

# SUSTAINABILITY REPORT



## RESPONSIBLE GOVERNANCE




We resolve to foster a corporate culture rooted in integrity and accountability at Leon Fuat. Our guidelines, policies, and code of conduct define our principles, ensuring high ethical standards throughout our operations.

### Material Sustainability Matters

- Corporate Governance and Anti-Corruption
- Data Privacy and Cybersecurity

### Our Shared Values

 Drive a performance culture of integrity and accountability

### Key Stakeholders




### Maintaining Responsible Governance

Sound corporate governance underpins the stability and credibility of our operations, earning stakeholders' trust. It is the foundation of our decision-making processes, ensuring clarity and accountability. Our commitment to high standards of integrity, enforced through a zero-tolerance approach to bribery and corruption, fosters an ethical workplace and enhances long-term sustainability.

### LEON FUAT'S CORPORATE POLICIES

 <p><b>Code of Ethics &amp; Conducts</b></p>	 <p><b>Directors' Fit and Proper Policy</b></p>	 <p><b>Board Charter</b></p>
 <p><b>Anti-Bribery Policy</b></p>	 <p><b>Whistleblowing Policy</b></p>	 <p><b>Remuneration Policy for Directors and Senior Management</b></p>

 For more information on our corporate policies, please visit: <https://www.leonfuat.com.my/corporate-governance.php>

### Regulatory Compliance

We strictly adhere to regulatory requirements, including compliance with company and securities laws, governance standards, and MMLR.

### Key laws and regulations applicable to the Group

- Capital Markets and Services (Amendment) Regulations 2021
- Companies Act 2016
- Employment Act 1955 (Amendment) 2022
- Environmental Quality (Amendment) Act 2024
- Factories and Machinery Act 1967
- Income Tax Act 1967
- Minimum Wages Order 2018
- Occupational Safety and Health (Amendment) Act (2022)

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To ensure continued adherence to these laws and regulations, we consistently update our internal policies to reflect current legal and regulatory requirements. Our efforts include:



### Employee Training

Participation in compliance training programmes to maintain awareness and understanding of new regulations



### Stakeholder Communication

Effective dissemination of policy updates to all stakeholders to ensure broad understanding and adherence



### External Audits and Risk Assessments

Engaging independent third parties to audit our operations and assess risks, focusing on workplace health and safety, corruption, environmental concerns, and other compliance-related matters

During the reporting period, our Group did not incur any significant fines or non-monetary sanctions for non-compliance with social, economic, or environmental laws and regulations.

### Anti-Bribery Management System (“ABMS”)

Introduced in FY2020, the ABMS promotes ethical operations by identifying and addressing bribery risks within our business activities through a preventative, risk-based approach. Aligned with the requirements of ABMS ISO 37001, it is supported by a comprehensive Anti-Bribery Manual defining its scope and operational details.

#### Anti-Bribery Compliance Function (“ABCF”)

To ensure effective oversight, our ABCF is responsible for managing and maintaining the ABMS documentation, overseeing its implementation, and handling bribery-related concerns.

##### Document Controller

- Manages ABMS documentation
- Guides personnel on ABMS and bribery issues
- Addresses and reports bribery concerns to the Chief
- Investigates reports assigned by the Chief

##### Chief of ABCF

- Oversees ABMS implementation
- Reports ABMS performance to the Board
- Plans and reviews bribery risk assessments
- Appoints investigation team for raised concerns

##### Deputy Chief of ABCF

- Oversees ABMS implementation
- Provides guidance on ABMS and bribery issues
- Assists the Chief on ABMS related matters

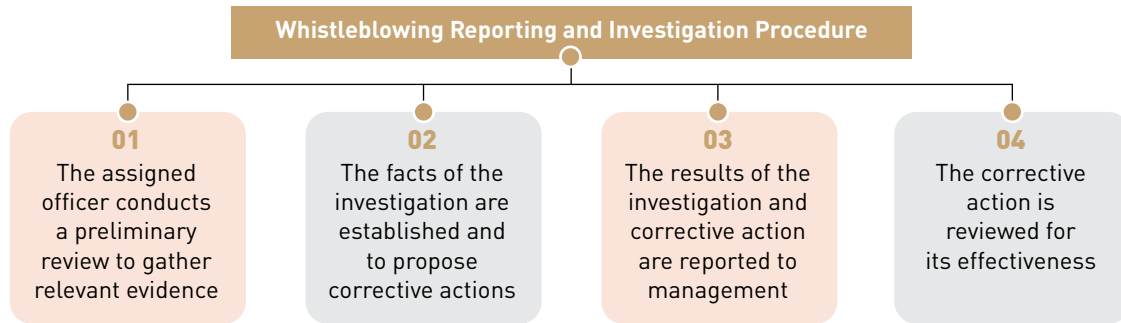
##### Members of ABCF

- Advise personnel on ABMS and bribery issues
- Address and report bribery concerns to the Chief
- Investigate reports assigned by the Chief

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## Grievance Mechanism and Whistleblowing Procedures

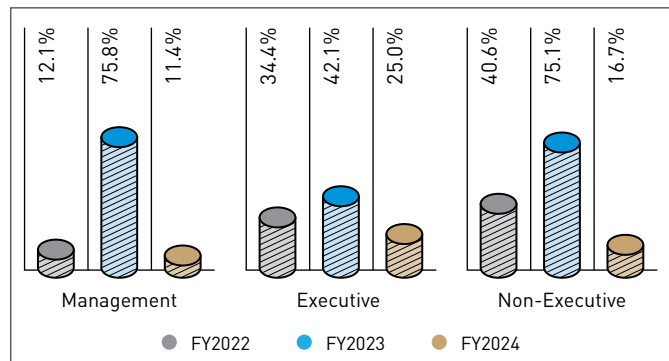
Our grievance mechanism is designed to address any suspected misconduct or non-compliance within the Group. Employees can file a complaint by emailing the personnel designated to handle the cases. All reports made in good faith will be treated impartially and confidentially. Whistleblowers are protected from retaliation, and their identities remain confidential throughout the process.



## Bribery Prevention Through Communication and Training

We ensure the effective communication of our anti-bribery policies to all employees through a range of channels, including the employee handbook, orientation programmes for new hires, and regular anti-bribery training sessions.

Employee Category	Percentage of employees who have received training on anti-corruption		
	FY2022	FY2023	FY2024
Management	12.1%	75.8%	11.4%
Executive	34.4%	42.1%	25.0%
Non-Executive	40.6%	75.1%	16.7%



In FY2024, we upheld our track record, recording zero (0) incidents of bribery and corruption as well as whistleblowing incidents across the Group.

	FY2022	FY2023	FY2024
Operations assessed for corruption risk	0%	0%	0%
No. of confirmed bribery and corruption incidents	0	0	0
No. of incidents of whistleblowing	0	0	0



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## Data Privacy and Cybersecurity

In today’s predominantly digital and cloud-based work environment, implementing effective cybersecurity measures is vital to safeguarding uninterrupted operations. By prioritising these measures, we can better protect our business from potential threats.


The Personal Data Protection Act of 2010 (“PDPA 2010”) guides Leon Fuat’s approach to data privacy and cybersecurity. This act sets the legal framework for how we collect, use, disclose, and maintain personal data. Additionally, we provide our employees and customers with a Personal Data Protection Notice, communicating the purposes for processing their personal data and disclosures.

### Cybersecurity Measures


To safeguard data and enhance our network security, we have implemented a robust suite of cybersecurity measures.




Anti-virus and firewalls provide continuous protection against malicious software and potential cyber threats




Access control systems ensure that only authorised personnel have access to sensitive data




Personal Data Protection Notice ensures transparent data practices in accordance with PDPA 2010



Password-protected systems secure access to our payroll and ERP systems



Cloud-based data backup offers reliable solutions to mitigate the risk of data loss



Data encryption safeguards sensitive information with advanced technologies

In FY2024, LF Hardware further enhanced its cybersecurity measures to maintain a secure and resilient infrastructure.

**Installing the Sangfor Firewall (NSF1100A)**

- ✓ Strengthening network and server security operations, ensuring seamless security management, and bolstering defenses against cyber threats

**Deploying Aruba Instant On Access Points**

- ✓ Installing secure access points throughout our building to support guest access, scalable network management, and enhanced security - all while ensuring easy setup and remote management

There have been no substantiated complaints related to data privacy or cybersecurity breaches within the past three (3) years.

	FY2022	FY2023	FY2024
No. of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0