

SUSTAINABILITY STATEMENT

Lion Industries Corporation Berhad (“Company”) is pleased to present its Sustainability Statement which provides an overview of its Economic, Environmental and Social (“EES”) impacts for financial year ended 31 December 2023 (“FY2023”).

The Company is involved in the manufacturing of long steel products by Amsteel Mills Sdn Bhd (“Amsteel”) in Klang and Banting, Selangor. Amsteel’s plant in Klang produces billets for rolling into steel bars and wire rods while its plant in Banting produces special grade billets for rolling into specialty bars and wire rods for automotive parts, mattress and mechanical springs, turning parts, wire rods, wire ropes and other stringent applications. The steel bars and wire rods produced by the Company are used in the construction, fabrication and manufacturing industries.

In the property development sector, the Company is involved in property management and residential development. Some of its projects are Taman Malim Jaya in Melaka, Taman Soga in Batu Pahat and Pelangi Promenade in Klang.

The Company through its listed subsidiary, Lion Posim Berhad, is also involved in the trading and distribution of building materials including finishing products under the Simwares (sanitary wares), Simtec (tap fittings), Simcera (tiles) and SimLoc (ironmongery) brand names, as well as steel products; and petroleum-based products including automotive and industrial lubricants under the HI-REV, torQue and T-trax brands, and automotive components.

BASIS OF SCOPE

This Sustainability Statement covers the Group’s operations in the long steel products namely billets, bars and wire rods in Klang and Banting, and its property development project in Taman Malim Jaya in Melaka.

REPORTING FRAMEWORK AND STANDARDS

We have taken steps to incorporate standard disclosures in accordance to the Global Reporting Initiative (“GRI”) Standards and Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Main Market Listing Requirements (“Listing Requirement”) with reference to its Sustainability Reporting Guidelines. The standard disclosures are also aligned with the United Nations Sustainable Development Goals (“UNSDGs”).

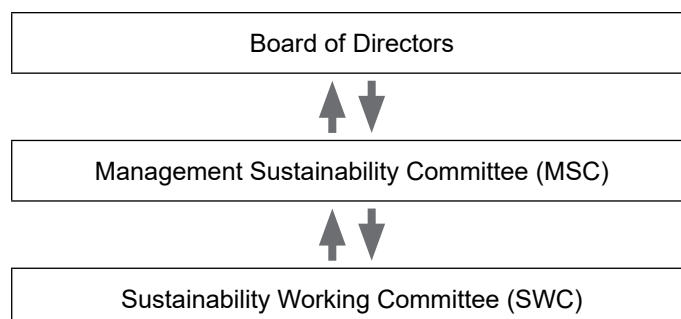
The Group is working to adopt the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) with effect from FY2025. We will continue to improve our disclosures to align with best practice reporting standards.

APPROACH TO SUSTAINABILITY

Our sustainability approach is guided by Lion Group’s mission “We are committed to make Lion Group a caring organisation and be recognised for excellence in quality, growth and profitability”, of which the Group is a member.

We have adopted a holistic sustainability approach across our business operations and functions. The strategic direction is guided by the Board of Directors, with the Head of Company/Business taking on the executive role for effective and efficient implementation, and driven via collaboration amongst various Departments and Business Units across the Group.

SUSTAINABILITY STRUCTURE



The Board of Directors has oversight of the Group's strategic direction on sustainability.

The MSC is chaired by the Head of Company/Business, and assists the Board with strategic direction of sustainability matters. MSC is responsible for steering, coordinating and ensuring the effective and efficient implementation of the sustainability framework.

The SWC comprises members from middle management across our operations and is responsible for the day-to-day implementation of the sustainability strategies and plans.

GOVERNANCE

The Group complies with applicable laws and regulations of corporate governance and adheres to related best practices. With a high standard of corporate governance, we believe that the Group will be able to maintain its success, remain competitive and sustainable in the long term. Our Corporate Governance Overview Statement and Statement on Risk Management and Internal Control are presented on pages 12 to 30 of this Annual Report.

STAKEHOLDERS ENGAGEMENT

Stakeholders engagement is imperative in understanding their expectations. We recognise that stakeholder expectation, assessment and feedback are an integral part of our sustainability strategy and initiatives, and we are continuously improving our approach via regular engagements that are held through both formal and informal channels.

Key Stakeholders	Area of Interest	Engagement Platforms
Employees	<ul style="list-style-type: none"> • Health, safety and well-being • Learning and development • Respect and recognition • Job satisfaction • Pay and benefits 	<ul style="list-style-type: none"> • Meetings • Training programmes • Internal newsletter • New employee induction programme • Staff gatherings and other engagement channels




STAKEHOLDERS ENGAGEMENT (continued)

Key Stakeholders	Area of Interest	Engagement Platforms
Customers	<ul style="list-style-type: none"> • Convenience and experience • Service and product quality • Timely product delivery 	<ul style="list-style-type: none"> • Face-to-face interaction through service channels • Communication through Marketing Department, Customer Service Department and Corporate Communications Department • Feedback through website, email, social media platform • Sales, promotions, road shows and related events
Suppliers/Vendors	<ul style="list-style-type: none"> • Long term partnership • Financial resilience • Sustainable business growth • Experienced management team 	<ul style="list-style-type: none"> • Liaison with suppliers before sourcing and engaging with contract managers • Meetings, business alliance events/meetings • Vendor service/support channel
Shareholders and Investors	<ul style="list-style-type: none"> • Good governance • Sustainable business growth • Disclosure and transparency 	<ul style="list-style-type: none"> • relations channel and meetings • Annual General Meeting • Quarterly reports, Annual Report, media releases
Regulatory Agencies and Statutory Bodies	<ul style="list-style-type: none"> • Regulatory compliance • Safety and security 	<ul style="list-style-type: none"> • Meetings, visits and events • Consultative and statutory reporting
Local Communities	<ul style="list-style-type: none"> • Responsible corporate citizen • Support for social causes • Creation of job opportunities 	<ul style="list-style-type: none"> • Activities and sponsorships organised by the Group and Lion-Parkson Foundation
Media	<ul style="list-style-type: none"> • Response to media enquiries and requests for interviews • Long term engagement 	<ul style="list-style-type: none"> • Media releases and interviews • Advertisements
Industry Associations	<ul style="list-style-type: none"> • Support for mutual interests 	<ul style="list-style-type: none"> • Meetings and events

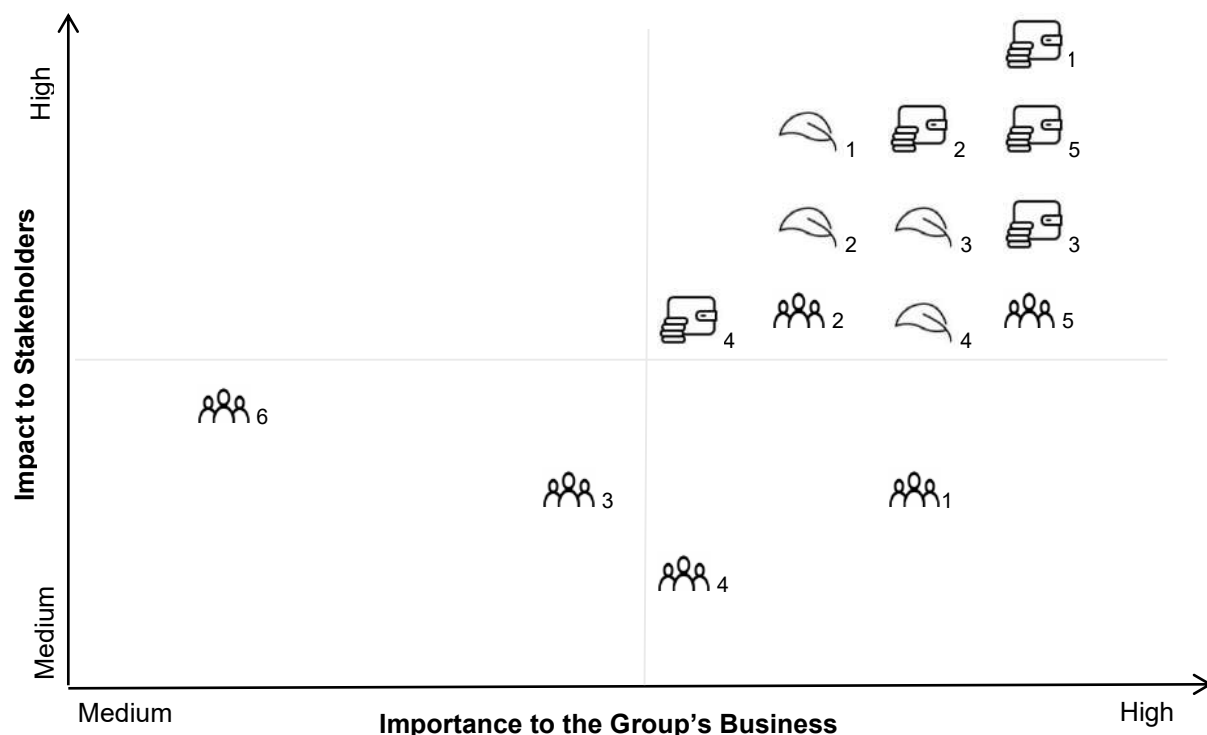
MATERIAL MATTERS

Our materiality matters are validated by our various divisions, combined into a consolidated matrix of issues relating to the activities of the Company. In identifying matters material to the Company, we were guided by GRI and the Listing Requirements.

We aim to conduct a comprehensive materiality assessment once every 3 years, and undertake an annual review of the relevance of our prioritised economic, environmental and social impacts arising from our day-to-day activities.





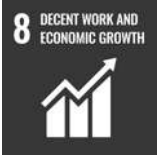
 Economic	 Environmental	 Social
1. Economic Performance 2. Anti-Corruption 3. Cyber Security/Data Protection 4. Supply Chain Management 5. Products Quality & Safety	1. Energy Efficiency 2. Water Management 3. Emissions/Air Quality 4. Waste & Hazardous Materials Management	1. Employee Well-being 2. Health & Safety 3. Capacity Building 4. Diversity & Equal Opportunities 5. Labour Practices & Standards 6. Community Relations/CSR

MATERIALITY MATRIX







CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (“SDGs”)

We are committed to adopt the Sustainable Development Agenda 2030 established by the United Nations (“UN”). The following outlines the Company’s efforts in supporting the SDGs in the year under review:

UNSDGs	Description	Our Approach
 <p>1 NO POVERTY</p>	<p>Goal 1: No Poverty End poverty in all its forms anywhere</p>	<ul style="list-style-type: none"> • Provide financial aid for medical treatment to the most vulnerable segments of society • Collaborate with other bodies and Non-Governmental Organisations to extend our reach and ensure help is targeted to those most in need
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Goal 3: Good Health and Well-being Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> • Prioritise health and safety in our business operations by adopting rigid safety standards and systems, provide continuous safety training to protect our employees, sub-contractors and the general public • Promote healthy lifestyles and work-life balance by organising programmes that focus on our employees’ physical and mental well-being
 <p>4 QUALITY EDUCATION</p>	<p>Goal 4: Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> • Provide scholarships to undergraduates pursuing their first degree locally • Promote employee development programme
 <p>5 GENDER EQUALITY</p>	<p>Goal 5: Gender Equality Ensure full participation in leadership and decision-making</p>	<ul style="list-style-type: none"> • Acknowledge women’s contribution in the industry and committed to promoting the advancement of women, especially in fields related to steel manufacturing, engineering and construction • Ensure women’s effective representation and equal opportunities for leadership at all levels of decision-making across business activities
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Goal 8: Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> • Provide competitive remuneration packages to our employees, and training opportunities for career growth and development • Promote a safe and secure working environment for all workers, including contractors and foreign labour • Stand firm against any form of forced labour, modern slavery and child labour

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (“SDGs”) (continued)

UNSDGs	Description	Our Approach
	<p>Goal 12: Responsible Production and Consumption Substantially reduce waste generation</p>	<ul style="list-style-type: none"> • Encourage 3R (reduce, reuse, recycle) activities to reduce waste generation • Leverage on recycling of steel
	<p>Goal 13: Climate Action Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> • Compliance with all applicable statutory and regulatory requirements
	<p>Goal 16: Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> • Support fair and equitable workplace • Ensure a strong ethics and compliance culture • Zero tolerance towards bribery and corruption, as articulated in our Anti-Bribery and Corruption Policy
	<p>Goal 17: Partnership for the Goals Encourage and promote effective partnerships, building on the experience and resourcing strategies of partnerships</p>	<ul style="list-style-type: none"> • Collaborate with regulators, industry players and community development programme partners

KEY SUSTAINABILITY MATTERS

ECONOMIC

Ensuring economic sustainability is paramount for long-term business success. Our commitment lies in upholding ethical and responsible marketplace practices through transparent business conduct, operating our business with integrity, and a commitment to excellence. These principles not only enhance our competitiveness but also foster long-term relationships with our stakeholders.

• **Economic Performance**

The Group’s financial performance is vital for ensuring the sustainability of our business. We are committed to our responsibility of cultivating impactful employment opportunities and contributing to economic development. The jobs we generate within our operations and related sectors, coupled with the taxes we pay, play a pivotal role in making a significant and positive impact on the overall economy.

	RM’000
<i>Revenue</i>	1,914,817
<i>Loss after tax</i>	(402,414)
<i>Net loss attributed to owners of the Company</i>	(401,296)

Note : Further information on Economic Performance can be found in Financial Statements section of the 2023 Annual Report from pages 66 to 211.

- **Cyber Security/Data Protection**

We continuously strive to ensure the confidentiality and protection of customers' and stakeholders' information and documents based on requirements under the Personal Data Protection Act 2010. Information on our vendors, suppliers and customers is strictly private and confidential, and is treated as such at all times.

We continue to educate our employees on data protection and privacy through knowledge-sharing initiatives. This includes disseminating information via articles published in our corporate newsletter covering key aspects such as the fundamentals of information security, online scams, cyber espionage, malware, and ransomware. Additionally, we have implemented a caution statement in all emails received, reminding recipients to only open emails deemed safe. The primary objective is to enhance awareness regarding the importance of maintaining the integrity and confidentiality of sensitive information, thereby mitigating potential threats and security breaches that could significantly impact the organisation.

During this reporting period, there were no substantiated complaints of breaches in customer privacy or loss of customer data. We will continue to protect our customers' data privacy across all operations.

ZERO	Substantiated Complaints Concerning Breaches In Customer Privacy Or Data Loss
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- **Supply Chain Management**

Our procurement department ensures that we engage in responsible procurement practices which is reinforced with the requirement for all our active registered vendors to periodically acknowledge their commitment to our Vendor Code of Conduct. Vendors' qualification/credentials are carefully vetted before being admitted into our list of qualified suppliers. Our initiatives start with the supplier selection process incorporating sustainability considerations such as fair labour practices and safety requirements.

Compliance and commitment by vendors and suppliers to conduct business with us in a transparent manner is sought through performing audits and making continuous improvements in our procurement processes and policies, including reassessing our procurement contracts. We believe local sourcing of products and services from within the country where possible is vital as it brings many advantages including lower costs, timely delivery, reducing carbon miles and invigorating the economy.

Local Suppliers

In 2023, a significant portion of our procurement expenditure, specifically 94.15%, was spent on local suppliers.

94.15%	Spending on Local Suppliers
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- **Anti-Corruption**

The Group continues to promote a culture of integrity through awareness campaigns and regular communications. Our employees are required to comply with our Anti-Bribery and Corruption Policy (ABC Policy") at all times.

We are committed to conducting our affairs in an ethical, responsible and transparent manner. In the pursuit of this commitment, we encourage our stakeholders to disclose suspected wrongdoings which may involve or concern our Group's directors, management, employees, performance, relations with other stakeholders, assets and reputation. Whistleblowers will be accorded protection of their identity unless the disclosure is required by any applicable law.

Corruption-related Training

In 2023, 100% of employees in our Property Development division have completed the necessary training, compared to 13.42% from the Steel Manufacturing division. Additionally, employees are required to complete an annual e-declaration on Conflict of Interest and acknowledgment on the understanding of the ABC Policy to indicate compliance.

Operations Assessed for Corruption-related Risks

In FY2023, we conducted corruption risk assessments across our operations, with 42.42% of them undergoing the evaluation.

Corruption Incidents

As of 31 December 2023, we recorded zero incidents of corruption across our business operations.

Executive 24.22% Non-executive 14.29%	Corruption Related Training	42.42%	Operations Assessed for Corruption - related Risks	ZERO	Corruption Incidents
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- **Products Quality & Safety**

Delivering quality is important in maintaining credibility and customer trust, which are necessary in a highly competitive industry. We are committed to providing products that meet regulatory, safety and health and quality standards to fulfil customers' requirements and ensure that our suppliers share the same philosophy. The quality management system we have in place is designed to monitor and control the processes from planning and development to production and after-sales service in order to comply with all the stipulated standards.

Our steel products are used mainly in the construction and infrastructure sectors, and are manufactured to the highest standards, and have received certification from SIRIM Malaysia, UK Certification Authority, Australian Certification Authority and TUV Nord Germany, among others.

- **Customer Satisfaction**

Customer support and loyalty is critical to the success of our business. Hence, we strive to put customers at the forefront of everything we do whilst we aim to provide quality products and services to our customers. Product knowledge and service skills training are part of our routine training programmes to ensure that our employees provide premium quality services to our customers. We place high priority on customer engagement and interaction with various customer feedback channels to further improve on our customer service and achieving customer satisfaction. Our customers can submit a formal complaint to us via email or through messaging application to our marketing/sales representatives.

ENVIRONMENTAL

The Group remains steadfast in its commitment to sustainable development and seeks to operate in a way that minimises environmental harm. We advocate the 3R actions of Reduce, Reuse and Recycle at our workplace, and adopt preventative measures to conserve the environment and reduce pollution. We seek to uphold environmental concerns with emphasis on application of new technologies and industry best practices that are environmentally friendly, optimise the use of resources and promote energy efficiency, and we are committed in taking proactive measures to preserve the environment for future generations whilst meeting the needs of our stakeholders.

- **Energy Efficiency**

Our steel manufacturing plants have been certified under ISO14001 Environmental Management System since 2012 which is testament of our commitment to prevention of pollution, continual improvement in overall environmental performance, and compliance with all applicable statutory and regulatory requirements.

Complying with the Energy Commission Act 2001 (Energy Management System) since 2010, active implementation of Research & Development and CIP (Continuous Improvement Plan) measures in our plants have been fruitful over time in reducing energy consumption significantly both in the form of electricity and natural gas.

For FY2023, the total energy consumption recorded by our Property Development and Steel Manufacturing divisions was 659.93 megawatts. A significant portion of this consumption, approximately 86.39%, was attributed to the Steel Manufacturing side.

659.93 Megawatts	Total Energy Consumption
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- **Water Management**

We recognise water as a scarce resource, and we carefully manage our water usage by promoting the 3R concept i.e. Reduce, Reuse and Recycle via continuous process improvement and in-house water treatment plants. For FY2023, the Group consumed 960.05 megalitres of water, with approximately 98% attributed to the steel manufacturing operations.

960.05 Megalitres	Water Consumed
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- **Emissions/Air Quality**

We have air quality monitoring programmes in place in our steel mills to ensure compliance with the emission limits as required by the ISO14001 Environmental Management System audit, and to minimise the impact of our manufacturing activities on the ambient air quality.

Regular preventive maintenance and cleaning are conducted on chimneys and dust-collecting systems to prevent potential pollutants build-up. The Total Suspended Particulates (TSP) for the chimney units in our steel mills is monitored quarterly with readings ranging between 1 to 25 mg/m^3 , which is below 50 mg/m^3 as specified in the Environmental Quality (Clean Air) Regulations 2014, whilst the TSP for ambient air monitoring is monitored yearly with the data recorded ranging from 103 to 213 $\mu g/m^3$, below the 260 $\mu g/m^3$ stated in Malaysia Recommended Air Quality Guidelines.

We are committed to enhancing our technological capabilities to boost the energy-saving efficiency of our operations, thereby further mitigating our environmental impact. As part of this endeavour, we are planning to install induction furnaces (“IF”) in our steel mills. This strategic move is projected to yield significant reductions in the consumption of raw materials such as natural gas and oxygen. By minimising raw material usage, we are able to contribute to the preservation of these valuable resources. Additionally, the implementation of IF technology in our steel manufacturing operations will enable us to reduce carbon monoxide (CO) emissions, aligning with our sustainability goals and fostering a greener, more eco-conscious approach to our business practices.

Leveraging on the fact that steel is 100% recyclable, maximising the utilisation of steel scrap represents a pivotal measure in the pursuit of carbon neutrality. This strategic approach leads to a substantial reduction in carbon dioxide (CO₂) emissions throughout the steelmaking process. By prioritising the recycling of steel, the Company not only embraces a sustainable and environmentally responsible business model but also actively contributes to mitigating the carbon footprint associated with steel production. This commitment aligns with global efforts to address climate change and underscores the Company’s dedication to environmentally conscious practices within the steel industry.

- **Waste and Hazardous Materials Management**

We minimise the generation of wastes wherever possible. At our plants, we practise the 3R (Reduce, Reuse and Recycle) approach in which we segregate recyclables including reusable wastes in accordance with the Solid Waste and Public Cleansing Management Act 2007. We also generate scheduled wastes which are managed in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005. Scheduled wastes generated are properly stored, labelled and disposed when they reach a certain quantity or duration. Non-scheduled wastes are collected by a certified contractor for disposal at legal landfill sites.

Amsteel uses recycled steel scraps as its main source of raw materials in the steel making process, whereby the recycling business model is imperative for environmental sustainability.

We ensure that occurrences such as chemical spills and leakages do not take place at our plants. We comply with the legal requirements of Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemical) Regulations 2013, as well as the implementation of best management practices to mitigate pollution.

We will continue to train and remind our employees, service providers and contractors to ensure they are aware of the proper practices and guidelines with regard to chemical and hazardous materials management. Going forward, we aim to roll out strategies to reduce the usage of single-use plastics at the workplace, and minimise the consumption of paper use and generation of wastes in each operational process.

Given our commitment and adherence to our waste and hazardous materials management practices, we met full compliance with zero compound for FY2023.

SOCIAL

We recognise the importance of social inclusion as it influences our lifestyles and professional endeavours. With a commitment to contribute to the betterment of society, our aim is to cultivate a positive social impact that can truly make a meaningful difference.

- **Employee Well-being**

We are dedicated to establishing workplaces where every individual is confident that their contributions will be acknowledged, and where they feel secure in expressing themselves. Emphasising the necessity of engaging and listening to our employees, we actively strive to cultivate an environment that is not only conducive, but also fosters happiness and productivity. To facilitate effective employee engagement, we establish various forums, including town-halls, “lunch & learn” sessions, festive open houses, and sports and recreational activities. Such engagements address both work and social requirements of our employees leading to a healthy work-life balance which proves to be an important factor for recruitment and retention of employees. With the Employment Act (Amendments) 1955 taking effect on 1 January 2023, the Company is implementing the amendments related to the Act, such as overtime eligibility, increase in maternity leave period, paternity leave, flexible working arrangement, prohibition of forced labour, amongst other provisions.

The Group has in place its Anti-Sexual Harassment Policy to safeguard our employees from such harassment. We put up posters on how to prevent sexual harassment at the workplace and organised online sharing sessions on sexual harassment to create awareness amongst employees on our strict internal sexual harassment policy. Any individuals who wish to report incidents of bullying and harassment can refer to our Whistleblower Policy.

For FY2023, there were no cases of discrimination or harassment being reported or recorded. There were zero incidences of non-compliance to labour laws.

ZERO	Substantiated Complaints Concerning Human Rights Violation
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• **Health & Safety**

The health and safety of our employees is vital to our businesses, hence the Group subscribes to the safety, health and environmental regulations with a systematic approach reinforced by constant training and monitoring to ensure the safety and well-being of our employees.

In compliance with legal requirements such as the Occupational Safety and Health Act, Factories and Machineries Act, Electricity Act 1990, Gas Supply Act 1993 and other related regulations, we have in place our Safety and Health Standard Operating Procedures. Compliance with the safe work practices stated in these standard operating procedures is the primary responsibility of all employees, contractors and consultants performing their duties at our premises.

Our plant employees and visitors to the plant are equipped with the necessary safety and protective wear. Employees who are exposed to noise are provided with personal hearing protectors and required to undergo an audiometric test annually to ensure their well-being.

We have established the Emergency Response Team (“ERT”) in our plants to prepare for and respond to any emergency incident, such as occupational incidents, natural disasters or interruption of business operations. Our ERT members are well trained on safety awareness and preparedness in everyday situations. Training is organised regularly for the members on the use of various types of fire extinguishers and hose reel, first aid i.e. CPR and injury management, shutdown and evacuation procedures. Safety campaigns are held to remind and refresh the staff on safety awareness and related issues.

Health and Safety Training

In 2023, a total of 644 participants were given various training on health and safety standards.

644	Employees Trained On Health And Safety Standards
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Among the training were:

- Emergency Drill
- Safety Management Manual & Ergonomics at Workplace
- Conference of Occupational Safety & Health 2023
- Safe Handling of Forklift
- Authorised Gas Tester & Entry Supervisor for Confined Space
- Seminar of Guidelines on Medical Surveillance Program at the Workplace
- Working at Heights Awareness
- Chemical Hazard Management & Spillage Handling Control
- MICOSH 2023 : OSH Principle of Mental Health at Workplace

Work Related Injuries

Workplace incidents are taken seriously; they are investigated and appropriate actions taken to prevent recurrence. Our Property Development division reported zero incident of work related injuries in FY2023.

Steel Manufacturing Operations	2023	
	Employee	Contractor
Total Hours Worked	2,496,000	948,800
Number of Fatalities	0	0
Number of Lost Time Injuries	29	6
Lost Time Incident Rate	0.00116%	0.0006%

• **Capacity Building**

Developing our talent is a key focus for the Group to ensure we have the right people in place to allow us to grow our future leaders and strengthen our talent pipeline. We provide learning and development opportunities in respect of technical, functional and behavioral competencies for our employees in line with their job requirements and career aspirations. Learning interventions are delivered on-the-job, via formal class training or online and continuing education. We encourage and support employees to participate in upskilling courses related to their work scope and obtain skill certification for wider job coverage.

Total Hours of Training by Employee Category

Executive	7,340	HOURS
Non-executive	5,010	

Among the training and development programmes conducted both physically and/or online are as follows:

- Understanding of ISO14001:2015 EMS Requirements
- ESG Awareness Briefing
- Seminar on Import Policy & Procedures for Iron & Steel Products
- Pemacu Penglibatan Pekerja
- Refresher Training for Online QC
- Pernerkaasaan & Pematuhan Akta Kualiti Alam Sekeliling 1974
- Leading and Communicating With Your Team
- MIA Conference 2023 – Future Fit Profession Charting A Better Tomorrow
- Visitor Management System
- Effective Supervisory Programme
- Productivity Improvement
- 2023 SEAISI/MISIF Seminar
- Effective MRO Spares Inventory Management
- Employee Engagement Workshop – “Building Good Working Relationship”
- Managing Absenteeism
- Kursus Amalan Persekitaran Berkualiti (QE/5S)
- Water Treatment Plant Start-up
- ESG For Sustainable Future – Integrating Environmental, Social & Governance Principle
- EQ and Leadership Skills For Results
- Compliance on Sales Tax Exemptions & Scrap/Waste Disposal Procedure
- ISO 14001 Risk Assessment
- Smart Energy Saving Solution
- Bangun (Bangkit Kita Transform)

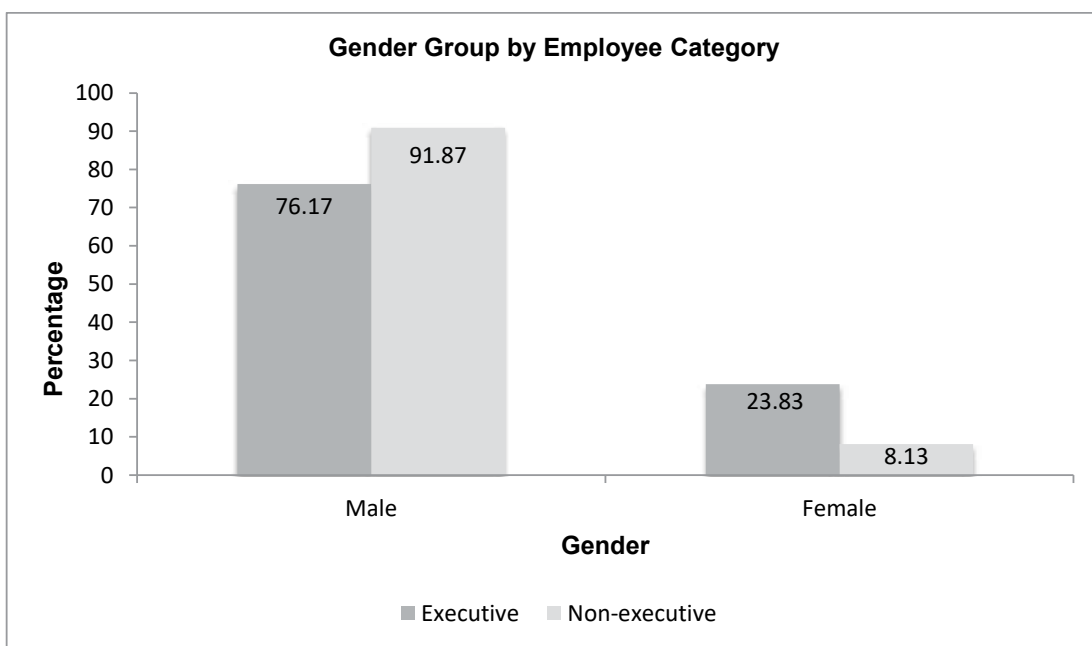
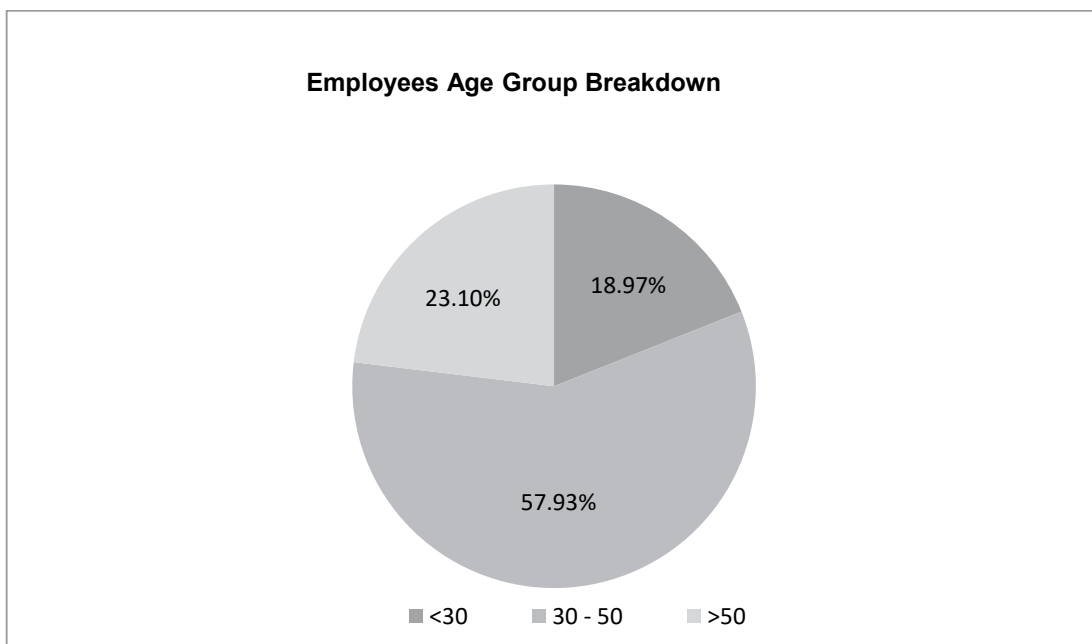
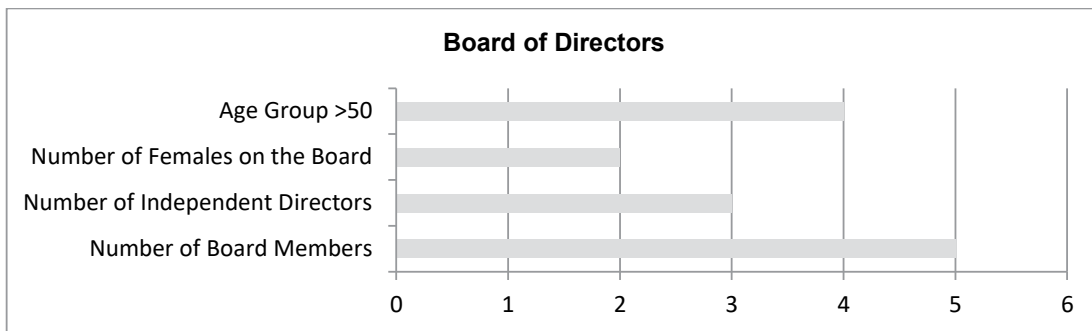
• **Diversity & Equal Opportunities**

We do not tolerate discrimination against race, gender, age, religion or nationality and any form of harassment in our work environment. The Group’s workforce is a reflection of the multi-cultural and multi-ethnic diversity of Malaysia with a wide range of demographic segments and social backgrounds represented across all levels of the organisation.

The representation of females on the Board of Directors (“Board”) at 40% highlights the Company’s dedication to fostering diversity and inclusion in top leadership positions, with 80% of our Board Members falling within the age group of above 50.

On a Group-wide basis, 11.89% of our employees are female and 88.11% are male, which is a reflection of the physically demanding nature of our core business in the steel manufacturing industry, particularly at the steel manufacturing plants. We have a well-balanced team, with 57.93% falling in the middle 30-50 years old age group, of which 22.85% are in executive positions. 80.48% of our staff hold permanent positions with the Group.

For FY2023, the turnover rates were 21.87% and 34.97% for executive staff and non-executive staff respectively. Although the figures indicate a relatively high turnover, they also provide valuable insights into areas where we can enhance our retention strategies and employee satisfaction. Our commitment remains steadfast in fostering a supportive environment where all employees feel valued and motivated to contribute to the organisation’s success.



Age Group by Employee Category (%)			
	<30	30 – 50	>50
Executive	11.86	55.73	32.41
Non-executive	23.72	56.73	19.55

Total Turnover by Employee Category	
Executive	56
Non-executive	284

- **Community Relations/Corporate Social Responsibility (“CSR”)**

In keeping with our philosophy of giving back to the community, the Group focuses on helping to uplift the community via Lion-Parkson Foundation (the “Foundation”) established in 1990 by Lion Group of Companies of which the Group is a member. The Group is also supporting the local community wherein it operates by participating in charity programmes and fundraising drives to assist those in need.

Empowerment through Education

We believe in Empowerment through Education; that education is the catalyst to bring about sustainable change for the better for our future generations. Annually, the Foundation awards scholarships to undergraduates in local universities. The selected scholars undergo training in soft skills such as problem-solving and communication skills as well as internships at Lion Group companies during their semester breaks to prepare them for working in the corporate world.

In FY2023, the Foundation disbursed scholarships amounting to RM350,000 to 36 undergraduates pursuing their bachelor’s degree in local institutions of higher learning. Additionally, the Foundation contributed RM10,000 to the Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor (KLSCCCI) – Scholarship Fund.

Expansion of Home for Special Children

The Foundation has completed the expansion of the Home for Handicapped & Mentally Disabled Children in Banting, Selangor to include an old folks home which is expected to be handed over to the operator, Persatuan Penjagaan Kanak-Kanak Terencat Akal Negeri Selangor by the first quarter of the next financial year.

Medical Assistance for the Less Fortunate

In reaching out to a broad and diverse cross-section of beneficiaries irrespective of race or religion, the Foundation also provides financial assistance to the less fortunate suffering from critical illnesses who require medical treatment including surgery as well as purchase of medical equipment and medication.

In FY2023, approximately RM270,030 had been disbursed in the form of sponsorship for medical treatment to 31 individuals including purchase of equipment and medication. The Foundation also donated RM20,000 to Hospital Selayang’s Cataract Surgery Centre which assisted 86 patients from the B40 group undergo cataract operation.

Other CSR Initiatives

In November 2023, Lion-Parkson Foundation contributed RM5,000 to the ‘Sports Carnival for OKU’ organised by Malaysia Independent Living Association For Disabled (MILAD), a non-profit organisation dedicated to promoting inclusivity for individuals with disabilities, and donated RM5,000 to Malaysian Federation for the Deaf through a charity programme organised by Malaysia Steel Institute.

Amsteel Mills Klang contributed RM500 and RM1,500 to CSR programmes organised by Dang Wangi Police District and Gabungan Persatuan Penduduk Klang respectively.

SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Executive	Percentage	24.22
Non-Executive	Percentage	14.29
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	42.42
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	662,030.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	158
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Executive Under 30	Percentage	11.86
Executive Between 30-50	Percentage	55.73
Executive Above 50	Percentage	32.41
Non-executive Under 30	Percentage	23.72
Non-executive Between 30-50	Percentage	56.73
Non-executive Above 50	Percentage	19.55
Gender Group by Employee Category		
Executive Male	Percentage	76.17
Executive Female	Percentage	23.83
Non-executive Male	Percentage	91.87
Non-executive Female	Percentage	8.13
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	60.00
Female	Percentage	40.00
Under 30	Percentage	0.00
Between 30-50	Percentage	20.00
Above 50	Percentage	80.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	659.93
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	644
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Executive	Hours	7,340
Non-executive	Hours	5,010
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	19.52
Bursa C6(c) Total number of employee turnover by employee category		
Executive	Number	56
Non-executive	Number	284
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	94.16
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	960.050000

Internal assurance External assurance No assurance

(*)Restated

STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Statement, selected aspects/parts of this Sustainability Statement have been subjected to an internal review by the Company's internal auditors and the Statement has been reviewed by the Company's Audit Committee and approved by the Board.

Subject Matters covered are provided below:

Material Matters	Subject Matter
Anti-corruption	<ul style="list-style-type: none"> • Percentage of employees who have received training on anti-corruption by employee category • Percentage of operations assessed for corruption-related risk • Confirmed incidents of corruption and action taken
Community/Society	<ul style="list-style-type: none"> • Total amount invested in the community where the target beneficiaries are external to the Company
Diversity	<ul style="list-style-type: none"> • Percentage of employees by gender and age group, for each employee category • Percentage of directors by gender and age group
Energy Management	<ul style="list-style-type: none"> • Total energy consumption
Health and Safety	<ul style="list-style-type: none"> • Number of work-related fatalities • Lost time incident rate • Number of employees trained on health and safety standards
Labour Practices and Standards	<ul style="list-style-type: none"> • Total number of hours of training by employee category • Percentage of employees that are contractors or temporary staff • Total number of employee turnover by employee category
Supply Chain Management	<ul style="list-style-type: none"> • Proportion of spending on local suppliers
Data Privacy and Security	<ul style="list-style-type: none"> • Number of substantiated complaints concerning breaches of customer privacy and loss of customer data
Water	<ul style="list-style-type: none"> • Total volume of water used