SUSTAINABILITY STATEMENT

Lion Posim Berhad ("LPB" 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").

The Company is primarily engaged in investment holding, and through its subsidiaries, Posim Marketing Sdn Bhd ("PMSB"), Posim Petroleum Marketing Sdn Bhd ("PPMSB") and Lion Petroleum Products Sdn Bhd ("LPPSB"), is involved in the trading and distribution of building materials and steel products, as well as petroleum-based products and automotive components.

BASIS OF SCOPE

This Sustainability Statement covers the Company's operations in the trading and distribution of building materials and steel products by PMSB, and petroleum-based products and automotive components by PPMSB and LPPSB.

REPORTING FRAMEWORK AND STANDARDS

The Company has taken steps to incorporate standard disclosures 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. The standard disclosures are also aligned with the United Nations Sustainable Development Goals ("UNSDGs").

The Company is working to adopt the recommendations of the IFRS Sustainability Disclosure Standards and the National Sustainability Reporting Framework ("NSRF") and will continue to enhance its disclosures in alignment with evolving reporting requirements and best practices.

AVAILABILITY AND FEEDBACK

The Sustainability Statement is available on the Company's website at www.lion.com/lionpsim and Lion Group's website at www.lion.com.my as part of the Company's Annual Report. Shareholders are welcome to provide feedback on this Sustainability Statement and the topics discussed.

APPROACH TO SUSTAINABILITY

The Company is a member of the Lion Group and hence, 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. The strategic direction is guided by the Board of Directors, with the Head of Company/Business taking on the executive responsibility for overseeing the effective and efficient implementation of sustainability initiatives. The approach is further supported through collaboration among various Departments and Business Units across the Company.

SUSTAINABILITY STRUCTURE



The Board of Directors provides oversight of the Company's strategic direction on sustainability matters.

The MSC is chaired by the Head of Company/Business and supports the Board in providing strategic direction on sustainability matters. The MSC is responsible for steering and coordinating the Company's sustainability efforts and overseeing the effective and efficient implementation of its 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 Company's sustainability strategies and plans.

GOVERNANCE

The Company complies with all relevant corporate governance laws and regulations and adheres to best practices. By upholding high standards of corporate governance, the Company seeks to support its long-term success, competitiveness and sustainability.

Further details can be found in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control on pages 12 to 30 of this Annual Report.

STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement is important to understanding and responding to stakeholders' expectations. Their valuable feedback, assessments, and insights are essential to shaping the Company's sustainability strategies and initiatives. Through regular formal and informal engagements, these interactions help identify key issues, uncover opportunities and manage risks, enabling the Company to respond more effectively to stakeholder needs.

Key Stakeholders	Area of Interest	Engagement Platforms	LPB's Response
Employees	• Health, safety and well-being • Learning and development • Respect and recognition • Job satisfaction • Pay and benefits	**Ongoing** • Meetings • Training programmes • Internal newsletter • New employee induction programme • Sports & Recreation Club – "Kelab Sukan Rekreasi dan Kebajikan Posim" • 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

STAKEHOLDERS ENGAGEMENT (continued)

Key Stakeholders	Area of Interest	Engagement Platforms	LPB's Response
Customers	• Convenience and experience • Service and product quality • Timely product delivery	**Ongoing** • Face-to-face interaction through sales and service channels • Communication through the Marketing Department, Customer Service Department and Corporate Communications Department • Feedback through the website, email and social media platforms • Sales, promotions, roadshows and related events	• Offer a comprehensive range of products that meet customers' requirements • Visits to customers' sites to better understand their needs and challenges • Organise annual appreciation and New Year celebrations to foster healthy cooperation
Suppliers/Vendors	• Long-term partnership • Financial resilience • Sustainable business growth • Experienced management team	**Ongoing** • Liaison with suppliers before sourcing and engagement with contract managers • Meetings, business alliance events • Vendor service/support channel	• Compliance with relevant policies and procedures • Transparent business relationships • Reliable and trustworthy products and services • Feedback from users and application performance
Shareholders and Investors	• Good governance • Sustainable business growth • Disclosure and transparency	**As Needed** • 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
Regulatory Agencies and Statutory Bodies	• Regulatory compliance • Safety and security	**Ongoing** • Consultative and statutory reporting **As Needed** • Participation in meetings, visits and events	• Full compliance with regulatory requirements • Adoption of practices outlined in the Malaysian Code on Corporate Governance • Support government initiatives

STAKEHOLDERS ENGAGEMENT (continued)

Key Stakeholders	Area of Interest	Engagement Platforms	LPB's Response
Local Communities	• Responsible corporate citizen • Support for social causes • Creation of job opportunities	**Ongoing** • Activities and sponsorships organised by the Company and Lion-Parkson Foundation **As Needed** • Advertisement for job vacancies	• Support community initiatives/programmes through contributions and other forms of assistance
Media	• Respond to media enquiries and requests for interviews • Regular engagement	**As Needed** • Media releases and interviews • Advertisements	• 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

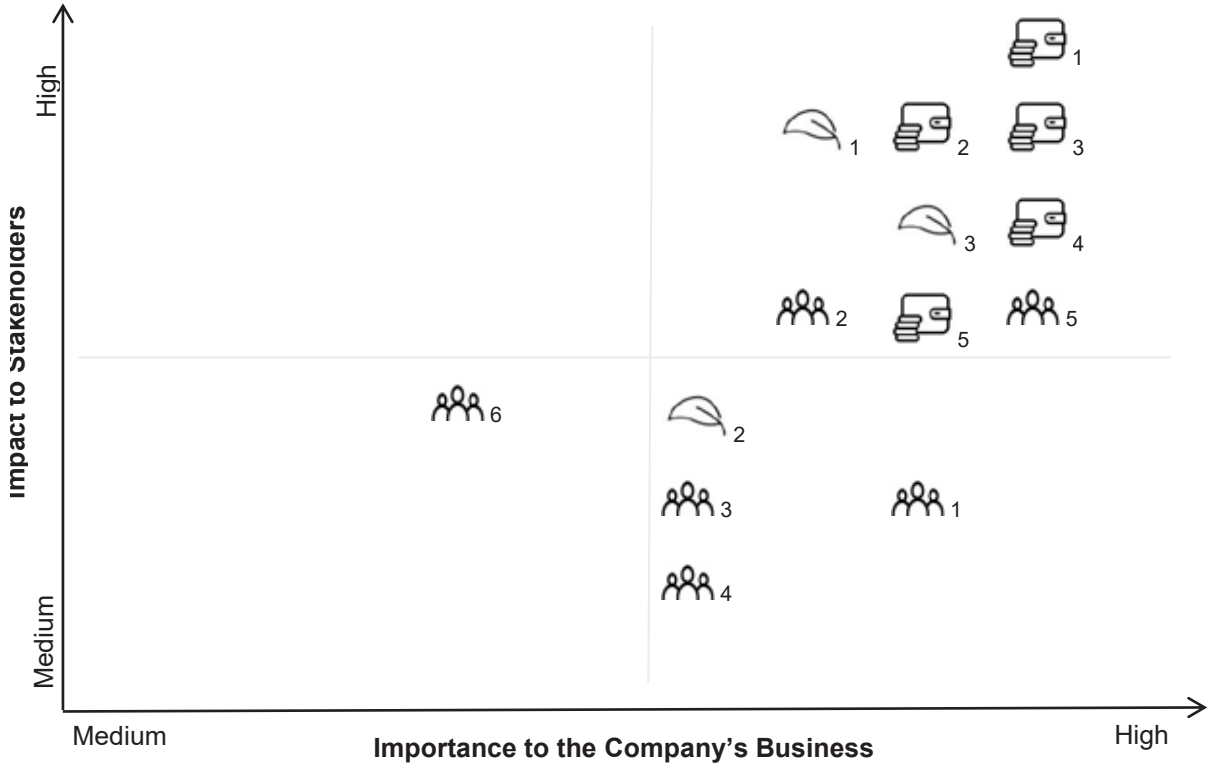
MATERIAL MATTERS

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

The Company conducts its materiality assessment every three years and undertakes an annual review of the identified material matters. This process enables the Company to remain responsive to 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. Products Quality & Safety 3. Cyber Security/Data Protection 4. Anti-Corruption 5. Supply Chain Management	1. Energy Efficiency 2. Water & Waste Management 3. Chemical 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")

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

UNSDGs	Description	LPB's Approach
	Goal 1: No Poverty End poverty in all its forms everywhere	• Provide financial aid for medical treatment to the most vulnerable segments of society • Collaborate with other bodies and Non-Governmental Organisations to extend reach and ensure assistance 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 stringent safety standards and systems, as well as providing 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 employees' physical and mental well-being • Conduct regular reviews of workplace practices and environment aspects by the Company's Health & Safety Committee

CONTRIBUTION TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UNSDGS") (continued)

UNSDGs	Description	LPB's Approach
	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 and upskilling programmes
	Goal 5: Gender Equality Ensure full participation in leadership and decision-making	• Recognise women's contributions to the industry and remain committed to promoting the advancement of women • Ensure women are effectively represented with equal opportunities for leadership at all levels of decision-making across its 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 and training opportunities for career growth and development for all employees • Promote a safe and secure working environment for all workers, including contractors and foreign labour • Maintain a firm stand against any form of forced labour, modern slavery and child labour • Conduct regular discussions on employee performance and individual development plans
	Goal 12: Responsible Production and Consumption Substantially reduce waste generation	• Encourage 3R (reduce, reuse, recycle) activities to reduce waste generation • Adhere to ISO standards of operation to ensure efficient use of resources
	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 a fair and equitable workplace • Ensure a strong ethics and compliance culture • Maintain zero tolerance towards bribery and corruption, as articulated in the Company's Anti-Bribery and Corruption Policy and Whistleblower Policy, which reinforce ethical business conduct, transparency and accountability
	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 • Collaborate with employees of all levels to promote and achieve common goals that benefit everyone

ECONOMIC

Economic sustainability continues to be an important foundation for the Company's long-term business resilience and growth. LPB remains committed to conducting its business responsibly and ethically, with an emphasis on transparent business practices, integrity and operational excellence. These principles support the Company's competitiveness while fostering sustainable relationships with its stakeholders.

- **Economic Performance**

The Company's financial performance is fundamental to sustaining its business operations and supporting long-term growth. LPB contributes to economic development through the employment opportunities generated across its operations and related industries, as well as through its contribution to tax revenues. By maintaining a sustainable business, LPB continues to support the broader economy and the communities in which it operates.

RM'000	FY2023	FY2024	FP2026
Revenue	755,137	753,085	**1,096,940**
Profit/(Loss) after tax	13,552	10,799	**(21,303)**
Net profit/(loss) attributable to owners of the Company	13,553	10,799	**(21,303)**

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 financial period from 1 January 2025 to 30 June 2026.

Further information on Economic Performance can be found in the 5 Years Group Financial Highlights on page 42 and the Financial Statements section of this Annual Report.

- **Products Quality & Safety**

Maintaining consistent product quality and safety is fundamental to building customer confidence and sustaining the Company's reputation, particularly across its building materials and lubricants businesses. LPB remains focused on ensuring that its products meet applicable regulatory, safety, health and quality requirements, while encouraging its suppliers to uphold comparable standards.

LPB's quality management system covers key stages of its operations, from planning and development through to production and after-sales service, to support compliance with applicable standards. LPB's lubricant manufacturing operations are certified to ISO 9001:2015 Quality Management System, reflecting its commitment to maintaining consistent product quality and operational excellence. LPB's lubricant products meet engine oil quality standards required by the American Petroleum Institute, the Japanese Automotive Standards Organisation and the European Automobile Manufacturers Association.

- **Cybersecurity/Data Protection**

Safeguarding the confidentiality and security of information remains an important priority for LPB. The Company manages information relating to its customers, vendors, suppliers and other stakeholders with due regard to privacy and confidentiality, in compliance with the Personal Data Protection Act 2010.

LPB continues to promote awareness of data protection and cybersecurity among its employees through knowledge-sharing initiatives, including learning emails and articles published in its corporate newsletter. These cover key areas such as information security fundamentals, online scams, cyber espionage, malware and ransomware. Such initiatives help employees remain aware of potential cybersecurity threats and the importance of protecting sensitive information and digital assets.

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

During the Financial Period, there were no substantiated complaints concerning breaches of customer privacy or loss of customer data. LPB will continue to strengthen awareness and practices relating to data privacy and information security across its operations.

	FY2023	FY2024	FP2026
Substantiated Complaints Concerning Breaches in Customer Privacy or Data Loss	ZERO	ZERO	**ZERO**

- **Anti-Corruption**

The Company remains committed to fostering a culture of integrity and ethical conduct across its business operations. Through regular awareness initiatives and communications, the Company reinforces the importance of conducting business responsibly and transparently. All employees are required to comply with the Anti-Bribery and Corruption Policy ("ABC Policy"), while Directors and employees are required to complete an annual e-declaration on Conflict of Interest and acknowledge their understanding of the ABC Policy as part of the Company's compliance requirements.

The Company also encourages its stakeholders to report any suspected wrongdoing involving or concerning its Directors, management or employees, including conduct that may adversely affect its performance, relationships with stakeholders, assets or reputation. Whistleblowers are assured of confidentiality, with their identities protected unless disclosure is required by law.

Corruption-related Training

During the Financial Period, 96.32% of executive employees and 96.58% of non-executive employees successfully completed the required corruption-related training. The Company continues to work towards achieving 100% participation in corruption-related training across the organisation.

In addition, employees are required to complete an annual e-declaration on Conflict of Interest and acknowledge their understanding of the ABC Policy as part of the Company's efforts to reinforce awareness and compliance.

Operations Assessed for Corruption-related Risks

During the Financial Period, 100% of the Company's operations underwent corruption-related risk assessments, reflecting the Company's continued focus on identifying and managing corruption-related risks across its business operations.

Corruption Incidents

As at 30 June 2026, there were zero incidents of corruption across LPB's business operations.

Percentage (%)	FY2023	FY2024	FP2026
Corruption Related Training - Executive - Non-Executive	 100 93.29	 100 98.64	 **96.32** **96.58**
Operations Assessed for Corruption-related Risks	100	100	**100**
Corruption Incidents	ZERO	ZERO	**ZERO**

- **Supply Chain Management**

LPB's Procurement Department is committed to promoting responsible procurement practices across its supply chain. All active registered vendors are required to periodically acknowledge their commitment to the Company's Vendor Code of Conduct. Before being included in the Company's list of approved suppliers, vendors undergo a thorough assessment of their qualifications and credentials. Sustainability considerations, including fair labour practices and safety requirements, are also taken into account as part of the supplier selection process.

The Company continues to promote transparency and accountability throughout its procurement activities through audits and ongoing improvements to its procurement processes and policies, including the reassessment of procurement contracts.

LPB also places emphasis on sourcing products and services locally. During the Financial Period, 95.93% of the Company's procurement expenditure was spent on local suppliers, reflecting LPB's continued emphasis on supporting local businesses and the communities in which it operates. Local sourcing also provides benefits such as timely delivery, cost efficiency, and reduced transportation-related carbon emissions.

The Company continues to assess and optimise its sourcing strategies while maintaining relationships with local suppliers. Through responsible purchasing practices and local sourcing, LPB contributes to local economic activity while supporting environmental considerations across its supply chain.

	FY2023	FY2024	FP2026
Spending on Local Suppliers (%)	95.40	96.34	**95.93**

- **Customer Satisfaction**

Customer satisfaction and loyalty remain important to the Company's business sustainability and long-term relationships with its customers. LPB continues to place emphasis on delivering quality products and services that meet customers' needs, while strengthening customer engagement across its business operations.

To support effective customer service, the Company provides employees with relevant product knowledge and service-related training to enhance their understanding of products and improve their ability to respond to customer needs. The Company also maintains regular engagement with customers through sales and service channels, customer visits, appreciation events and other business-related activities. Feedback and communication channels, including customer satisfaction surveys, are also maintained to gather customer insights and support continuous improvement in products and services.

ENVIRONMENTAL

The Company remains committed to responsible environmental stewardship and sustainable development, with efforts focused on reducing the environmental impacts arising from its operations. LPB promotes the principles of Reduce, Reuse and Recycle ("3R") in the workplace and adopts measures to conserve resources and prevent pollution. The Company also seeks to improve resource efficiency, promote energy conservation and adopt environmentally responsible technologies and practices where appropriate.

Through these efforts, LPB aims to minimise its environmental footprint while supporting the long-term sustainability of its operations and considering the needs and expectations of its stakeholders.

Climate Action and Environmental Goals

In support of the Malaysian Government's commitment to addressing climate change and achieving Net Zero greenhouse gas ("GHG") emissions by 2050, the Company has identified interim targets to guide its efforts in reducing its environmental impact. The Company will review and revise these targets in accordance with relevant standards and developments in sustainability reporting and climate-related requirements.

	Area	Target	Plan
1	GHG Emissions	Achieve an annual reduction in GHG emissions intensity and total emissions	• Partner with suppliers/vendors to reduce emissions in transportation • Improve fleet efficiencies, and optimise routes
2	Energy Consumption	Reduce energy consumption annually to improve operational efficiency	• Implement smart energy management systems to monitor and optimise energy use • Promote energy-saving initiatives among employees
3	Waste Reduction	Reduce the amount of waste sent to landfills annually	• Implement circular economy initiatives to reduce packaging waste and promote the reuse of product packaging • Reduce unnecessary packaging, improve packaging materials, and increase packaging reuse and recycling. • Where appropriate, switch to biodegradable or reusable packaging materials • Partner with local municipalities or recycling organisations to enhance waste diversion efforts • Promote a 3R culture among employees to minimise waste
4	Water Conservation	Reduce water consumption annually to support water conservation	• Optimise and evaluate water-use systems • Promote water-saving practices among employees

- **Energy Efficiency**

Electricity plays an important role in supporting the Company's business operations and maintaining operational efficiency. LPB continues to promote energy conservation and encourage employees to adopt energy-saving practices as part of its efforts to manage energy use and reduce its environmental impact.

During the Financial Period, the Company recorded a total energy consumption of 838.93 megawatts (MW). This consumption is equivalent to approximately 559.29 MW on an annualised basis, which is lower than the energy consumption recorded in FY2023 and FY2024, reflecting the Company's continued efforts to promoting energy efficiency and responsible energy use.

	FY2023	FY2024	FP2026
Total Energy Consumption (MW)	614.18	610.40	**838.93**

- **Water and Waste Management**

Although the Company's operations do not consume significant amounts of water, LPB recognises the importance of responsible water stewardship and continues to monitor and manage its water usage.

The Company recorded total water consumption of 8.07 megalitres (ML) during the Financial Period. On an annualised basis, this is equivalent to approximately 5.38 ML, reflecting water usage associated with the Company's operational activities during the period.

Water Management	**FY2023**	**FY2024**	**FP2026**
Total Water Consumed (ML)	3.93	4.44	**8.07**

The Company also places emphasis on responsible waste management to ensure that waste materials are properly handled, stored and disposed of. Recycling initiatives are encouraged to promote the reuse of materials and reduce the amount of waste sent to landfills. As digitalisation and electronic processes continue to reduce reliance on paper, the Company remains committed to adopting more environmentally responsible practices across its operations.

- **Chemical Management**

The Company remains committed to managing chemicals responsibly and preventing incidents such as chemical spills and leakages at its premises. Appropriate measures are implemented to ensure compliance with applicable legal requirements relating to chemical classification, labelling, handling and storage, complemented by good management practices to minimise potential environmental impacts.

Certified scheduled waste competent personnel are appointed to oversee chemical waste management activities and provide relevant knowledge and training to production staff. During the Financial Period, there were no major chemical spillage incidents within the workplace.

	FY2023	**FY2024**	**FP2026**
Incidence of Major Chemical Spillage	ZERO	ZERO	**ZERO**

- **Promoting Green and Environmentally Friendly Products**

The Company continues to explore environmentally responsible alternatives to support more sustainable day-to-day operations. These efforts include the use of more efficient and energy-saving products and processes, as well as the adoption of 5S management practices.

Through its building materials division, the Company promotes and distributes a range of Green Building Index ("GBI") products, including cement, ceiling boards and aerated blocks.

- **Green Workplace Initiatives**

The Company encourages employees to contribute to a greener and more sustainable workplace. During the Financial Period, employees took an active role in transforming available spaces around the office into green areas, participating in the planning, design, planting and ongoing upkeep of the gardens. The initiative not only enhanced the workplace environment but also encouraged teamwork, employee well-being and greater appreciation of the natural environment.

SOCIAL

The Company recognises that its business activities have an impact on its employees, customers and the communities in which it operates. LPB remains committed to fostering a positive and inclusive workplace, supporting employee well-being and contributing to the communities where it has a presence. Through these efforts, the Company seeks to create meaningful social value while maintaining responsible business practices.

- **Employee Well-being**

LPB is committed to fostering a supportive and inclusive workplace where employees are valued, respected and encouraged to communicate openly. The Company promotes employee engagement and well-being through initiatives that support both professional and social interaction, while encouraging a healthy balance between work and personal commitments.

During the Financial Period, the Company organised various employee engagement initiatives, including festive celebrations, staff gatherings, and sports and recreational activities. These initiatives provided opportunities for employees to connect, strengthen relationships and foster a positive workplace culture.

Employees are also encouraged to participate in the Kelab Sukan & Kebajikan Posim, which promotes sports, recreational and social activities among employees.

To support work-life balance, the Company provides employees with Flexible Work Arrangements, subject to the nature and requirements of their respective roles. Depending on their job requirements, employees may have access to hybrid work arrangements or flexible working hours, enabling them to better manage their professional and personal commitments while maintaining productivity and operational efficiency.

- **Labour Practices and Standards**

The Company is committed to maintaining a respectful, safe and inclusive workplace and upholding fair and ethical labour practices across its operations. The Company adopts a zero-tolerance approach towards inappropriate behaviour, including sexual harassment. Awareness of these expectations is reinforced through the Anti-Sexual Harassment Policy and related educational materials, while the Whistleblower Policy provides a confidential channel for employees and other stakeholders to report suspected misconduct.

The Company also prohibits all forms of involuntary, forced and child labour and expects its suppliers and business associates to uphold the same standards in their respective operations.

During the Financial Period, there were no substantiated concerning human rights violations across the Company's operations.

	FY2023	FY2024	FP2026
Substantiated Complaints Concerning Human Rights Violations	ZERO	ZERO	**ZERO**

- **Health & Safety**

The health and safety of its employees remains a key priority for the Company. LPB adopts a systematic approach to managing workplace health and safety, supported by relevant policies, procedures, training and monitoring to promote a safe working environment. Workplace incidents are taken seriously, with appropriate investigations and corrective measures undertaken to minimise the risk of recurrence.

The Company complies with applicable occupational safety and health requirements and has established Safety and Health Standard Operating Procedures to guide safe work practices across its operations. Employees, contractors and consultants working on the Company's premises are expected to observe the relevant safety requirements and procedures.

The Company has established Emergency Response Teams ("ERT") at its relevant operating premises to respond to emergencies, incidents, natural disasters and other disruptions. ERT members are provided with relevant training to enhance their preparedness and response capabilities, including emergency response procedures and fire drill exercises. Safety awareness activities are also conducted to reinforce safe workplace practices and ensure that employees are better prepared to respond appropriately to potential emergencies.

Health and Safety Training

The Company continues to strengthen employees' awareness and capabilities in occupational health and safety through relevant training programmes.

	FY2023	FY2024	FP2026
Employees Trained on Health and Safety Standards	82	88	**72**

Key health and safety training programmes conducted during the Financial Period included:

- Occupational Safety and Health Refresher Training
- Forklift & Reach Truck Safety Awareness Training
- OSH Coordinator Course
- Safety Induction Training

Work-Related Injuries

The Company is committed to maintaining a safe and healthy workplace and takes work-related incidents seriously. Any incidents are appropriately investigated, with corrective and preventive measures implemented to minimise the risk of recurrence. During the Financial Period, there were no fatalities or lost time injuries reported across the Company's operations.

	FY2023	FY2024	FP2026
Number of Fatalities	ZERO	ZERO	**ZERO**
Number of Lost Time Injuries			
Lost Time Incident Rate			

- **Capacity Building**

The Company recognises that continuous learning and development are important in strengthening employees' capabilities and supporting the evolving needs of its businesses. Employees are provided with learning and development opportunities across various areas, including personal development, technical and functional skills, governance and compliance, and sustainability and future-ready capabilities.

- **Capacity Building** (continued)

Learning and development are delivered through a combination of formal training programmes, online learning, workshops, seminars, conferences and other professional development opportunities. The Company also encourages employees to enhance their knowledge and skills through relevant upskilling programmes and professional development initiatives.

During the Financial Period, the Company continued to provide a broad range of learning and development opportunities to support employees in strengthening their competencies, support changing business requirements and enhance operational effectiveness.

Total Hours of Training by Employee Category

Category/Hours	FY2023	FY2024	FP2026
Executive	1,945	1,927	**3,691**
Non-executive	999	1,107	**1,603**

The training and development programmes conducted during the Financial Period included the following:

Training Area	Training Programmes
Personal Development & Leadership	• Employee Engagement Workshop – "Building Good Working Relationships" • Setting Goals and Competencies
Technical, Functional & Skills Development	• Leverage AI for Sales Growth and Operational Efficiency • Advanced AI Implementation in Building Material Supply • Driving Productivity with AI Tools • Reading, Understanding and Analysing Financial Statements for Better Decision Making • Beginner Guide to AIGC Mastery • Microsoft Training – Excel Intermediate Advanced • Microsoft Training – Advanced • iRC Tire Products Training • A Plus Battery Products Training • Launch Product Training • 26th LAUNCH Overseas Distributors Annual Meeting and Training • 27th LAUNCH Overseas Distributors Annual Meeting and Training • Stabinger Viscometer SVM 3005 • Inductively Coupled Plasma Optical Emission Spectrometry Course • Fourier Transform Infrared (FTIR) Spectroscopy Course • Understanding the Critical Components of Business Dynamics: Collection, Cash Management and Risk Awareness

- **Capacity Building** (continued)

The training and development programmes conducted during the Financial Period included the following:

Training Area	Training Programmes
Governance, Compliance & Regulatory	• Personal Data Protection Act (PDPA) • Webinar – Akta Perlindungan Data Peribadi (Akta 709) • Certified Data Protection Officer • Understanding NSRF and Latest Bursa Listing Requirements • Stamp Duty Self-Assessment System (SDSAS) Briefing • Intelligent Compliance Conference • CeDR Bite-sized Online Learning – Rahsia Jimat Tax • Tax Talk • Malaysia Transfer Pricing Guidelines 2024 • Tax Talks & Fiscal Shocks: Budget 2026 for Business Leaders • SSM National Conference 2025 • SSM Key Updates as of Feb 2025: BO Access, Revised Guidelines and Phase 2 of Companies (Amendment) Act 2024 • MBRS 2.0 for Preparers: Financial Statements • MAICSA Annual Conference 2025 – Future Governance • ACIIA Conference 2025 – Internal Audit in a Polycrisis Era: Adapting, Assuring and Advancing • Anti-Bribery & Corruption Workshop • SST – Updates for Implementation Requirements • Managing Absenteeism at Workplace • CeDR Bite-sized Online Learning Sessions: Together We Prevent Crime: AWARENESS, ACTION & RESPONSIBILITY
Sustainability, Risk, Environmental & Future-ready Skills	• ESG Workshop 2025: Mastering ISSB Standards for ESG Compliance • Lion Group Cyber-Security Awareness Training V2.0 • Cybersecurity Talk – AI Deepfakes in Group Operation • Course for Certified Environmental Professional in Scheduled Waste Management (CePSWaM) • FMM Seminar on Navigating Environmental Compliance: Aligning with the Environmental Quality Act 1974 and LUAS' Zero Discharge Policy

- **Diversity & Equal Opportunities**

The Company does not condone discrimination based on race, gender, age, religion or nationality, or any form of harassment in the workplace. The Company's workforce reflects the multi-cultural and multi-ethnic diversity of Malaysia, with a wide range of demographic segments and social backgrounds represented across its workforce.

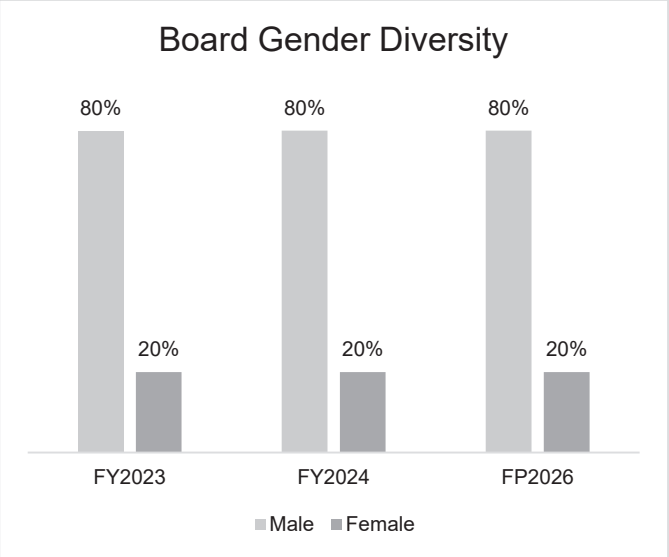
The representation of females on the Board of Directors ("Board") at 20% reflects the Company's commitment to fostering diversity and inclusion at the leadership level, with 80% of Board members falling within the age group of above 50.

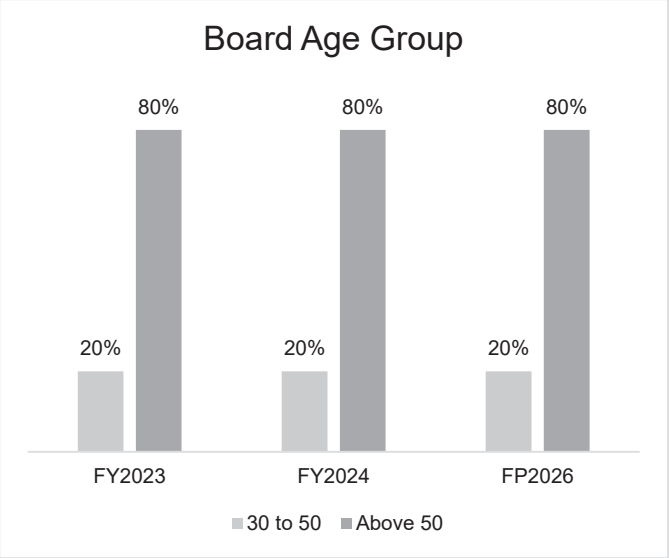
On a Company-wide basis, 35.60% of employees are female, while 64.40% are male. This distribution reflects the operational and logistical nature of the Company's core businesses in building materials and lubricants, which often involve fieldwork and site-based responsibilities. The Company remains committed to fostering an inclusive workplace and ensuring equal opportunities for all employees, regardless of gender.

The Company's workforce comprises employees across different age groups, with 58.58% falling within the 30–50 age group. Of the employees in this age group, 51.38% hold executive positions. Furthermore, 89.64% of the Company's employees hold permanent positions, reflecting its commitment to workforce stability and long-term career development.

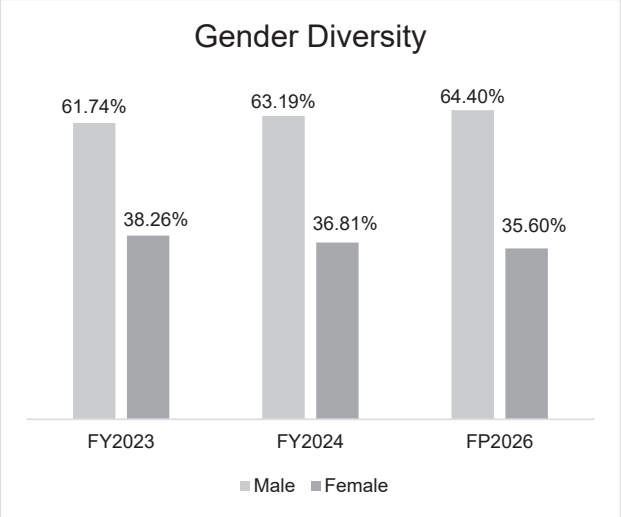
During the Financial Period, the turnover rate for executive staff was 17.79%, while the turnover rate for non-executive staff was 17.12%. These figures provide an overview of workforce movements across different employee categories during the Financial Period.

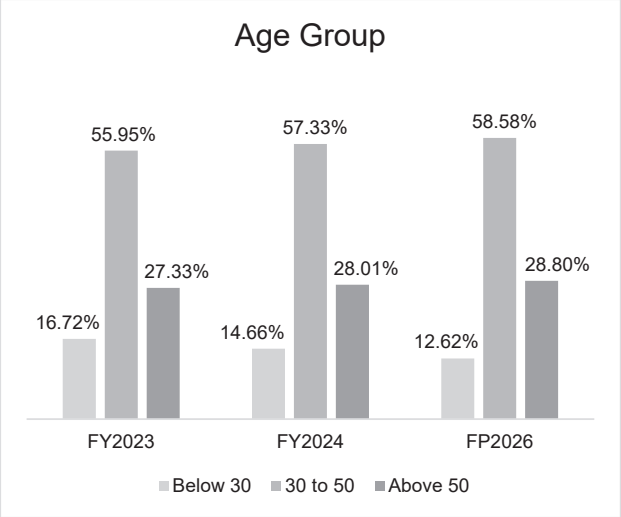
Board of Directors
Total Board Members: 5

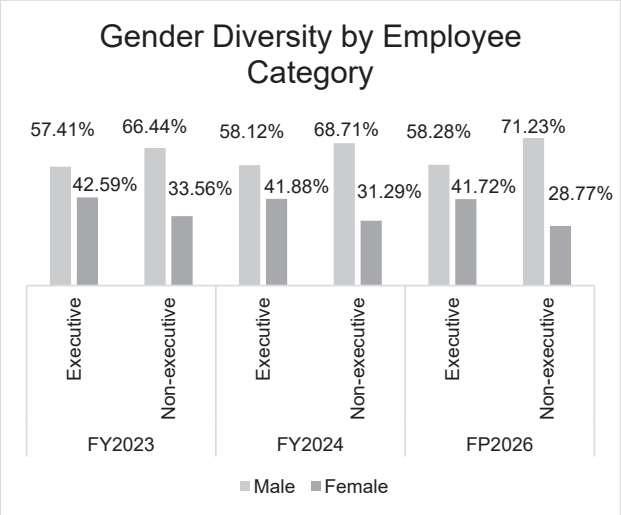


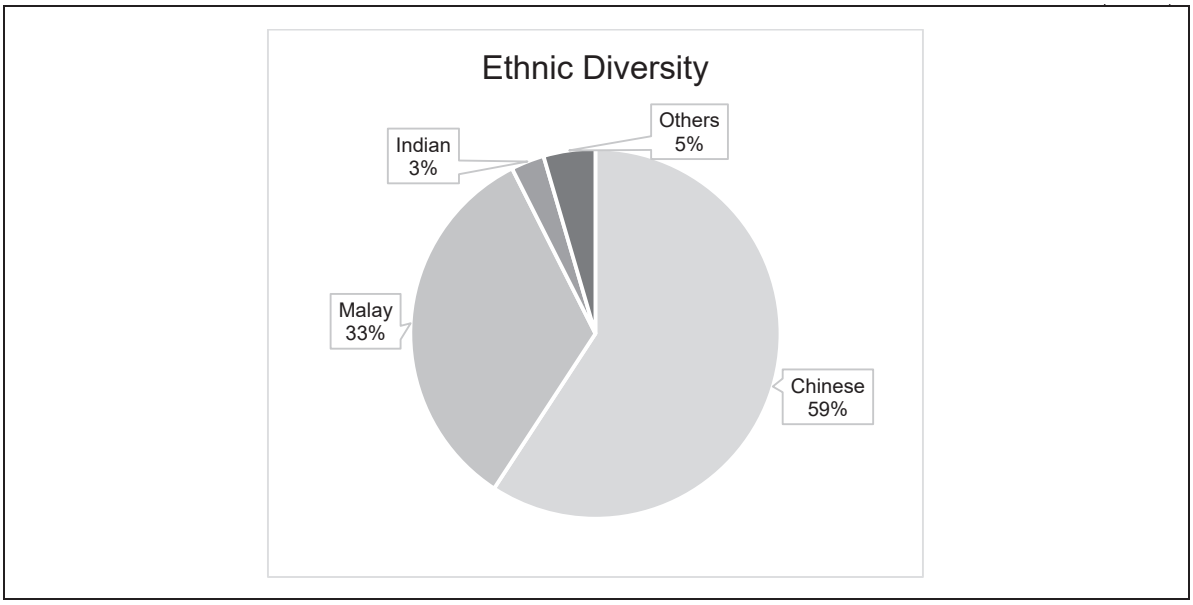


Employees Breakdown









Age Group by Employee Category (%)									
	FY2023			FY2024			FP2026		
	<30	30 – 50	>50	<30	30 – 50	>50	<30	30 – 50	>50
Executive	9.26	54.94	35.80	7.50	54.38	38.12	**5.52**	**57.06**	**37.42**
Non-executive	24.83	57.05	18.12	22.45	60.54	17.01	**20.55**	**60.27**	**19.18**

Turnover by Employee Category (%)			
	FY2023	FY2024	FP2026
Executive	5.56	8.75	**17.79**
Non-executive	17.45	8.84	**17.12**

- **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 recognises education as an important enabler of long-term development and remains committed to supporting access to educational opportunities. Through the Foundation, scholarships are awarded annually to undergraduates pursuing their first degree at local institutions of higher learning. In addition to financial assistance, scholars are provided with opportunities to develop essential soft skills, including problem-solving, communication and teamwork. Internship opportunities within Lion Group companies further enable scholars to gain practical exposure and work experience.

During the Financial Period, the Foundation disbursed scholarships amounting to RM525,000 to 38 undergraduates pursuing their bachelor's degrees at local institutions of higher learning.

Medical Assistance for the Less Fortunate

The Foundation continues to provide medical assistance to individuals in need, regardless of race or religion. The assistance covers medical treatment, surgeries, medical equipment and medications for individuals facing critical illnesses or other medical needs.

During the Financial Period, approximately RM150,446.60 was disbursed to 14 individuals for medical treatment, including support for surgeries, medical equipment and medications. The Foundation also made contributions 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 Home residents	94

Other CSR Initiatives

During the Financial Period, the Company and its subsidiaries continued to support community initiatives that promote active lifestyles, road safety and awareness of automotive care.

Promoting Road Safety and Active Lifestyles

PPMSB continued its collaboration with the Larian Rakan Muda community through the HI-REV Pitstop activations during the Financial Period. The activations provided an engaging platform for the local community to participate in activities promoting healthy and active lifestyles, while raising awareness of automotive care and road safety.

PPMSB also participated in the Rakan Muda Run 2025 series, including the Karnival Rakan Muda & Larian Rakan Muda and Larian Rakan Muda Akhir. These initiatives encouraged community participation and active lifestyles, while strengthening the brand's engagement with the local running and sports community.

In addition, PPMSB, in collaboration with Etiqa Maybank, organised the Slow & Steady Slalom Challenge Motorcycle. The initiative promoted road safety, motorcycle control and insurance awareness through an interactive riding activity, attracting approximately 80 participants across the Beginner and Advanced categories. A complimentary motorcycle inspection was also provided by the HI-REV Triple Zed Racing Team.

SUSTAINABILITY PERFORMANCE DATA

LION POSIM BERHAD

BMLR Transition Period

Date & Time: 2026-10-14_10:38:28

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	96.32	—	Internal	18-Month Reporting Period
Anti-Corruption	Employees who have received training on anti-corruption (Non-executive)	Percentage	N/A	96.58	—	Internal	18-Month Reporting Period
Anti-Corruption	Operations assessed for corruption-related risks	Percentage	N/A	100	—	Internal	18-Month Reporting Period
Community/Society	Total amount invested in the community where the target beneficiaries are external	MYR	N/A	868,632.60	—	Internal	18-Month Reporting Period
Community/Society	Total number of beneficiaries of the investment in communities	Number	N/A	191	—	Internal	18-Month Reporting Period
Diversity	Age Group by Employee Category (Executive Under 30)	Percentage	N/A	5.52	—	Internal	18-Month Reporting Period
Diversity	Age Group by Employee Category (Executive Between 30-50)	Percentage	N/A	57.06	—	Internal	18-Month Reporting Period
Diversity	Age Group by Employee Category (Executive Above 50)	Percentage	N/A	37.42	—	Internal	18-Month Reporting Period
Diversity	Age Group by Employee Category (Non-executive Under 30)	Percentage	N/A	20.55	—	Internal	18-Month Reporting Period

LION POSIM BERHAD

BMLR Transition Period

Date & Time: 2026-10-14_10:38:28

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	60.27	—	Internal	18-Month Reporting Period
Diversity	Age Group by Employee Category (Non-executive Above 50)	Percentage	N/A	19.18	—	Internal	18-Month Reporting Period
Diversity	Gender Group by Employee Category (Executive Male)	Percentage	N/A	58.28	—	Internal	18-Month Reporting Period
Diversity	Gender Group by Employee Category- (Executive Female)	Percentage	N/A	41.72	—	Internal	18-Month Reporting Period
Diversity	Gender Group by Employee Category (Non-executive Male)	Percentage	N/A	71.23	—	Internal	18-Month Reporting Period
Diversity	Gender Group by Employee Category (Non-executive Female)	Percentage	N/A	28.77	—	Internal	18-Month Reporting Period
Diversity	Directors by gender and age group (Male)	Percentage	N/A	80.00	—	Internal	18-Month Reporting Period
Diversity	Directors by gender and age group (Female)	Percentage	N/A	20.00	—	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	838.93	—	Internal	18-Month Reporting Period

LION POSIM BERHAD

BMLR Transition Period

Date & Time: 2026-10-14_10:38:28

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	0	—	Internal	18-Month Reporting Period
Health and Safety	Number of employees trained on health and safety standards	Number	N/A	72	—	Internal	18-Month Reporting Period
Labour Practices and Standards	Training by employee category (Executive)	Hours	N/A	3691.00	—	Internal	18-Month Reporting Period
Labour Practices and Standards	Training by employee category (Non-executive)	Hours	N/A	1603.00	—	Internal	18-Month Reporting Period
Labour Practices and Standards	Employees that are contractors or temporary staff	Percentage	N/A	10.36	—	Internal	18-Month Reporting Period
Labour Practices and Standards	Employee turnover by employee category (Executive)	Number	N/A	29	—	Internal	18-Month Reporting Period
Labour Practices and Standards	Employee turnover by employee category (Non-executive)	Number	N/A	25	—	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	95.93	—	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 POSIM BERHAD

BMLR Transition Period

Date & Time: 2026-10-14_10:38:28

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	8.07	—	Internal	18-Month Reporting Period

STATEMENT OF ASSURANCE

To enhance the credibility of the Sustainability Statement, selected aspects of this Statement were subjected to internal review by the Company's Internal Audit function. The Sustainability Statement was subsequently reviewed by the Audit and Risk Management 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