

SUSTAINABILITY REPORT

ECONOMIC PROSPERITY





In a dynamic business landscape, creating value for our stakeholders and communities is essential to our economic sustainability and long-term resilience. We strategically invest resources to maintain financial performance, deliver exceptional products, and offer employment opportunities, supporting surrounding communities, and driving economic growth and prosperity.

Material Sustainability Matters

- Operational Excellence
- Responsible Procurement

Our Shared Values

-  Commitment to products and services quality
-  Manage cash resources for operational effectiveness

Key Stakeholders



Driving Operational Efficiency








Our strong economic performance highlights the success of our operational excellence, driven by effective resource allocation. This approach contributes to robust value-creation in alignment with our sustainability objectives. With this focus, we aim to build long-term resilience by leveraging our assets and providing prosperity to our stakeholders.

Optimising Night Shifts for Enhanced Productivity

Our night shift schedules are strategically planned to align with order volumes and delivery demands, ensuring flexibility and swift turnaround. Currently, three (3) machines at LF Metal are consistently assigned to night shifts, with allocations adjusted based on order volume. This adaptive approach enables optimum resource utilisation and productivity while fulfilling delivery targets.

Our investment in advanced technologies, such as fibre laser cutting, has been a key driver of these improvements. Fibre laser cutting accelerates production and consumes less power than conventional laser technologies. This enhancement boosts productivity and energy efficiency at LF Metal and Supreme Steelmakers.

In FY2024, our Group's three (3) main subsidiaries demonstrated strong economic growth, reflecting operational excellence driven by strategic and efficient resource allocation.

ECONOMIC VALUE GENERATED			Revenue RM915.79 million FY2023: RM918.56* million
ECONOMIC VALUE DISTRIBUTED			
	Operating costs RM822.10 million FY2023: RM810.56* million		Community Investments RM0.04 million FY2023: RM0.01 million
	Government (tax) RM1.03 million FY2023: RM6.62* million		Employee wages and benefits RM35.56 million FY2023: RM32.58* million
	Payment to provider of capital (dividends) RM5.12 million FY2023: RM5.12 million	NET ECONOMIC VALUE GENERATED	
			RM51.95 million FY2023: RM63.68* million

* Data has been restated.

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Optimising Our Supply Chain

Efficient supply chain management is key to promoting sustainability and achieving excellence across our steel processing value chain. From the selection of materials to the delivery of the final product, we uphold high standards with our suppliers, securing optimal product quality and cost-effectiveness.

Our business purchasing and sourcing activities are guided by the Group’s procurement procedures, which ensure a fair and transparent process. We require all suppliers, service providers, and partners to comply with these procedures, fostering mutually beneficial relationships and maintaining the integrity of our procurement process. Priority is given to suppliers who align with our operational values and ethical standards. Additionally, all new suppliers undergo a rigorous vendor registration process and are subject to regular performance evaluations to ensure ongoing compliance.

Supplier Selection Procedure

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

- ✓ Reputation
- ✓ Affordability
- ✓ Product Quality
- ✓ Service Standards



Supplier Performance Assessment

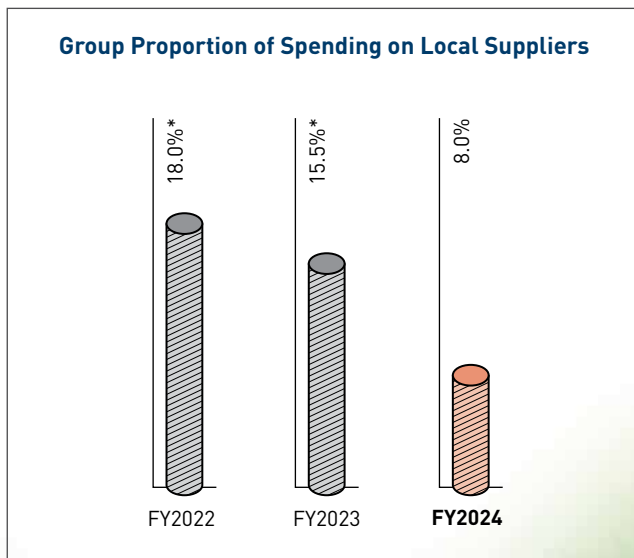
We conduct an annual assessment to update supplier ratings, using performance indicators such as:

- ✓ Compliance Level
- ✓ Service Quality
- ✓ Punctuality



Leon Fuat’s due diligence questionnaire for new suppliers covers essential aspects such as compliance systems and anti-bribery and corruption prevention measures.

In FY2024, local suppliers accounted for 8.0% of our total supplier distribution.



* Data has been restated.

