



I APPAREL INTERNATIONAL GROUP

Sustainability Report 2024



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ABOUT THE REPORT

This Sustainability Report has been approved by the Board of Directors and prepared in accordance with applicable sustainability reporting standards and guidelines, namely:

- Global Reporting Initiative (GRI) Standards 2021
- Sustainability Accounting Standards Board (SASB) Standards for Apparel, Accessories & Footwear (Version 2023-06)



THE SCOPE

This report presents the Environmental, Social, and Governance (ESG) principles, initiatives, and performance of I Apparel International Group Pte Ltd (IAIG) across its core business entities – Representative Office of I Apparel International Group Pte Ltd, I Apparel Ltd, W Embellishment Ltd, and Cozi Knit Co., Ltd.

Unless otherwise stated, the information disclosed in this report covers the financial year from 1 January 2024 to 31 December 2024.

This report should be read in conjunction with the Annual Report 2024 and other sustainability-related disclosures available on our corporate website.

FEEDBACK

We welcome feedback on this report and any aspect of our sustainability performance. Please address all feedback to our Corporate Communications Team at enquiry@iapparelintl.com.

Your feedback is valuable and will help us continuously improve.

GLOBAL PRESENCE OVERVIEW

Our global presence spans multiple regions. Singapore serves as our Corporate Headquarters and center for Business Development. Hong Kong, Canada, and the United States operate as Business Development offices. Vietnam and China support our material sourcing and fabric development activities. Cambodia is the central hub and core of our operations, housing Business and Product Development, as well as Apparel, Sweater, Bags, and Embellishment production

Corporate Headquarters

- Singapore
- Global Corporate Headquarters & Business Development
Singapore leads our group-wide strategic direction, corporate governance, and core business development initiatives. It serves as the nerve center for innovation, partnerships, and executive decisions.

Business Development Offices

- Cambodia
 - Hong Kong
 - Canada
 - USA
- Regional Business Development & Client Engagement
These offices are strategically positioned to support market-specific sales, client relationships, and regional business expansion efforts across North America and Asia.

Product Development & Manufacturing Hub

- Cambodia
- Central Hub for Business & Product Development and Core Production.

Cambodia is the heart of our operations. It is where our creative, technical, and production expertise come together.

Key functions include:

- Business & Product Development
- Apparel Design & Manufacturing
- Sweater Innovation & Production
- Bag Design & Assembly
- Embellishment Production (embroidery, beading, appliqué, specialty trims)

This centralized hub allows for vertical integration, speed to market, and high flexibility in handling diverse product categories and customization needs.

Sourcing & Material Development

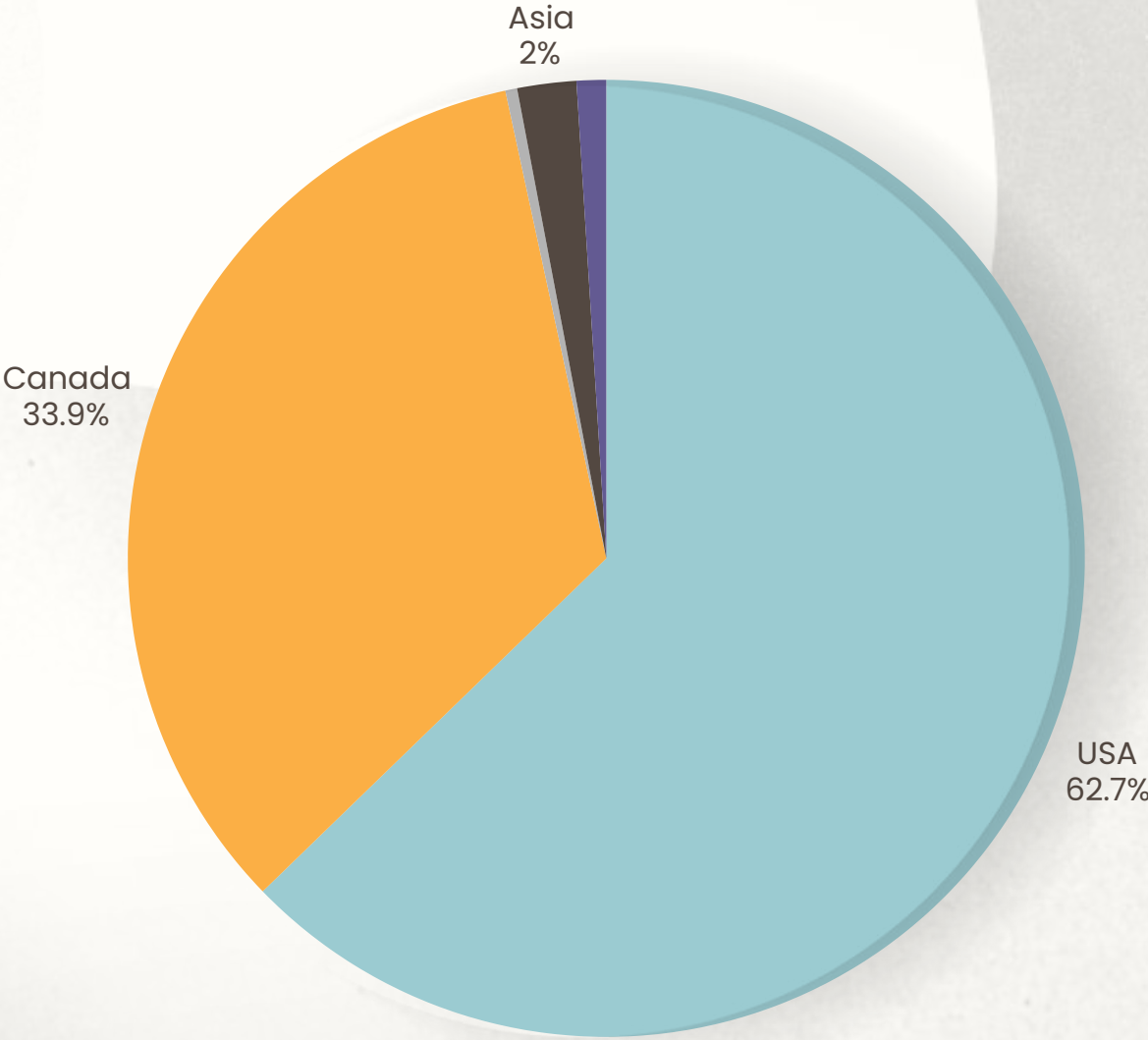
- Vietnam
 - China
- Material Sourcing & Fabric Production With deep-rooted partnerships in Vietnam and China, we ensure consistent access to innovative, high-quality, and sustainable raw materials, including textiles, trims, and embellishments.



ANNUAL EXPORT

This centralized hub allows for vertical integration, speed to market, and high flexibility in handling diverse product categories and customization needs.

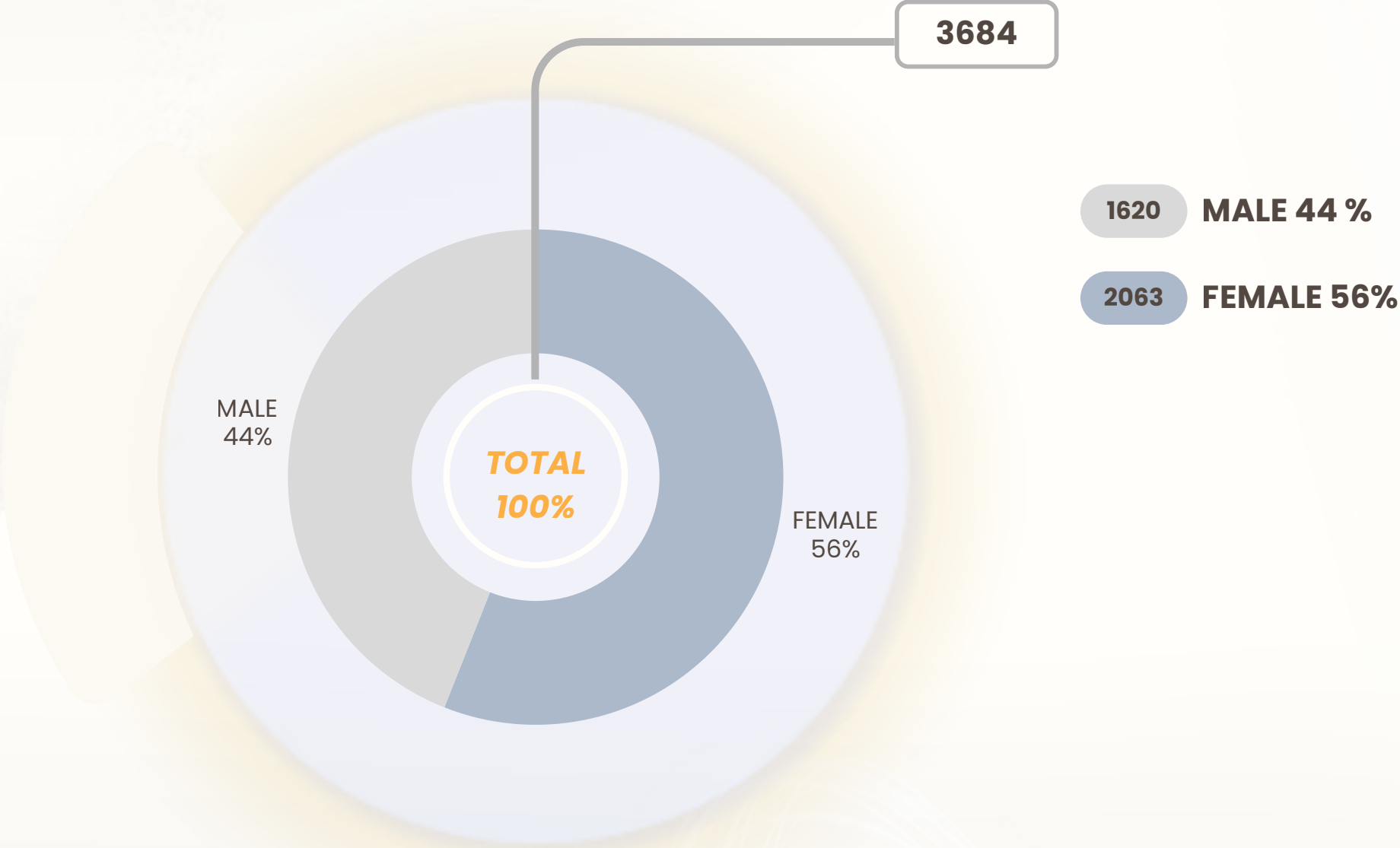
USA 63%, Canada 34%, Europe 0.4%, Asia 2%, South American 1%.



TOTAL EMPLOYEES WORLDWIDE

Total Employees Worldwide:

3684





CEO MESSAGE

Our 2024 Sustainability Journey

I am proud to present our second annual Sustainability Report, covering our performance and progress throughout 2024. This report underscores our continued commitment to responsible and sustainable growth as a fundamental driver of long-term organizational value.

As a corporate citizen, we recognize the critical importance of sustainability, particularly our role in addressing Climate Change. Over the past year, we have translated our dedication into measurable outcomes.

A significant achievement is our focus on circularity: 60% of our waste fabric was successfully sent to recycling companies for conversion into certified Recycled Pre-Consumer Products under the Recycled Claim Standard. This marks a testament to our efforts in minimizing our environmental footprint.

We remain committed to strict supplier standards and ethical sourcing procedures. In 2024, we advanced strategies to safeguard our ability to source responsibly, scaling up the use of sustainable materials to 60% of our total material input.

Furthermore, we continuously strive to empower and balance the needs of our workforce.

While we celebrate these and other accomplishments, we understand that our journey of improvement is continuous.

Moving forward, we are dedicated to enhancing our practices, setting even higher standards, and fostering sustainable value for all our stakeholders. It is through our collective efforts that we will strive to achieve more in the year ahead and beyond.

Thank you for being a vital part of this important journey with us.


Albert Ang
Chief Executive Officer
I Apparel International Group

SUSTAINABILITY HIGHLIGHTS



Successfully integrated **Solar Energy** Generating over **273.9 MWh** advancing our commitment to renewable energy solutions.



Retrofitting initiatives, including the use of **Servo Motors, Induction Boilers, LED Light** reducing energy consumption and enhancing the sustainability of our facilities



Circularity in action,
396 Tones of Fabric Cut Waste
Recycled in 2024



Implemented water conservation practices, amounting to a **40% Improvement in Water Reusability** with the **new induction boiler** over the past year



Introduced **EmpowerHer**,
A gender equality empowerment training programme, advocating for **Women's Rights** and fostering a safe and inclusive workplace



Donated **USD 104,371** and volunteered **1,527 hours** to various societal programmes, emphasising our commitment to giving back to the community



Facilitated over **7,000 Training Hours**, empowering our employees with diverse skills and knowledge, ranging from quality assurance to computer literacy and energy efficiency.



Conducted thorough risk assessments for **100% of tier 1 supplier facilities**, as well as facilities beyond tier 1, to ensure compliance with the labour code of conduct



Established a strong **Sustainability Governance** framework to guide our strategic initiatives and ensure responsible business practices



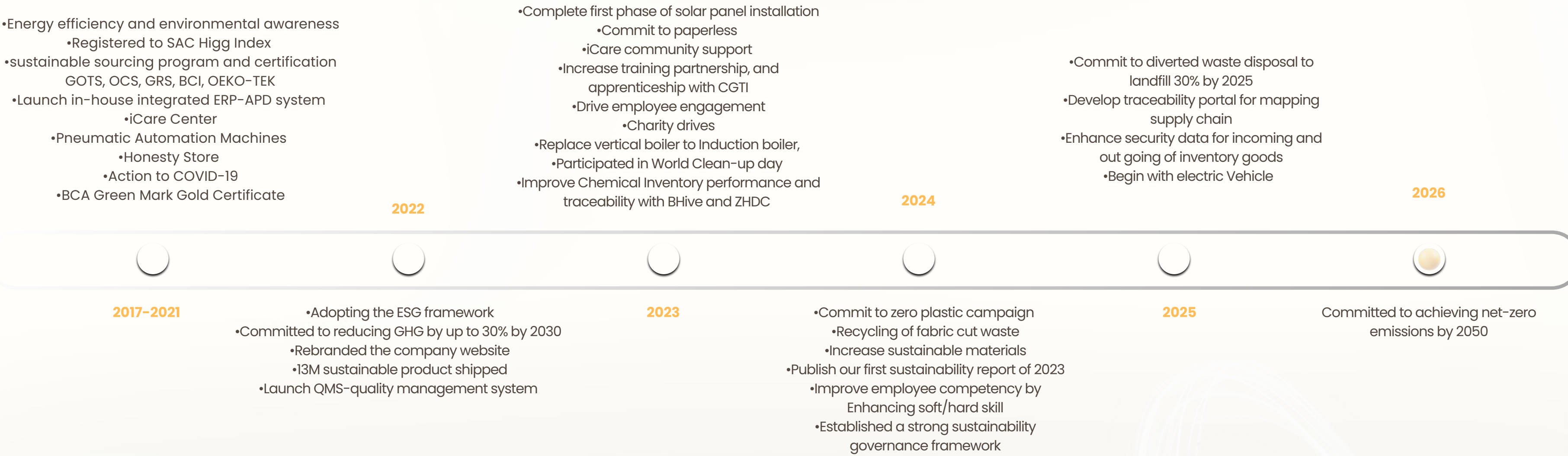
Achieved circular material sourcing of **3,896.11 Metric Tons equal 63% of total raw material**, reducing environmental impact in our primary product manufacturing



Launch In-house integrated **ERP, APD, and QMS System**, a comprehensive product management system, optimizing end-to-end production supply chain processes and enhancing logistics efficiency

APPROACH TO OUR SUSTAINBILITY JOURNEY

IAIG'S SUSTAINABILITY JOURNEY



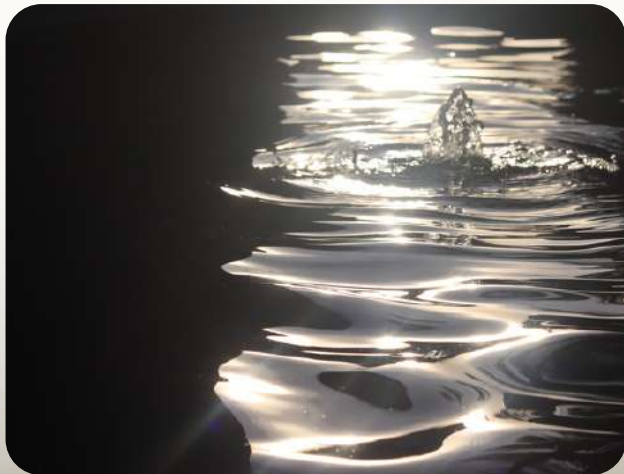
OUR SUSTAINABILITY STRATEGY

OUR GUIDING PRINCIPLES IN ESG

At IAIG, sustainability is not just a buzzword; it is a deeply ingrained philosophy that guides our every decision and action. We recognise that our industry, like many others, has an undeniable impact on our planet and its people. It is a responsibility we take seriously, and that is why we have made sustainability a core element of our business strategy. Guided by our ESG framework in Apparel and Accessories Manufacturing, our approach to sustainability is built on several key principles:

CLIMATE AND ENVIRONMENT

Reducing GHG emissions, water use, waste generation, and energy consumption, while incorporating renewables in energy and materials.



PARTNERSHIP ENGAGEMENT

Engaging customers by transparently sharing information related to our ESG efforts, offering clear product information, including our environmental and social attributes and certifications.



TRANSPARENCY AND TRACEABILITY

Communicating information about our supply chain, sourcing, material origin, and environmental and social impacts to our stakeholders, while ensuring product authenticity and traceability.



SOCIAL IMPACT AND HUMAN RIGHTS

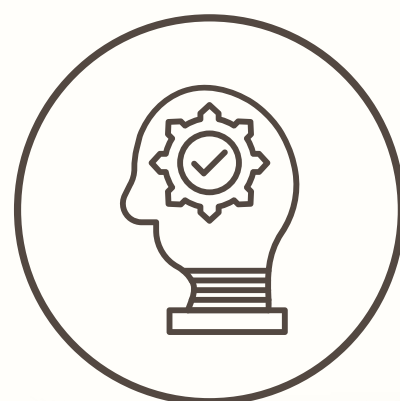
Upholding worker, supplier, and community rights and dignity, ensuring fair wages, safe working conditions, diversity and equal opportunities, gender equality, and social empowerment.





1. ASSESS

- Begin by assessing the availability and quality of existing data related to ESG initiatives and projects.



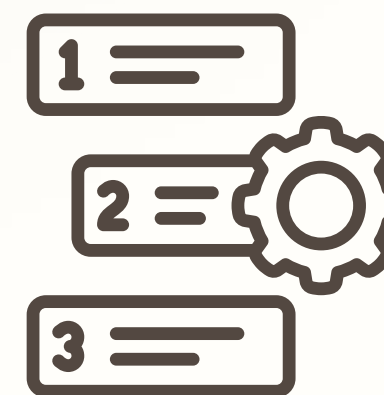
2. DETERMINE

- Determine if IAIG tracks the relevant metrics that comply with industry standards.
- Develop a long list of ESG issues important for the Apparel sector, such as, health and safety, chemical management, product safety and quality.

MATERIAL ESG ASSESSMENT

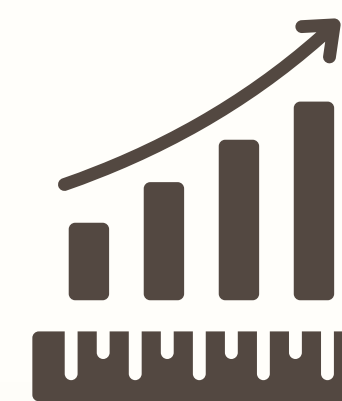
OUR GUIDING PRINCIPLES IN ESG

In 2023, IAIG conducted a material ESG factor assessment to focus our sustainability efforts on the most critical areas. In 2024, we continue to use this assessment, following four key steps that help identify, prioritize, and address the most significant ESG factors.



3. PRIORITISE

- Shortlist the ESG issues by prioritization and considering their materiality to IAIG's business and its stakeholders.



4. MEASURE

- Measure and record IAIG's performance in each aspect of these ESG issues, observing how we have reduced GHG emissions, ensured fair labour practices, and maintained effective governance oversight.

ESG STRATEGIES



ENVIRONMENT



SOCIAL CRITERIA



GOVERNANCE

ESG STRATEGIES



ENVIRONMENT

Material Topic	Reference	Activity data to collect
Carbon Emission	GRI 305 – Emission	<ul style="list-style-type: none">• Data on fuel combustion in owned or controlled facilities (e.g., natural gas, diesel, gasoline)• Data on emissions from company-owned or controlled vehicles• Data on purchased electricity, heat, steam, or cooling consumed by the company• Emission factors used to calculate emissions associated with purchased energy• Data on other indirect emissions sources such as employee commuting, business travel, and distribution or logistics• Data on emissions from purchased goods and services, including upstream and downstream emissions associated with the company’s value chain• Choice of base year or reference year for tracking emission reductions or improvements over time• Emission intensity metrics such as emissions per unit of production, per square foot, per employee, etc
Energy	GRI 302 – Energy	<ul style="list-style-type: none">• Breakdown of energy sources used, including fossil fuels (coal, oil, natural gas), renewables (solar, wind, hydropower), and electricity• Data on energy consumption for heating, cooling, lighting, machinery operation, and other processes• Description of initiatives to improve energy efficiency, reduce consumption, and optimise energy use• Information on the proportion of energy derived from renewable sources• Energy consumption intensity metrics, indicating energy used per unit of production, per employee, etc.• Details about energy management systems, monitoring tools, and technologies used to track and control energy consumption
Environmental Impact in supply chain	SASB – CG-AA-430a.2	<ul style="list-style-type: none">• Percentage of (1) Tier 1 supplier facilities and (2) Supplier facility beyond Tier 1 that have complete the Sustainable Apparel Coalition’s Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment• + Additional – Higg vFEM
Water Consumption	GRI 303 on Water and Effluents (2018)	<ul style="list-style-type: none">• Total volume of water consumed by the organisation across all its operations• Classification of water sources used, such as municipal water supply, groundwater, surface water, or harvested rainwater• Breakdown of water consumption by different categories, such as industrial processes, cooling systems, sanitation, irrigation, and domestic use• Water consumption intensity metrics, such as water usage per unit of production, per employee, per area, etc.• Information on water recycling and reuse initiatives within the organisation, and the proportion of total water consumption that is recycled• Contextual information about the region’s water stress level or water scarcity conditions• Description of water management strategies, technologies, and practices implemented to optimise water use and reduce consumption.

ESG STRATEGIES



ENVIRONMENT

Material Topic	Reference	Activity data to collect
Waste water discharge and effluent	SASB Metric CG-AA-430a. on Environmental Impacts in the Supply Chain	<ul style="list-style-type: none">• Data on fuel combustion in owned or controlled facilities (e.g., natural gas, diesel, gasoline)• Data on emissions from company-owned or controlled vehicles• Data on purchased electricity, heat, steam, or cooling consumed by the company• Emission factors used to calculate emissions associated with purchased energy• Data on other indirect emissions sources such as employee commuting, business travel, and distribution or logistics
Waste generation	GRI 306 on Waste (2020) GRI 306-3 Waste Generate, GRI 306-4 Waste Diverted from disposal, GRI 306-5 Waste Directed to Disposal	<ul style="list-style-type: none">• Total volume or weight of waste generated by the organisation across its operations• Categorisation of waste types, such as hazardous, non-hazardous, recyclable, organic, and e-waste• Information on how waste is managed, treated, and disposed of, including landfilling, incineration, recycling, composting, and reuse• Any established waste reduction targets and progress made toward achieving those targets• Waste generation intensity metrics, indicating waste produced per unit of production, per employee, per area, etc.• Data on the percentage of waste that is recycled, recovered, or diverted from landfills and incineration• Information about handling and disposal of hazardous waste, including compliance with regulations and industry standards• Any initiatives related to extended producer responsibility• Details about circular economy strategies, including product design for easy disassembly, remanufacturing, and minimising waste generation• Information about collaborations with waste management partners, recyclers, and suppliers to enhance waste reduction and recycling efforts• Technologies to minimize/ eliminate/ reduce waste generation in both operation and production (Data Inputs and output of raw materials, process of manufacturing production to understand how waste minimization works during pattern-making to cutting)
Raw Material	SASB CG-AA-440a.1	<ul style="list-style-type: none">• Discussion of environmental and social risks associated with sourcing priority raw materials• Percentage of raw material third- party certified to an environmental and environmental and/ or social sustainability standard, by standard<ul style="list-style-type: none">(1) Amount of raw material purchased, by material, and(2) Amount of each priority raw material that is certified to a third party environment and social standard, by standard

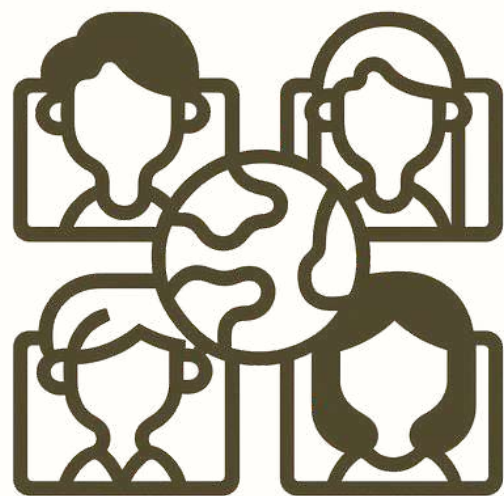
ESG STRATEGIES



ENVIRONMENT

Material Topic	Reference	Activity data to collect
Raw Material	GRI 301 – Materials (2016) GRI 301-2 – Recycled input materials used	<ul style="list-style-type: none">• Total weight or volume of materials that are used to produce and package the organization’s primary product and services during the reporting period, by:<ul style="list-style-type: none">A. Non-renewable material used,B. Renewable material used• Percentage of recycled input materials used to manufacture the organization’s primary products and services• Contribution to resource conservation approach to recycling, reusing and reclaiming materials, products, and packaging
Chemical Management	CG-AA-250a.1 – Management of Chemical in product	<ul style="list-style-type: none">• Discussion of processes to maintain compliance with restricted substances regulations

ESG STRATEGIES



SOCIAL CRITERIA

Material Topic	Reference	Activity data to collect
Worker Occupational Health and Safety	<p>GRI 403-1 - occupational health and safety management system</p> <p>GRI 403-3 - Promotion of worker health</p> <p>GRI 403-9 - Work relate injurie</p> <p>GRI 403-1: occupational health and safety management system</p> <p>GRI 403-3: Promotion of worker health</p> <p>GRI 403-9: Work relate injuries</p> <p>SASB CG-AA-320a: Worker Health & Safety</p>	<ul style="list-style-type: none">Percentage and number of Worker/Employee who controlled by IAIG, and not controlled by IAIG (Eg: subcontractor, contractor, agency, self employed..)How OSH has been implement including legal requirement, standard, recognition of risk management, management system standard/ guideline (list of standard/ guideline)Description of the scope of workers, activities, and workplaces covered by OHS management system and explanation of whether the not coverstatement of whether an OHS management <ol style="list-style-type: none">Description of the processes used to identify work-related hazards and assess risks and the application of the hierarchy of controls in order to eliminate hazards and minimise risks, including the quality, results and improvement of the processesDescription of the processes for workers to report work-related hazards and hazardous situations, policies and processes for workers to remove themselves from hazardous work situations and processes used to investigate work-related incidentsInformation about OHS training provided to workers (e.g. effectiveness of training, whether training is mandatory and/or free of charge, content or topics addressed, etc.)Information about voluntary health promotion services and programs offered to workers and facilitation of worker’s access to non-occupational medical and healthcare services

ESG STRATEGIES



SOCIAL CRITERIA

Material Topic	Reference	Activity data to collect
Diversity and equal opportunity	GRI 403-3 -Promotion of worker health	<ul style="list-style-type: none">• Percentage of individuals in the management level (e.g. board of directors, management committee) by gender, age group and/or other indicators of diversity where relevant• Percentage of total employees per employee category by gender, age group and/or other indicators of diversity where relevant• Percentage of new hires per employee category by gender, age group and/or other indicators of diversity where relevant• Percentage of employee turnover per employee category by gender, age group and/or other indicators of diversity where relevant• Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation• Employee survey on diversity and inclusion and feedback on work environment inclusiveness
Employee Well-being and Development	SASB CG-AA-320a: Worker Health & Safety	<ul style="list-style-type: none">• Average hours of training employees have undergone by gender, age and employee category• Details on type and scope of trainings/programmes provided and whether it is compulsory or voluntary to attend• Information on transition assistance programmes provided for career switch/mobility• Percentage of total employees by gender and employee category who received a regular performance and career development review• Details about health and wellness programmes for employees to participate• Information on implementing parental leave, flexible work arrangements and/or other policies and utilization rate of benefits
Community Engagement	GRI 413: Local Communities	<ul style="list-style-type: none">• Details on employee volunteerism, indicating purpose of engagement, number of participants, total volunteer hours, number of beneficiaries, monetary value donated, frequency of volunteer, key focus area on volunteer groups• Details about number of community organisations or non-profit organisations partnered with for volunteer opportunities, duration of partnerships and depth of engagements• Details about aligning volunteer initiatives with company's mission and social impact goals
Employee training and Development	GRI 404-2: Professional Growth	<ul style="list-style-type: none">• Average hours of training that organisation's employee have undertaken during reporting period• Type and scope of programs implementation and assistance to upgrade employee skills• Transaction assistance programs provided aby facilitate continued employability and the management of career ending resulting from retirement or termination employment

ESG STRATEGIES



GOVERNANCE

Material Topic	Reference	Activity data to collect
Code of conduct	GRI 102-16 SASB – IF-510a.1 / IF-510a.2 SASB – HC-330a.1	<ul style="list-style-type: none"> measures the extent of the risk assessment’s implementation across an organisation. Risk assessments can help to assess the potential for incidents of corruption within and related to the organisation, and help the organisation to design policies and procedures to combat corruption. Total number of operations assessed for risks related to corruption Total number of operations in the corresponding year Percentage of operations assessed for risks related to corruption
Business Ethic and Integrity	GRI 302 – Energy	<ul style="list-style-type: none"> Breakdown of energy sources used, including fossil fuels (coal, oil, natural gas), renewables (solar, wind, hydropower), and electricity Data on energy consumption for heating, cooling, lighting, machinery operation, and other processes Description of initiatives to improve energy efficiency, reduce consumption, and optimise energy use Information on the proportion of energy derived from renewable sources Energy consumption intensity metrics, indicating energy used per unit of production, per employee, etc. Details about energy management systems, monitoring tools, and technologies used to track and control energy consumption
Responsible sourcing and supply chain management	SASB – CG-AA-430a.2	<ul style="list-style-type: none"> Percentage of (1) Tier 1 supplier facilities and (2) Supplier facility beyond Tier 1 that have complete the Sustainable Apparel Coalition’s Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment
Supply Chain security and integrity	GRI 308 / 414 Supplier Environmental & Social Assessments SASB (for Apparel) Labor Conditions in the Supply Chain (CG-AA-430a) O TCFD Risk Management – Supply Chain Disruptions	<ul style="list-style-type: none"> Covers responsible supplier selection, local sourcing, and supply chain management practices environmental data assessment Focuses on social risk assessment, labor practices, and compliance within the supply chain. Relevant for protecting shipment data, documentation, and information security. Covers compliance with laws and regulations, including customs and trade regulations.



Corporate Governance

1. BUSINESS ETHICS AND INTEGRITY

As the company follow the ESG, We aim to conduct the business ethics and integrity at our core, transparent toward our client, stakeholder, corporate partner, to displace trust and continues a long term business together, we tightly conduct the SOP with identified the allocation of responsibility, delegation of substantial discretion authority

Code Of Conduct

Ensuring traceability throughout our supply chain is crucial for upholding human rights and ensuring decent working conditions, particularly in garment production. While we currently have visibility over our Tier 1 supplier facilities, our conventional material sourcing methods, primarily through fabric markets, present its own challenges in advancing traceability efforts beyond this level.

In 2017, we initiated a strategic sourcing function to strengthen our garment production operations. This approach enables us to take greater control over our materials supply chain, consolidating raw materials for enhanced traceability. While we have made strides towards our 100% traceability goal by 2024, our revamped sourcing models sets a strong base for further improvement, and we remain optimistic about our advancements in the coming years.

Risk Management and internal control

We maintain a structured risk management framework to identify, assess, and manage potential risks across our operations. This approach supports business continuity, regulatory compliance, and long-term sustainability by ensuring risks are proactively monitored and mitigated.

Internal Control

Our internal control system is strengthened through regular internal audits and system-driven monitoring processes. Digital platforms enable real-time data tracking, transparent reporting, and timely corrective actions. Internal audits assess compliance, operational effectiveness, and risk exposure, while system-based controls reduce manual errors and enhance accountability. Together, these mechanisms ensure strong governance, transparency, and continuous improvement across the organization.

2. STAKEHOLDER ENGAGEMENT

We recognize that strong relationships with our stakeholders are essential to sustaining long-term business success and driving positive environmental and social impact. Our stakeholder engagement approach focuses on transparent communication, active collaboration, and continuous feedback to ensure that their expectations and concerns are understood and integrated into our decision-making processes.

We engage a wide range of stakeholders—including employees, customers, suppliers, regulatory authorities, community members, and industry partners—through regular meetings, training programs, surveys, audits, and partnership initiatives. This two-way dialogue allows us to identify emerging risks and opportunities, improve compliance and performance, and strengthen trust across our value chain. Through consistent and meaningful engagement, we aim to foster shared value, enhance accountability, and support sustainable growth for both our organization and the communities we serve.

Key Initiative to Address stakeholder concern

To ensure that stakeholder expectations are effectively addressed, the company has implemented a series of targeted initiatives aligned with our sustainability priorities. These initiatives focus on enhancing transparency, improving operational performance, and fostering a responsible and inclusive working environment.

Strengthening Communication Channels



Improving Working Conditions and Employee Well-Being



Promoting Responsible Supply Chain Management



Advancing Environmental Performance



Enhancing Governance and Compliance



Enhancing Product Quality



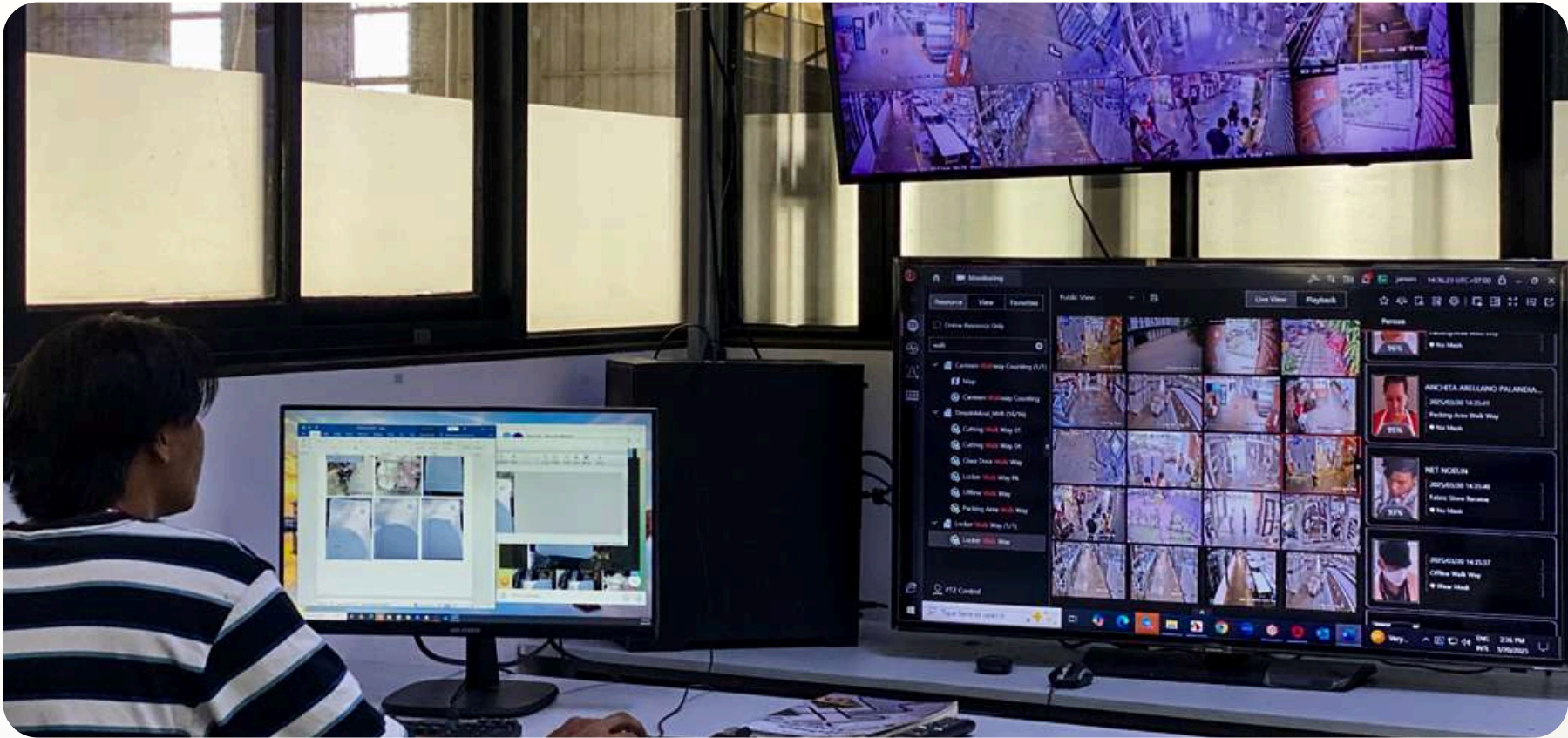
3. SUPPLY CHAIN SECURITY AND INTEGRITY

The selection of security partners follows the Policies and Procedures for Selecting a Business Partner to ensure full compliance with local regulations and alignment with the company’s requirements and standards. All appointed security partners must adhere to the company’s Code of Conduct and agree to the terms and conditions, including compliance with C-TPAT policies and procedures. In addition, each selected security partner is subject to an annual risk assessment conducted by the facility to ensure ongoing compliance and performance.

Physical Access and Conveyor Security

Our physical security system is designed to meet internal security standards and comply with C-TPAT, WRAP, customer-specific requirements, and border authority regulations. Facility lighting, surveillance camera placement, and alarm systems are strategically planned with support from third-party security experts to ensure all potential access and exit points are effectively secured. High-resolution surveillance footage is stored on our server for 90 days before being archived on a secure hard drive for long-term retention.

Our AI-enabled camera system includes face detection and movement detection, allowing security personnel to quickly identify unauthorized individuals and respond to unusual activity in real time. Through these strengthened measures, we maintain a robust and reliable security management system that protects our assets, employees, and supply chain integrity.



Compliance procedures and audit

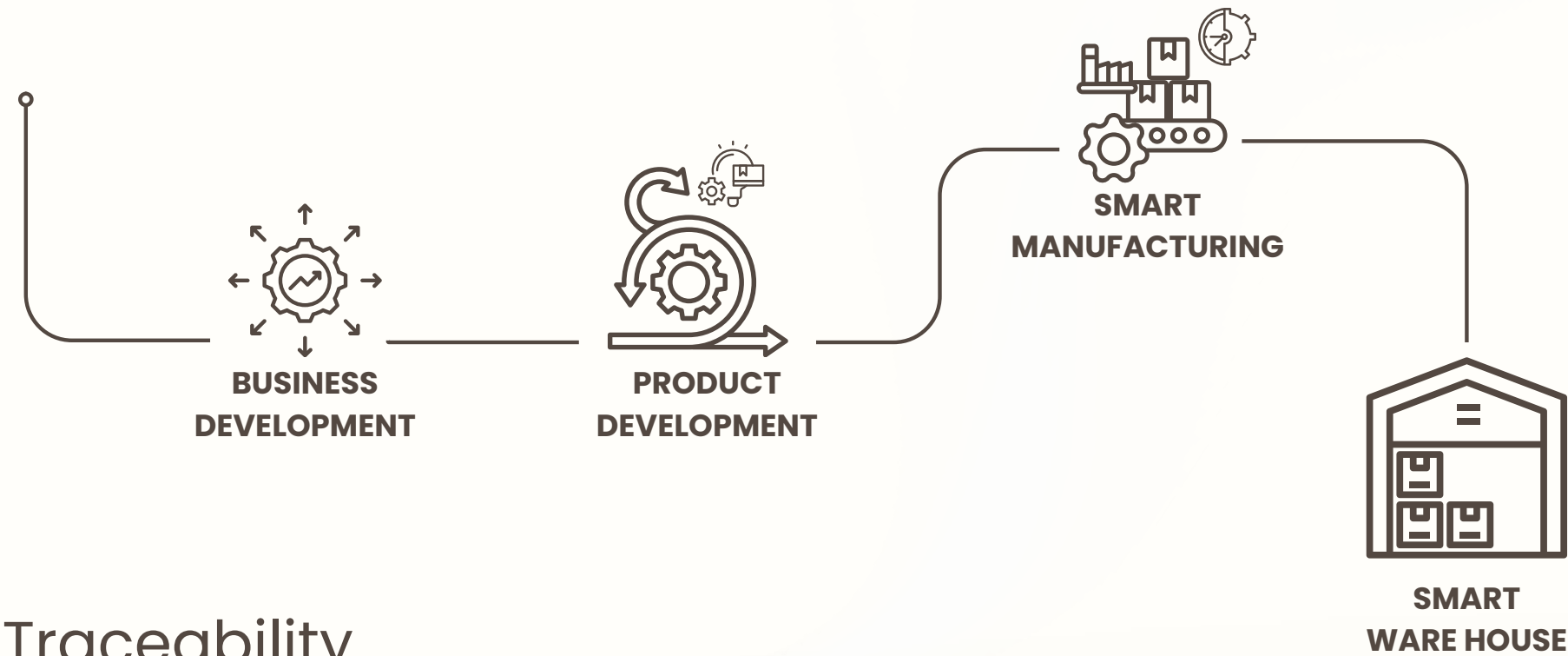
Security Procedures Following Compliance Standards .Our security procedures are established in alignment with international compliance standards and audit assessment requirements. We implement a comprehensive security management system that meets the expectations of C-TPAT, WRAP, SCAN/GSV, and relevant border customs authorities. Key Security measures include:

- Access Control
- Information Security
- Cargo Security
- Customs Compliance
- Facility Security
- Risk Assessment and Management
- Employee Screening
- Emergency Response



4. RESPONSIBLE SOURCING AND SUPPLY CHAIN MANAGEMENT

We maintain robust traceability systems to ensure full visibility across our supply chain, from raw material sourcing to finished product delivery. Through verified documentation, supplier certifications, and digital record-keeping, we track materials at every stage and ensure compliance with customer, regulatory, and industry standards. This approach strengthens transparency, supports responsible sourcing, and maintains product integrity throughout our operations.



Traceability

In the first phase of our traceability enhancement, we began tracking and centrally controlling data across our development-to-production operations within the manufacturing units of our group companies. This includes integrating digital tools and smart manufacturing systems to ensure accurate, real-time data flow. By consolidating information across each production stage, we improve transparency, strengthen material tracking, and enhance overall supply chain integrity

In the first phase, we established traceability by tracking and centrally controlling data across our **development-to-production operations** through our internal **APD and FMS systems**, both developed by our in-house software engineering team.

In the first phase of our traceability enhancement, we began tracking and centrally controlling data across our development-to-production operations within the manufacturing units of our group companies. This includes integrating digital tools and smart manufacturing systems to ensure accurate, real-time data flow. By consolidating information across each production stage, we improve transparency, strengthen material tracking, and enhance overall supply chain integrity

Digital Administrative System

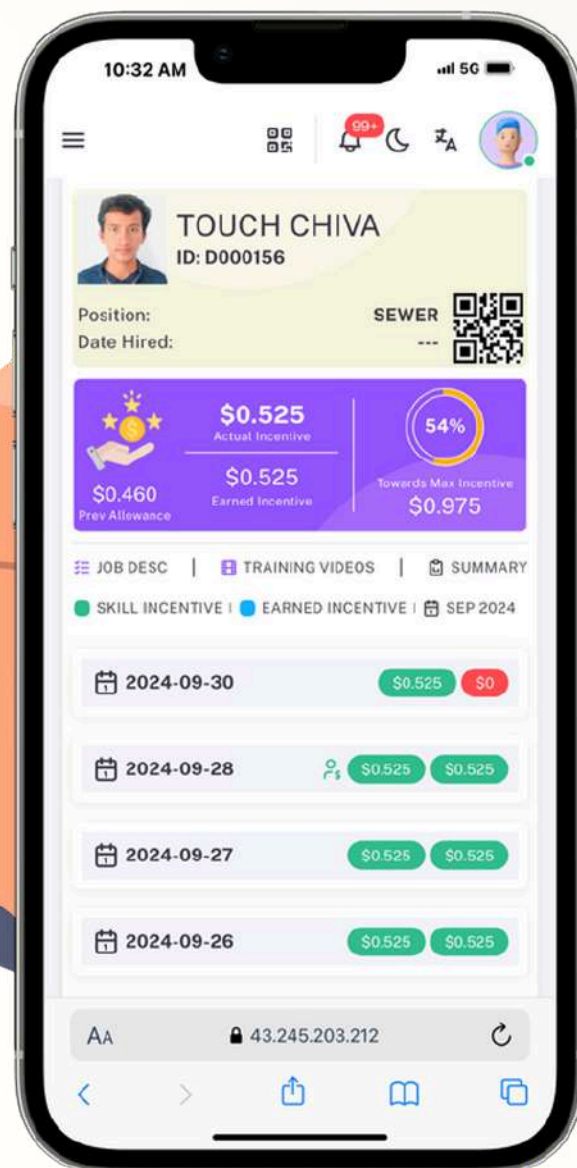
Our Enhanced Digital Administration System plays a critical role in strengthening governance, improving operational transparency, and supporting our sustainability goals.

Overall, this system reinforces our commitment to operational efficiency, responsible resource management, and continuous improvement in workplace governance.

It also digitizes essential support services, including company clinic records and gate pass issuance, helping to eliminate manual paperwork, reduce processing time, and minimize the risk of human error. By transitioning to a fully digital workflow, the company enhances data accuracy, improves accountability across departments, and reduces resource consumption associated with traditional paper-based processes.

Overall, this system reinforces our commitment to operational efficiency, responsible resource management, and continuous improvement in workplace governance.





SKILL HUB THE INCENTIVE AND SKILL ALLOWANCE SYSTEM

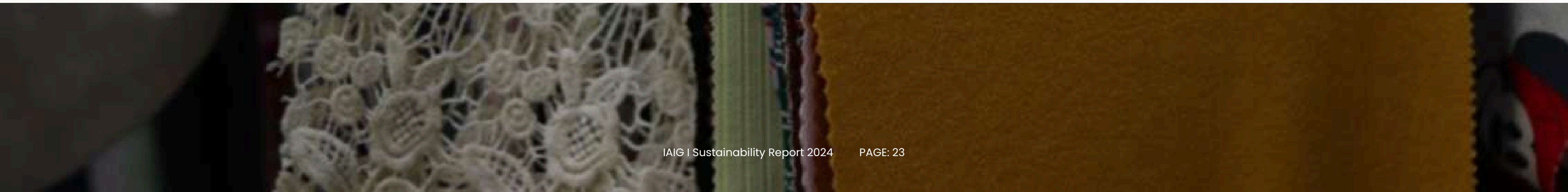
Skill Hub — our incentive and skill-allowance system — enables supervisors to track real-time performance and incentives for each production style, ensuring accuracy, consistent calculations, and full digitalization.

Skill Hub — our digital incentive and skill-allowance system — is designed to strengthen transparency and fairness across our production teams. The platform enables supervisors to monitor real-time operator performance for each style, ensuring accurate and consistent incentive calculations. By fully digitalizing the tracking process, Skill Hub reduces manual errors, promotes equitable compensation, and supports data-driven workforce development





ENVIROMENTAL



1. CARBON EMISSION

We recognize that carbon emissions are one of the most significant contributors to climate change.

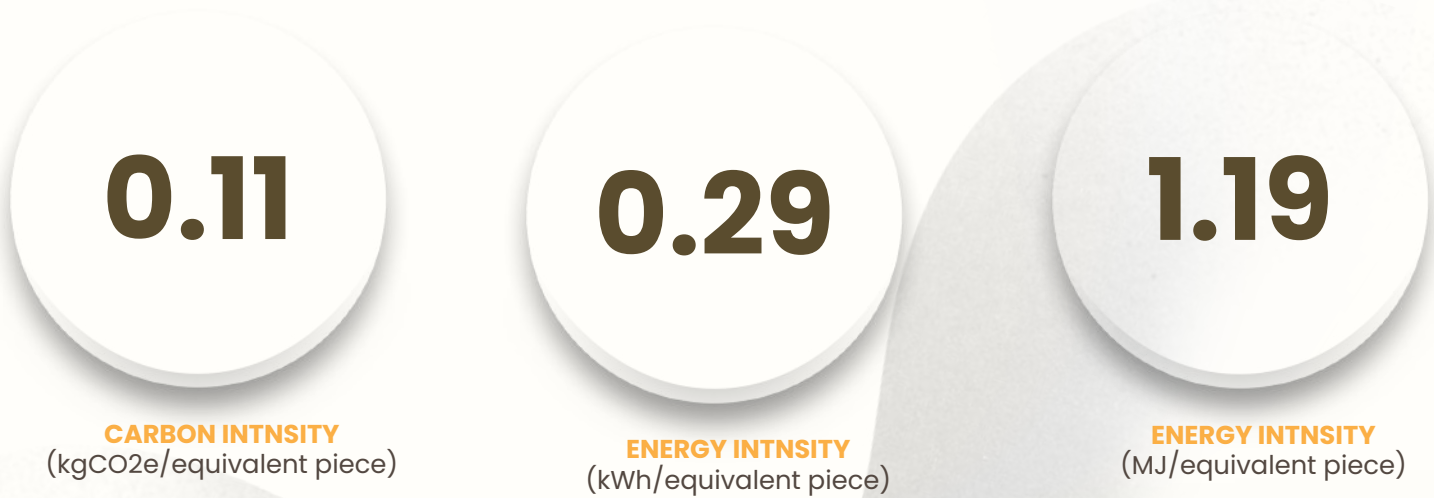
As part of our sustainability commitment, we continuously monitor and evaluate our greenhouse gas (GHG) emissions across operations to identify opportunities for reduction.

Our focus is on improving energy efficiency, optimizing production processes, and promoting responsible resource management throughout our facilities and supply chain.

We also encourage our employees and partner factories to adopt low-carbon practices, such as reducing electricity consumption, optimizing machinery usage, and exploring renewable energy alternatives.

Through these ongoing efforts, IAIG aims to steadily reduce its carbon footprint while aligning with global climate action goals and our customers’ sustainability expectations

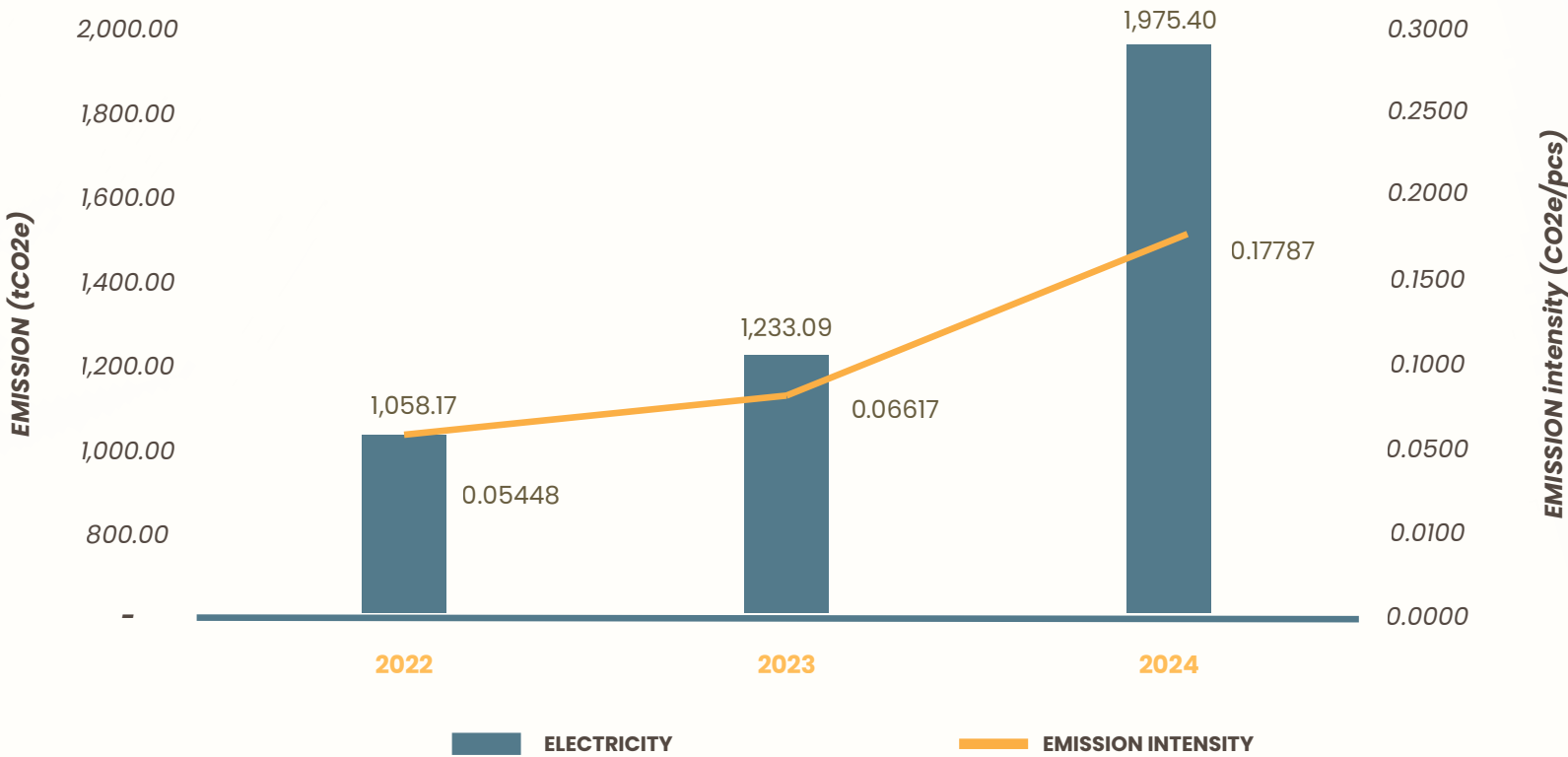
PRODUCT FOOTPRINTS



Notes:
The carbon intensity is calculated by dividing the total GHG emissions by total equivalent pieces of garments. The scope of product footprint calculation only includes our garment factories.

Scope 1 : refers to direct greenhouse gas (GHG) emissions from fuel combustion that occurs within our operational boundaries. At I Apparel International Group (IAIG), these emissions are generated directly through the consumption of diesel and liquefied petroleum gas (LPG) used across our facilities.

Scope 2 : emissions cover indirect emissions arising from the consumption of purchased energy. While we have experienced an increase in energy consumption due to operational expansion and production demand, IAIG remains committed to improving performance by optimizing fuel efficiency, upgrading to energy-efficient machinery, and exploring renewable energy solutions to reduce future emissions.”

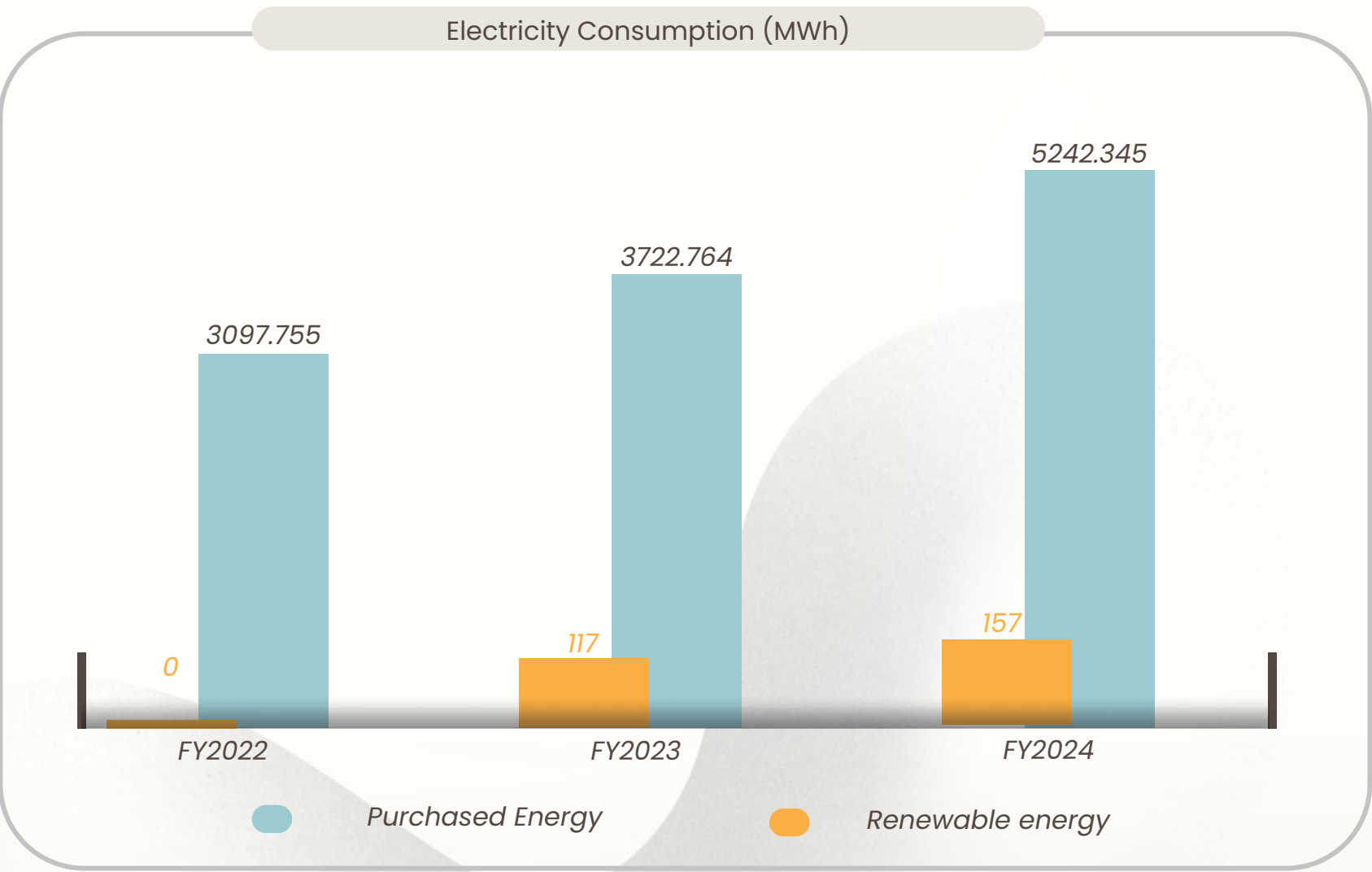


Energy Consumption	Energy Source	kWh	GJ
Purchase Energy	Electricity	3,722,764	18,872,442
Renewable Energy	Solar Power	157,660	567,576

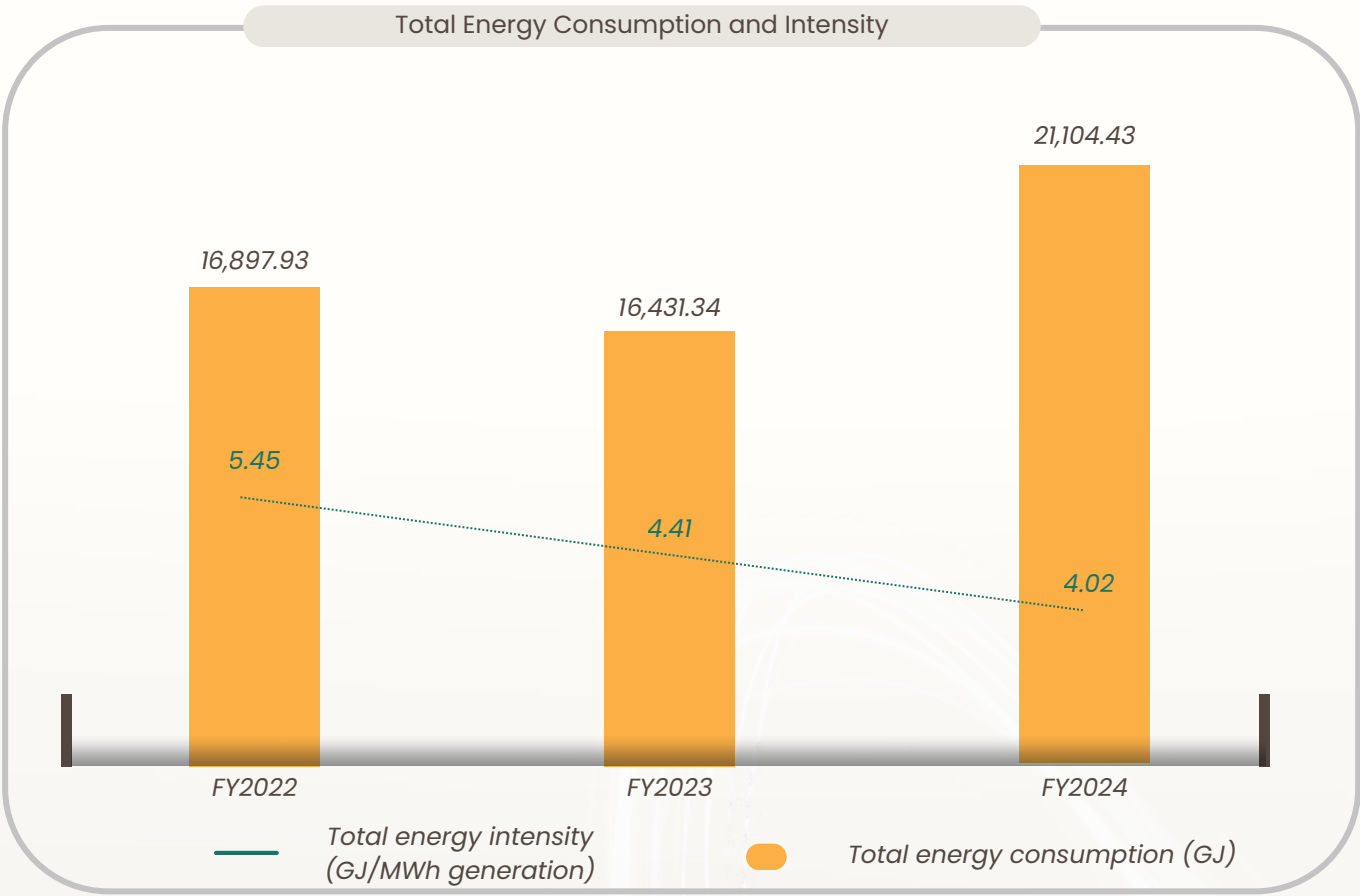
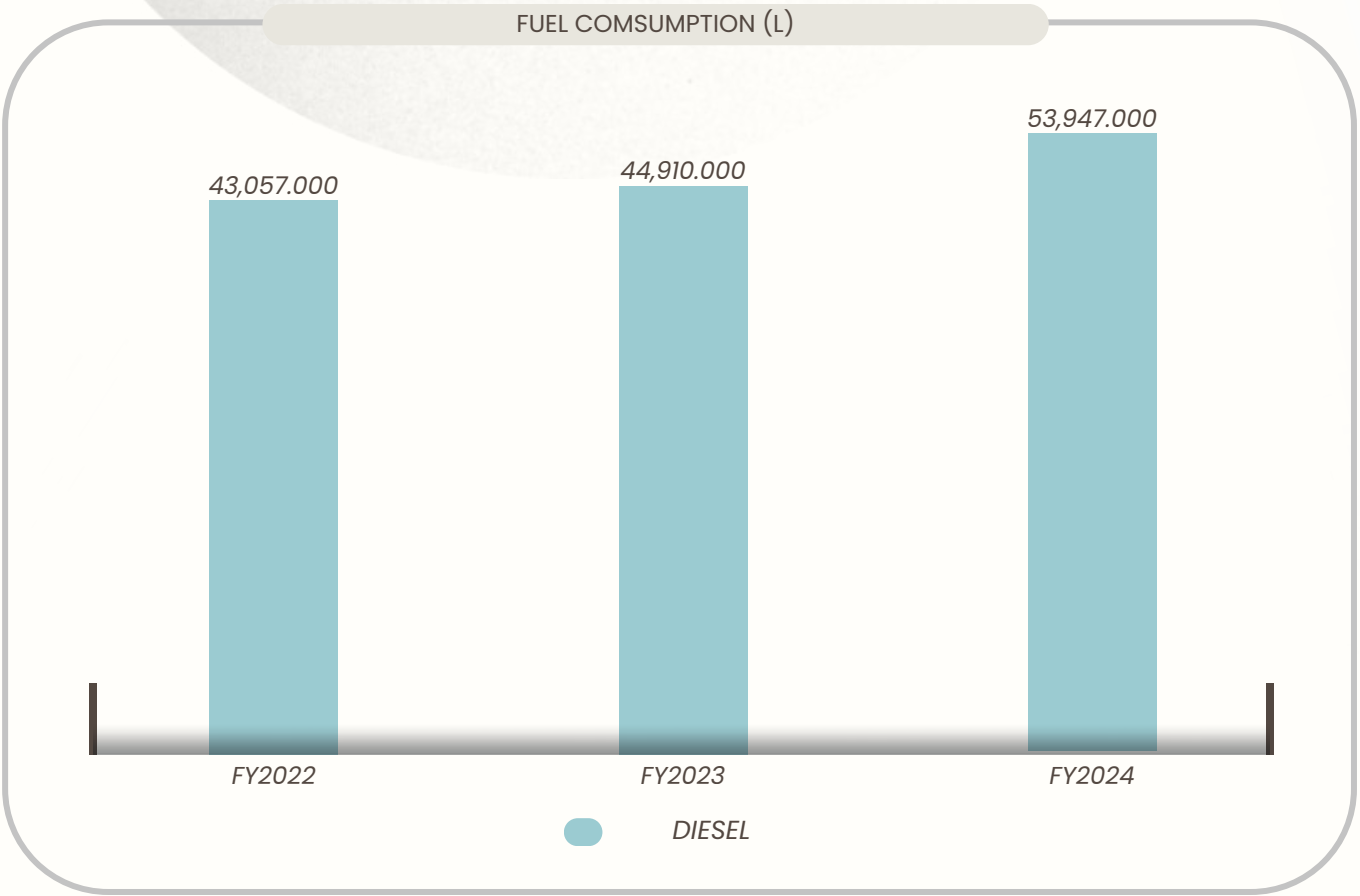
Electricity-related CO₂ emissions rose from 1,058.17 tCO₂ in 2022 to 1,975.40 tCO₂ in 2024, while emission intensity increased sharply from 0.05448 to 0.17787 tCO₂e/pcs. Despite incorporating 157,660 kWh of solar power, total electricity use reached 3,722,764 kWh, indicating limited impact from renewables. The upward trend signals a need for stronger emission controls and expanded clean energy adoption

2. ENERGY CONSUMPTION

I Apparel acknowledges the responsibility we share in protecting and restoring the environment on which our industry depends. Our business activities, from material sourcing to production, inevitably impact the planet. Therefore, we are dedicated to reducing our environmental footprint through efficient resource management, cleaner production practices, and active collaboration with our partners and stakeholders across the value chain to foster long-term environmental sustainability.



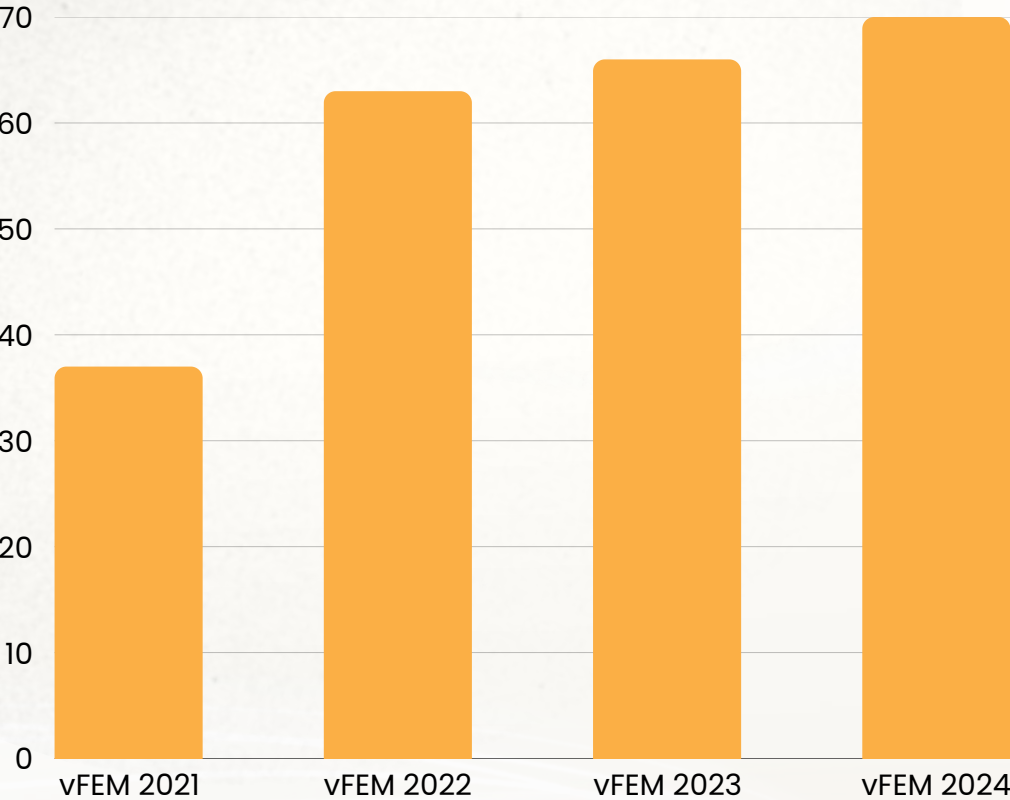
From FY2022 to FY2024, I Apparel achieved a notable improvement in energy efficiency, reducing energy intensity from 5.45 to 4.02 GJ/MWh generation. While total energy consumption rose to 21,104.43 GJ in FY2024, this increase reflects business growth supported by more efficient energy use. From zero in FY2022 to 157 MWh in FY2024, renewable energy growth highlights I Apparel’s commitment to greener practices.











In 2024, I Apparel Placed a strong emphasis on building capacity, enhancing management practices across their facilities, through regular training sessions, on-site monitoring, and internal implementation of sustainable practices, we have achieve measurable improvements in our Higg Index scores.

This approach allows for transparent assessment of key areas, including energy and water consumption, greenhouse gas emissions, wastewater and air quality management, waste reduction, and chemical safety, helping us meet the expectations of our customers while fostering long-term sustainability.



	 EMS	 ENERGY	 WATER	 WASTE WATER	 AIR EMISIONS	 WASTE	 CHEMICAL	SCORE
VFEM 2021	48	71	67	29	8	17	20	37
VFEM 2022	99	100	62	64	14	55	49	63
VFEM 2023	100	57	55	86	20	69	74	66
VFEM 2024	100	64	55	87	37	70	77	70

3. WATER CONSUMPTION

Water is a vital resource in apparel manufacturing, and at I Apparel International Group (IAIG), we are committed to using it efficiently and responsibly. We continuously monitor water consumption across our facilities to identify opportunities for conservation and process optimization.

Our initiatives focus on using water efficiently, reusing process water where possible, and ensuring that wastewater is properly treated before discharge in compliance with local regulations and international standards.

Water is primarily used in our facilities for domestic purposes such as toilets, drinking water, and general hygiene. While our operations do not involve significant wet processing, we also ensure that wastewater is properly managed in compliance with local regulations.

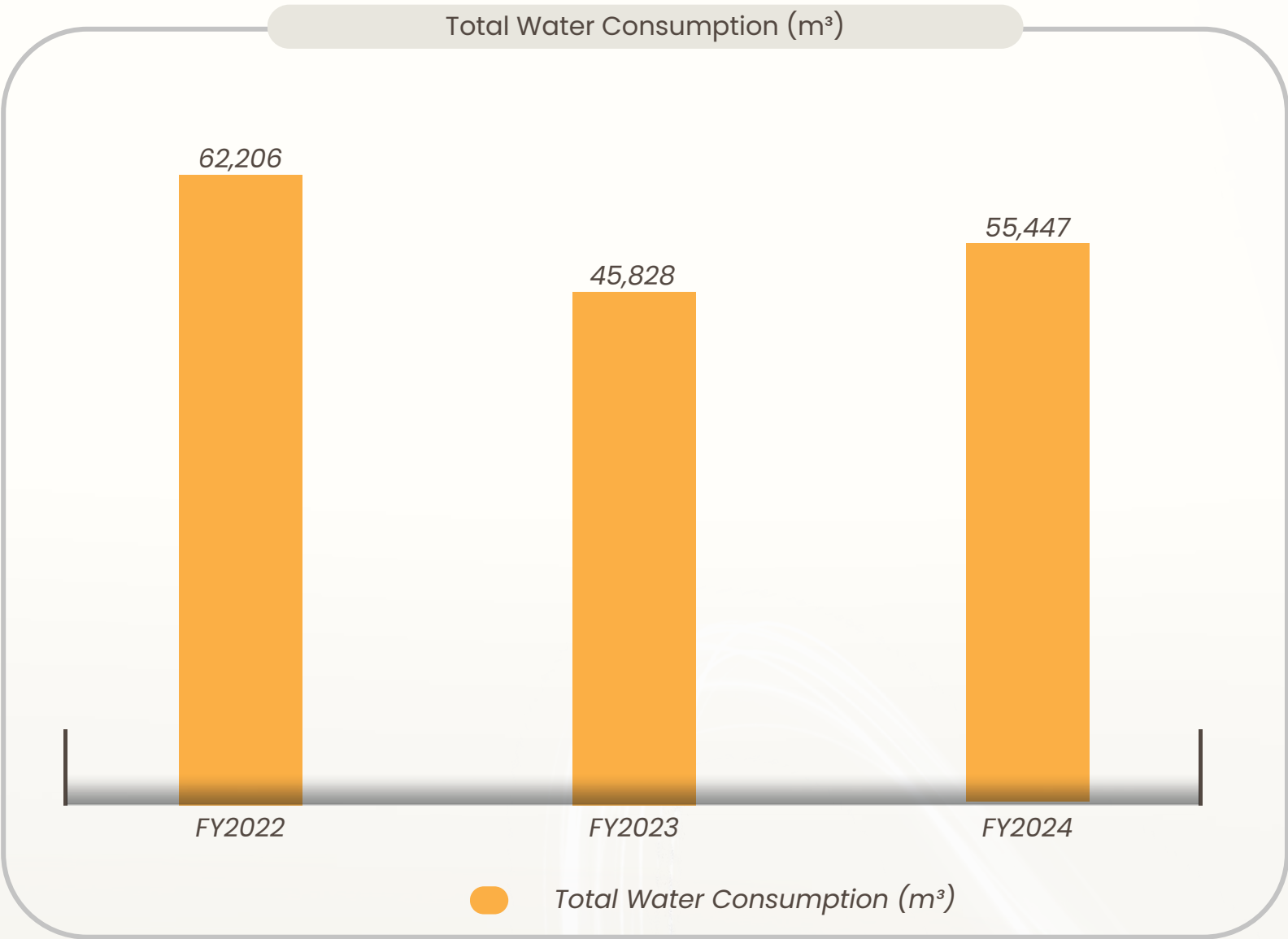
We focus on using water efficiently and maintaining our facilities to prevent leaks and unnecessary wastage. Regular inspections and maintenance ensure that water systems operate effectively, supporting our commitment to responsible water management and minimizing environmental impact.

By FY2023, consumption dropped sharply to 45,828 m³, representing a 26% reduction and significantly surpassing the 10% reduction goal. However, in FY2024 usage rose again to 55,447 m³, a 21% increase compared to the prior year, which fell short of the target. This pattern shows that while substantial efficiency gains are achievable, maintaining consistent year-over-year reductions remains a challenge. To meet future sustainability goals, stronger long-term strategies for water efficiency, reuse, and monitoring will be essential.



Water Management (Disclosure GRI 303-3, 303-4, 303-5)	Amount in m³
Total surface water withdrawn	55,447

Third-party water discharge	44,358
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4. CIRCULAR ECONOMIC THROUGH WASTE MANAGEMENT

We recognize that responsible waste management is a key part of our sustainability journey. We strive to minimize waste generation across our operations through careful planning, segregation, and proper disposal practices. Non-hazardous and recyclable materials are sorted and sent for recycling or repurposing whenever possible, while hazardous waste is managed in compliance with local regulations and international standards.

Beyond waste reduction, IAIG is committed to advancing a circular economy approach. We explore opportunities to extend the lifecycle of materials, promote reuse and recycling within our supply chain, and encourage innovative practices that transform waste into valuable resources. By integrating circular economy principles into our operations



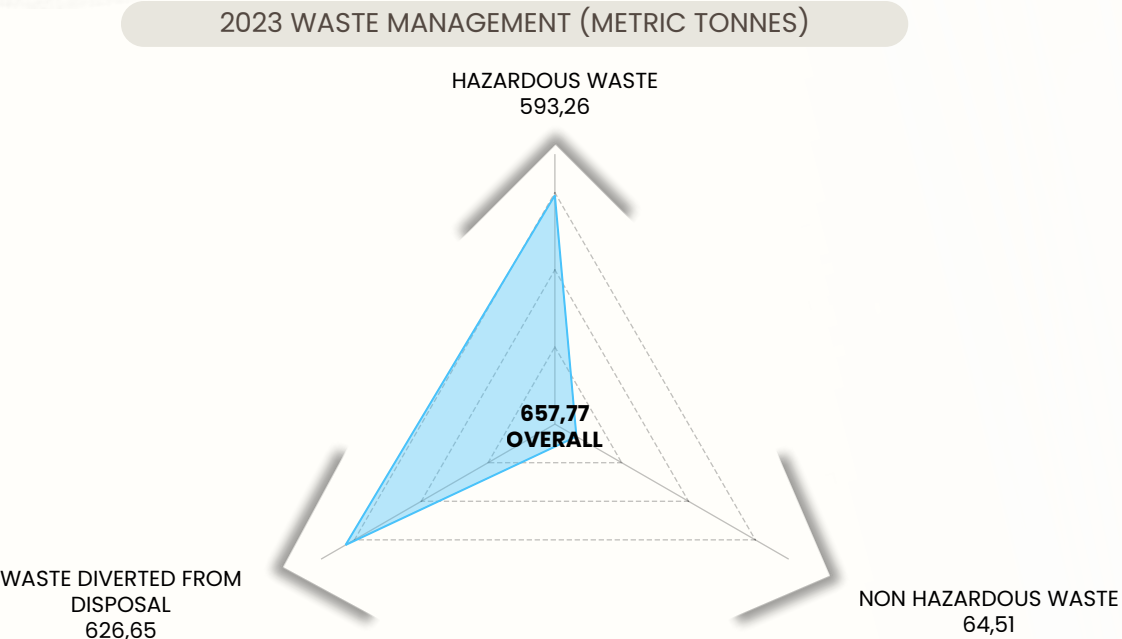
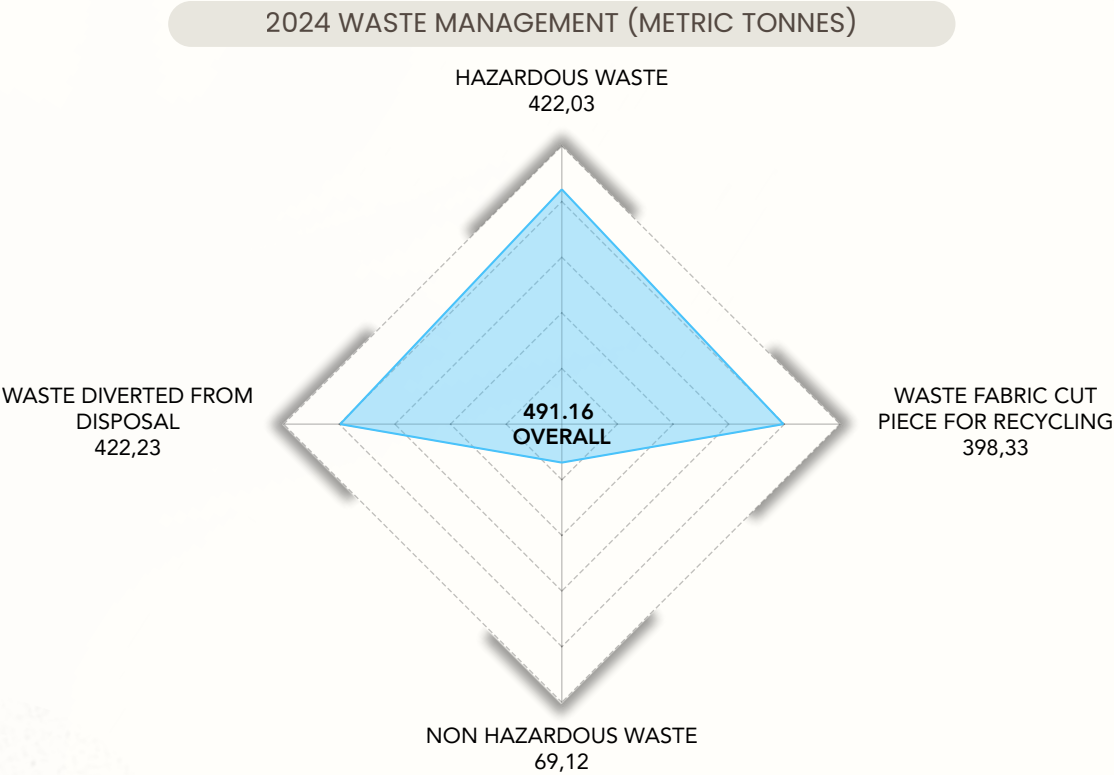
WASTE GENERATION

The majority of waste consists of fabric cut pieces produced during garment manufacturing processes.

Compared to the previous year of 2023, overall waste generation has decreased, reflecting improved material utilization and efficiency in production.

IAIG continues to strengthen waste management practices through enhanced waste segregation, recycling initiatives, and the exploration of circular solutions to further reduce fabric waste.

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Waste Management Performance



TOTAL WASTE GENERATE RESULT



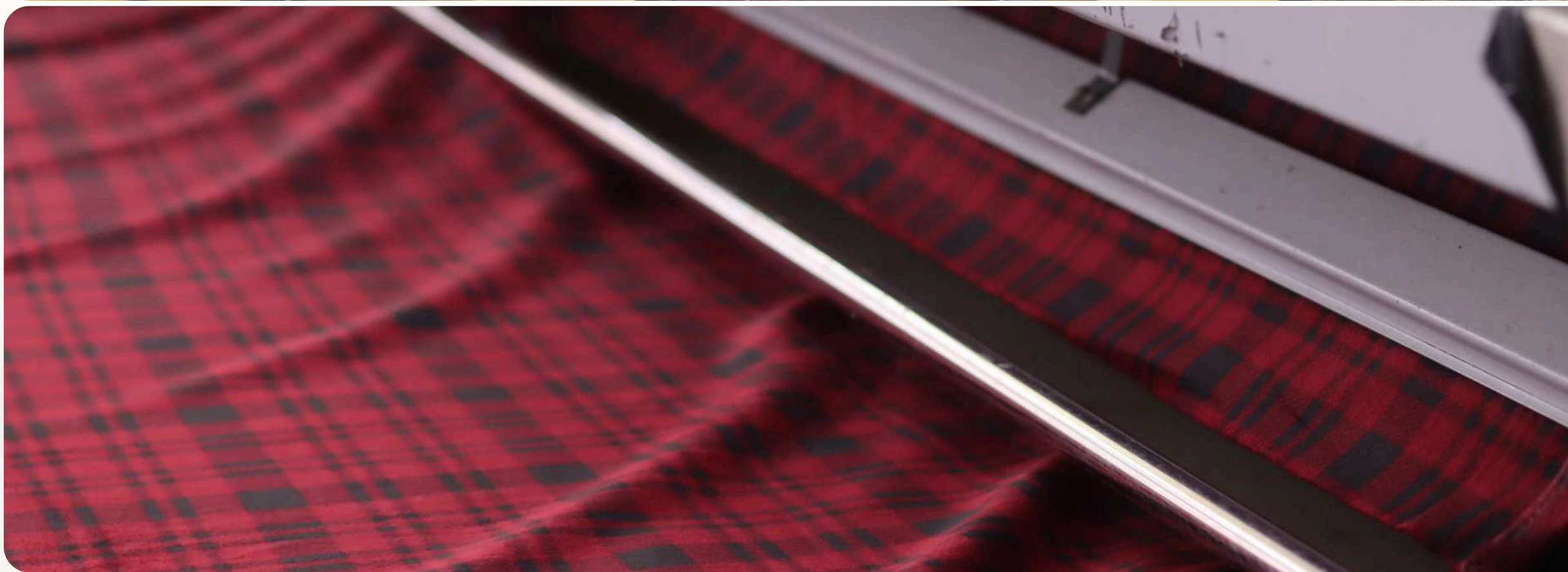
WASTE DISPOSAL – RECYCLE

- Disposals of hazardous wastes are handled by licensed specialist contractors.
- Disposals of non-hazardous wastes are diverted to landfills and/or incineration facilities that are available locally.
- Recyclable wastes are preliminarily sorted in factories and collected by or delivered to various recyclers.

COMMUNITY ENGAGEMENT ON UP-CYCLING

I Apparel International Group (IAIG) participated in a pilot upcycling program with GIZ Cambodia – GIZ FABRIC have been working on a pilot project “Advancing Closed-Loop Recycling – **Textile Waste Improvement Program for Circularity (WIP4C)-Pilot Upcycling Textile Waste in Cambodia**.” Which the program is established to connect between partnered garment manufacturer and local entity who has expertise in upcycling post-industrial textile waste, giving opportunities to local creator/ designers and demonstrate feasibility study on upcycling product.

To promote circular economy practices within the textile and garment sector. Through this initiative, IAIG donated fabric waste to Remade Cambodia for upcycling into new clothing items, which were showcased at industry summits and during the Fashion Upcycling Competition. This collaboration reflects IAIG’s ongoing commitment to reducing textile waste and supporting innovative circular solutions in Cambodia’s garment industry.



7. RAW MATERIALS

Growing Consumer expectations, heightened stakeholder engagement, and evolving regulatory frameworks have enabled us to collaborate more closely with our suppliers, not only to reduce environmental footprints but also to create shared value through sustainable procurement.

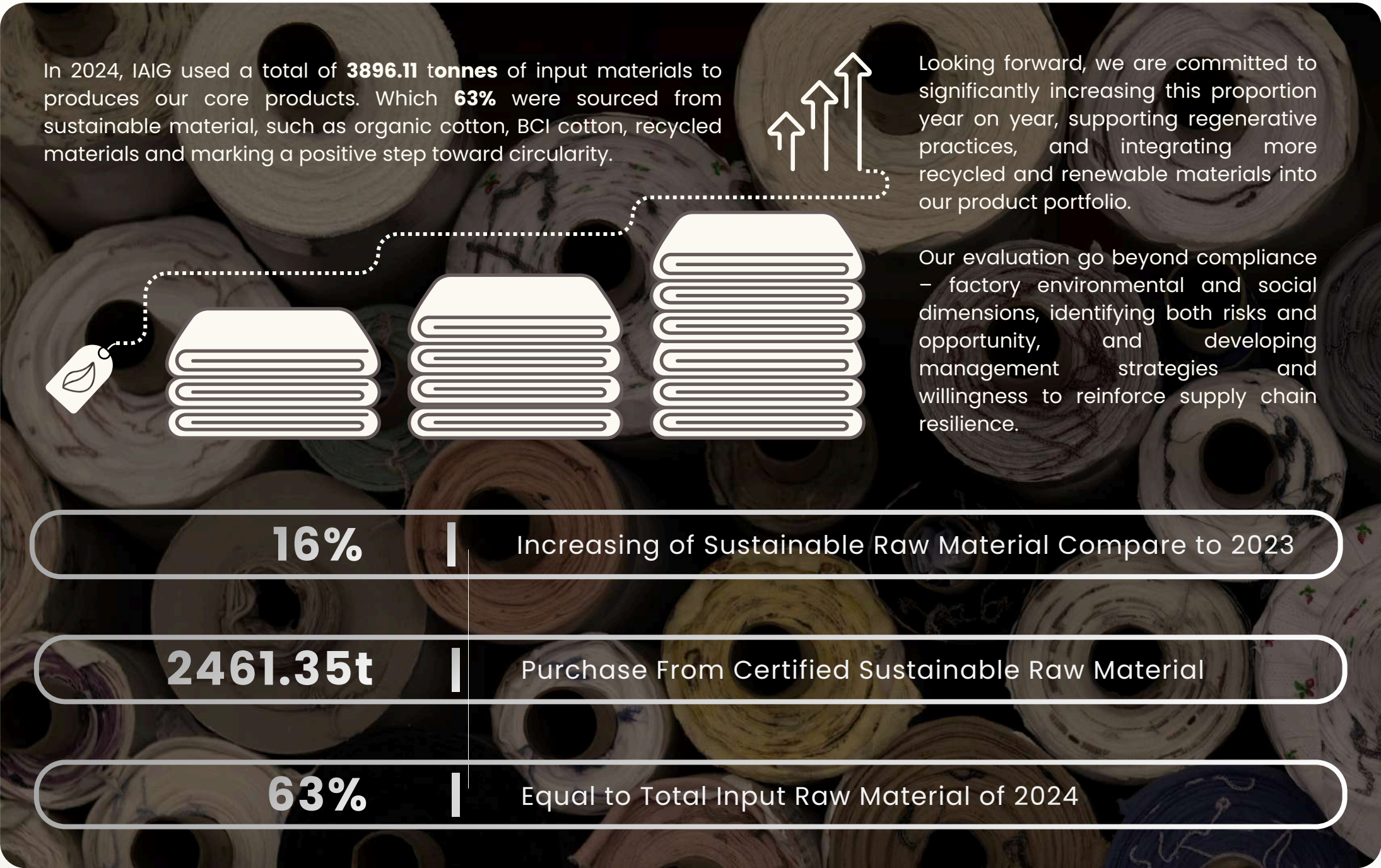
At IAIG We recognize that our purchasing practice shape industry standard and influence outcomes across our supply chain. We strengthened our due diligence, carrying out in-depth assessment of our sourcing practices, aligning with international standards, and enhancing our system for data tracking and compliance monitoring.

Our Sourcing Strategy and Scaling up the use of sustainable raw materials alternative, acknowledging the profound impact of raw materials on assessment materials, we remain committed to strict supplier standard and ethical sourcing procedure and standard.



In 2024, We continued to advance strategies that safeguard our ability to source responsibility with scaling up the use of sustainable alternatives, these strategies include:

- Strengthening supply chain monitoring and transparency
- Enhancing supplier screening to align with environmental and social benchmarks, and
- Increasing purchasing in innovation, recycled and renewable alternatives that carry lower impacts
- Expanding traceability systems to ensure material origin and integrity



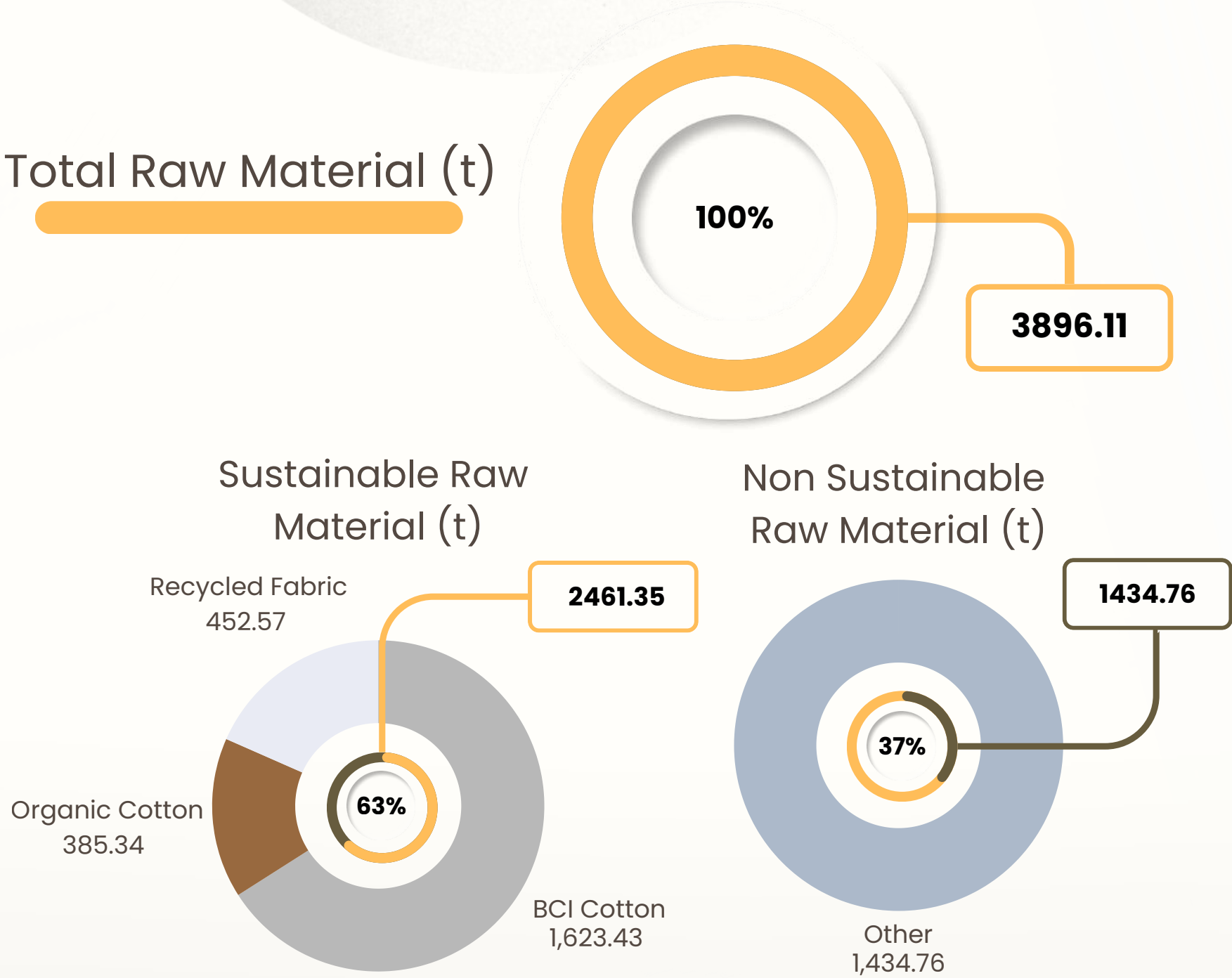
HIGHLIGHT OF OUR RAW MATERIAL INPUT

Sustainable raw materials accounted for 63% of total usage, totaling 2,461.35t, with BCI cotton, recycled fabric, and organic cotton as key contributors. This includes BCI cotton 1,623.43t, recycled fabric 452.57t, and organic cotton 385.34t. Non-sustainable materials accounted for 37%, or 1,434.76t. Represents a 16% increase in the purchase of sustainable raw materials compared to last year, enabling I Apparel to strengthen its commitment to environmental responsibility while meeting growing client demand for sustainable products

Priority Raw Material	Amount Purchased (tonnes)	Amount certified, by standard	
		Certifications / Standard and Associated Discussion	Amount Certified (tonnes)
Organic Cotton	1623.44	BCI	1623.44
BCI Cotton	385.34	GOTS / OCS	385.34
Recycled Fabric	452.57	GRS / Repreve (Recycled Bottle)	452.57
Other Fabric1	1434.76		



Total Raw Material (t)





GLOBAL ORGANIC TEXTILE STANDARD (GOTS)

We have been producing GOTS-compliant printed and embroidered products since 2019, adhering to the standard's chemical, environmental, technical, and ethical requirements.

All inks, dyes, and auxiliaries are GOTS-approved, and our sourcing from certified suppliers ensures full chain-of-custody traceability.

Our facilities follow responsible environmental practices, including wastewater management and resource efficiency, while maintaining fair labor conditions and safe working environments.

These measures ensure our products meet GOTS standards for sustainability, quality, and transparency.

Through our growing adoption of BCI cotton, we help drive positive change throughout the supply chain—supporting farmers in adopting sustainable practices, improving traceability from farm to fiber, and contributing to a more responsible and resilient cotton industry.

By sourcing from Better Cotton-approved suppliers, we support a more sustainable supply chain that begins at the farm level, promotes improved farming practices, We continue to strengthen our commitment to responsible material sourcing by increasing the use of Better Cotton (BCI cotton) across our products, by 2024 we have purchase



BETTER COTTON INITIATIVE:



ORGANIC CONTENT STANDARD (OCS)

We have been sourcing OCS-certified materials to ensure the verified organic content in our products, maintaining full traceability from raw fiber to finished goods.

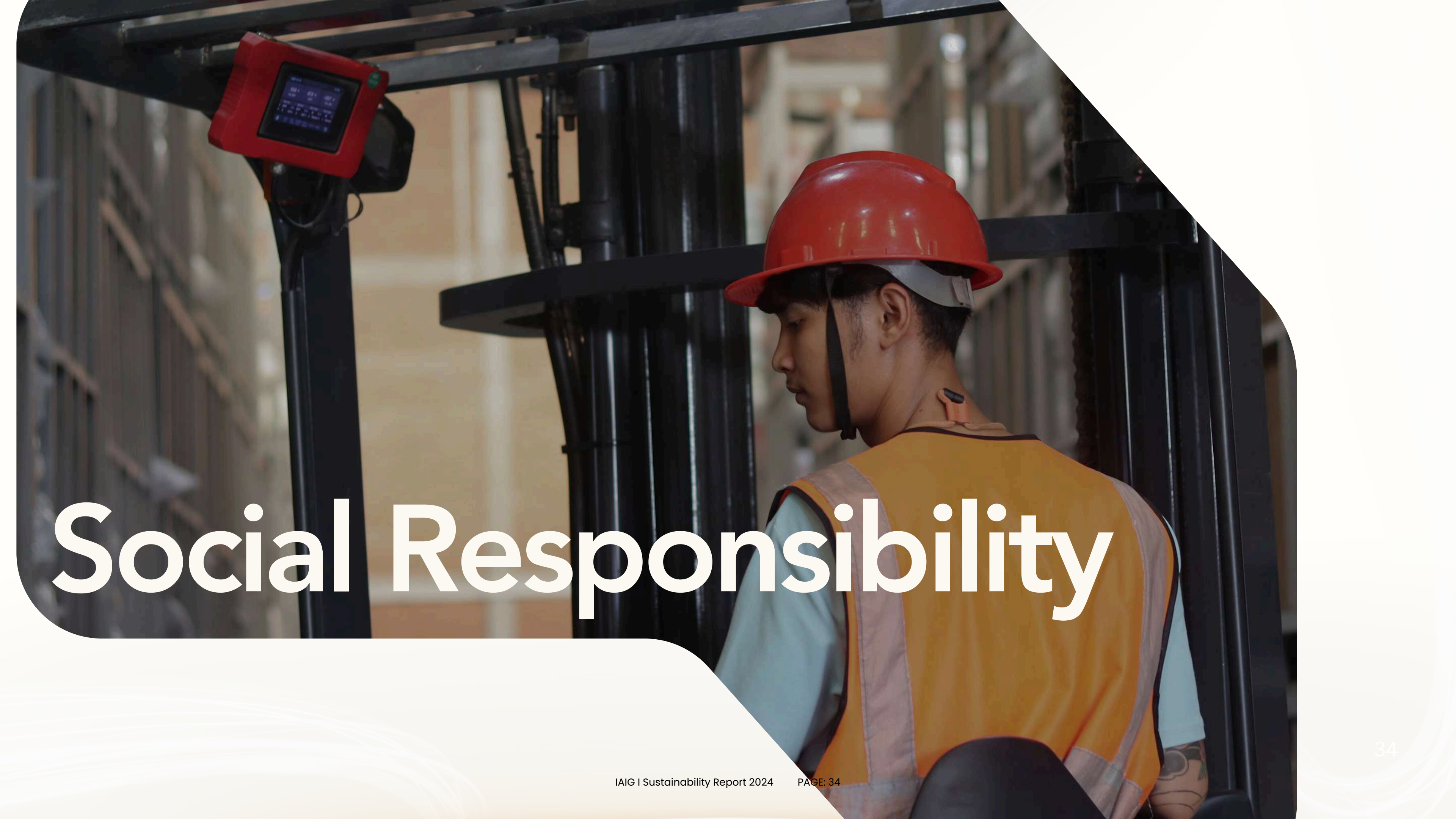
By working with certified suppliers, we support sustainable farming practices and responsible supply chain management, ensuring that our materials meet international organic content standards while promoting transparency and quality across our operations.

We source GRS-certified materials, including recycled pre-consumer polyester and post-consumer polyester, to ensure verified recycled content and full traceability throughout the supply chain.

By working with certified suppliers, we promote circularity through the responsible use of recycled raw materials while meeting GRS requirements for environmental protection, chemical safety, and ethical labor practices.



GLOBAL RECYCLED STANDARD (GRS)



Social Responsibility

SOCIAL TOPIC

We recognize that the well-being of our employee is the foundation of our success. We prioritize creating safe and secure working environment by implementing rigorous health and safety measures, providing continuous improvement, training and regularly evaluating our practices to ensure they remain effective and up to date.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM :

To achieve this, we implemented a comprehensive Occupational Health and Safety Management System (OHS) align with Labor Law, audit standards, including costumer specific compliance standards and international frameworks. This system provides structured process for hazard identification, risk assessment, and preventive action planning across all facilities.

We routinely undergo internal audit and assessment, external and 3rd party audits, and regulatory inspections to ensure our practices remain compliant and effective. Findings from all the audit and assessments are used as learning and improving opportunities to strengthen our policies and procedures, close any gaps, reinforcing our commitment to transparency and accountability.

By integrating legal requirements, industry best practices, and continuous monitoring into our operations, IAIG ensure that occupational Health and Safety is embedded in our corporate culture. We view this is not only as legal obligation but as a fundamental responsibility to safeguard that well-being of our people and stakeholder.

Beyond compliance, we place strong emphasis on training and awareness-building. Employee at every level are regularly trained on health and safety procedures, emergency preparedness, and safe work practices. These training are design to build a culture of shared responsibility, empowering employees to proactively participate in remaining workplace safety.

Our committee

CSR and Compliance team play a key in monitoring adherence to local laws, international frameworks, and audit standards to ensure full compliance while working closely with our OHS committee – compressing both management and employee representatives to oversee workplace condition, review incidents and implement corrective actions.



CAPACITY BUILDING AND EMPLOYEE DEVELOPMENT

We actively engage employees in development and capacity-building initiatives to support their professional growth and strengthen overall organizational performance. Through regular training, skill-building workshops, and opportunities for cross-functional learning, employees are encouraged to take an active role in improving their competencies. By fostering a culture of continuous learning and engagement, we empower our workforce to contribute more effectively, enhance workplace productivity, and support the long-term growth

Workers receive practical training to improve job-specific competencies, enhance product quality, and ensure safe and efficient performance. At the same time, supervisors participate in leadership development programs that build skills in communication, problem-solving, team management, and decision-making. By investing in both technical and leadership development, we create a capable, confident, and well-rounded workforce that can drive continuous improvement across our operations.”

We increased our total training hours by 59% compared to 2023, driven by strengthened internal training programs and expanded participation in external training provided by our partners, including NGOs and accredited training institutes. This growth reflects our commitment to continuously enhance employee skills and professional development



4259

Total Training hours



59%

Training hours compared to 2023



2611

Attendees

Technical training

Sewing Quality Check builds skills to identify sewing defects and ensure consistent quality through proper inline and end-line inspection.



Company Code of Conducts

Sets out the ethical standards, behaviors, and compliance requirements that employees and business partners must follow, including integrity, labor standards, workplace safety, and environmental responsibility.



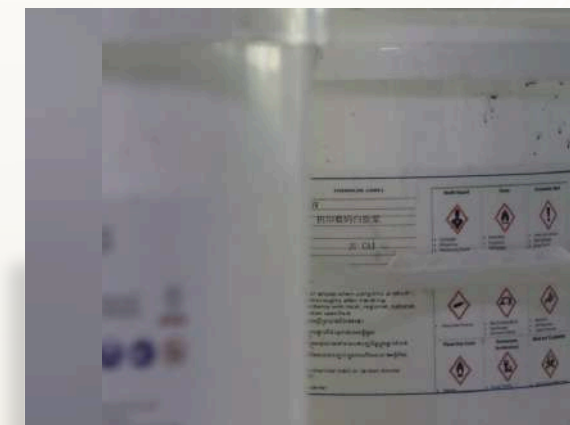
Environmental Awareness

Promotes understanding of efficient energy use and responsible environmental practices to reduce waste, emissions, and environmental impact.



Product Safety

Ensures products are designed, manufactured, and handled to meet safety standards and protect consumers from harm.



EMPLOYEE DEVELOPMENT AND PERFORMANCE ENHANCEMENT

I Apparel collaborated with consultants from **The Capacity Specialists** to enhance and improve our **New Performance Appraisal Framework**. This partnership focused on strengthening performance evaluation processes, ensuring clearer competency criteria, and building a more transparent, fair, and development-oriented appraisal system for all employees

- **New Performance Appraisal Framework**

Through expert guidance and best-practice benchmarking, the framework was refined to support transparent performance assessments, meaningful feedback, and employee development. The improved appraisal system emphasizes continuous improvement, links performance outcomes to training and career progression, and reinforces accountability and engagement across the organization.

- **Survey: Worker Engagement and Leadership**

The survey was conducted to understand how employees feel about their work, their teams, and the overall organization. Its purpose was to measure engagement levels, assess perceptions of leadership and workplace culture, and identify areas where I Apparel can further strengthen communication, support, and employee development across all five facilities.

Survey participation at I Apparel International is robust, with 1,749 total completions. By role, factory workers contributed the most (1,401 completions), indicating strong involvement from frontline employees. The employee survey covered four key areas:

Employee Engagement—shows an overall engagement rate of 84%, reflecting a motivated and connected workforce. Employees reported strong opportunities for learning (89%), manageable workloads (90%), helpful feedback (83%), and comfort in voicing concerns (87%). Clarity of work expectations was slightly lower at 71%, highlighting an area for improvement. Overall, the results indicate a supportive work environment with high engagement.

The organization—demonstrates strong performance across key areas, with top ratings in teamwork (4.51), leadership (4.50), and people management (4.46). Workplace systems and communication also score highly. Additionally, trust in senior leadership is exceptionally high at 99.31%, indicating a positive organizational culture and strong leadership credibility

Employee well-being—appears highly positive. A majority (76%) feel happy coming to work, with excitement at 20%, and only minimal levels of stress, uncertainty, and anxiety (each 2% or less). Additionally, 98.80% of employees feel that someone at work genuinely cares about them, reflecting a supportive and caring workplace culture.

Rights and Obligations—show room for improvement. While 73% of employees say they understand their legal rights and employer obligations, a significant 94% express a desire for more communication and information on the topic. This indicates a strong need for enhanced transparency and education around workplace rights.



Values-Driven Practices

Beyond production, we provide comprehensive customer service by ensuring full compliance with buyer requirements, audit assessments, and participation in customer-led programs. Our management team is strongly committed to upholding legal compliance and aligning our operations with national regulations, international standards, and customer expectations.

We work closely with our partners to meet requirements related to social compliance, environmental performance, product quality, and transparency. Through proactive engagement, continuous improvement, and clear organizational vision, we deliver not only high-quality products but also reliable service and long-term value to our customers.



The recent **Better Work Assessment** of our Tier 1 facility confirmed **no critical issues** across the group. This reflects our strong commitment to labor compliance, workplace safety, and ethical practices.

To further strengthen our performance, we are:

- Following up on minor and major observations proactively.
- Enhancing training programs for management and employees.
- Conducting regular internal audits across all factories.
- Engaging stakeholders to align with international labor standards.

4
FACILITIES

0
NON CRITICAL ISSUE

Certifications and Affiliations



ICCS – ICARE COMMUNITY SUPPORT

iCare is a corporate foundation, more than just the company's corporate social responsibility.

iCare is the force that inspires actions that help relieve other's suffering, promotes what is beneficial for all members of a community, initiates benevolent acts for fellowmen, treats the planet and its resources as an entrusted gift, and imagines what it's like living another person's life to provide the best service for them and to identify the gaps we can bridge.



The goal of iCare is to open inclusive access to essential human needs - including the right to freedom, education, employment, and healthcare, among many other things.

With a strong focus on education, healthcare, charity, and volunteering drives, iCare aims to uplift and transform the community into future-ready individuals as productive contributors within an interdependent society.



USD104,371.73

The total amount of contribution



419 attendee

Number of student and trainee attendee:



343 pax

The total number of recipient from 2021-2024



16 Courses

Internal and external stakeholder training programs provided



10%

2024 has 10% Increase in donation compare to 2023

OUR ACTIVITIES



Giving Beyond Our Employees

Extending educational opportunities to children from local communities and surrounding neighborhoods, donations, community programs.

FINANCIAL LITERACY TRAINING

we provide equal treatment and opportunities for married and pregnant women, ensuring they receive the same respect and opportunities as their single colleagues. Additionally, pregnant employees benefit from special considerations that keep them safe from tasks that could compromise their health, safety, or well-being.



HEALTH CHECK

we provide equal treatment and opportunities for married and pregnant women, ensuring they receive the same respect and opportunities as their single colleagues. Additionally, pregnant employees benefit from special considerations that keep them safe from tasks that could compromise their health, safety, or well-being.



WOMEN CARE

we provide equal treatment and opportunities for married and pregnant women, ensuring they receive the same respect and opportunities as their single colleagues. Additionally, pregnant employees benefit from special considerations that keep them safe from tasks that could compromise their health, safety, or well-being.



EMPLOYEE ENGAGEMENT AND CULTURE

We celebrate national and international holidays to honor cultural diversity, foster inclusivity, and strengthen employee engagement across our organization.



LATEST ACHIEVEMENTS

Multiple excellence awards at **Responsible Business GFT Awards 2024**



Multi-category award winner in the **Just Style Excellence Awards 2024**

