

SUSTAINABILITY REPORT

Contribution to the SDGs



PRACTISING RESPONSIBLE GOVERNANCE

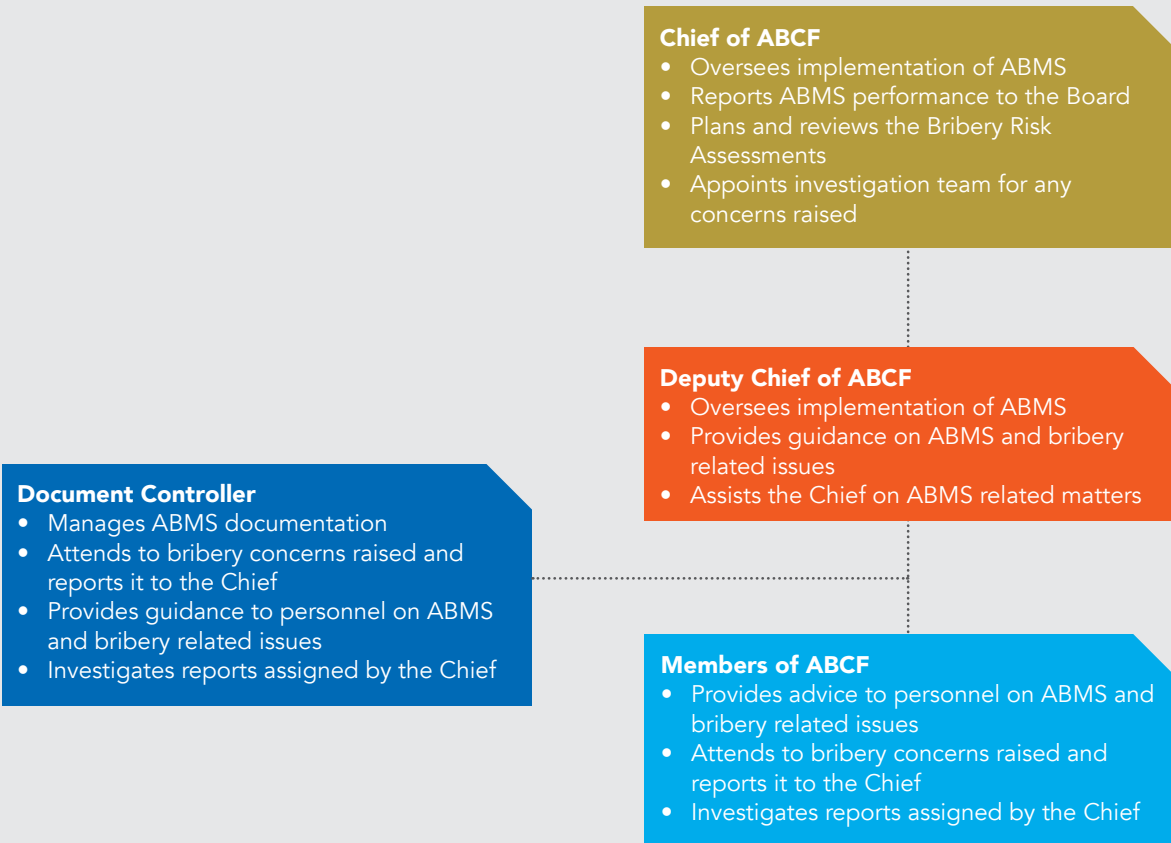
Leon Fuat has set high-level policies designed to ensure that we behave in an ethical manner in all our business dealings. We have put in place a governance framework, policies, management systems, code of conduct, all of which clearly set out our ethical principles and required behaviour. It demands that our employees act with professionalism, honesty and integrity and that we respect the human rights of every individual.

Business Ethics and Compliance (2-23, 2-26, 2-27, 3-3, 205-2)

To promote ethical business behaviour and conduct, as well as transparency and accountability in the workplace, Leon Fuat has established group-wide policies, such as the Whistleblowing Policy, Anti-Bribery Policy, and Code of Ethics and Conduct. These policies are further supported by our Anti-Bribery Management System which facilitates ethical business conduct and provides action plans to address any reported misconduct.

Anti-Bribery Management System ("ABMS")

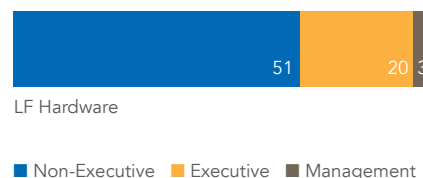
The ABMS was established in 2020 and is designed to ensure the Group conducts business ethically and appropriately. Together with the Anti-Bribery Manual, which outlines the scope of the management system, the ABMS also establishes the Anti-Bribery Compliance Function ("ABCF") and lays out the roles and responsibilities of the ABCF, as elaborated below. There have been no changes to the ABMS or the ABCF for this reporting period.



Communication and Training

The policies, and any changes made to them, are effectively communicated to our employees either through the Employee Handbook for LF Metal employees, or during the induction course for new employees at all three (3) subsidiaries. The policies are also made publicly available on our corporate website. For this reporting period, Anti-Bribery training was provided to our employees at LF Hardware, where 74 employees had participated, while Supreme Steelmakers had conducted an Anti-Bribery Awareness Campaign.

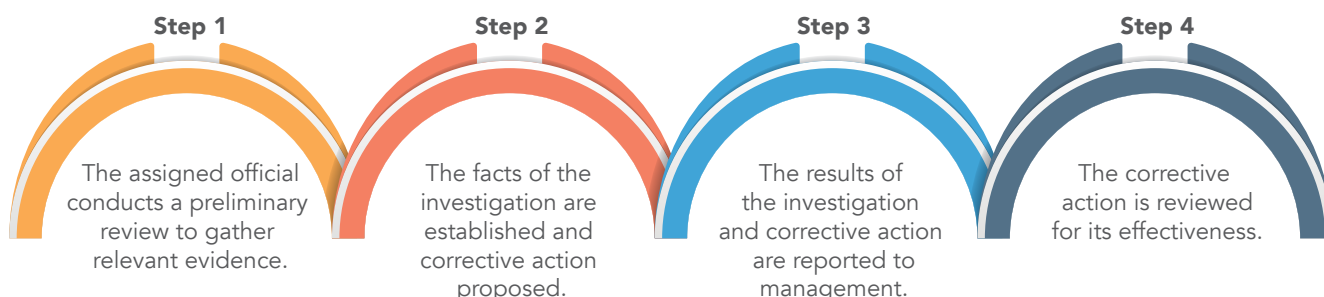
Number of Employees Participated in Anti-Bribery Training FY2021



Reporting and Investigation

Leon Fuat has a Grievance Procedure, as per our Whistleblowing Policy, for our employees and external stakeholders to use to report any suspected unlawful activities or inappropriate behaviour within the Group. Employees or external stakeholders who wish to make a report can do so by sending an email to appointed individuals within the Group. All reports made in good faith will be treated with confidence throughout the investigation process. The identity of whistleblowers is kept completely anonymous unless prior consent to disclose their name is received, and whistleblowers are protected from any potential retaliation.

To manage all potential issues and concerns raised, we have designated points of contact, which are the Audit Committee Chairman, Senior Independent Non-Executive Director, and respective Chief of ABCF. Leon Fuat also has a Reporting Investigation Procedure that lays out the investigation methods for any concerns raised, with the main course of action outlined below:



For this reporting period, we recorded zero incidents of whistleblowing cases or any potential breach of conduct.

Internal Assessment and Compliance

In 2020, we established a bribery risk assessment procedure, in accordance to the principles of the Anti-Bribery Management System (MS ISO 37001), as part of our ABMS. For this reporting period, Supreme Steelmakers has undergone a bribery and corruption risk assessment for its operations. Existing controls for all operations are found to be adequate and satisfactory.

The Group strictly adheres to all relevant rules and regulations through internal documentation and assessments. Some of the key regulations we adhere to are listed below.

- Employment Act 1955
- Factories and Machinery Act 1967
- Income Tax Act 1967
- Environmental Quality Act 1974
- Capital Markets and Services Act 2007
- Companies Act 2016
- Minimum Wages Order 2018
- Main Market Listing Requirements
- Malaysian Code on Corporate Governance