

SUSTAINABILITY STATEMENT

At IRIS Corporation Berhad (IRIS), sustainability is a core principle that guides our long-term success. We are committed to conducting business in an environmentally responsible, socially conscious, and ethically sound manner. This annual sustainability statement outlines our approach to stakeholder engagement and highlights our performance on key material matters.



The sustainability reporting landscape is constantly evolving, with new standards and methodologies emerging. IRIS remains committed to staying abreast of these changes and adapting our reporting practices accordingly. We adhere to the guidelines set forth by Bursa Malaysia for ACE market listed companies, ensuring our reporting remains comprehensive and transparent. Additionally, we reference the Global Reporting Initiative (GRI) Standards as a framework to identify and report on the Common Sustainability Matters (CSM) specified by Bursa Malaysia.



Demonstrating our continued dedication to ESG principles, IRIS was proudly accepted as a member of the ESG Association of Malaysia in early 2024. This membership signifies our commitment to sustainable and responsible business practices. The association's collaborative approach and focus on knowledge sharing align perfectly with our values, positioning us to work together and accelerate Malaysia's journey towards a more sustainable future.

Our commitment to a comprehensive approach to environmental management is reflected in our achievement of ISO 14001:2015 Environmental Management System (EMS) certification since 2020. The ISO 14001:2015 framework provides a structured approach for identifying, managing, and continually improving our environmental impacts. This certification demonstrates our ongoing efforts to inculcate environmental responsibility and transparency across our organisation.




SUSTAINABILITY STATEMENT *(Continued)*

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is the continuous process of communication and collaboration with individuals and groups who are impacted by or can influence our business. We believe in maintaining open and transparent communication with our stakeholders, and value their input on our sustainability performance. This allows us to identify and address their expectations and concerns, and ultimately build stronger relationships.

Stakeholder Category	Interests & Expectations	Engagement Approach	Engagement Frequency
Investors and Shareholders 	<ul style="list-style-type: none"> Investment opportunities Long-term sustainability strategy & outlook Return on investment (ROI) Dividends & rewards Governance on ESG risks/opportunities Transparency and disclosure 	Annual General Meeting Extraordinary General Meeting Quarterly and Annual Reports Bursa announcements Corporate website Social Media posts	Annually As required Quarterly and annually As required Continuously Continuously
Customers 	<ul style="list-style-type: none"> Business outlook Market positioning Transparency on product/service sustainability Quality of products/services Product information Ethical and sustainable practices 	Corporate website Social media interactions Electronic Direct Mail (EDM) Customer satisfaction survey Technology update sessions Technology transfer & training programmes Attend tradeshow Exhibition stand	Continuously Continuously Continuously Annually As required As required As required
Employees 	<ul style="list-style-type: none"> Safe and healthy work environment Opportunities for professional/career growth and development Work-life balance 	HR Connect Performance management, reviews, and feedback Continuous Learning (Training) Festive Celebration Sports Club activities CSR activities	As required Annually Regularly As planned As planned As planned
Suppliers & Supply Chain Partners 	<ul style="list-style-type: none"> Local partnerships Business relationships Operational efficiencies Sustainable & ethical procurement practices Supply chain transparency and accountability 	Supplier Engagement Supplier meetings	Continuously As required
Government & Regulatory Bodies 	<ul style="list-style-type: none"> Compliance with regulations and standards Partnerships & collaborations Advocacy for supportive policies & regulations: nation building agenda 	Dialogue sessions with policymakers Regulatory audits Meetings & briefings Attending to queries Attend events & tradeshow Exhibition stand	When appropriate As required As required As required When appropriate When appropriate

SUSTAINABILITY STATEMENT *(Continued)*

Stakeholder Category	Interests & Expectations	Engagement Approach	Engagement Frequency
Community/ Society 	<ul style="list-style-type: none"> Corporate Social Responsibility 	Sponsorships Charitable works Community outreach programmes Blood donation	As planned As planned When appropriate As planned
Industry Associations and Peers 	<ul style="list-style-type: none"> Job creation for locals Fostering innovation Collaborating on industry-wide sustainability initiatives Advocacy for common interests Knowledge exchange & pursuit 	Internship positions Industry conferences and tradeshow Working group collaborations Information sharing platforms and networks	Continuously Continuously When appropriate When appropriate
Technology & Business Partners 	<ul style="list-style-type: none"> Business collaboration Technology compatibility and integration 	Technology compatibility assessments Electronic Direct Mail (EDM) Collaboration platforms and forums	When appropriate When appropriate Continuously

MATERIAL MATTERS

Recognising the growing importance of ESG factors, IRIS is committed to address material sustainability matters through alignment with the GRI Standards, a leading framework promoting transparency and comparability. This commitment is further solidified by adhering to Bursa Malaysia's Common Sustainability Matters (CSM) guidelines for ACE market listed companies in our sustainability statement.



SUSTAINABILITY STATEMENT *(Continued)*

Anti-Corruption





At IRIS, ethical business conduct is a cornerstone of our operations. We have a zero-tolerance policy in place for bribery and corruption. We will be initiating a comprehensive Anti-Bribery and Anti-Corruption (ABAC) training program with immediate effect for continued improvement. To further strengthen this commitment, we assess all our operations for risks related to corruption to proactively identify and mitigate potential issues annually.

This focus on ethical practices extends beyond training and assessments. We have established a robust framework of zero-tolerance policies, including a Fit and Proper Policy, Anti-Bribery and Anti-Corruption Policy, and Whistleblowing Policy. These clear guidelines raise awareness among all stakeholders – employees, contractors, and business partners – on how to identify, avoid, and refuse unethical or illegal activities. Furthermore, the guidelines encourage individuals to report any suspected violations through a safe and confidential channel.

We believe these policies are fundamental to IRIS' long-term success. They promote social responsibility, ensure fair treatment of all stakeholders, contribute to effective risk management, and build trust – a crucial element for sustainable business growth. By upholding these principles, we nurture a culture of integrity and transparency throughout our organisation.

Community / Society

We are dedicated to making a positive impact in the communities we operate within. Through discretionary CSR activities, we actively support charitable events and organisations, ensuring resources reach those in need. Every year, IRIS employees are encouraged to volunteer their time and talents to community development activities.

CSR Activity	Beneficiaries/Lives Impacted										
Collaboration with Social Enterprise	 400+ artisans employed with fair wages.	 200+ women trained in marketable skills.	 1,700+ Beneficiaries creating stronger communities.								
Contribution to Jabatan Hal Ehwal Agama Islam Negeri Kelantan (JAHEAIK)		Ramadan celebration for one hundred (100) orphans at the "Program Semarak Ramadan Bersama Keluarga Dhuafa".									
Employee Blood Donation		<table> <tr> <th></th><th>FY2019</th><th>FY2022</th><th>FY2023</th></tr> <tr> <td>Total donors</td><td>154</td><td>57</td><td>66</td></tr> </table>		FY2019	FY2022	FY2023	Total donors	154	57	66	
	FY2019	FY2022	FY2023								
Total donors	154	57	66								

SUSTAINABILITY STATEMENT *(Continued)*

In sourcing for corporate gifts, we continue to partner with a social enterprise which empowers marginalised communities through sustainable practices. Together, we are working towards achieving specific United Nations (UN) Sustainable Development Goals, including reducing poverty, promoting gender equality, and fostering economic growth.

We also take a hands-on approach as we continue to collaborate with the National Blood Bank. Our employees actively participate annually organised blood donation drives. This direct involvement demonstrates our commitment to improve the lives of others – one (1) donation can potentially save up to three (3) lives.

Our internship programme is one of the pillars in IRIS' CSR focus. We invest in future talent to build a stronger workforce while providing valuable learning experiences. Empowering interns benefits both our company and the community, creating a path to a sustainable future. From FY2021 till FY2024, we have received 151 enthusiastic Protégés and interns to our team.

300 people

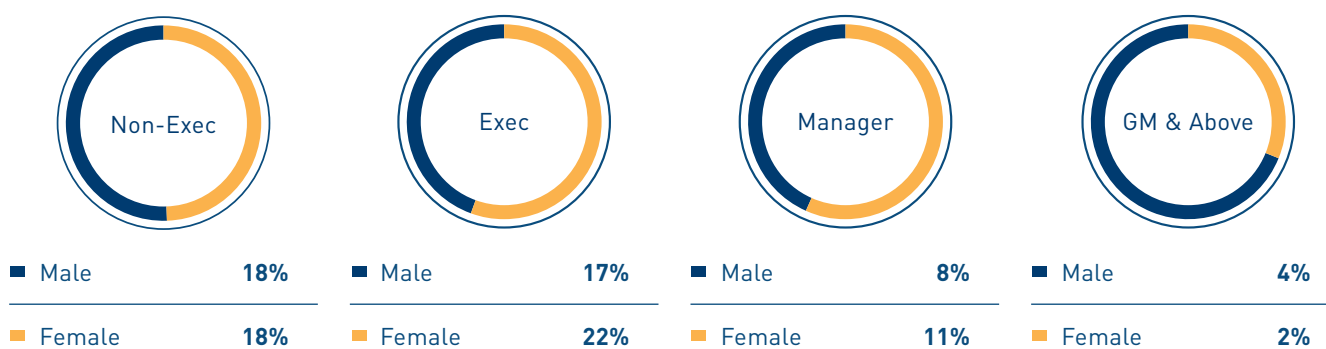


of which 93% had
permanent employment
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fixed-term employment
contracts

Diversity

We value the richness of diversity and its contribution to a stronger workforce. In FY2024, employed a total of 300 people, of which 93% had permanent employment contracts and 7% had fixed-term employment contracts.

Employees by gender for each employee category in FY2024 as of 31 March 2024



Employee Category	Female	Male	Female %	Male %
Non-Exec	54	55	18%	18%
Exec	65	52	22%	17%
Manager	33	25	11%	8%
GM & Above	5	11	2%	4%
Total	157	143	52%	48%
Grand Total	300		100%	

SUSTAINABILITY STATEMENT *(Continued)*

Employees by age group for each employee category in FY2024 as of 31 March 2024



■ Age <30	10
■ Age 31-40	34
■ Age 41-50	46
■ Age >50	19



■ Age <30	24
■ Age 31-40	54
■ Age 41-50	27
■ Age >50	12



■ Age 31-40	10
■ Age 41-50	28
■ Age >50	20



■ Age 41-50	7
■ Age >50	9

Employee Category	Age <30	Age 31-40	Age 41-50	Age >50	Total
Non-Exec	10	34	46	19	109
Exec	24	54	27	12	117
Manager		10	28	20	58
GM & Above			7	9	16
Total	34	98	108	60	300
Percentage	11%	33%	36%	20%	100%

We actively promote a workplace that reflects the communities we serve, fostering a culture of inclusion where everyone feels valued and empowered. This translates to building a diverse talent pool through inclusive recruitment practices, cultivating an open and respectful work environment, and offering programs that promote diversity awareness and unconscious bias mitigation.




This commitment to diversity and inclusion is not just about creating a positive employee experience, it is also essential for our long-term success. A workforce that embraces a variety of backgrounds, experiences, and perspectives leads to greater creativity, innovation, and a better ability to serve the diverse needs of our customers across the globe.

SUSTAINABILITY STATEMENT *(Continued)*

Energy Management

Committed to environmental responsibility, IRIS strongly advocates energy efficiency. Regular energy audits and monitoring systems pinpoint areas for improvement. Investments in energy-saving technologies, from LED lighting to optimised equipment, contribute to lower energy consumption. Process optimisation and employee engagement through training and initiatives further our efforts.

This focus on energy efficiency translates to a reduced environmental footprint and positions us for a more sustainable future. We remain committed to ongoing improvement and exploring innovative solutions for responsible energy use.

ENVIRONMENTAL OBJECTIVES	TARGETS	MEASUREMENT METHODS	PERFORMANCE		
			FY2022	FY2023	FY2024
To reduce generation of hazardous waste 	>3% reduction on yearly waste generation	Total annual volume of scheduled waste (kg) over total production output	<3%	>3%	>3%
To achieve zero (0) major chemical spillage 	Zero (0) case	Number of reported incidents	Zero (0)	Zero (0)	Zero (0)
To achieve zero (0) environment related fine or violation 	Zero (0) case	Number of fines or notices from Department of Environment (DOE)	Zero (0)	Zero (0)	Zero (0)

Our total energy consumption has fluctuated slightly over the past three years. While there was an increase in FY2023 to 6,445,207 KWh, we are encouraged by a decrease to 6,388,223 KWh in FY2024. We remain committed to ongoing energy management initiatives to further reduce our environmental impact and improve efficiency in the coming year.

Energy Consumption Records	FY2022	FY2023	FY2024
Total Energy Usage KW/H	5,231,036	6,445,207	6,388,223
Percentage of increase or decrease from previous FY		increased by 23.21% from FY2022	decreased by 0.9% from FY2023

In furtherance of our commitment to environmental stewardship, IRIS has proudly implemented a rooftop solar panel installation. This green energy initiative aligns perfectly with our long-term goal of minimising our environmental impact and contributing to the mitigation of global warming. By harnessing the power of renewable energy sources to power our facilities, this solar initiative signifies a significant step towards a more sustainable future. The installation is expected to result in a reduction in our reliance on conventional energy sources and a decrease in overall energy consumption.

SUSTAINABILITY

STATEMENT *(Continued)*

Health & Safety

The health and safety of our employees is paramount at IRIS. We prioritise their well-being through broad safety protocols, preventative measures like risk assessments and training, and a system for reporting and investigating incidents. This proactive approach minimises potential risks and fosters a culture of safety awareness.

Our commitment extends beyond physical safety. We recognise the importance of employee well-being and offer programs promoting mental and emotional health. By creating a safe and healthy work environment, we empower our employees and foster a productive and engaged team.

Safety Records	FY2022	FY2023	FY2024
Work-related fatalities	0	0	0
Number of work-related accidents	0	1	1
Total employees	436	512	300

While we place great emphasis on a comprehensive safety culture, our current safety and health training focuses primarily on employees entrusted with operating specific machinery or handling hazardous materials. This targeted approach ensures those at highest risk are thoroughly equipped with the necessary knowledge and skills. We acknowledge the importance of expanding safety training to a wider employee base and are actively exploring cost-effective and scalable training solutions to achieve this goal in the coming year.

Labour Practices & Standards

We uphold international and national labour standards and ethical practices as core to our commitment to build a fair and rewarding workplace. This translates to respecting employee rights, fostering a diverse and inclusive environment, and investing in training and development opportunities.

Training Records	FY2022	FY2023	FY2024
Total Training Hours	1,615	3,585	3,746
Number of programmes	29	35	59

In line with our commitment to continuous improvement and employee development, IRIS has seen a steady increase in training hours provided to all employees since the conclusion of the pandemic. In FY2024, 242 employees or 81% out of the total 300 attended training courses.

This focus on employee upskilling and reskilling reflects our recognition that a capable and knowledgeable workforce is essential for achieving long-term sustainability goals. By investing in our people, we empower them to contribute more effectively to environmentally and socially responsible practices within IRIS.

In our production operations, we leverage the skills of contract and temporary workers alongside our core workforce to ensure a sustainable supply chain. We collaborate with our partnering agencies to maintain high social and labour standards throughout the process. This includes a focus on fair treatment, adherence to all relevant labour regulations, and the provision of safe working conditions for all personnel involved in production, regardless of employment status.

242
employees



**or 81% out of the total
300 attended training
courses.**

SUSTAINABILITY STATEMENT *(Continued)*

Contract workers or temporary staff in FY2024 as of 31 March 2024



■ Core Employees	66%
■ Contract & temporary staff (monthly average)	34%

Core Employees	300	66%
Contract & temporary staff (monthly average)	158	34%
Total workers in IRIS	458	100%

Supply Chain Management

Our Supply Chain Management team recognises the importance of a sustainable supply network. We actively seek partners who share our commitment to environmentally and socially responsible practices. While our business relies on overseas suppliers for certain materials, we strive for a balanced approach. We collaborate closely with domestic suppliers whenever possible to support the local economy and minimise our global footprint. This delicate balance ensures a resilient and sustainable supply chain that meets our needs while promoting responsible practices throughout our network.

Data Privacy & Security

At IRIS, ensuring the security and privacy of our customers' and employees' data is paramount. We achieve this by adhering to the ISO/IEC 27001:2013 Information Security Management System (ISMS) framework. The ISMS framework prescribes a comprehensive set of security controls and best practices that we leverage to safeguard information entrusted to us. This structured approach complements our robust data governance practices and ensures a holistic data protection strategy. In FY2024, IRIS received zero complaints concerning breaches of customer privacy or losses of customer data.

We also foster a culture of data security and privacy through annual employee acknowledgements of our comprehensive policies and procedures, encompassing general security, corporate risk, and information security best practices.



**CERTIFIED TO ISO/IEC 27001:2013
CERT. NO.: 00315**

SUSTAINABILITY STATEMENT *(Continued)*

Water

Our dedication to water conservation has resulted in a substantial 23.5% reduction in water usage in FY2024. This achievement stems from a two-pronged approach.

On the production line, we are working on optimising appropriate processes to minimise water use. Beyond production, we are empowering employees through awareness campaigns highlighting simple yet impactful actions. Signages with water-saving tips reinforce these messages, and we explore incentives to encourage water-conscious behaviour. This combined approach has demonstrably reduced our water footprint, and we remain committed to continuous improvement.

Water Usage

Total water usage m³

FY2024	39,483
FY2023	51,636
FY2022	49,548

Waste Management

At IRIS, minimising hazardous waste generation is a core environmental responsibility. We achieve this through a multi-faceted approach. We continuously review and optimise production processes to minimise hazardous material use. This includes exploring safer alternatives and optimising equipment settings. For unavoidable hazardous waste, we prioritise responsible management through safe and compliant recycling or treatment by licensed partners.

Transparency is paramount, as we meticulously track waste data and adhere to all relevant environmental regulations. We actively engage with the Malaysian Investment Development Authority (MIDA) to implement sustainable waste management practices, achieving 100% compliance in FY2024.

Employee participation is crucial in minimising our environmental impact. We empower them through comprehensive training on safe handling, disposal procedures, and proper waste segregation. Clear labelling, processes and procedures ensure accurate identification and prevent contamination. We are exploring implementing incentive programs to further encourage employee participation in waste reduction and responsible recycling practices. This comprehensive strategy minimises our environmental impact and associated liability.

Hazardous Waste Generated	FY2022	FY2023	FY2024
Gross Weight (kg)	3,032	2,146	3,313
Percentage of increase or decrease		29.2% reduction from previous FY	54.3% increase from previous FY

SUSTAINABILITY STATEMENT *(Continued)*

We are committed to continuous improvement and remain dedicated to exploring innovative solutions for further hazardous waste reduction in the coming years. While we achieved a significant reduction in FY2023, a recent increase in FY2024 highlights the need for continued vigilance. We are actively investigating the reasons behind this rise to ensure a continued downward trend in hazardous waste generation.

Employee contribution of recyclables (recyclables diverted from landfills)	FY2022	FY2023	FY2024
Textiles	No contribution post pandemic	330 kg	315 kg
Plastic containers		617 pcs	166 pcs
Paper products		290 kg	51.5kg

Our recycling programme is experiencing a positive development. Data indicates a shift in this employee engagement, potentially signifying a rise in responsible waste management practices at the individual level. This trend could encompass increased material reuse, selection of products with minimal packaging, or participation in personal recycling programs implemented at home. This development aligns with our company's sustainability goals and reflects a growing emphasis on environmental awareness among our employees.

Conclusion

For IRIS, sustainability is an ongoing journey, not a destination. We are committed to continuous improvement in all aspects of our environmental, social, and governance (ESG) performance. Looking ahead, we plan to:



Continuous Stakeholder Engagement:

We recognise the importance of collaboration in achieving our sustainability goals. We will actively seek to expand our stakeholder engagement activities, fostering open communication and collaboration with employees, customers, suppliers, communities, and industry partners. By working together, we can identify new opportunities to minimise our environmental impact and create shared value.



Integrate Sustainability into Decision-Making:

We are committed to further integrating sustainability considerations into the core of our business strategy and decision-making processes. This will involve conducting comprehensive sustainability assessments throughout our value chain, from product design and sourcing to production, operations, and end-of-life management.

SUSTAINABILITY STATEMENT *(Continued)*

Climate change remains a critical global challenge. We recognise our responsibility to contribute to a low-carbon future. In accordance with the Greenhouse Gas Protocol (GHG Protocol), we are exploring the best methods for measuring and reducing our Scope 1, 2, and 3 emissions.

**Scope 1 & 2 Emissions:**

We plan to implement additional energy efficiency initiatives, explore renewable energy options, and optimise our operations to reduce direct and indirect energy-related emissions.

**Scope 3 Emissions:**

We acknowledge that a significant portion of our environmental footprint lies within our value chain. We are collaborating with our suppliers and partners to identify and implement strategies to reduce these indirect emissions.

By prioritising these focus areas, we are confident that we can make a meaningful contribution to a more sustainable future for all. We invite our stakeholders to join us on this journey, and we look forward to sharing our progress in future reports.