



SUSTAINABILITY STATEMENT

IRIS Corporation Berhad ("IRIS") remains committed to sustainability as a guiding principle in shaping both our long-term corporate strategy and our day-to-day operations. The Group strives to conduct our business in a manner that is environmentally responsible, socially inclusive, and grounded in sound governance. This Sustainability Statement presents an overview of our stakeholder engagement activities, Common Sustainability Matters ("CSM") and our Environmental, Social, and Governance ("ESG") performance for the financial year ended 31 March 2025 ("FY2025").

SUSTAINABILITY

STATEMENT *(Continued)*

This Statement has been prepared in accordance with the ACE Market Listing Requirements of Bursa Malaysia as well as in reference to the following frameworks and standards:

- Bursa Malaysia Sustainability Reporting Guide
- Global Reporting Initiative ("GRI") Sustainability Reporting Standards
- FTSE4Good Bursa Malaysia Index

In addition, IRIS strongly supports the United Nations Sustainable Development Goals ("UN SDGs") and will progressively integrate these goals into our sustainability practices.

IRIS achieved a significant sustainability milestone in FY2025 with its inaugural inclusion in the FTSE4Good Bursa Malaysia Index ("F4GBM"), earning a strong ESG score of 3.2 and a 3-Star rating. Developed by global index provider FTSE Russell, the F4GBM Index serves as a benchmark for Malaysian companies demonstrating robust ESG practices.

IRIS's ESG score exceeded the average score of 2.65 recorded among Technology sector companies listed on the Main Market, as reported by Bursa Malaysia and FTSE4Good in its December 2024 assessment. This recognition underscores our ongoing commitment to transparency, ethical governance and the integration of sustainable practices across our operations.

SCOPE OF REPORTING

This Statement covers the sustainability performance of IRIS and its wholly owned subsidiaries in Malaysia. It reflects our performance, initiatives and material developments during FY2025.

SUSTAINABILITY GOVERNANCE FRAMEWORK

A robust governance framework ensures our ESG commitments are translated into measurable outcomes:

- The Enterprise Risk Management and Sustainability Organising Committee ("ERMSOC"), supported by the Sustainability Working Group ("SWG"), implements and monitors ESG initiatives across the company.
- These bodies report to the Enterprise Risk Management and Sustainability Committee ("ERMSC") and the Audit & Risk Management Committee ("ARMC"), thereby ensuring Board-level oversight.



This structure ensures cross-functional accountability, risk alignment and the integration of sustainability considerations into strategic decision-making.

SUSTAINABILITY STATEMENT *(Continued)*

SUSTAINABILITY POLICY

In FY2025, IRIS adopted a Sustainability Policy to strengthen our overarching approach to ESG and ensure long-term value creation. The policy outlines our commitment to integrating sustainability into our strategic planning and decision-making, as well as clearly defining the roles of our Board, management and business units in delivering sustainability outcomes. This policy also formalises our focus on key ESG themes such as climate action, resource efficiency and business ethics.

In upholding sustainability, IRIS is committed to:



ENVIRONMENTAL STEWARDSHIP

Commitment to minimising environmental impact through energy efficiency, waste reduction and climate action initiatives.

SOCIAL RESPONSIBILITY

Fostering a diverse, safe and healthy workplace while supporting community well-being and human rights.



GOVERNANCE AND ETHICS

Clear roles and responsibilities for the Board, senior management and operational teams in driving sustainability across the organisation.

Upholding ethical business practices, compliance with regulations and integration of ESG factors in decision-making.

TRANSPARENCY AND REPORTING

Conducting a comprehensive ESG performance review and publishing the results in the Sustainability Statement of the IRIS Annual Report.








SUSTAINABILITY

STATEMENT *(Continued)*




STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a cornerstone of IRIS's sustainability approach, enabling us to understand evolving expectations, build trust and align our strategies with the interests of those who are most impacted by our operations.

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 Dividends & rewards Governance on ESG risks/opportunities Transparency and disclosure 	Annual General Meeting	Annually
		Extraordinary General Meeting	As required
		Quarterly and Annual Reports	Quarterly and annually
		Bursa announcements	As required
		Corporate website	Continuously
		Social Media posts	Continuously
Customers 	<ul style="list-style-type: none"> Business outlook Market positioning Transparency on products/services sustainability Quality of products/services Product information Ethical and sustainable practices 	Corporate website	Continuously
		Social media interactions	Continuously
		Electronic Direct Mail	Continuously
		Customer satisfaction survey	Annually
		Technology update sessions	As required
		Technology transfer & training programmes	As required
		Attend tradeshow	As required
		Exhibition stand	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 Communication Portal	As required
		Performance management, reviews and feedback	Annually
		Continuous Learning /Training	Regularly
		Festive Celebration	As planned
		Sports Club activities	As planned
		CSR activities	As planned
Suppliers and 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	Continuously
		Supplier meetings	As required
Government and 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	When appropriate
		Regulatory audits	As required
		Meetings & briefings	As required
		Attending to queries	As required
		Attend events & tradeshow	When appropriate
		Exhibition stand	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	As planned
		Charitable works	As planned
	<ul style="list-style-type: none"> Job creation for locals 	Community outreach programmes	When appropriate
		Blood donation	As planned
		Internship positions	Continuously
Industry Associations and Peers 	<ul style="list-style-type: none"> Fostering innovation 	Industry conferences and tradeshows	Continuously
	<ul style="list-style-type: none"> Collaborating on industry-wide sustainability initiatives Advocacy for common interests Knowledge exchange and pursuit 	Working group collaborations	When appropriate
		Information sharing platforms and networks	When appropriate
Technology and Business Partners 	<ul style="list-style-type: none"> Business collaboration 	Technology compatibility assessments	When appropriate
	<ul style="list-style-type: none"> Technology compatibility and integration 	Electronic Direct Mail	When appropriate
		Collaboration platforms and forums	Continuously

MATERIAL MATTERS

The identification and prioritisation of material sustainability matters guide IRIS in focusing our efforts on the ESG topics that are most relevant to our business and stakeholders.









Materiality Assessment

IRIS regularly assesses its sustainability risks and opportunities through engagement with key stakeholders and alignment with Bursa Malaysia's CSM guidelines. In FY2025, our updated materiality review identified the following as priority matters:

Material Topic	Key Risks	Opportunities	Management Approach
 Climate Action	Regulatory non-compliance, operational disruption	Emissions reduction, climate resilience	<ul style="list-style-type: none"> Preparing for Scope 1, 2 & 3 greenhouse gas ("GHG") disclosures as per Bursa Malaysia's Sustainability reporting guidelines
 Energy and Waste Management	Rising operational costs, environmental penalties	Operational savings, circular economy integration	<ul style="list-style-type: none"> Reducing energy use Improving waste management and recyclables tracking

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STATEMENT *(Continued)*




	Material Topic	Key Risks	Opportunities	Management Approach
	Water Management	Rising operational costs, environmental penalties	Operational savings	<ul style="list-style-type: none"> Decreasing water usage through conservation initiatives
	Anti-Corruption	Legal non-compliance, reputational damage	Ethical culture, enhanced stakeholder trust	<ul style="list-style-type: none"> ABAC Policy updated ABAC Awareness training for all employees
	Diversity	Aging workforce	Enhanced employee engagement, broader talent pool	<ul style="list-style-type: none"> Cultivating a diverse work environment Monitoring diversity data
	Data Privacy and Security	Cyber threats, loss of customer trust	Regulatory leadership, enhanced brand trust	<ul style="list-style-type: none"> ISO/IEC 27001 compliance Ongoing privacy policy improvements
	Health & Safety	Accidents, absenteeism, insurance liability	Safer workplaces, better retention	<ul style="list-style-type: none"> 74% of employees trained 3 incidents, with enhanced preventive protocols implemented
	Community Engagement	Low social impact visibility, missed partnerships	Strengthened brand equity, sustainable livelihoods	<ul style="list-style-type: none"> Collaboration with Batik Boutique benefitting 1,700+ artisans and communities
	Labour Practices & Standards	Skill gaps, disengagement	Talent retention, upskilling benefits	<ul style="list-style-type: none"> 100% employees trained 5,529 training hours across 276 employees in FY2025
	Supply Chain Management	Non-compliance with ESG standards, reputational risk	Improved vendor relationships and compliance	<ul style="list-style-type: none"> New Global Vendor Code of Conduct introduced (March 2025)

SUSTAINABILITY

STATEMENT *(Continued)*

ENVIRONMENTAL PERFORMANCE

IRIS is committed to minimising our environmental footprint through responsible resource management, continuous improvement and adherence to certified environmental standards across our operations.

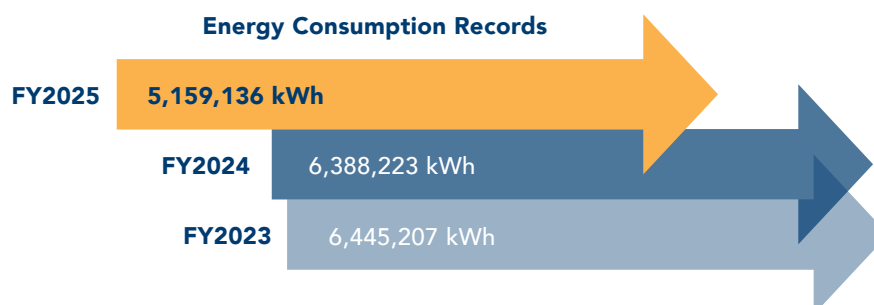
Environmental Objectives	Targets	Measurement Methods	Performance		
			FY2022	FY2023	FY2024
To reduce generation of hazardous waste 	>3% reduction on yearly waste generation	Total annual volume of scheduled waste (kg) over total production output	>3%	>3%	>3%
To achieve zero (0) major chemical spillage 	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)

Climate-related Disclosure

As part of our transition towards International Financial Reporting Standards for Climate-related Disclosures ("IFRS S2") compliance, IRIS has begun integrating climate-related risks into our enterprise risk register. We are also preparing for scope 1, 2 and 3 emissions disclosures in line with Bursa Malaysia's ACE Market listing requirements.

Energy Management

In FY2025, total energy consumption decreased to 5.16 million kWh, a 19.2% reduction from FY2024. Energy consumption trends are summarised below:



SUSTAINABILITY STATEMENT *(Continued)*

Energy Consumption	FY2023	FY2024	FY2025
Total Energy Usage (KW/H)	6,445,207	6,388,223	5,159,136
Percentage of increase or decrease	23.21% increase from FY2022	0.9% decrease from FY2023	19.2% decrease from FY2024

As part of our commitment to environmental sustainability and long-term operational efficiency, we installed a rooftop solar PV system in FY2025. This strategic investment aligns with our goal to reduce carbon emissions. By harnessing renewable energy, we are decreasing our reliance on fossil fuels, lowering our electricity costs and contributing to national efforts to promote green energy adoption.



Our rooftop solar PV system generated

185,675.46 kWh

of clean electricity from 20 June 2024 till 31 March 2025.

Waste Management

In FY2025, we made considerable progress in our commitment to responsible waste management, particularly in reducing hazardous waste generated from our manufacturing processes. Total hazardous waste volume dropped to 2,257 kg, marking a substantial 31.9% decrease compared to FY2024.

The reduction in FY2025 reflects enhanced operational controls, improved material handling practices and targeted waste minimisation strategies implemented across our facilities. These efforts are part of our broader environmental sustainability initiatives aimed at reducing the environmental footprint of our manufacturing activities.

Hazardous Waste	FY2023	FY2024	FY2025
Total Gross Weight (kg)	2,146	3,313	2,257.5
Percentage of increase or decrease	29.2% decrease from FY2022	54.3% increase from FY2023	31.9% decrease from FY2024

Recyclables Diverted From Landfills	FY2023	FY2024	FY2025
Textiles	330kg	315kg	373.8kg
Plastic Containers	617pcs	166pcs	Collection not conducted as employees are recycling on their own
Paper Products	290kg	51.5kg	

Textiles recycling increased from 315 kg in FY2024 to 373.8 kg in FY2025, reflecting our continued commitment to sustainability and waste reduction.

SUSTAINABILITY STATEMENT *(Continued)*

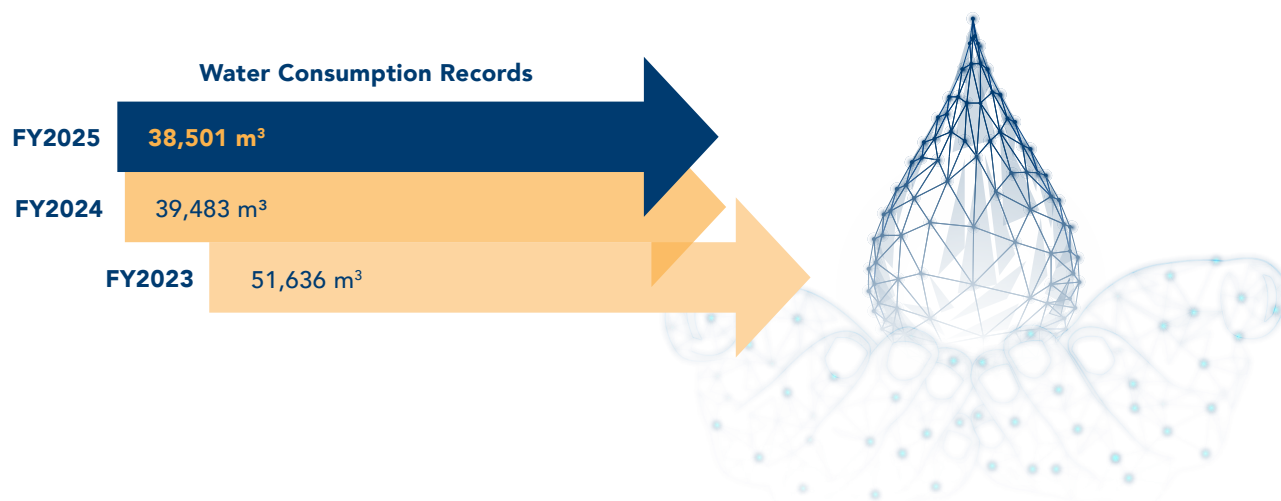
As part of our waste minimisation efforts, IRIS in collaboration with Zero Waste Malaysia, organised t-shirt upcycling activity, where worn-out t-shirts were creatively repurposed into reusable bags. This initiative helped divert textiles from landfill, encouraged sustainable habits and raised awareness about resource conservation among IRIS employees.



Zero Waste Malaysia is the country's largest environmental community group, dedicated to promoting accessible zero waste living through education, outreach and partnerships that advance sustainability and a circular economy.

Water Management

In FY2025, our water usage decreased by **2.49%** through conservation initiatives.



Water Consumption	FY2023	FY2024	FY2025
Total Usage (m³)	51,636	39,483	38,501
Percentage of increase or decrease	4.21% increase from FY2022	23.54% decrease from FY2023	2.49% decrease from FY2024

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STATEMENT *(Continued)*

SOCIAL PERFORMANCE

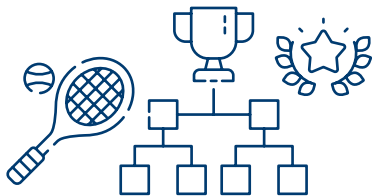
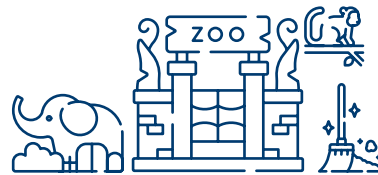
In FY2025, IRIS remained committed to contributing meaningfully to the communities where we operate. Through a range of targeted CSR initiatives, we extended support to charitable programmes and non-profit organisations to ensure meaningful resources reached vulnerable groups. Our employees continued to play an active role in these efforts, volunteering their time, skills, and energy toward impactful community development activities.

Community Contributions and CSR Activities

In FY2025, IRIS remained actively engaged in CSR initiatives that create long-term value for communities and promote inclusive development. Our programmes reflect a multi-dimensional approach, from environmental conservation to social empowerment and youth development:

- Promoting Volunteerism and Environmental Stewardship**

A team of IRIS employees volunteered alongside Zoo Negara's maintenance personnel to help clean and beautify the zoo's grounds. This initiative supported Zoo Negara's efforts in conserving endangered species, preserving natural habitats, and enhancing public awareness of environmental issues. By promoting interaction with nature, the programme also fostered positive social impact and community well-being.



- Championing Grassroots Sports Development in Penang**

IRIS extended its support to the Penang Sports Club International Invitational Tennis Tournament 2025, reinforcing our commitment to youth and grassroots sports. Our continued sponsorship provided a platform for both local and international talent to compete at an international level, fostering athletic talent and promoting active living.

- Empowering Marginalised Communities through Social Enterprise**

We continued our collaboration by producing our corporate gifts with Batik Boutique, a social enterprise that uplifts marginalised groups. IRIS strongly supports Batik Boutique's initiatives to provide **400 artisans** with fair wages, more than **200 women** with vocational training, and to improve the livelihoods of over **1,700 individuals**.



- Annual Blood Donation Drives**

IRIS employees actively participated in blood donation efforts with the National Blood Bank:



TOTAL BLOOD DONORS :

50
FY2025

66
FY2024

57
FY2023

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STATEMENT *(Continued)*

Workforce Diversity

At IRIS, we embrace diversity as a driver of strength and innovation within our workforce. In FY2025, we employed a total of 355 individuals, with 78% as permanent or core employees and 22% engaged under fixed-term arrangements, reflecting our continued commitment to stable, inclusive employment practices.

Permanent/core employees by gender

■ Male 47%

■ Female 53%



■ Male 48%

■ Female 52%



Permanent/core employees by age group

■ ≤30 7%

■ ≤50 70%

■ >50 23%



■ ≤30 11%

■ ≤50 69%

■ >50 20%

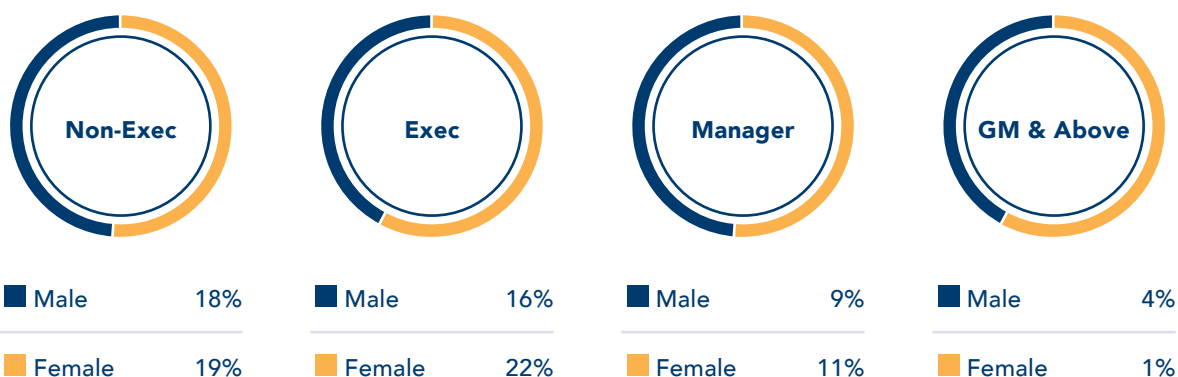


Diversity	FY2023	FY2024	FY2025
Permanent/core employees by gender		52% female 48% male	53% female 47% male
Permanent/core employees by age group		11% ≤ 30, 69% ≤ 50, 20% > 50	7% ≤ 30, 70% ≤ 50, 23% > 50
Permanent/core employees vs contract & temporary workers		300 core employees, 158 (monthly wage)	276 core employees, 79 (monthly wage)
Total employees	512	458	355

SUSTAINABILITY

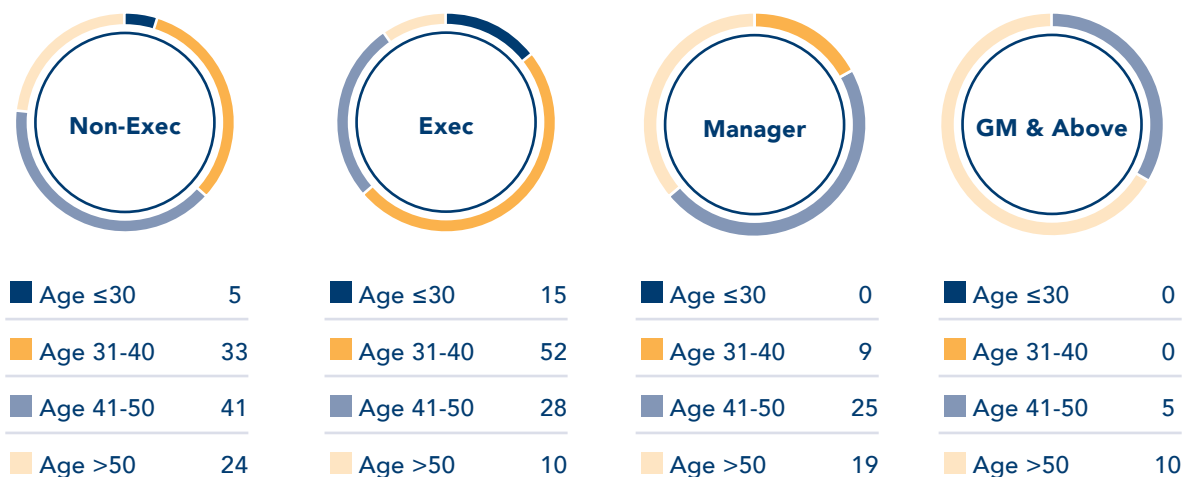
STATEMENT *(Continued)*

Percentage of Permanent/Core employees by Gender & Employee Category in FY2025



Employee Category	Female	Male	Female %	Male %
Non-Exec	52	51	19%	18%
Exec	61	44	22%	16%
Manager	29	24	11%	9%
GM & Above	4	11	1%	4%
Total	146	130	53%	47%
Grand total	276		100%	

Permanent/Core employees by Age & Employee Category in FY2025



SUSTAINABILITY STATEMENT *(Continued)*

Employee Category	Age ≤30	Age 31-40	Age 41-50	Age >50	Total
Non-Exec	5	33	41	24	103
Exec	15	52	28	10	105
Manager	-	9	25	19	53
GM & Above	-	-	5	10	15
Total	20	94	99	63	276

Employee Health, Safety, and Well-being

At IRIS, the health and safety of our employees remain a top priority. We are committed to safeguarding our workforce through comprehensive safety protocols, including proactive risk assessments, targeted training initiatives, and a robust system for incident reporting and investigation. This structured and preventative approach not only mitigates potential hazards but also cultivates a strong culture of safety awareness across all levels of the organisation.

Our dedication to employee well-being goes beyond physical safety. We recognise the importance of mental and emotional health and support our team through

wellness programmes and resources. By fostering a safe, supportive, and healthy work environment, we empower our people to thrive—leading to a more engaged, resilient, and productive workforce.

While IRIS has long placed strong emphasis on cultivating a comprehensive safety culture, we recognise the need for continual improvement. Following a slight increase in work-related incidents, we are taking proactive steps to enhance our safety protocols and training initiatives across the organisation. These efforts will further strengthen our safety culture and support our goal of minimising workplace risks through inclusive and continuous learning.

Safety Records	FY2023	FY2024	FY2025
Work-related fatalities	0	0	0
Number of work-related accidents	0	1	3
Total employees	512	300	276

Upholding Labour Standards

At IRIS, adherence to international and national labour standards, along with ethical business practices, forms the foundation of our commitment to creating a fair and rewarding workplace. This commitment is reflected in our unwavering respect for employee rights, the cultivation of a diverse work environment, and our ongoing investment in training and development opportunities that support both personal growth and professional advancement.

SUSTAINABILITY STATEMENT *(Continued)*

Training Records	FY2023	FY2024	FY2025
Total Training Hours	3,585	3,746	5,529
Number of programmes	35	59	45

Our emphasis on upskilling and reskilling in FY2025 resulted in

47.6% increase

of the total training hours. By investing in our people, we empower them to play a meaningful role in advancing environmentally and socially responsible practices across the organisation.



Within our production operations, we harness the expertise of both our core workforce and contract or temporary personnel to support a resilient and sustainable supply chain. In collaboration with our partnering agencies, we uphold rigorous social and labour standards throughout the value chain. This includes ensuring fair treatment, compliance with all applicable labour regulations, and the provision of safe, respectful working conditions for all individuals involved in our production processes—regardless of employment status.

GOVERNANCE

Strong governance forms the foundation of IRIS' sustainability journey, ensuring that our business is conducted with integrity, accountability, and compliance with applicable laws and ethical standards.

Anti-Bribery and Anti-Corruption

IRIS has maintained a formal Anti-Bribery and Anti-Corruption ("ABAC") Policy since 2020, underscoring our zero-tolerance stance on bribery and corruption. In FY2025, the policy underwent a comprehensive review and significant amendments to align with current regulatory expectations and best practices, including enhanced due diligence procedures, third-party risk management, and employee training protocols.



SUSTAINABILITY STATEMENT *(Continued)*

Supply Chain Governance

In line with our commitment to ethical governance and sustainable procurement, IRIS introduced a Global Vendor Code of Conduct ("GVCoC") in March 2025. This policy outlines clear expectations for our suppliers and business partners, covering areas such as:



Compliance with all applicable laws and regulations



Prohibition of bribery, forced labour, and child labour



Respect for human rights and fair employment practices



Environmental responsibility and resource efficiency



Transparent reporting and grievance mechanisms

All new and existing vendors are required to adhere to the GVCoC as part of our contractual due diligence. This initiative strengthens supply chain accountability and mitigates ESG-related risks across our procurement practices.

SUSTAINABILITY

STATEMENT *(Continued)*

Data Privacy and Cybersecurity Governance

As part of our ongoing commitment to responsible data stewardship, IRIS continues to enhance its information security frameworks and privacy safeguards in accordance with international standards.

In FY2025, IRIS:

Maintained compliance with ISO/IEC 27001, the global standard for information security management.



Updated its Privacy Policy to reflect evolving legal requirements and technology risk considerations.



Enhanced internal data protection procedures and employee awareness through ongoing cybersecurity training.



These initiatives are vital to safeguarding customer trust, meeting regulatory obligations, and ensuring operational resilience in an increasingly digital operating environment.

CONCLUSION

In FY2025, IRIS advanced its sustainability agenda through decisive action across environmental stewardship, social responsibility, and sound governance. Highlights included a 17.3% reduction in energy consumption, meaningful engagement with community beneficiaries through strategic CSR partnerships and the successful rollout of a revised ABAC Policy.

Looking ahead, IRIS remains resolute in enhancing our ESG disclosures, aligning with international standards such as IFRS, and setting measurable targets that support the nation's climate transition and inclusive economic development. We recognise that our sustainability journey is a shared responsibility and invite continued collaboration with all stakeholders to shape a more resilient and equitable future.