standards.

At LF Metal, a three-tiered Safety and Health Committee allows us to establish robust OHS performance. Led by the Safety and Health Chairman, which is assisted by the Safety and Health Officer, the third tier comprises employer and employee representatives, fostering a collaborative approach to workplace safety.



SUSTAINABILITY REPORT

We employ two (2) risk assessment procedures, each crucial in identifying potential hazards and implementing the requisite control measures. By strategically applying these procedures we enhance our ability to pre-emptively address risks, creating an environment where safety is a top priority.



Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”) Procedure

- Established in FY2017 as a mechanism to facilitate the identification of potential hazards and to establish appropriate control measures.
- The HIRARC Procedure calculates the level of risk associated with a particular activity from two (2) interconnected factors:
 - the severity of an injury or illness resulting from the hazard; and
 - the likelihood of the injury or illness occurring.



2-Minute Hazard Report Card

- Used to identify the severity of a hazard and indicates whether to stop or continue an activity.

Our Performance

In the course of this reporting period, the three (3) main subsidiaries documented a collective total of 928,225 working hours. This year marked a significant 23.8% reduction in the Lost-Time Incident Rate compared to FY2022. In FY2023, we recorded one (1) fatality case, prompting immediate response. We implemented a series of safety measures including the installation of a full interlocking system, erection of fencing barriers and the installation of rotating safety warning lights and sirens. Rotating warning lights are lights that provide an eye-catching warning of hazardous conditions and obstacles. Workers involved in machine slitter operations were provided rigorous Safe Work Procedures (“SWP”) training sessions. To further emphasise safety protocols, Leon Fuat prominently displayed operation protocols and outlined the SWP on the machines.

Health and Safety Performance

	FY2021	FY2022	FY2023
Total Hours Worked	749,569	832,897*	928,225
No. of Lost-Time Incidents**	14	20	17
Lost-Time Incident Rate	3.74	4.80	3.66

* Data has been restated.

** Included in the Lost-Time Incidents was one (1) fatality each recorded for FY2021 and FY2023 respectively.

SUSTAINABILITY REPORT

Our dedication in cultivating a safety-conscious work environment is evident through the implementation of various training programmes. These initiatives aim to enhance the skills and knowledge of our workforce and instil a culture where safety is paramount.

Throughout FY2023, we documented a total of seventy-one (71) attendees for our health and safety training sessions.

Occupational Health and Safety Training Programmes	No. of Attendees	Duration
FMM Briefing on Dengue at the workplace by Jabatan Kesihatan Negeri Selangor ("JKNS")	1	3
Internal Training: Preparation Briefing and Actions to Take Before & After Getting Treatment in the Case of an Emergency (Injury)	11	4
Hazard Identification, Risk Assessment and Determining Control at The Workplace ("HIRADC")	1	14
Basic Occupational First Aid, CPR and AED	23	21
Emergency Response Plan & Preparedness	18	7
Safe Work Procedure – The Activity of Removing Coil Pieces from the Machine	4	1
Overhead Travelling Crane (OTC) Train The Trainer Course	1	21
Internal Training: Forklift Driver Training	8	2
Basic Occupational Fire Fighting	1	14
Occupational Safety & Health Coordinator Programme	3	21

LABOUR PRACTICES AND STANDARDS

Why is this important?

Upholding fundamental human rights within Leon Fuat necessitates equitable employment and decent work conditions. We strive to promote an environment where every employee is treated with respect, aligning with our ethical principles and responsible business practices, thus contributing to the overall well-being of our workforce.

Our Approach

Upskilling and Talent Acquisition of Our Employees

At Leon Fuat, we cultivate performance excellence through continuous development and unique incentive programmes. Our training initiatives foster a culture that embraces diverse ideas, nurtures new skill sets and attracts top talent. New hires experience a two-session induction: the first introduces them to the Group and operations, while the second focuses on department-specific SOPs. Regardless of their position, we provide ongoing skill development for all employees through regular training sessions.

Training Programmes

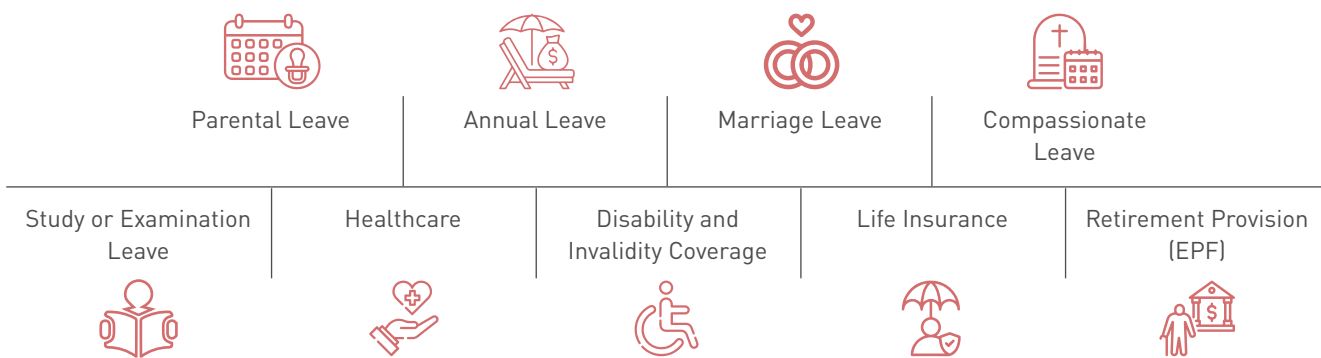
- Amazing Microsoft Excel Time Saving Workshop
- Budget 2024 Unleash the T.I.G.E.R.
- Climate Change
- Financial Modelling for Forecasting, Budgeting & Financial Statements in Excel
- FMM Selangor & Kuala Lumpur and MACC Selangor – Workshop on Corporate Liability Provision (Section 17A of MACC Act 2009)
- How To Handle Difficult Customers and Complaints Effectively
- Internal Training: Basic Machine Operation
- Internal Training: The Employment (Amendment) Act 2022
- Internal Training: One-To-One Excel Training
- Internal ISO 9001 (QMS) Auditor Training
- ISO 9001:2015 Understanding and Implementing (QMS02)
- Microsoft Office Excel 2013 - (Intermediate & Advanced)
- Overhead Travelling Crane (OTC) Train the Trainer Course
- Practical Approach to Accounting Principles and Practices Series
- Professional Course in Electrical Services Operation and Maintenance
- Root Cause Analysis Training
- SAP e-Invoicing Workshop
- Seminar on Foreign Worker Management
- Smart Warehousing Operation & Management
- Task Force on Climate-Related Financial Disclosures (TFCD), Carbon Footprint and Reporting Guide
- Taxation on Foreign Workers
- Vistage Chief Executive (VCE) Programme
- Vistage Small Business (VSB) Programme
- Whistleblowing, PDPA & No Gift Policy Training

SUSTAINABILITY REPORT

At LF Metal, we actively promote employee participation in educational initiatives that mutually benefit individuals and the business. Our department heads conduct education counselling sessions, guiding employees toward educational opportunities that correlate with their career aspirations. To support our employees, we offer paid examination leave, providing up to five (5) days for them to concentrate on their academic pursuits.

Employee Benefits

We believe that the provision of employee benefits enhances the quality of life of our valued employees. These benefits, ranging from healthcare and insurance coverage to flexible working and professional development opportunities, are designed to prioritise the welfare of our employees.

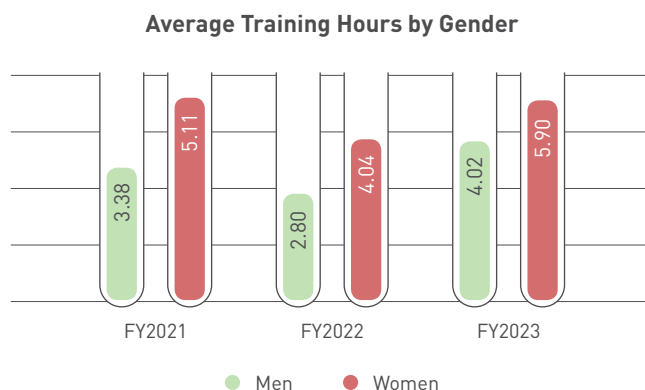
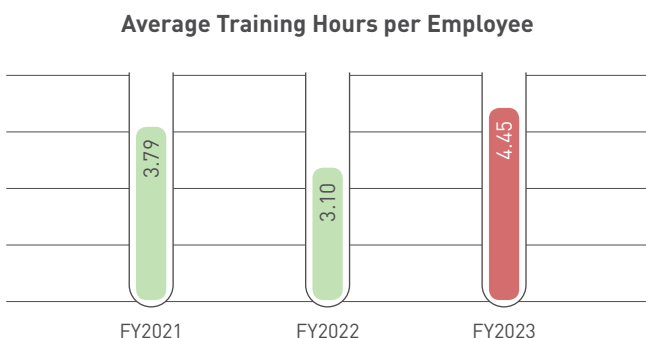
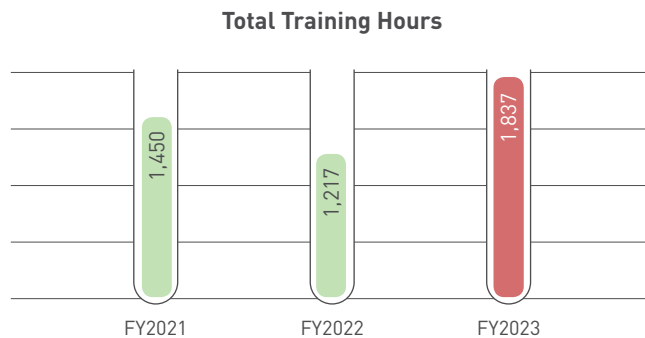


Our Performance

Training and Talent Management

Leon Fuat nurtures the professional growth of our employees through a diverse array of training programmes. In FY2023, we allocated approximately 1,837 training hours to this initiative, leveraging a combination of virtual and physical training sessions for accessibility.

Employee Category	Total Training Hours		
	FY2021	FY2022	FY2023
Senior Management	180	126	127
Management	130	212	333
Executive	431	276	355
Non-Executive	709	603	1,022



● Men ● Women

SUSTAINABILITY REPORT

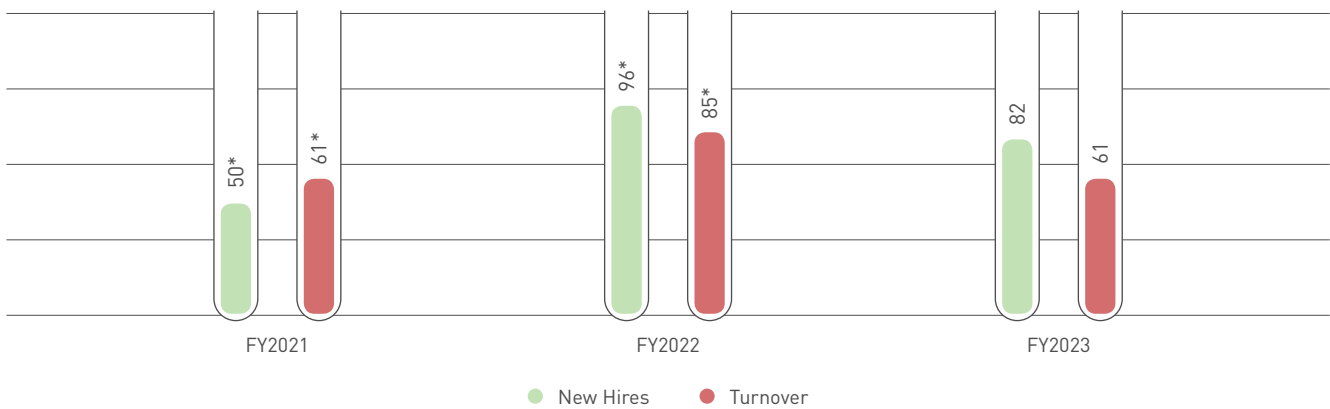
Employee Category	Average Training Hours		
	FY2021	FY2022	FY2023
Senior Management	17.95	12.55	12.70
Management	3.82	6.43	10.08
Executive	7.18	4.52	6.24
Non-Executive	2.55	2.09	3.27

Note: FY2021 and FY2022 data for "Training and Talent Management" has been restated.

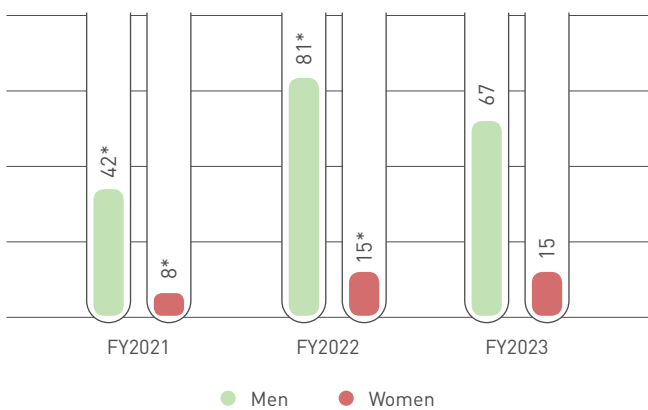
Employee New Hires and Turnover

The Group recorded eighty-two (82) new hires, demonstrating the Group's capacity to provide qualified individuals with new employment opportunities.

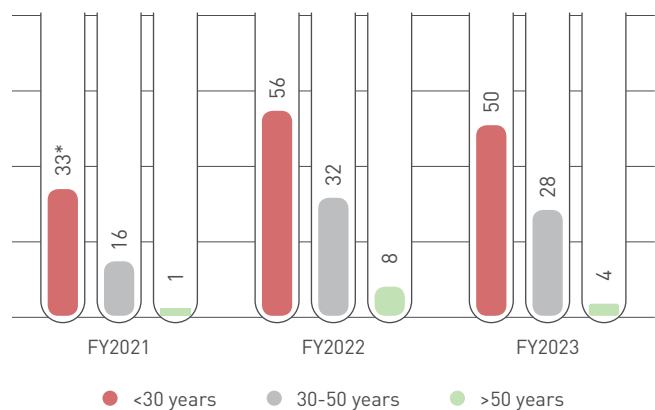
Total New Hires and Turnovers



New Hires by Gender



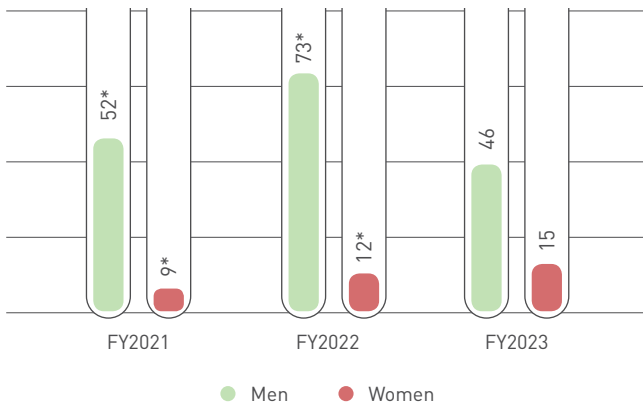
New Hires by Age



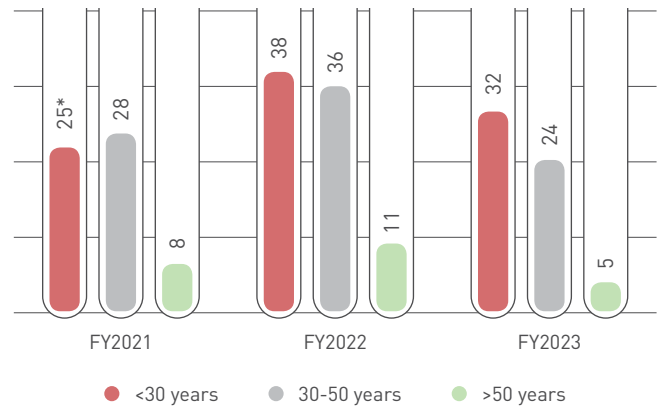
* Data has been restated.

SUSTAINABILITY REPORT

Turnover by Gender



Turnover by Age



* Data has been restated.

Employee Category	Total Number of Employee Turnover		
	FY2021	FY2022	FY2023
Senior Management	0	0	0
Management	0	0	1
Executive	8	8	9
Non-Executive	53	77	51

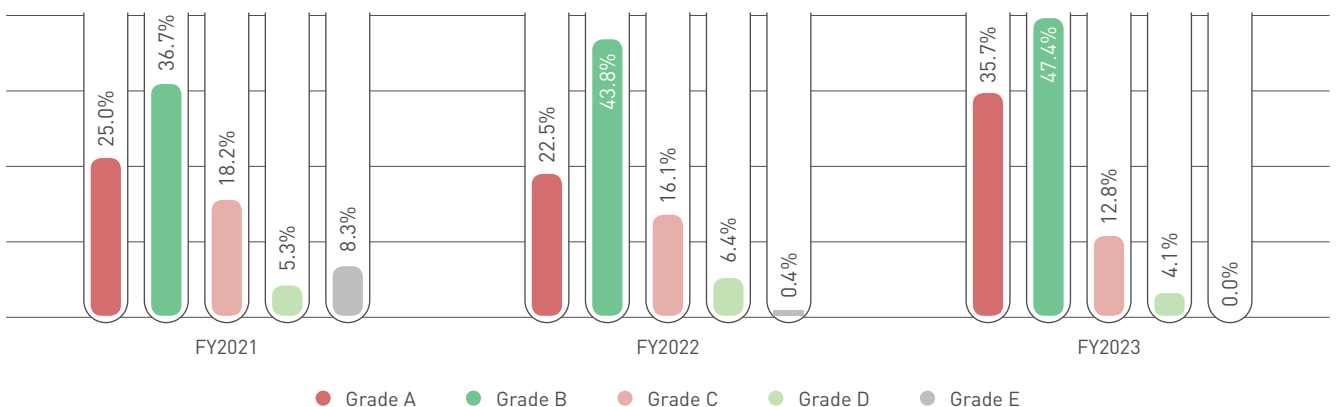
Note: FY2021 and FY2022 data for "Employee New Hires and Turnover" has been restated.

Employee Appraisal

At Leon Fuat, we conduct annual assessments for our employees to understand their preferences and needs, enabling us to create a motivating work environment that maximises the productivity of our personnel.

The Group provides our employees upskilling courses, offering them opportunities to advance their careers and enhance key competencies. In FY2023, two hundred and sixty-six (266) employees at LF Metal underwent annual performance evaluations to assess their performance. The results revealed that 35.7% of employees achieved Grade A and 47.4% Grade B, indicating excellent performance.

Employee Performance Appraisal



SUSTAINABILITY REPORT

Parental Leave

The Group recorded a 70% return-to-work rate among the eight (8) women and twelve (12) men employees who took parental leave in FY2023. Twelve (12) months after their return from parental leave, fourteen (14) out of twenty (20) of employees maintained their employment.

	FY2021		FY2022		FY2023	
	Men	Women	Men	Women	Men	Women
No. of employees that took parental leave	0	4	0	0	12	8
No. of employees that returned after parental leave	0	3	0	0	12	5
No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	0	3	0	0	10	4

Note: FY2021 and FY2022 data for "Parental leave" has been restated.

DIVERSITY AND INCLUSIVENESS

Why is this important?

Promoting diversity and inclusiveness is of utmost importance to Leon Fuat, reflective of our aspiration to create a harmonious work environment. Embracing diversity enhances our workplace and fortifies our capacity for innovation, ensuring a dynamic organisational culture.

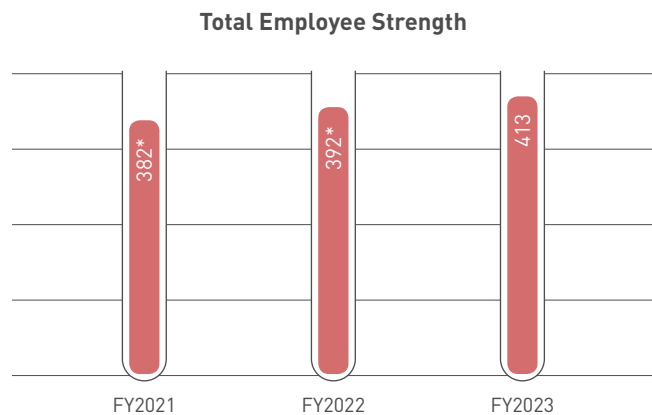
Our Approach

Prioritising an equitable workplace and a diverse workforce is a central focus for us. At Leon Fuat, we actively embrace diversity across cultural, ethnic, age and gender dimensions within our workforce.

We reinforce this directive through our Discrimination and Harassment Policy, clearly stating our zero-tolerance stance towards any form of discrimination and harassment. To establish strict adherence to the policy at all levels, we consistently disseminate it among our workforce through comprehensive awareness training.

Our Performance

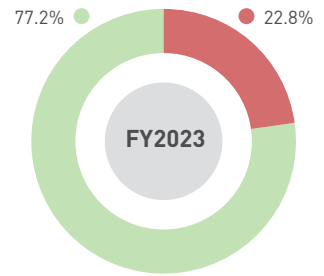
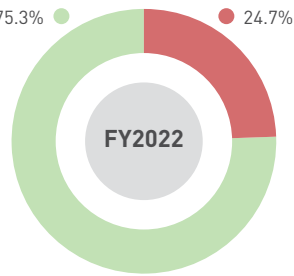
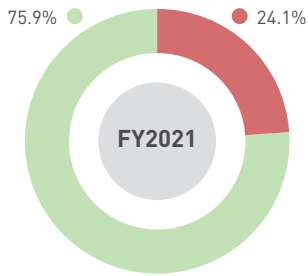
Leon Fuat recognises that men aged between thirty (30) and fifty (50) years currently constitute the majority of our workforce, largely due to the labour-intensive nature of the steel trading and processing industry. However, we actively advocate for and welcome individuals of all genders, ages, ethnicities and nationalities to contribute and be part of our diverse team.



* Data has been restated.

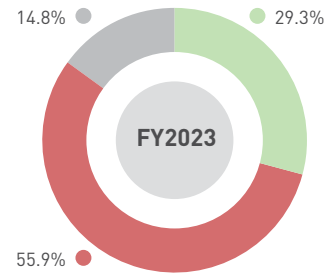
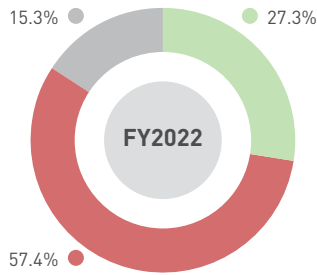
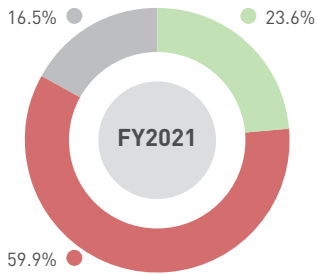
SUSTAINABILITY REPORT

Employee Diversity by Gender



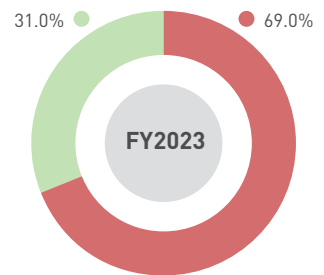
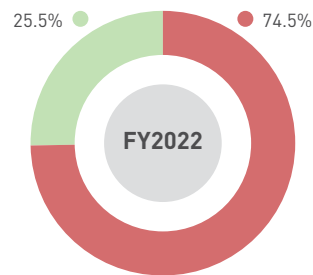
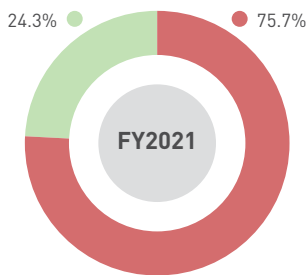
● Men ● Women

Employee Diversity by Age



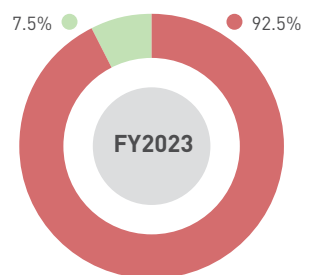
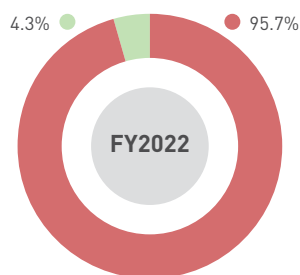
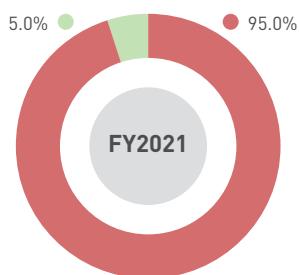
● <30 years ● 30-50 years ● >50 years

Employee Diversity by Nationality



● Non-Local ● Local

Employee Composition



● Contract ● Permanent

SUSTAINABILITY REPORT

Gender Diversity by Employee Category (%)

Employee Category	Gender	FY2021	FY2022	FY2023
Senior Management	Men	100.0	100.0	100.0
	Women	0.0	0.0	0.0
Management	Men	47.1	48.5	48.5
	Women	52.9	51.5	51.5
Executive	Men	20.0	19.7	19.3
	Women	80.0	80.3	80.7
Non-Executive	Men	90.6	89.2	90.1
	Women	9.4	10.8	9.9

Age Diversity by Employee Category (%)

Employee Category	Age	FY2021	FY2022	FY2023
Senior Management	<30	0.0	0.0	0.0
	30-50	20.0	20.0	20.0
	>50	80.0	80.0	80.0
Management	<30	2.9	3.0	3.0
	30-50	85.3	87.9	87.9
	>50	11.8	9.1	9.1
Executive	<30	25.0	26.2	19.3
	30-50	58.3	59.0	64.9
	>50	16.7	14.8	15.8
Non-Executive	<30	26.6	31.3	34.8
	30-50	58.6	54.9	52.1
	>50	14.7	13.9	13.1

Note: FY2021 and FY2022 data for "Diversity and Inclusiveness" has been restated.

PRODUCT QUALITY AND CUSTOMER SATISFACTION

Why is this important?

Understanding the inherent connection between high-quality goods, first-rate services and satisfied customers, we are dedicated to consistently delivering products that meet and exceed expectations. Combined with attentive customer service, these efforts bolster our reputation and cultivate lasting relationships with our valued customers.

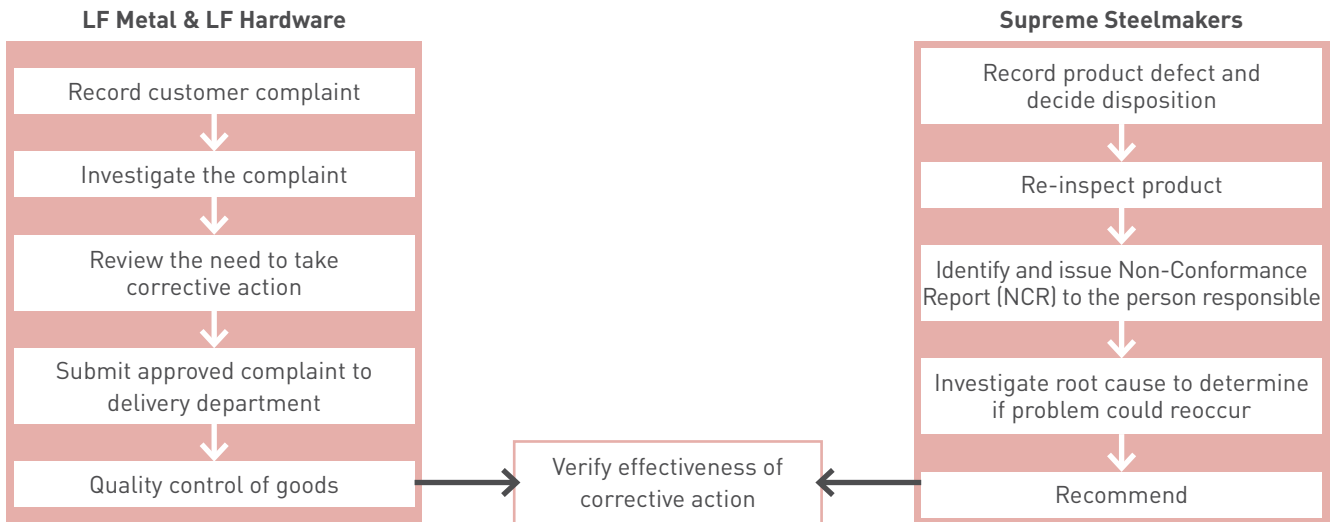
Our Approach

Leon Fuat employs a multifaceted approach to uphold product quality and customer satisfaction. Regular customer engagement and annual satisfaction surveys foster positive relationships and provide valuable insights. Our established customer complaint procedure addresses issues, with the Customer Return Note system ensuring a systematic approach to recording and addressing customer concerns.

Our three (3) main subsidiaries adhere to the ISO 9001:2015 (Quality Management Systems), enabling us to identify potential areas for improvement and also assures our capacity to surpass customer expectations.

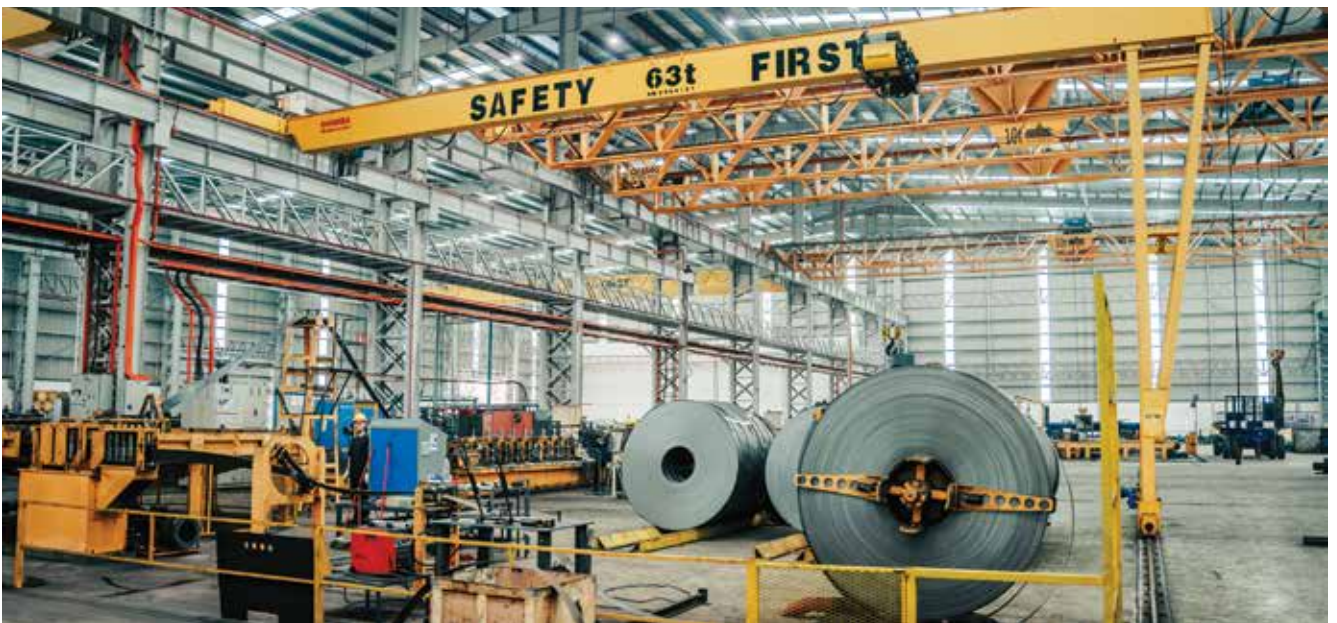
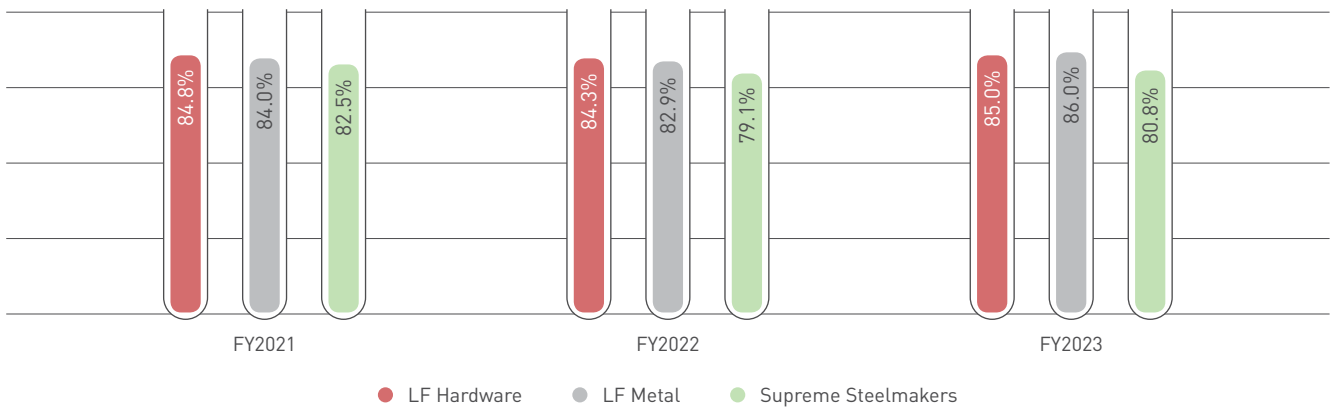
SUSTAINABILITY REPORT

Our Performance



At Leon Fuat, we consistently maintain the highest standards in the quality of our steel products, as evidenced by our customer satisfaction ratings. LF Hardware achieved an impressive 85.0%, LF Metal reached 86.0% and Supreme Steelmakers also attained 80.8%.

Customer Satisfaction Scores



SUSTAINABILITY REPORT

CORPORATE SOCIAL RESPONSIBILITY

Why is this important?

In an era where businesses play a significant role in shaping social and environmental landscapes, Leon Fuat strongly believes that corporate social responsibility (“CSR”) is crucial for fostering positive relationships between businesses and communities. It is the pathway to achieving social inclusion and long-term benefits, nurturing trust among stakeholders and establishing our reputation as a responsible corporate citizen.

Our Approach

We are motivated to positively impact communities through meaningful community investment initiatives and active participation in CSR programmes, made possible by the work of Leon Fuat’s CSR team. The team collaborates with other companies to co-create efficient and long-term solutions to development concerns.

Our Performance

In FY2023, we channeled up to RM9,650 worth of donations towards community investments.

	FY2021	FY2022	FY2023
Total Amount Invested in CSR Programmes	RM20,500	RM3,000	RM9,650
Number of Individual or Organisation Beneficiaries	45 Individuals	3 Organisations and 1 Individual	10 Organisations

No.	Project Title	Donation Amount (RM)
1.	Yuk Chyun LPS Fund – Smart Classroom Equipment Upgrade	3,000
2.	PIBG SJK (C) Yak Chee – Classroom Upgrade Fundraising	100
3.	SJK @ Connaught 2 – Jogathon 2023 (Classroom Upgrade Fundraising)	50
4.	SJK (C) Yak Chee Teaching Board – School Magazine Sponsorship	600
5.	Malaysian Red Crescent Society (MRCS) Penang Branch – Annual Fundraising	1,000
6.	Lions Nilai Abad Club – Fundraising	1,000
7.	Unilifesity Sdn Bhd – Seniors Citizens Education Development	300
8.	The Beacon Society – Charity	1,000
9.	Persatuan Kebajikan Kasih OKU Selangor – Charity	600
10.	Persatuan Kebajikan Amal Da Ai Malaysia – Medical and Surgery Support	2,000