

SUSTAINABILITY REPORT



ECONOMIC PROSPERITY

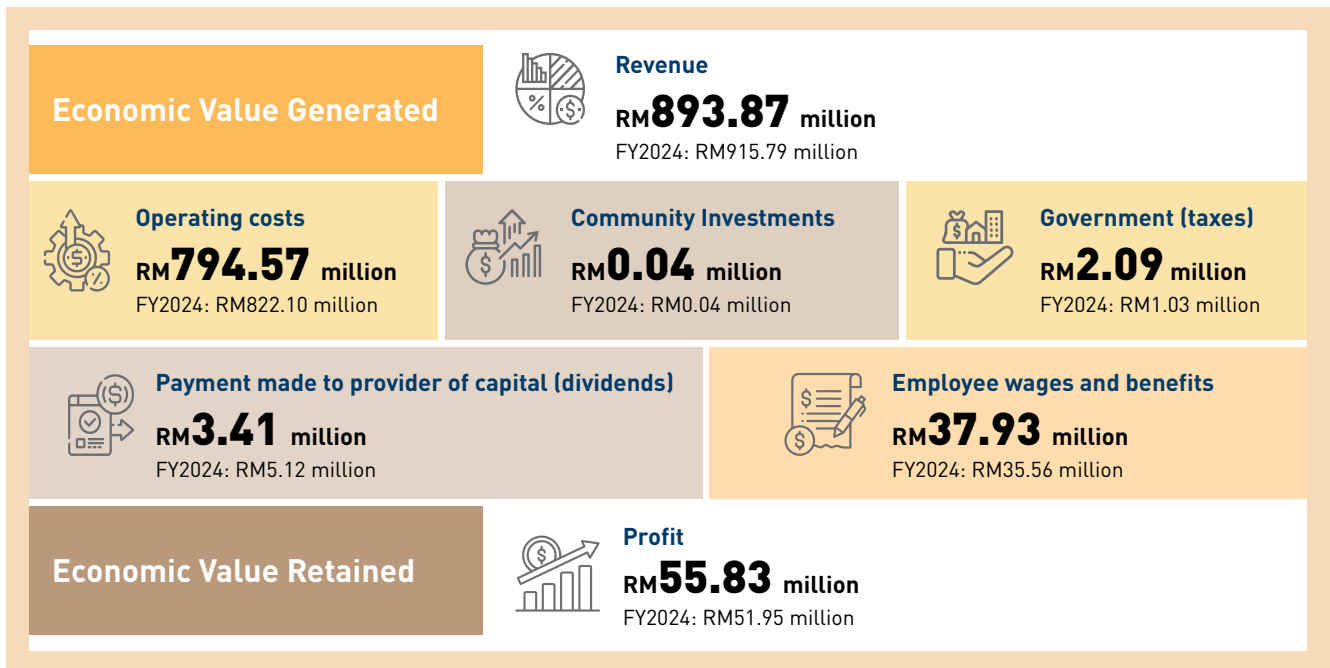


Leon Fuat’s economic performance underpins financial stability and long-term growth. Our responsible financial management enables continued investment in technology, sustainable practices and workforce development, enhancing competitiveness and adaptability while delivering value to stakeholders and the broader economy.

<p>Material Sustainability Matters</p> <ul style="list-style-type: none"> Operational Excellence Responsible Procurement 	<p>Our Shared Values</p> <ul style="list-style-type: none"> Commitment to products and services quality Manage cash resources for operational effectiveness 	<p>Key Stakeholder Groups</p>
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Operational Excellence

The Group continues to strengthen operational performance through targeted investments in machinery and technology to improve precision, speed and overall output quality. This year, LF Hardware commissioned a new CNC oxy-gas cutting machine to enhance the plate-cutting process, while LF Metal installed a 20 kW fibre laser cutting machine to upgrade its metal-cutting capacity.



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Responsible Procurement

Fostering sustainability and attaining excellence within our steel processing value chain is contingent upon the effectiveness with which we manage our supply chain. We maintain consistent standards with our suppliers throughout the process, from material selection to final product delivery, to support product quality and cost-efficiency.

Our purchasing and sourcing activities are guided by the Group's procurement procedures, which promote fairness, transparency and accountability. All suppliers, service providers and business partners are expected to adhere to these procedures. We prioritise suppliers that align with our values and quality expectations. New suppliers undergo a structured vendor registration process and are subject to periodic performance evaluations to ensure ongoing compliance.

Supplier Selection Procedure

Our selection process involves a rating system to determine the most suitable suppliers. Key selection criteria include:

- **Reputation**
- **Product Quality**
- **Affordability**
- **Service Standards**

Supplier Performance Assessment

We conduct an annual assessment to update supplier ratings, using performance indicators such as:

- **Compliance level**
- **Service quality**
- **Punctuality**

Leon Fuat's due diligence process includes a supplier questionnaire covering compliance systems, quality assurance and anti-bribery and corruption measures. This reporting year, we introduced a new ABMS declaration form for suppliers under Supreme Steelmakers as part of this process.

In FY2025, local suppliers accounted for 20.1% of total procurement spent. Where specific material specifications and quality standards are required, consideration may be given to suppliers that are able to meet these requirements, including international suppliers where appropriate.

Group Proportion of Spending on Local Suppliers

