

SUSTAINABILITY REPORT



SOCIAL RESPONSIBILITY





The Group’s social practices centre on safeguarding employee welfare, upholding fair labour standards and delivering quality products. These internal commitments are complemented by corporate social responsibility initiatives that support local communities and reinforce our dedication to responsible and inclusive growth.

Material Sustainability Matters

- Occupational Safety and Health
- Noise Management
- Labour Practices and Standards
- Diversity and Inclusiveness
- Product Quality and Customer Satisfaction
- Corporate Social Responsibility

Our Shared Values

-  Strengthen business processes to provide better service to customers
-  Commitment to products and services quality

Key Stakeholder Groups



Occupational Safety and Health

The nature of our operations presents inherent occupational risks, making the safety and well-being of our employees a top priority. Our people remain our most valuable assets and we are committed to safeguarding their health and security at all times.

Workplace Safety Standards and Regulations

The Group’s Health, Safety and Environment (“HSE”) system references the relevant requirements of ISO 45001:2018 Occupational Health and Safety Management Systems in supporting the effective management of occupational safety and health (“OSH”) risks.

Leon Fuat’s Safety and Health Policy guides our efforts in fostering a culture of safety consciousness among employees and contractors, promoting a safe and responsible working environment. During the reporting period, LF Metal revised its Safety and Health Policy to highlight six (6) key principles.

<div data-bbox="146 1547 790 1747"> <p>01 Regulatory Compliance Adhering to workplace safety standards and international human rights standards to ensure that safety and health measures meet or exceed legal and ethical requirements.</p> </div>	<div data-bbox="837 1547 1484 1747"> <p>04 Risk Management Proactively identifying and mitigating safety risks related to accidents and injuries in accordance with workplace standards and human rights best practices.</p> </div>
<div data-bbox="146 1758 790 1892"> <p>02 Respect for Human Rights Recognising the dignity of all individuals and their right to a safe and healthy environment.</p> </div>	<div data-bbox="837 1758 1484 1892"> <p>05 Transparency and Participation Ensuring that stakeholders are informed and involved in safety, health and human rights initiatives.</p> </div>
<div data-bbox="146 1904 790 2063"> <p>03 Non-Discrimination Providing equal safety and health protection regardless of race, gender, age, religion, disability or any other status.</p> </div>	<div data-bbox="837 1904 1484 2063"> <p>06 Continuous Improvement Continuously reviewing and updating practices to reflect workplace and human rights standards, as well as industry feedback and developments.</p> </div>

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Safety and Health Committee

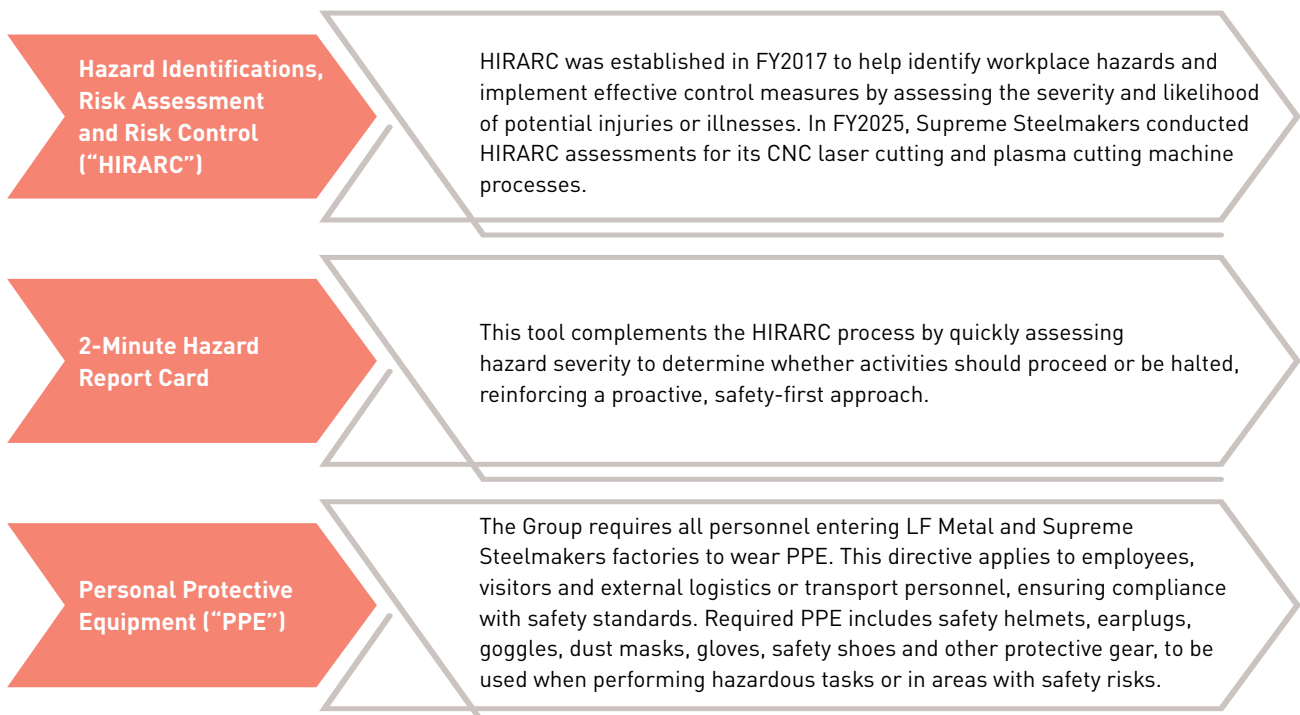
The Group’s three-tier Safety and Health Committee strengthens the management of OSH performance. Chaired by the Safety and Health Chairman and supported by the Safety and Health Officer/Secretary/Coordinator, the Committee includes representatives from both management and employees.

A Safety and Health Manual is in place to maintain operational safety, with a detailed control system overseen by the Safety and Health Committee. The manual outlines the Committee’s functions and duties, fire safety procedures and critical safety measures specific to our facilities. Routine inspections are also conducted to uphold and improve safety and health standards.



Safety Risk Management

Workplace safety standards are enforced through memoranda, violation notices and follow-up actions. In FY2025, LF Metal issued memoranda addressing non-compliances such as failure to report workplace accidents and the improper disposal of cigarette butts. In addition, safety violation notices were issued to employees and external transporter drivers for failing to meet PPE requirements.



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Health and Safety Training

In FY2025, 99 employees received a total of 391 training hours covering safe machinery handling, fire safety, first aid and proper use of PPE, as part of our ongoing training and awareness activities to support safe work practices and raise awareness of OSH risks.

LF Metal also conducts weekly toolbox talks at its production sites and Sunday safety walkabouts performed on a discretionary basis to reinforce safe practices.

Employees trained on health and safety standards

99 **FY2025**
FY2024: 39 • FY2023: 71



Health and Safety Programmes at LF Metal



Internal Training: Refresher Training on Safety Operation - Coil Shearing Machine



Basic Occupational First Aid, CPR and AED

Health and Safety Programmes at Supreme Steelmakers



Overhead Crane Safety Operation Training



Safety Awareness Training (Do's and Don'ts)

The table below summarises key OSH metrics across our three (3) main subsidiaries.

OSH Performance

	FY2023	FY2024	FY2025
Total number of hours worked	928,225	951,445	945,297
Number of work-related fatalities	1	0	0
Number of lost-time incidents	17	29	39
Lost-time Incident Rate	3.66	6.10	8.25

Note:
LTIR is calculated per 200,000 hours worked annually.

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Noise Management

Due to the nature of our steel processing operations, employees may be exposed to elevated noise levels. To manage this, the Group conducts regular noise assessments and implements control measures in compliance with the Occupational Safety and Health (Noise Exposure) Regulations 2019. The upcoming assessment is scheduled for FY2027.

Additionally, LF Metal conducts audiometric testing every year to monitor its workers' hearing health. In FY2025, a total of 86 employees participated in the tests. We also organise safety briefings and Noise Awareness Training to enhance employee awareness of potential hearing issues. To manage noise exposure in our facilities, we provide hearing protection devices such as anti-noise ear shields to all relevant personnel.

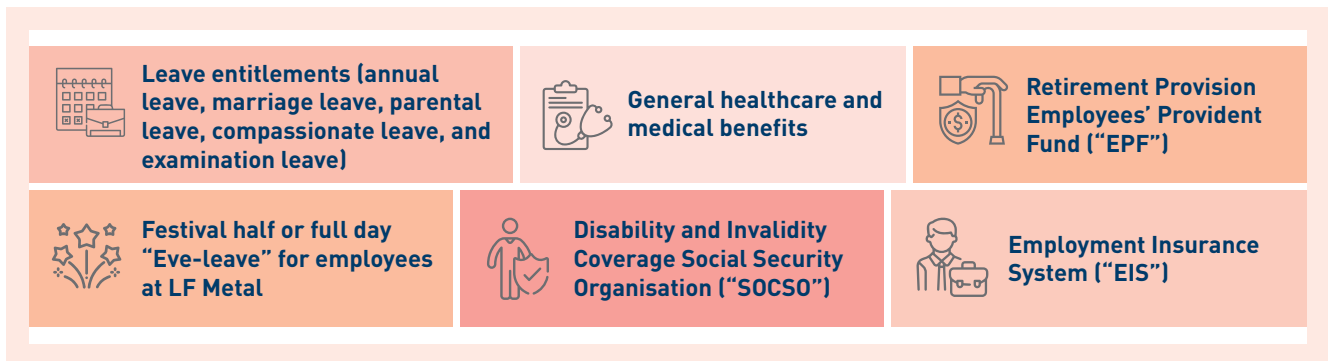
Labour Practices and Standards

The Group upholds ethical labour practices as the foundation of a workplace that respects and supports every employee. We emphasise equal opportunities and maintains a culture rooted in dignity and responsible business conduct. This commitment strengthens employee well-being and contributes to higher engagement and productivity.

We provide a minimum notice period for significant operational changes to maintain transparency and give employees adequate time to prepare. There were no substantiated complaints concerning human rights violations over the past three (3) reporting years.

Employee Benefits and Welfare

Leon Fuat offers a range of statutory and non-statutory benefits, prioritising employee well-being and development.



In FY2025, LF Metal enhanced its medical benefits by expanding the annual medical allowance to include dental treatments, preventive care, optical examinations, and prescription glasses or contact lenses, in addition to existing general outpatient coverage.

Parental Leave

Parental leave is offered as part of our employee benefits to support working parents in balancing family and professional responsibilities.

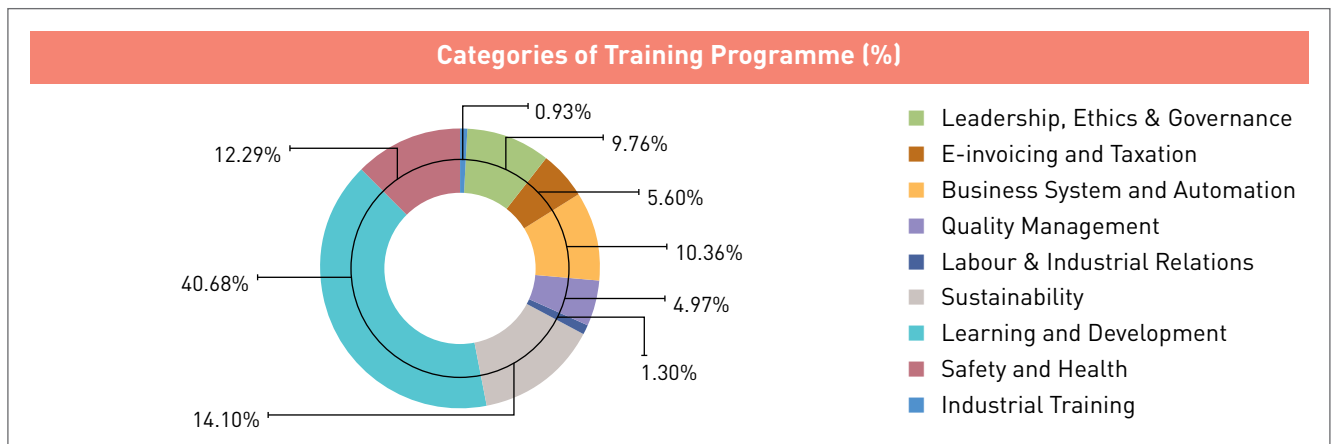
Parental Leave Entitlement

	FY2023		FY2024		FY2025	
	Men	Women	Men	Women	Men	Women
No. of employees who took parental leave	12	8	6	3	3	2
No. of employees who returned after parental leave	12	5	6	3	3	2
No. of employees who returned to work after parental leave and were still employed 12 months later	10	4	7	3	3	2

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Training and Development

Leon Fuat's training and development programmes focus on enhancing daily job skills, developing employees' potential for career growth and promoting lifelong learning. In FY2025, we delivered 3,176 training hours through a mix of virtual and in-person sessions to maximise accessibility and engagement.



Total Training Hours by Employee Category

Total Training Hours by employee category	FY2023	FY2024	FY2025
Senior management	127.00	202.00	103.00
Management	332.50	594.82	1,104.00
Executive	355.50	781.78	1,159.00
Non-executive	1,022.00	803.32	810.30

Average Training Hours by Employee Category

Average Training Hours by employee category	FY2023	FY2024	FY2025
Senior management	12.70	20.20	10.30
Management	10.08	16.99	31.54
Executive	6.24	12.22	15.66
Non-executive	3.27	2.49	2.49

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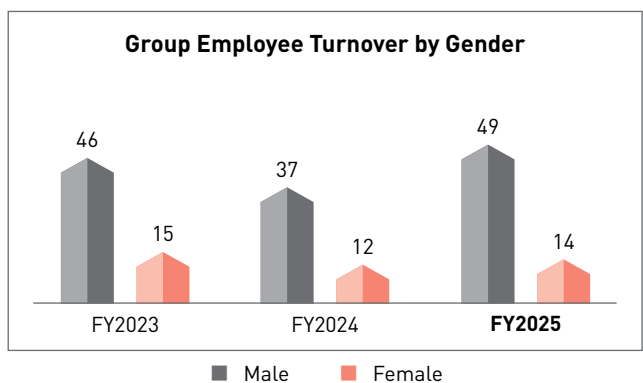
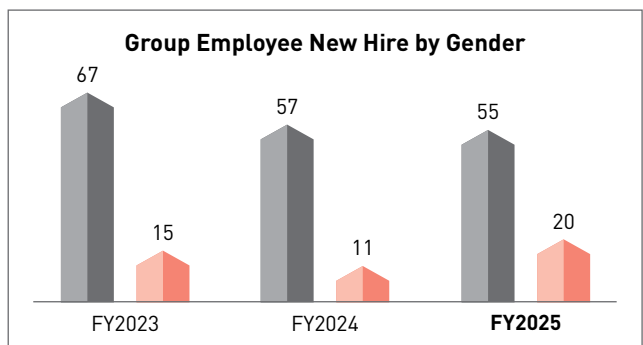
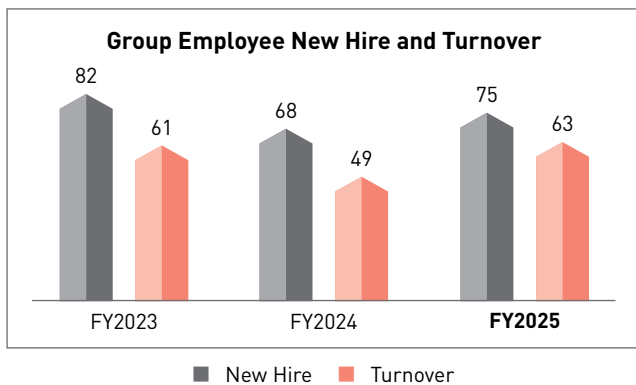
Employee Engagement

In FY2025, we organised the following initiatives to connect with and support our employees at LF Metal, fostering a positive and supportive workplace culture.

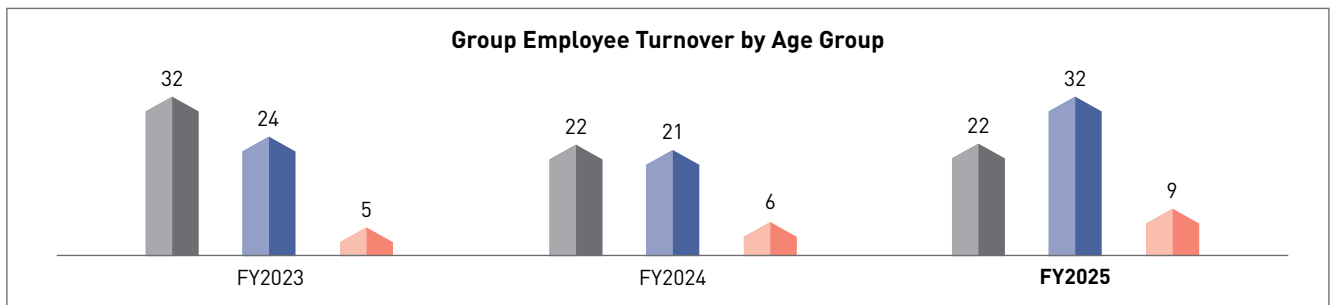
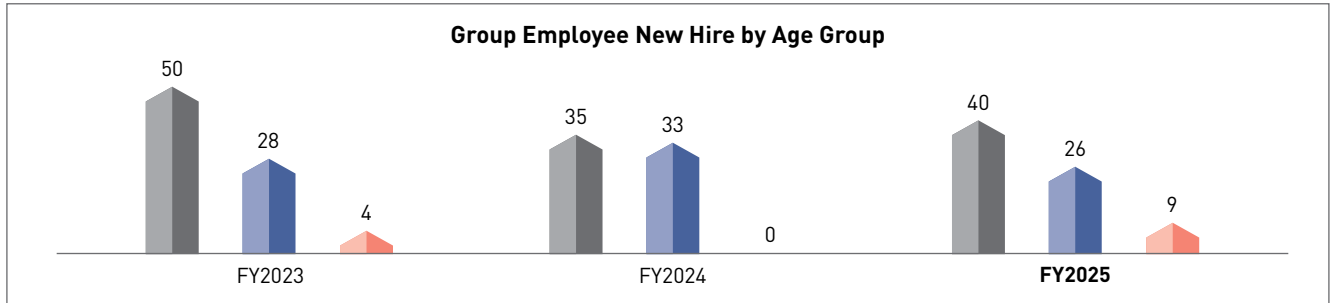


Talent Acquisition and Retention

The following provides an overview of new hires and employee turnover in FY2025.



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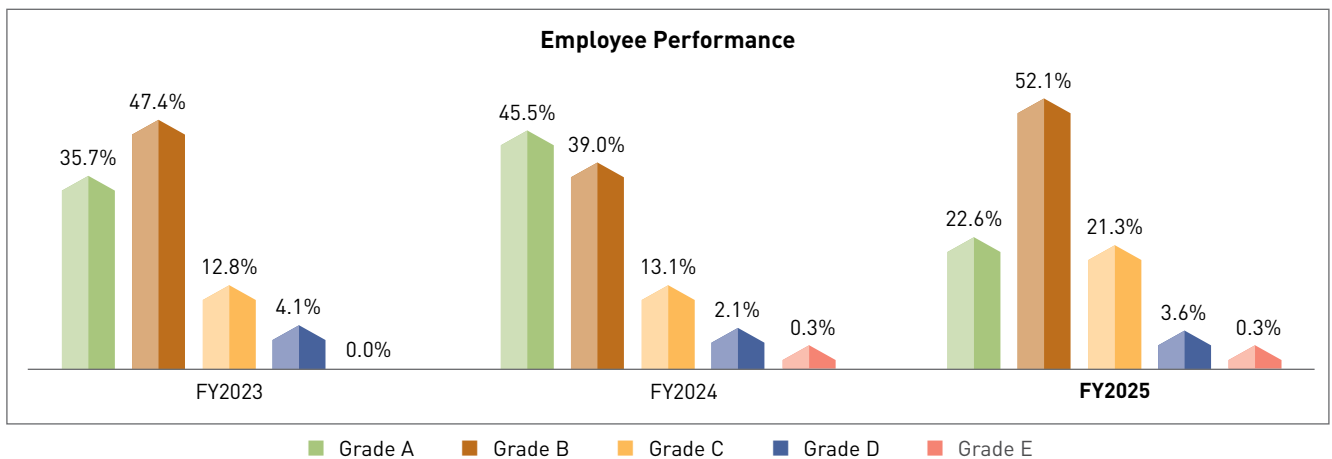
■ <30 ■ 30 - 50 ■ >50

Employee Turnover by Employee Category

	FY2023	FY2024	FY2025
Senior management	0	0	0
Management	1	3	0
Executive	9	7	7
Non-executive	51	39	56

Performance Appraisal and Evaluation

Leon Fuat conducts annual performance assessments to evaluate employee performance and identify areas for improvement. In FY2025, 305 LF Metal employees underwent evaluations, with 22.6% achieving Grade A and 52.1% achieving Grade B.



■ Grade A ■ Grade B ■ Grade C ■ Grade D ■ Grade E

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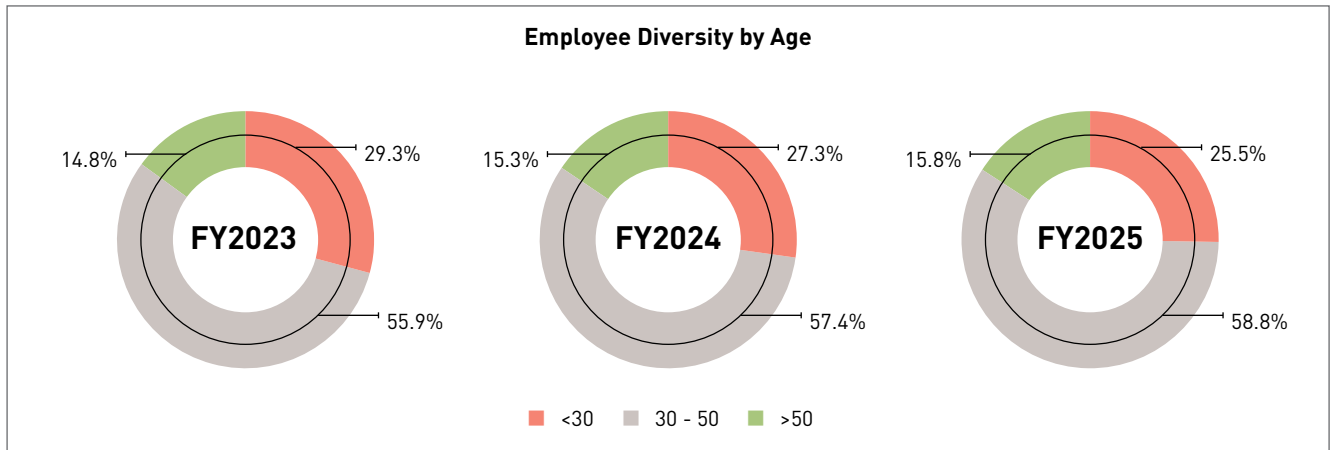
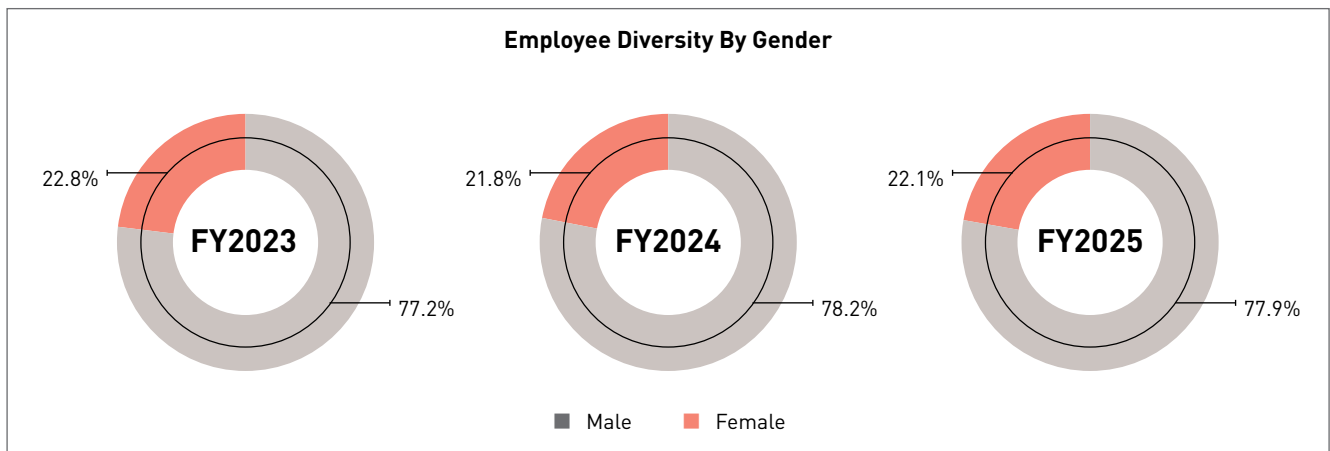
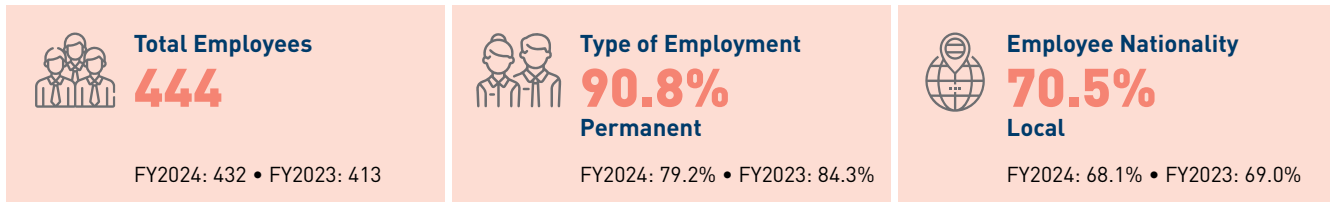
Diversity and Inclusiveness

We foster an inclusive workplace where all employees feel valued and treated fairly, regardless of age, gender or nationality. Our zero-tolerance Discrimination and Harassment Policy is reinforced through periodic employee training. Employees are encouraged to provide feedback or raise concerns about harassment, bias or discrimination without fear of reprisal. There were no substantiated instances of discrimination over the past three (3) reporting years.

Looking ahead, LF Metal is preparing an AI-enabled Fair Screening Platform, scheduled for implementation in FY2026. The platform is expected to streamline recruitment, reduce time-to-hire and support equitable hiring practices from the earliest stage.

Workforce Diversity

This year, our workforce grew by 2.78%. While most employees are male and aged between 30 and 50 due to the nature of our business, we welcome qualified individuals of all genders, ages and nationalities to be part of the Group.



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Gender Diversity by Employee Category (%)

Employee Category	Gender	FY2023	FY2024	FY2025
Senior Management	Men	100.0	100.0	100.0
	Women	0.0	0.0	0.0
Management	Men	48.5	51.4	51.4
	Women	51.5	48.6	48.6
Executive	Men	19.3	26.6	25.7
	Women	80.7	73.4	74.3
Non-Executive	Men	90.1	90.7	92.0
	Women	9.9	9.3	8.0

Age Diversity by Employee Category (%)

Employee Category	Age	FY2023	FY2024	FY2025
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	3.0	2.9	2.9
	30-50	87.9	80.0	74.3
	>50	9.1	17.1	22.9
Executive	<30	19.3	21.9	24.3
	30-50	64.9	62.5	62.2
	>50	15.8	15.6	13.5
Non-Executive	<30	34.8	31.9	28.9
	30-50	52.1	55.1	57.5
	>50	13.1	13.0	13.5

Product Quality and Customer Satisfaction

Leon Fuat acknowledges the association between delivering high quality goods and offering excellent customer service. Our commitment to meeting customer expectations and ensuring timely delivery has strengthened the Group's reputation and fostered long-term relationships with our valued customers.

All three (3) of our subsidiaries are certified under ISO 9001:2015 (Quality Management Systems), which requires a structured approach for continual improvement, enabling us to systematically identify and address areas for enhancement.

LF Hardware ISO 9001:2015

Scope: Distribution of Steel Materials and Provision of Steel Cutting Services.

Date of issue: 12/12/2019
Date of expiry: 11/12/2028

LF Metal ISO 9001:2015

Scope: Distribution of Steel Materials and Provision of Steel Processing Services.

Date of issue: 12/01/2004
Date of expiry: 30/07/2027

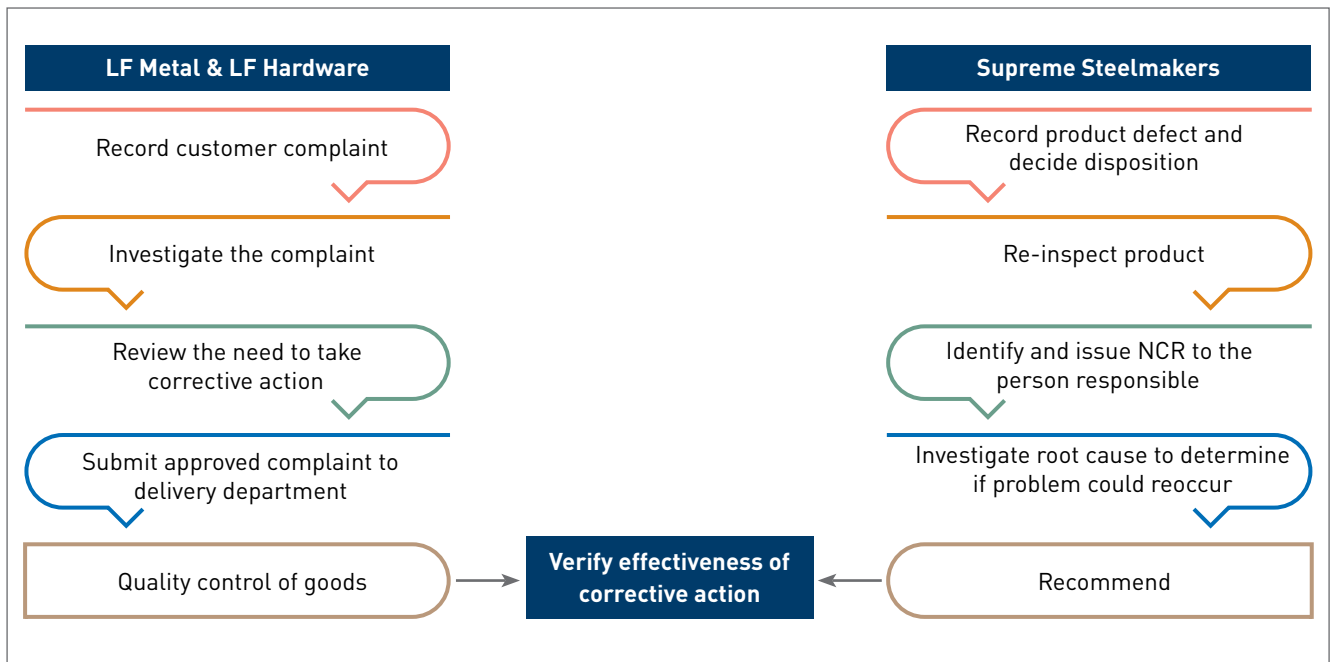
Supreme Steelmakers ISO 9001:2015

Scope: Provision in the Steel Cutting, Steel Bending and Distribution of Steel Materials for Commercial Use.

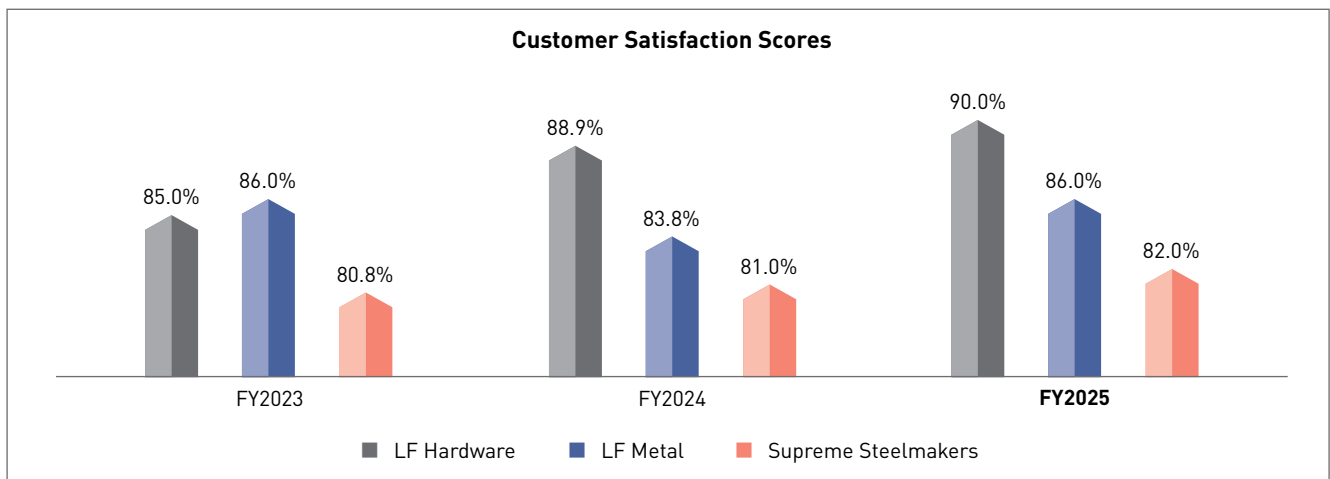
Date of issue: 18/01/2010
Date of expiry: 17/01/2028

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The Group adopts a holistic approach to produce quality products and address customer requirements. We engage with our customers frequently and conduct an annual satisfaction survey to gather valuable insights regarding their satisfaction level. The usage of the Customer Return Note system ensures thorough tracking and prompt resolution of any customer-related concerns.



The Group also strives to ensure that the quality of our steel products aligns with recognised high standards. This is reflected in our customer satisfaction scores of 90.0% for LF Hardware, 86.0% for LF Metal and 82.0% for Supreme Steelmakers.



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Corporate Social Responsibility

As a responsible corporate citizen, Leon Fuat remains committed to supporting the communities we serve and the broader social environment through community investments and corporate social responsibility ("CSR") initiatives. Special requests from organisations are carefully evaluated based on available funding resources and the collective decision of the Charity Committee, ensuring alignment with our goal of contributing positively to the communities and environment in which we operate.

In FY2025, Leon Fuat has invested RM44,600 in CSR programmes, benefitting ten (10) organisations.

CSR Contributions and Beneficiaries

	FY2023	FY2024	FY2025
Total amount invested in CSR programmes (RM)	9,650	38,200	44,600
Number of beneficiaries (organisations)	10	7	10

RM300 worth charitable donation to Persatuan Penganut Dewa Goh Foo Keng Klang Selangor on 28 August 2025	RM300 worth charitable donation to Templer on 21 August 2025
RM3,000 sponsorship to Malaysia Steel & Metal Distributors' Association ("MSMDA") for their Karaoke Singing Competition & Dinner 2025 on 21 August 2025	RM500 sponsorship to Yayasan Wasco Charity Golf Tournament 2025 on 17 July 2025
RM23,000 contribution to the Choy Lee Futt Chang Choy Lion Dance Association Kuala Lumpur for their 11th anniversary on 15 December 2025	RM10,000 donation to Sekolah Menengah Chong Hwa Kuantan for their charity run on 12 June 2025
RM3,000 contribution to the Perak Chinese Hardware Dealers' Association for their 86th Anniversary Dinner on 21 October 2025	RM300 donation to the Penang Hardware & Machinery Merchants' Association for their 78th Anniversary Celebration Dinner on 3 November 2025
RM3,000 contribution to the Puchong Chinese Chamber of Commerce & Industry (PCCCI) for their 7th Anniversary Dinner table on 3 October 2025	RM1,200 charitable donation to Persatuan Kebajikan Chin Chun Hu on 16 October 2025

Advancing Our Sustainability Efforts

Sustainability is an integral part of Leon Fuat's business operations and long-term viability in the steel industry. Our ongoing efforts to enhance our processes fuel our endeavour to improve operational efficiency and resource management. Concurrently, our focus on supporting our workforce and communities in areas where we operate reflects our dedication to fostering positive social change.

Moving ahead, the Group continues to prioritise the integration of sustainability practices and values into its operations, business strategies and organisational goals. This commitment strengthens our resilience in confronting industry challenges, enabling us to pave a more hopeful future for our stakeholders, society at large and the planet.

