SUSTAINABILITY STATEMENT

Lion Industries Corporation Berhad ("LICB" or "Company") is pleased to present its Sustainability Statement which provides an overview of its Economic, Environmental and Social ("EES") impacts for the 18-month financial period ended 30 June 2026 ("Financial Period" or "FP2026").

CORE BUSINESS

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.

Through its listed subsidiary, Lion Posim Berhad, the Company is engaged in the trading and distribution of building materials, including finishing products such as sanitaryware, tap fittings, tiles and ironmongery. Additionally, it distributes steel products and petroleum-based products, including automotive and industrial lubricants, as well as automotive components.

BASIS OF SCOPE

This Sustainability Statement covers the Company's operations in the manufacturing of long steel products in Klang and Banting, and its property development project in Taman Malim Jaya in Melaka.

REPORTING FRAMEWORK AND STANDARDS

This Statement has been prepared in accordance with the Global Reporting Initiative ("GRI") and Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("Listing Requirements") with reference to its Sustainability Reporting Guidelines, and in alignment with the United Nations Sustainable Development Goals ("UNSDGs").

The Company is working to adopt the recommendations of the National Sustainability Reporting Framework ("NSRF") and the relevant IFRS Sustainability Disclosure Standards and will continue to improve its disclosures to align with best practice reporting standards.

DATA QUALITY AND RELIABILITY

The data contained within this Sustainability Statement was internally sourced, verified and validated by the respective business divisions and information owners. The Company acknowledges that limitations may exist in data availability and consistency for certain indicators, particularly where external data sources or non-standardised metrics are involved. The Company will continue to enhance its data collection and analysis processes to improve the accuracy, reliability and completeness of its disclosures to align with best practice reporting standards.

This Statement may include forward-looking statements, strategic targets and performance projections, which are based on prevailing conditions and reasonable assumptions at the time of reporting. Actual results may differ due to various business risks, regulatory changes or unforeseen circumstances.

AVAILABILITY AND FEEDBACK

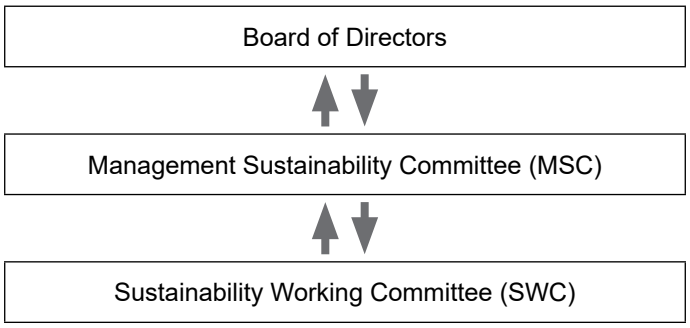
The Sustainability Statement is available on the Company's website at www.lion.com.my/lionind or Lion Group's website at www.lion.com.my as part of the Company's 2026 Annual Report. Stakeholders are welcome to share their feedback regarding this Statement and the topics discussed.

APPROACH TO SUSTAINABILITY

The Company is a member of Lion Group and as such, its sustainability approach is guided by Lion Group's mission "We are committed to making Lion Group a caring organisation and be recognised for excellence in quality, growth and profitability".

The Company has adopted a holistic sustainability approach across its business operations and functions. Its 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 Company.

SUSTAINABILITY STRUCTURE



The Board of Directors has oversight of the Company'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. The 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 the Company's operations and is responsible for the day-to-day implementation of the sustainability strategies and plans.

GOVERNANCE

The Company complies with all relevant corporate governance laws and regulations, and follows best practices. By upholding high standards of corporate governance, it aims to ensure long-term success, competitiveness, and sustainability. Details can be found in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control on pages 12 to 32 of this Annual Report.

STAKEHOLDERS ENGAGEMENT

Engaging with stakeholders is crucial to understanding their expectations. The Company values their feedback, assessments, and insights as essential to shaping its sustainability strategies and initiatives. Through regular formal and informal engagements, the Company continuously refines its approach. These interactions help identify key issues, uncover opportunities, and manage risks, enabling effective response to stakeholder needs.

Key Stakeholders	Area of Interest	Engagement Platforms	LICB's Response
Employees	• Health, safety and well-being • Learning and development • Respect and recognition • Job satisfaction • Pay and benefits	**Ongoing** • Meetings • Training programmes • New employees' induction programme • Steel Division Sports & Recreation Club • Staff gatherings and other engagement channels **Quarterly** • Internal newsletter **Annually** • Performance appraisals	• Training and upskilling opportunities for professional and personal development • Merit-based evaluation and career growth pathways • Health and well-being initiatives focused on promoting a balanced work-life lifestyle
Customers	• Convenience and experience • Service and product quality • Timely product delivery • Relationship management	**Ongoing** • Face-to-face interaction through service channels • Communication through Marketing, Customer Service and Corporate Communications Departments • Feedback via email, the Company's website, social media platforms • Sales, promotions, roadshows and related events	• Offer comprehensive range of products that meet customers' requirements • Visits to customers' sites to better understand their needs and challenges

STAKEHOLDERS ENGAGEMENT (continued)

Key Stakeholders	Area of Interest	Engagement Platforms	LICB's Response
Shareholders and Investors	• Good governance practices • Sustainable business growth • Disclosure and transparency	**As Needed** • Media release • Circulars • One-on-one meetings • Quarterly • Financial reports and announcements **Annually** • Annual General Meeting • Annual Report	• Timely updates on the Company's announcements • Uphold good governance practices across the business operations and supply chain
Government Agencies Regulators	• Regulatory compliance • Corporate governance practices • Sharing of best practices	**Ongoing** • Participation in government and regulatory events **As Needed** • Meetings and visits	• Full compliance with regulatory requirements • Adoption of practices outlined in the Malaysia Code on Corporate Governance • Support government initiatives
Local Communities	• Responsible corporate citizen • Support for social causes • Creation of job or internship opportunities	**Ongoing** • Activities and sponsorships organised by the Company and Lion-Parkson Foundation **As Needed** • Advertisements for job vacancies	• Support community initiatives/programmes through contributions and other forms of assistance
Media	• Respond to media enquiries and requests for interviews • Long term engagement	**As Needed** • Media releases and interviews • Advertisements • Regular engagement activities	• Transparency in communications • Timely and accurate information on corporate, industry, and business developments
Industry Associations	• Support for mutual interests	**As Needed** • Meetings and events	• Participate in meetings/ discussions and/or events

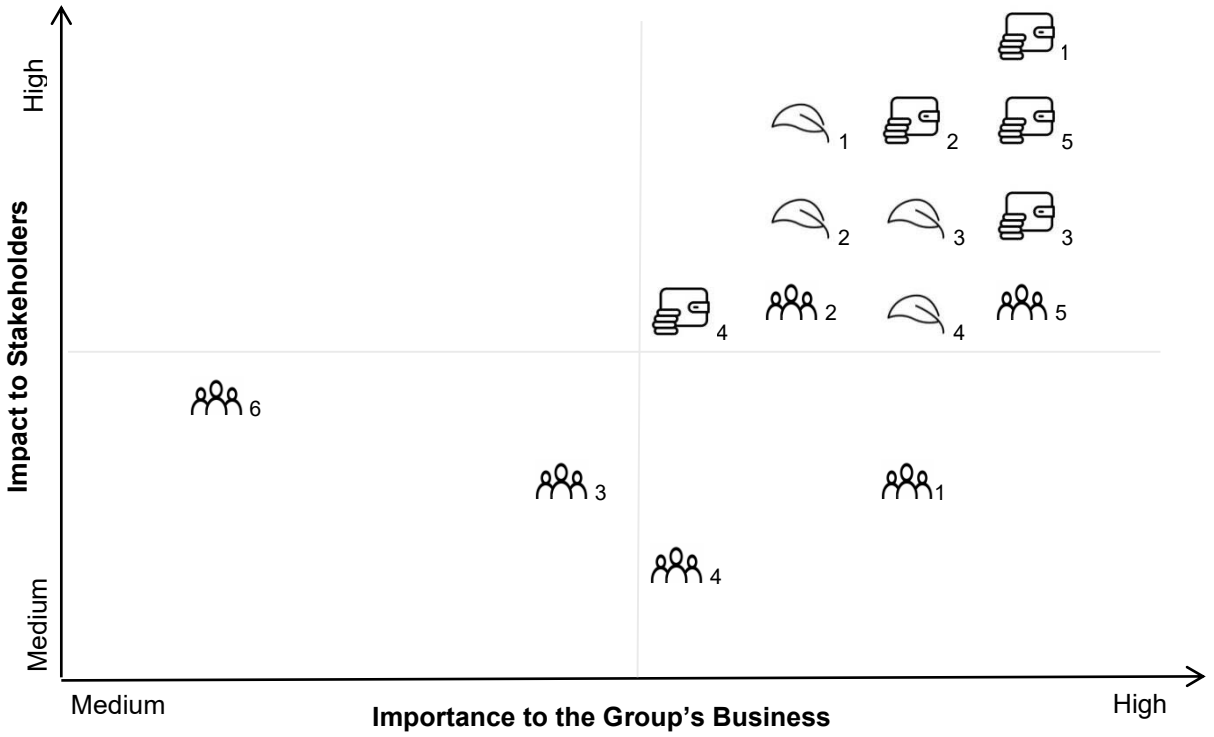
MATERIAL MATTERS

The Company's materiality matters are validated by its various divisions, combined into a consolidated matrix of issues relating to the activities of the Company. In identifying matters material to its business operations, the Company is guided by the GRI and the Listing Requirements.

The Company conducts its materiality assessment every three years and undertakes an annual review of the identified material matters. This process ensures that the Company remains aligned with the evolving expectations of stakeholders, regulatory requirements, and industry trends, while maintaining a proactive approach to sustainability and corporate responsibility.

Economic	Environmental	Social
1. Economic Performance 2. Anti-Corruption 3. Cyber Security/Data Protection 4. Supply Chain Management 5. Product 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 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UNSDGs")

The Company is committed to supporting the UNSDGs and the following outlines its efforts during the Financial Period:

UNSDGs	Description	LICB's Approach
	Goal 1: No Poverty End poverty in all its forms anywhere	• Provide financial aid for medical treatment to the most vulnerable segments of society • Collaborate with other bodies and NGOs to extend its reach and ensure help is targeted to those most in need
	Goal 3: Good Health and Well-being Ensure healthy lives and promote well-being for all at all ages	• Prioritise health and safety in its business operations by adopting rigid safety standards and systems, provide continuous safety training to protect its employees, sub-contractors and the general public • Promote healthy lifestyles and work-life balance by organising programmes that focus on its employees' physical and mental well-being
	Goal 4: Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Provide scholarships to undergraduates pursuing their first degree locally • Promote employee development programmes
	Goal 5: Gender Equality Ensure full participation in leadership and decision-making	• 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
	Goal 8: Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Provide competitive remuneration packages to its 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 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UNSDGs") (continued)

UNSDGs	Description	LICB's Approach
	Goal 12: Responsible Production and Consumption Substantially reduce waste generation	• Encourage 3R (Reduce, Reuse, Recycle) activities to reduce waste generation • Maximise resource efficiency • Leverage on recycling of steel
	Goal 13: Climate Action Take urgent action to combat climate change and its impacts	• Ensure compliance with all applicable statutory and regulatory requirements
	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	• Support fair and equitable workplace • Ensure a strong ethics and compliance culture • Zero tolerance towards bribery and corruption, as articulated in the Company's Anti-Bribery and Corruption Policy and Whistleblower Policy, which support its commitment to promoting ethical business practices, accountability and good governance.
	Goal 17: Partnership for the Goals Encourage and promote effective partnerships, building on the experience and resourcing strategies of partnerships	• Collaborate with regulators, industry players and community development programme partners

KEY SUSTAINABILITY MATTERS

ECONOMIC

Ensuring economic sustainability remains a key priority for achieving long-term business success. The Company's commitment lies in upholding ethical and responsible marketplace practices through transparent business conduct, operating its business with integrity, and being committed to excellence. These principles not only enhance its competitiveness but also cultivate long-term relationships with its stakeholders.

- **Economic Performance**

The Company is dedicated to creating meaningful employment opportunities and supporting economic development. Through the generation of jobs within its operations and related industries, along with its contribution of taxes, the Company plays a vital role in driving positive and significant impacts on the broader economy.

RM'000	FY2023	FY2024	FP2026
Revenue	1,914,817	1,661,530	**1,726,886**
Loss after tax	(402,414)	(84,905)	**(211,079)**
Net loss attributed to owners of the Company	(401,296)	(87,655)	**(204,759)**

Note: FY2023 and FY2024 refer to the 12-month financial years, from 1 January to 31 December 2023 and 1 January to 31 December 2024 respectively, while FP2026 covers an 18-month period from 1 January 2025 to 30 June 2026.

Further information on Economic Performance can be found in the Five-Year Group Financial Highlights on page 43 and in the Financial Statements section of this Annual Report.

- **Cyber Security/Data Protection**

The Company is committed to maintaining the confidentiality and security of customers' and stakeholders' information in compliance with the Personal Data Protection Act 2010. Information regarding its vendors, suppliers, and customers are handled with strict privacy and confidentiality at all times.

The Company actively educates its employees on data protection and privacy through knowledge-sharing initiatives, including brief learning emails and articles in its corporate newsletter. These cover essential topics such as information security fundamentals, online scams, cyber espionage, malware, and ransomware. Its primary goal is to raise awareness about the importance of protecting sensitive information, thereby reducing potential threats and security breaches that could impact the Company.

Employees of the Company also participated in Cybersecurity Day, organised by Lion Group's IT Division on 28 January 2026. Themed "Cybersecurity Starts with U", the event reinforced awareness of cybersecurity risks and encouraged employees to take an active role in protecting the Company's information and digital assets.

There were no substantiated complaints of breaches in customer privacy or loss of customer data during the Financial Period. The Company will continue to protect its customers' data privacy across all operations.

	FY2023	FY2024	FP2026
Substantiated Complaints Concerning Breaches In Customer Privacy Or Data Loss	ZERO	ZERO	**ZERO**

- **Supply Chain Management**

The Company's Procurement Department engages in responsible procurement practices which is reinforced by the requirement for all its active registered vendors to periodically acknowledge their commitment to its Vendor Code of Conduct. Vendor qualifications and credentials are thoroughly vetted before being added to the Company's list of approved suppliers. Sustainability considerations, such as fair labour practices and safety requirements, are incorporated into the supplier selection process.

To maintain transparency and accountability, audits are conducted, and continuous improvements are made to the Company's procurement processes and policies, including reassessment of procurement contracts. The Company prioritises locally sourced products and services, recognising its advantages such as cost efficiency, timely delivery, reduced carbon miles, and support for the local economy.

Spending on Local Suppliers (%)	**FY2023**	**FY2024**	**FP2026**
Property Development	100	100	**100**
Steel Manufacturing	94.14	92.56	**96.25**
Total Spending on Local Suppliers	94.16	92.58	**96.36**

- **Anti-Corruption**

The Company is committed to promoting a culture of integrity through awareness campaigns and regular communications. All employees are required to comply with the Company's Anti-Bribery and Corruption Policy ("ABC Policy"), ensuring that its business is conducted ethically, responsibly, and transparently. The Company's directors and employees are also required to complete an annual Conflict of Interest e-declaration and acknowledge their understanding of the ABC Policy to confirm compliance.

The Company encourages its stakeholders to report any suspected wrongdoings which may involve or concern its directors, management, employees, or actions that could affect its performance, relations with other stakeholders, assets, or reputation. Whistleblowers will be assured of confidentiality, with their identity protected unless disclosure is required by law.

Corruption-related Training

During the Financial Period, the Company's steel manufacturing business recorded an increase in the percentage of employees who completed the required corruption-related training. The improved rates from the previous year reflects the Company's effort in strengthening its approach to training participation and monitoring.

Moving forward, the Company will explore virtual and more accessible training formats to facilitate training participation. These efforts will support greater employee awareness of anti-corruption and reinforce the Company's commitment to maintaining a strong culture of integrity and ethical conduct.

Operations Assessed for Corruption-related Risks

During the Financial Period, the Company conducted corruption risk assessments across 100% of its property development business and 50% of its steel manufacturing business, reflecting its targeted focus on high-risk areas. Looking ahead, the Company plans to broaden the scope of these assessments by allocating additional resources and providing enhanced training for assessment teams.

Corruption Incidents

There were zero incidents of corruption recorded across all business operations during the Financial Period.

Percentage (%)	FY2023		FY2024		FP2026	
	Property Development	**Steel Manufacturing**	**Property Development**	**Steel Manufacturing**	**Property Development**	**Steel Manufacturing**
Corruption Related Training - Executive - Non-Executive	 100 100	 17.40 12.20	 89.47 93.33	 9.57 9.83	 **82.35** **93.33**	 **44.29** **35.44**
Operations Assessed for Corruption-related Risks	100	14.2	100	50	**100**	**50**
Corruption Incidents	ZERO		ZERO		**ZERO**	

- **Products Quality & Safety**

Delivering quality is vital to sustaining credibility and earning customer trust in a competitive industry. The Company is committed to providing products that meet stringent regulatory, safety, health, and quality standards, while ensuring its suppliers uphold the same values.

The Company's quality management system meticulously oversees every process, from planning and development to production and after-sales service, to guarantee compliance with all required standards.

Primarily serving the construction and infrastructure sectors, the Company's steel products are produced to the highest standards and have achieved certifications from SIRIM Malaysia, the UK Certification Authority, the Australian Certification Authority, and TÜV Nord Germany, among others.

- **Customer Satisfaction**

The Company is committed to prioritising its customers in every aspect of its operations, ensuring the delivery of high-quality products and services. To enhance the customer experience, the Company conducts routine training programmes focusing on product knowledge and service skills to enable its employees to provide premium products and services.

Customer engagement and feedback are central to the Company's approach to continuous improvement. The Company employs various channels of facilitating customer interaction and feedback, with the aim of refining its services and achieving greater customer satisfaction. Customers can submit formal complaints via email or messaging applications directly to the Company's marketing or sales representatives, ensuring their concerns are addressed promptly and effectively.

ENVIRONMENTAL

The Company remains steadfast in its commitment to sustainable development and seeks to operate in a way that minimises environmental harm. It advocates the 3R actions of Reduce, Reuse and Recycle in the workplace, and adopts preventative measures to conserve the environment and reduce pollution.

The Company is committed to environmental responsibility by adopting environmentally friendly technologies and industry best practices, optimising resource use, and promoting energy efficiency. It takes proactive measures to minimise its environmental impact while creating long-term value for its stakeholders and future generations. Its steel manufacturing plants have been ISO14001-certified since 2012, reflecting its commitment to pollution prevention, environmental improvement, and regulatory compliance.

Climate Action and Environmental Targets

Aligned with the Malaysian Government's commitment to addressing climate change and achieving Net Zero greenhouse gas (GHG) emissions by 2050, the Company has set interim reduction targets, and will revise these targets in accordance with the Science Based Targets Initiative (SBTi) or relevant standard.

	Area	Target	Plan
1	GHG Emissions	• Achieve a reduction in GHG emissions intensity and total emissions annually.	• Upgrade manufacturing processes with energy-efficient technologies. • Green Electricity Tariff reviewed to 1,400 Blocks (1,400,000 kWh) till end December 2027.
2	Energy Consumption	Decrease energy consumption to improve operational efficiency. • Decrease energy consumption 2% per annum. • Achieve 3% reduction in energy consumption from the FY2024 baseline by the end of 2030. • Achieve a 10% reduction in energy consumption by the end of 2050.	• Implement smart energy management systems in all facilities to monitor and optimise energy use. • Replace conventional lights with energy-saving LED lights in the Company's office buildings. • Install solar-powered LED lighting to enhance energy conservation and reduce costs. • Promote energy-saving initiatives to employees.
3	Waste Reduction	• Reduce or divert waste sent to landfills annually through recycling, and other sustainable practices.	• Implement circular economy initiatives to reduce waste and promote product reuse. • Collaborate with Jabatan Kerja Raya (JKR) and/or relevant parties to use slag as a raw material for road filling. • Instill the 3R culture amongst employees to minimise waste.
4	Water Conservation	Reduce water consumption to conserve resources. • Reduce water consumption by 3% from the FY2024 baseline by the end of 2030. • Achieve a 10% reduction in water consumption by the end of 2050.	• Optimise and evaluate water use system through: • Rain water harvesting. • Water conservation awareness campaign. • Promote water saving habits amongst employees.

- **Emissions/Air Quality**

The Company has air quality monitoring programmes in place at its steel mills to ensure compliance with emission limits under the ISO 14001 Environmental Management System audit requirements and to minimise the impact of its manufacturing activities on ambient air quality.

Regular preventive maintenance and cleaning are conducted on chimneys and dust-collecting systems to prevent the build-up of potential pollutants. Total Suspended Particulates (TSP) from chimney units at the steel mills are monitored quarterly, with readings ranging from 0.90 to 6.40 mg/m³, below the 50 mg/m³ limit for Total Particulate Matter (PM) specified under the Environmental Quality (Clean Air) Regulations 2014. Ambient air quality is monitored annually, with PM2.5 readings ranging from 13 to 21 µg/m³ and PM10 readings ranging from 36 to 58 µg/m³, both below the respective 24-hour standards of 35 µg/m³ and 100 µg/m³ under the Malaysian Ambient Air Quality Standard.

The Company is committed to enhancing its technology to improve energy efficiency and reduce its environmental impact. Given steel's 100% recyclability, maximising the use of steel scrap is an important component of the Company's approach to reducing carbon emissions. The increased use of recycled steel scrap can significantly reduce carbon dioxide (CO_2) emissions associated with steelmaking. By prioritising the recycling and reuse of steel, the Company supports a more sustainable business model while reducing its carbon footprint and contributing to global climate action.

- **Energy Efficiency**

Since 2010, the Company has complied with the Energy Commission Act 2001 and implemented Continuous Improvement Plans, significantly reducing electricity and natural gas consumption.

The Company's overall energy consumption decreased progressively year-on-year primarily attributable to various energy saving measures across its business operations as well as lower production output from its steel manufacturing operations.

Energy Consumption (Megawatts)	**FY2023**	**FY2024**	**FP2026**
Property Development	161.51	166.30	**120.82**
Steel Manufacturing	305,240.95	264,887.12	**181,218.00**
Total	305,402.46	265,053.42	**181,338.69**

- **Water Management**

The Company carefully manages its water usage through continuous process improvement and in-house water treatment plants. Overall, average monthly water consumption decreased during the Financial Period, reflecting the Company's continued efforts to manage water resources responsibly.

Water Consumption (Megalitres)	**FY2023**	**FY2024**	**FP2026**
Property Development	16.71	15.96	**11.66**
Steel Manufacturing	943.34	771.62	**666.06**
Total	960.05	787.58	**677.72**

- **Waste and Hazardous Materials Management**

The Company prioritises waste minimisation and adopts the 3R approach of reducing, reusing and recycling. Recyclable and reusable waste is segregated in accordance with the Solid Waste and Public Cleansing Management Act 2007. Scheduled wastes are managed in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005 to ensure proper handling, storage and disposal. Non-scheduled wastes are disposed of by licensed contractors at approved landfills.

In its steel manufacturing process, the Company uses recycled steel scrap as the primary raw material. This helps to reduce CO_2 emissions and supports the Company's efforts towards carbon neutrality, contributing to broader efforts to address climate change.

In compliance with applicable legal requirements, including the Occupational Safety and Health Act and the Factories and Machinery Act, the Company has established Safety and Health Standard Operating Procedures. All employees, contractors and consultants are required to adhere to these safety practices while on the Company's premises.

Health and Safety Training

The Company places strong emphasis on developing its employees' awareness and capabilities in occupational health and safety through regular training and awareness programmes. Training is provided based on the nature of employees' work, operational risks and applicable regulatory requirements.

During the Financial Period, employees participated in various health and safety-related programmes covering areas such as occupational safety and health, emergency response, risk assessment, ergonomics, working at height, radiation safety, scheduled waste management, first aid, CPR and AED, and safe work procedures. Technical and operational employees also underwent job-specific safety training relevant to their respective work activities.

These programmes are intended to strengthen employees' knowledge and competence, promote safe working practices and reinforce the Company's commitment to maintaining a safe and healthy workplace. The Company will continue to identify relevant training needs and enhance its health and safety training programmes in line with operational requirements and evolving regulatory expectations.

Number of Employees Trained on Health And Safety Standards	**FY2023**	**FY2024**	**FP2026**
Property Development	0	33	**0**
Steel Manufacturing	644	225	**106**
Total	644	258	**106**

Among the health and safety training programmes conducted were:

Category	Training / Programme
Occupational Safety & Health (OSH)	• Handling of Overhead Crane Safety and Maintenance • Konvensyen Pencegahan Kemalangan 2025 • Seminar OSH Revolution in Construction 2025 • Basic Occupational First Aid, CPR and AED • Process Ergonomics, Psychosocial Hazards & Back Protection • MSH Conference: Inspiring Safety, Empowering Change • Workshop on Workplace Health Promotion • Working at Height • OSH National Convention and Exhibition 2025
Environmental Management	• Seminar Pindaan Akta Kualiti Alam Sekeliling 1974 – Pemantauan CPD Melalui NRCEP & eSWIS V2 • ISO 14001, 5S and Scheduled Waste • Pengurusan Buangan Terjadual Melalui eSWIS V2.0 • Briefing on Company Policy, 5S, Waste & Canteen Management
Emergency Preparedness	• Bomb Awareness & Panic Management • Procedures During Plant Power Failure (WTP – Emergency Water Supply)
Operational & Process Safety	• SOP for Casting Operation, Gas Shrouding & CCM Ladle (SMP – Production) • SOP for Scrap Blending • SOP Training (Precaution, Safety and Servicing) • SOP for Safety Awareness Regarding Incident at Slidegate (SMP – Production) • SOP for Cleaning and Changing Sliding Plate (SMP – Production) • SOP for Safety Enforcement During Work (SMP – Production) • SOP for Casting Operation (SMP – Production)

Workplace incidents are taken seriously; they are investigated and appropriate actions taken to prevent recurrence. The Company's Property Development division reported zero incident of work related injuries year-on-year, reflecting its dedication to stringent safety protocol.

The Company's Steel Manufacturing operations recorded the following safety performance metrics:

Steel Manufacturing Operations	**FY2023**		**FY2024**		**FP2026**	
	Employee	**Contractor**	**Employee**	**Contractor**	**Employee**	**Contractor**
Total Hours Worked	2,496,000	948,800	2,079,704	171,448	**2,560,896**	**932,672**
Number of Fatalities	ZERO	ZERO	ZERO	ZERO	**ZERO**	**ZERO**
Number of Lost Time Injuries	29	6	18	3	**27**	**1**
Lost Time Incident (LTI) Percentage	0.00116%	0.0006%	0.00087%	0.00175%	**0.00105%**	**0.00010%**
LTI Rate*	2.32	1.26	1.73	3.50	**2.11**	**0.21**

* *LTI Rate = (Number of Lost Time Injuries / Total Hours Worked x 200,000)*

The Company prioritises the safety, health and well-being of its employees, contractors and visitors through established Safety and Health Standard Operating Procedures across its operations. These practices are implemented in accordance with applicable legal requirements, including the Occupational Safety and Health Act and the Factories and Machinery Act.

Employees, contractors and consultants are required to comply with the Company's safety requirements while on its premises. Employees and visitors at the Company's steel plants are provided with the necessary personal protective equipment (PPE), while employees exposed to occupational noise are provided with hearing protection and undergo annual audiometric testing.

The Company also maintains an Emergency Response Team (ERT) to manage occupational incidents, natural disasters and other emergencies. ERT members receive regular training in areas including fire safety, first aid and emergency evacuation to strengthen the Company's emergency preparedness and response capabilities.

The Company further supports a strong safety culture through ongoing occupational health and safety training, covering areas such as working at height, overhead crane safety, first aid and emergency response, ergonomics, psychosocial hazards and operational safety procedures.

Capacity Building

The Company prioritises talent development to cultivate future leaders and strengthen its talent pipeline. Employees are offered learning and development opportunities tailored to their technical, functional, and behavioral competencies, aligning with job requirements and career aspirations.

Training is delivered through on-the-job learning, formal classes, online platforms, and continuing education. The Company encourages employees to pursue upskilling courses and obtain skill certifications, enabling broader job coverage and cultivating professional growth. These programmes are designed to support both executives and non-executives at different stages of their career journey.

For non-executive employees, training focuses on building strong operational foundations, technical proficiency, and functional knowledge. Programmes such as induction training, workplace communication skills, and system-based training equip employees with practical skills to perform their roles effectively. Knowledge-sharing sessions covering product knowledge, corporate processes, finance fundamentals, and sustainability topics further enhance day-to-day job competency and awareness of broader business priorities.

Executive-level employees and emerging leaders participate in development programmes which place greater emphasis on strategic thinking, governance, regulatory compliance, digital transformation, and leadership effectiveness. Participation in industry conferences, management development programmes, governance, compliance and data protection forums, and ISO auditing certifications strengthens decision-making capabilities and prepares leaders to navigate complex regulatory and business environments.

Across all levels, the Company reinforces ethical conduct, risk awareness, and regulatory compliance through programmes such as Anti-Money Laundering (AMLA), Anti-Bribery and Corruption (ABC), Code of Business Ethics and Conduct, PDPA compliance, and cybersecurity awareness training. This ensures employees have structured responsibilities in safeguarding organisational integrity, data security, and stakeholder trust.

In addition, the Company recognises the importance of holistic employee wellbeing and future workplace readiness. Programmes covering mental health awareness, mindfulness, diversity and inclusion, digital wellbeing, and personal financial management support employees in maintaining resilience, adaptability, and work-life balance in a fast-evolving business environment.

Training is also aligned with career development pathways, enabling employees to progressively build competencies required for role expansion, cross-functional exposure, and leadership succession. Technical certifications, industry exposure, and continuous learning opportunities allow employees to remain relevant amid digitalisation, regulatory evolution, and sustainability expectations.

This comprehensive approach reflects the Company's commitment to nurturing a skilled, adaptable, and future-ready workforce, while supporting employees in achieving their career development goals and contributing meaningfully to the Company's long-term business sustainability.

Total Hours of Training by Employee Category						
Category/Hours	**FY2023**		**FY2024**		**FP2026**	
	Executive	**Non-Executive**	**Executive**	**Non-Executive**	**Executive**	**Non-Executive**
Property Development	199.0	57.0	438.5	276.5	**321.0**	**159.0**
Steel Manufacturing	7,141.0	4,953.0	3,449.5	3,795.0	**4,395.5**	**2,296.0**
Total Hours	7,340.0	5,010.0	3,888.0	4071.5	**4,716.5**	**2,455.0**

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

Category	Courses
HR, Law, & Workplace Compliance	• Seminar Pemerkasaan Pengurusan Strata • National Human Capital Conference & Exhibition • The A-Z of Domestic Inquiry • Prosedur Pembuangan Pekerja & Siasatan Dalaman • Handling Workplace Harassment – Penal Code 2025 • Personal Data Protection Act (PDPA) • The End-to-End Guide to Conducting Domestic Inquiry • Empower Your Workforce – HRD Corp Grant Session • Anti-Bribery and Corruption Training and Refresher • Personal Data Protection Act • Kursus Penamatan Perkhidmatan & Hak Pekerja • Data Protection Officer (DPO) • Briefing on Company Policy, 5S & Management • All You Need to Know: SOCSO, EIS and EPF
Engineering, Technical, & Industrial Operations	• Kursus Modul Talian Atas Voltan Rendah • Method of Tensile Test • PLC Siemens S7 Basic • Kursus Penjaga Jentera Elektrik AO (1/2025) • Pneumatics and Hydraulics • Module A – Steel Making & Quality (RMK-12) • Module B – Rolling Mill & Quality (RMK-12) • Low Voltage Generator and Synchronising • Low Voltage Overhead Line • Transport Expo Asia & Road Safety Congress 2025
ESG, Sustainability, & ISO Standards	• Mission Historic Melaka: ESG & Unity • Greener Future Through Corporate Sustainability • Solar PV System Installation & Maintenance • Internal Audit for ISO 9001:2015 QMS • Enhancing GHG Emission Management • ESG Sustainability: From Commitment to Action • Registered Energy Manager (REMTC-T1) • Registered Energy Manager Type-1 (REMTC-TA) • Registered Energy Manager Type-2 (REMTC-T2) • OSH National Convention and Exhibition 2025 • EASI, SIR, Risk Assessment: ISO 9001/14001 • Seminar Pengurusan Alam Sekitar & Digital

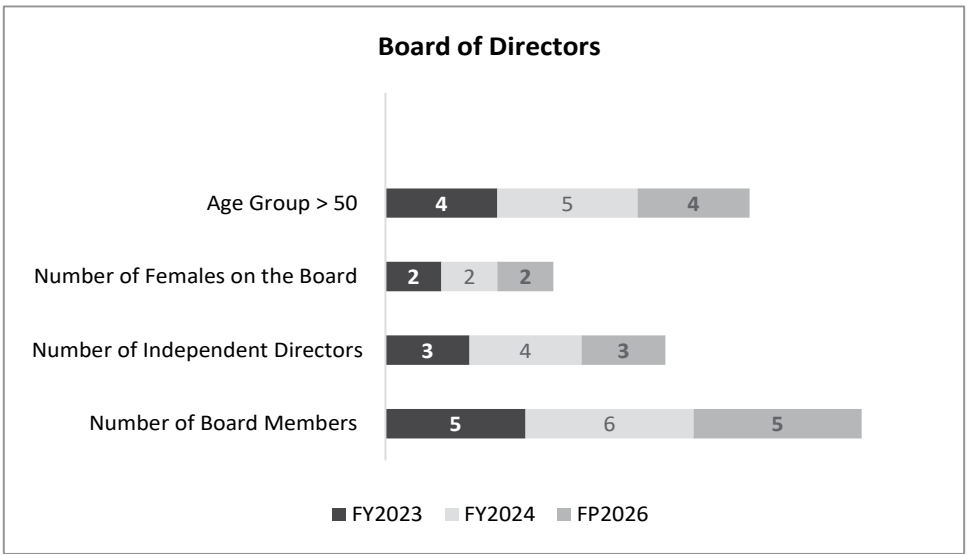
The training and development programmes conducted both physically and/or online are as follows: (continued)

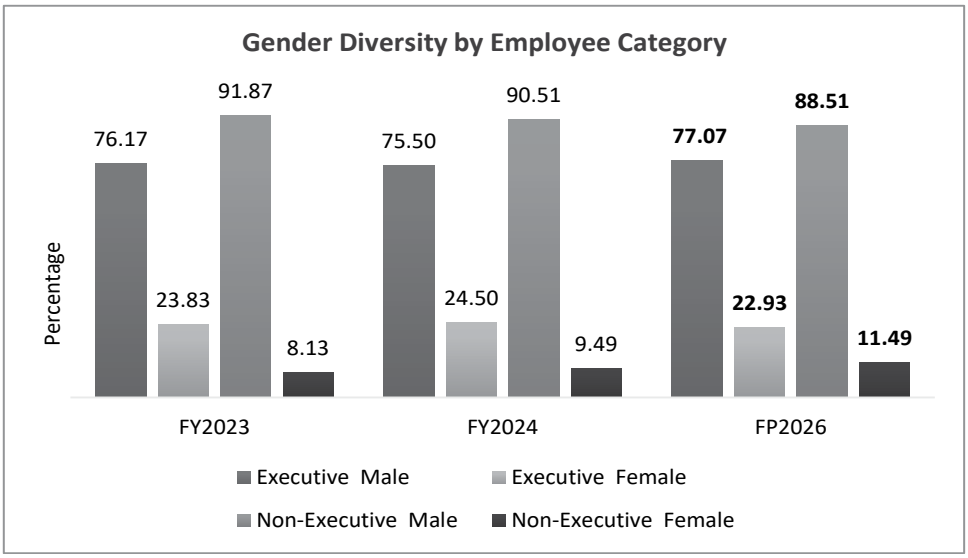
Category	Courses
Information Technology & Digital Skills	• AI and Digital Wellbeing • Programming in C# • Programming in HTML5, JavaScript & CSS3 • Developing ASP.NET Core Web Applications • Generative AI Management • Lion Group Cybersecurity Day • Python and Excel Automation Training
Microsoft Excel Mastery	• Microsoft Excel Power Query • Excel Training – Foundation to Advanced • Microsoft Training Excel - Advanced • Microsoft Training Excel - Basic & Intermediate • Mastering Excel Lookups, Functions & Pivot Table
Finance, Tax, & Corporate Governance	• MBRS 2.0 for Preparers – Financial Statements • Understanding NSRF & Bursa Listing Requirements • Rahsia Jimat Tax CEW • Malaysia Transfer Pricing Guidelines 2024 • Sales & Service Tax in Malaysia • Understanding NSRF & Bursa Listing Requirements • Intelligent Compliance Conference • Procurement 101: Critical Thinking • Kursus Ejen Kastam
Management, Strategy, & Soft Skills	• “Meet The Lion Circle” Orientation Programme • Pengajaran Dari Kes Mahkamah 1/2025 • Six Sigma Yellow Belt • Advanced Negotiation & Conflict Resolution

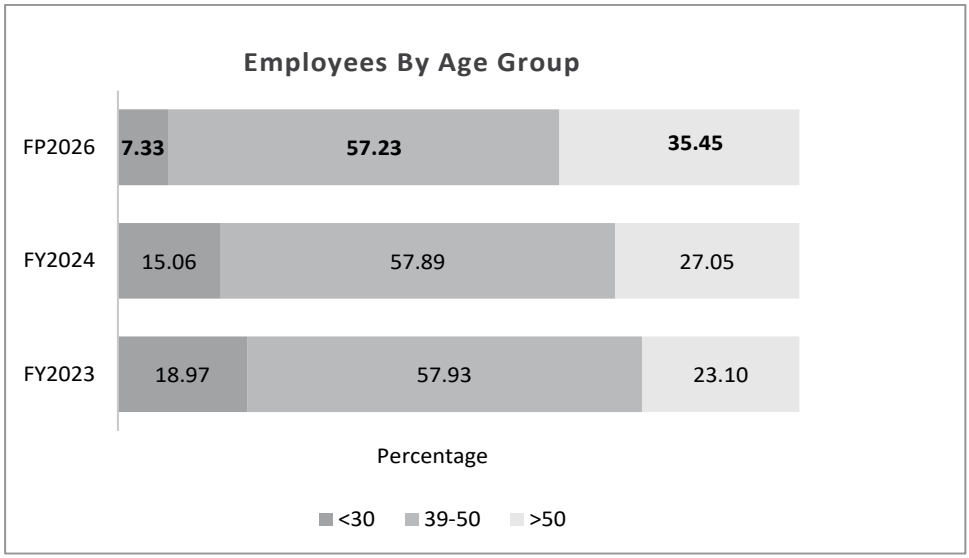
- **Diversity & Equal Opportunities**

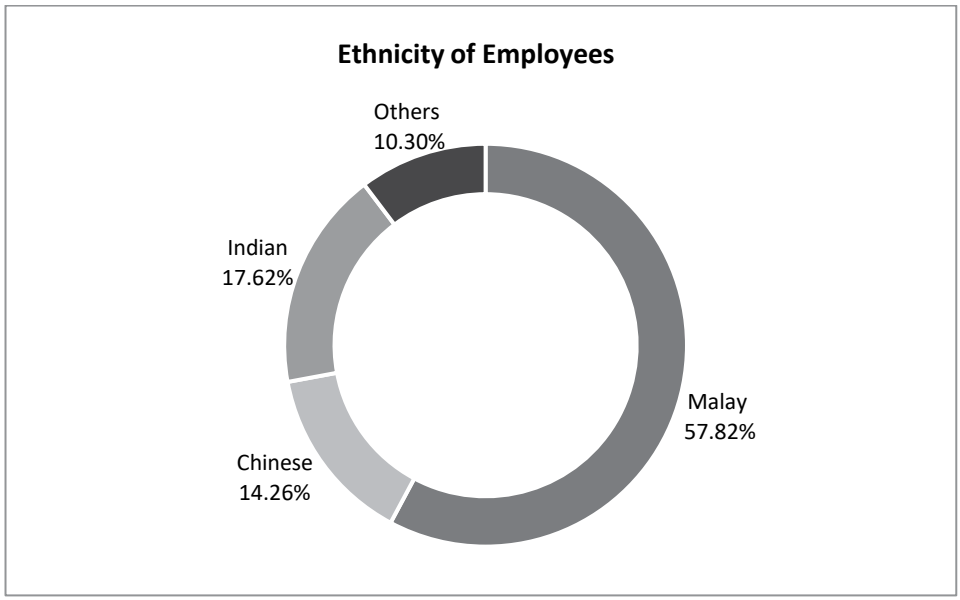
The Company upholds a zero-tolerance policy against discrimination and harassment, fostering a workplace that reflects Malaysia’s multicultural diversity. With a commitment to Diversity, Equity, and Inclusion (DEI), the Company ensures pay equity through competitive, unbiased remuneration and active measures to minimise pay disparities.

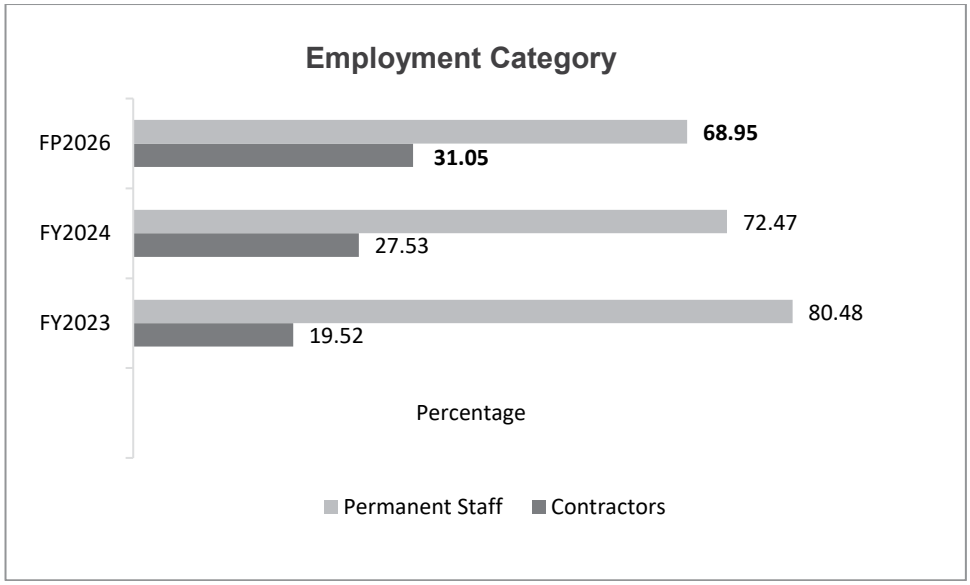
Diversity in leadership is demonstrated with females representing 40.00% of the Board, whilst 80.00% are aged over 50. Across the steel workforce, females account for 10.99%, while males represent 89.01%, reflecting the demanding nature of steel manufacturing roles.


Board of Directors
Age Group > 50
4
5
4
Number of Females on the Board
2
2
2
Number of Independent Directors
3
4
3
Number of Board Members
5
6
5
FY2023
FY2024
FP2026


Gender Diversity by Employee Category
Percentage
76.17
23.83
91.87
8.13
75.50
24.50
90.51
9.49
77.07
22.93
88.51
11.49
FY2023
FY2024
FP2026
Executive Male
Executive Female
Non-Executive Male
Non-Executive Female


Employees By Age Group
FP2026
7.33
57.23
35.45
FY2024
15.06
57.89
27.05
FY2023
18.97
57.93
23.10
Percentage
<30
39-50
>50





Age Group by Employee Category (%)									
Category	**FY2023**			**FY2024**			**FP2026**		
	<30	30 - 50	>50	<30	30 - 50	>50	**<30**	**30 - 50**	**>50**
Executive	11.86	55.73	32.41	8.43	51.41	40.16	**2.55**	**46.50**	**50.96**
Non-executive	23.72	56.73	19.55	17.33	60.11	22.56	**9.48**	**62.07**	**28.45**

- **Community Relations / Corporate Social Responsibility ("CSR")**

As part of its commitment to giving back to the community, the Company supports community development initiatives through Lion-Parkson Foundation ("the Foundation"), which was established in 1990 by Lion Group of Companies, of which the Company is a member. The Company also contributes to the local communities in which it operates through participation in charitable programmes and fundraising activities to support those in need.

Empowerment through Education

The Company believes that Empowerment through Education is the key to sustainable development, as education serves as a catalyst for positive, long term change. Each year, the Foundation awards scholarships to undergraduates at local universities, providing them not only financial support but also training in essential soft skills such as problem-solving, communication and teamwork. Scholars are also offered internships at Lion Group companies, allowing them to gain invaluable work experience and prepare for their future careers.

During the Financial Period, the Foundation disbursed a total of RM525,000.00 in scholarships to 38 undergraduates pursuing bachelor's degrees at local institutions of higher learning.

Medical Assistance for the Less Fortunate

The Foundation is also committed to providing financial assistance to individuals in need, regardless of race or religion, particularly those suffering from critical illnesses who require treatment, surgery, medical equipment or medications.

During the Financial Period, the Foundation disbursed approximately RM150,446.60 to assist 14 individuals with medical expenses. The Foundation also extended its support to the following causes:

No	Organisation	Amount (RM)	Purpose	No of beneficiaries
1	Cataract Surgery Centre, Hospital Selayang	10,100	Donation to B40 individuals needing cataract surgery	44
2	Cataract Surgery Centre, Hospital Selayang	19,951	Purchase of 1 set of surgical instruments for cataract surgeries	Patients undergoing cataract surgery at the Centre (on-going)
3	Home for Handicapped & Mentally Disabled Children in Banting, Selangor	163,135	General welfare for the Home residents	94

Community Relations

The Company continued to support the communities in which it operates through contributions to local initiatives. These included supporting the Klang Utara District Police Cadet Corps' activities for 2026, which involved students from 13 schools in the district, as well as community engagement activities organised by the Taman Kelang Residents' Association.

LICB remains committed to advancing sustainable business practices through responsible governance, environmental stewardship, and continued investment in its people and the communities it serves.

SUSTAINABILITY PERFORMANCE DATA

LION INDUSTRIES CORPORATION
BMLR Transition Period

Date & Time: 2026-10-16 11:34:27
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Anti-Corruption	Employees who have received training on anti-corruption (Executive)	Percentage	N/A	48.41	—	Internal	18-Month Reporting Period
Anti-Corruption	Employees who have received training on anti-corruption (Non-executive)	Percentage	N/A	37.93	—	Internal	18-Month Reporting Period
Anti-Corruption	Operations assessed for corruption-related risks	Percentage	N/A	66.67	—	Internal	18-Month Reporting Period
Community/Society	Total amount invested in the community where the target beneficiaries are external	MYR	N/A	872,275.60	—	Internal	18-Month Reporting Period
Community/Society	Total number of beneficiaries of the investment in communities	Number	N/A	197	—	Internal	18-Month Reporting Period
Diversity	Age Group by Employee Category (Executive Under 30)	Percentage	N/A	2.55	—	Internal	18-Month Reporting Period
Diversity	Age Group by Employee Category (Executive Between 30-50)	Percentage	N/A	46.50	—	Internal	18-Month Reporting Period
Diversity	Age Group by Employee Category (Executive Above 50)	Percentage	N/A	50.96	—	Internal	18-Month Reporting Period
Diversity	Age Group by Employee Category (Non-executive Under 30)	Percentage	N/A	9.48	—	Internal	18-Month Reporting Period

LION INDUSTRIES CORPORATION

BMLR Transition Period

Date & Time: 2026-10-16 11:34:27

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Diversity	Age Group by Employee Category (Non-executive Between 30-50)	Percentage	N/A	62.07	—	Internal	18-Month Reporting Period
Diversity	Age Group by Employee Category (Non-executive Above 50)	Percentage	N/A	28.45	—	Internal	18-Month Reporting Period
Diversity	Gender Group by Employee Category (Executive Male)	Percentage	N/A	77.07	—	Internal	18-Month Reporting Period
Diversity	Gender Group by Employee Category- (Executive Female)	Percentage	N/A	22.93	—	Internal	18-Month Reporting Period
Diversity	Gender Group by Employee Category (Non-executive Male)	Percentage	N/A	88.51	—	Internal	18-Month Reporting Period
Diversity	Gender Group by Employee Category (Non-executive Female)	Percentage	N/A	11.49	—	Internal	18-Month Reporting Period
Diversity	Directors by gender and age group (Male)	Percentage	N/A	60.00	—	Internal	18-Month Reporting Period
Diversity	Directors by gender and age group (Female)	Percentage	N/A	40.00	—	Internal	18-Month Reporting Period
Diversity	Directors by gender and age group (Under 30)	Percentage	N/A	0.00	—	Internal	18-Month Reporting Period
Diversity	Directors by gender and age group (Between 30-50)	Percentage	N/A	20.00	—	Internal	18-Month Reporting Period
Diversity	Directors by gender and age group (Above 50)	Percentage	N/A	80.00	—	Internal	18-Month Reporting Period
Energy Management	Total energy consumption	Megawatt	N/A	181,338.69	—	Internal	18-Month Reporting Period

LION INDUSTRIES CORPORATION

BMLR Transition Period

Date & Time: 2026-10-16 11:34:27

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Health and Safety	Number of work-related fatalities	Number	N/A	0	—	Internal	18-Month Reporting Period
Health and Safety	Lost time incident rate ("LTIR")	Rate	N/A	1.56	—	Internal	18-Month Reporting Period
Health and Safety	Number of employees trained on health and safety standards	Number	N/A	106	—	Internal	18-Month Reporting Period
Labour Practices and Standards	Training by employee category (Executive)	Hours	N/A	4716.50	—	Internal	18-Month Reporting Period
Labour Practices and Standards	Training by employee category (Non-executive)	Hours	N/A	2455.00	—	Internal	18-Month Reporting Period
Labour Practices and Standards	Employees that are contractors or temporary staff	Percentage	N/A	31.05	—	Internal	18-Month Reporting Period
Labour Practices and Standards	Employee turnover by employee category (Executive)	Number	N/A	89	—	Internal	18-Month Reporting Period
Labour Practices and Standards	Employee turnover by employee category (Non-executive)	Number	N/A	386	—	Internal	18-Month Reporting Period
Labour Practices and Standards	Number of substantiated complaints concerning human rights violations	Number	N/A	0	—	Internal	18-Month Reporting Period
Supply Chain Management	Proportion of spending on local suppliers	Percentage	N/A	96.36	—	Internal	18-Month Reporting Period
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	N/A	0	—	Internal	18-Month Reporting Period

LION INDUSTRIES CORPORATION

BMLR Transition Period

Date & Time: 2026-10-16 11:34:27

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Water	Total volume of water used	Megaliters	N/A	677.72	—	Internal	18-Month Reporting Period

STATEMENT OF ASSURANCE

To enhance the credibility of this Sustainability Statement, selected aspects of the Statement were internally reviewed by the Company's Internal Auditors. The Statement was subsequently reviewed by the Company's Audit Committee, and approved by the Board of Directors.

The Materiality Matters covered are provided below:

Material Matters	Subject Matter
Anti-corruption	• 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	• Total amount invested in the community where the target beneficiaries are external to the Company
Diversity	• Percentage of employees by gender and age group, for each employee category • Percentage of directors by gender and age group
Energy Management	• Total energy consumption
Health and Safety	• Number of work-related fatalities • Lost time incident rate • Number of employees trained on health and safety standards
Labour Practices and Standards	• 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	• Proportion of spending on local suppliers
Data Privacy and Security	• Number of substantiated complaints concerning breaches of customer privacy and loss of customer data
Water	• Total volume of water used