

SUSTAINABILITY AT IRIS

Introduction

Work together for a safer, more secure and sustainable world

INTRODUCTION

IRIS' Sustainability Statement covers efforts and activities carried out in FY2021 and has been prepared in line with Bursa Malaysia Ace Market Listing Requirements and guided by the Bursa Malaysia Corporate Governance Guide and Bursa Malaysia Sustainability Reporting Guide.

Our Sustainability Statement declares our dedication to share our journey with our stakeholders as we work together for a safer, more secure and sustainable world.

The extensive and unprecedented global impact of the COVID-19 pandemic is now bringing additional emphasis on the sustainability imperative. Safety became as fundamental to human needs as food, water and shelter. The outbreak also demonstrated the interconnectedness of diverse stakeholder groups, such as our employees, customers, suppliers and local communities. It has also underscored the importance of integrating Economic, Environmental and Social (EES) risks and opportunities into IRIS' strategic roadmap and risk management to ensure responsible, ethical and long-term success.

The COVID-19 devastation continues to highlight the very issues that have been driving EES concerns such as managing resources, sustainability,

and community impact and employee well-being. In response to the ongoing pandemic, we deepened our focus on occupational health and safety. To ensure a safe working environment, we established a dedicated COVID-19 core team to oversee and enforce health and safety measures in accordance with government directives and best practices.

Risk factors such as public health threats, supply chain disruptions, and Malaysia's Movement Control Order (MCO) restrictions continue to receive increasing attention. We are continuously mitigating these risks to minimize the disruption to business operations. When the pandemic struck, IRIS employees were immediately responsive by diligently self-assessing their health before entering IRIS premises, and by showing flexibility in transitioning to work from home due to MCO restrictions.

IRIS' resilience in weathering these challenges is proof that sustainability practices are not a luxury reserved only for good times. We discovered that the very actions we were taking to avert calamity brought us closer to the multi-stakeholder and long-term value principles that lie at the heart of EES.

We know that our investments in sustainability and our determination to balance the long-term interests of our people, planet and prosperity will help us face the challenges post Covid-19 and beyond.

Sustainability at IRIS

continued

Prosperity

Economic Sustainability – Sustaining Growth



MARKET
DEVELOPMENT



CORPORATE
GOVERNANCE
& ETHICS



COMPLIANCE
AND
CERTIFICATION



IMPACTING
COMMUNITIES

We are focused on responsibly progressing a prosperous and resilient future as we work to create solutions that catalyse change and help to preserve and secure living and working environments for people everywhere, especially in the new normal. We also recognise our responsibility for creating long-term shared value for all stakeholders by securing sustained growth by seizing opportunities in new and existing markets.

SUSTAINING GROWTH THROUGH MARKET DEVELOPMENT

In sustaining and growing market share, the technology, functionalities and benefits of our existing Trusted ID solutions are being updated, repurposed and expanded, leading to new solution offerings to benefit the markets locally and around the world.

In FY 2021, Malaysia's Ministry of Home Affairs and Immigration Department of Malaysia entrusted the creation of a new comprehensive and automated National Integrated Immigration System (also known as NIISe) to IRIS. We also introduced 4 new, palm sized, biometric smart card readers which are suitable for various industries.

For over 2 decades, Governments around the world trust our solutions to better protect their borders through smart immigration control solutions and to deliver secure identification

Sustainability at IRIS

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ePassports or eIDs to their citizens. We will continue to collaborate with all our customers to develop new innovative solutions tailored to their needs.

SUSTAINING GROWTH WITH CORPORATE GOVERNANCE AND ETHICS

IRIS is committed to maintain an effective corporate governance structure with high ethical standards in addition to strict adherence to policies and guidelines set by Bursa Malaysia and other relevant authorities.



Sound governance principles ensure that we operate our business responsibly, ethically and in alignment with the long-term interests of our shareholders. This commitment, in turn, promotes and builds public trust in IRIS, and strengthens Board and management accountability.

To foster a culture of integrity within IRIS, the Board and management has clear zero-tolerance policies set in place namely Anti-Bribery and Anti-Corruption Policy, as well as a Whistleblowing Policy. Each policy serves as guidance and awareness to all employees for identifying, avoiding, refusing unethical or illegal activities, and also encourages employees to come forward with credible information on illegal practices or violations.

SUSTAINING GROWTH WITH COMPLIANCE AND CERTIFICATION

To deliver the latest innovative and secure solutions to our customers around the world, we consistently uphold the highest operational, service and delivery standards that are benchmarked to global standards and compliance.

Our commitment and focus on compliance and certification ensures the proper implementation of solid internal control systems, strengthens our risk management frameworks, and safeguards confidential information.

Our Certifications			
 <p>ISO 9001:2015 Certification for Quality Management Systems</p>	 <p>ISO 14001:2015 Certification for Environment Management Systems</p>	 <p>ISO 27001:2013 Certification for Information Security Management Systems</p>	
 <p>ISO 14298:2013 (Intergraf) Certification for Security Management System for Secure Printing</p>	 <p>EMV (Europay, MasterCard & Visa) Certification to personalise credit and debit cards</p>	 <p>AMEX (American Express) Certification to personalise credit and debit cards</p>	 <p>MEPS (Malaysia Electronic Payment Scheme) Certification to personalise ATM cards</p>

SUSTAINING GROWTH TO IMPACT COMMUNITIES

We aim to positively impact local communities where we conduct business. We are paying greater attention to responsible procurement of materials and because there are environmental, social and economic impacts of adopting this practice. We continue to support available means of local procurement and adopt locally-sourced materials in our production process. This not only enables us to reduce the business impacts arising from the global lockdown due to the pandemic, but also allows us to support local stakeholder groups during difficult times.

In building local supply chains with the aim of doing ethical business, we take social and environmental factors into consideration alongside financial factors when making procurement and sourcing decisions.

Sustainability at IRIS continued

Planet

Environmental Sustainability – Conservation and Stewardship



RESPONSIBLE
WASTE DISPOSAL



RESPONSIBLE
CONSUMPTION

We recognise that economic performance is intrinsically linked to the health of our environment and ecosystems. Our actions produce a ripple effect and we are committed to positively impacting our planet and to preserving prosperity for future generations.

Even amid the COVID-19 pandemic, the threats that come with climate change and global warming rage on, where globally, 2020 was the hottest year on record. To this end, we continue to pay great attention to climate risks and impacts, and seek to systematically reduce our environmental footprint by adhering to global standards and local environmental laws.

For ISO 14001:2015 EMS adherence and compliance, the following objectives and targets were set:

ENVIRONMENTAL OBJECTIVES	TARGETS	MEASUREMENT METHODS
To reduce generation of hazardous waste	>3% reduction on yearly waste generation	Total annual volume of scheduled waste (kg) over total production output
To achieve zero (0) major chemical spillage	Zero (0) case	No reported incident
To achieve zero (0) environment related fine or violation	Zero (0) case	Number of fines or notices from Department of Environment (DOE)

Our close observance to our environmental performance for atmospheric, noise and inland water pollution continue to be guided and bound by Malaysia's Environmental Quality Act 1974 and Environmental Quality Regulations 2009.

Sustainability at IRIS

continued

CONSERVATION AND STEWARDSHIP WITH RESPONSIBLE WASTE DISPOSAL

Due to the nature of our business and manufacturing operations, we generate waste materials such as plastic, metal, paper and chemicals during our production processes. To maximise the utilisation rate of raw materials and reduce waste, we collect waste materials at designated recycling bins for recycling and scheduled waste disposal. As a manufacturer and solutions integrator, the production of waste is inevitable. We are conscious about how we can separate, reuse, recycle, manage and dispose waste.

Our Quality and Environmental Management System (QEMS) policy, enforced and overseen by our Safety, Health and Environment (SHE) team, sets forth the proper procedures, coordination, approvals to separate, reuse, recycle, manage and dispose production waste. All waste materials are dispensed to and disposed by qualified waste treatment vendors contracted by IRIS.

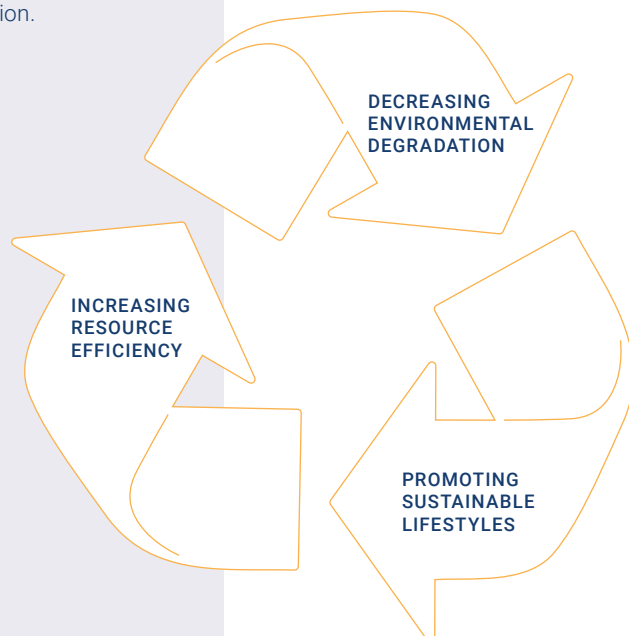
At the same time, all IRIS employees are encouraged to inculcate a culture of responsible waste management and disposal both while working in IRIS and while working from home.

CONSERVATION AND STEWARDSHIP THROUGH RESPONSIBLE CONSUMPTION

At IRIS, responsible consumption is about "doing more and better with less". This means decreasing environmental degradation as we grow economically, increasing resource efficiency and promoting sustainable lifestyles.

We consciously and deliberately work to relieve and avoid further pressure on our planet's finite resources in the following ways:

- Print only when necessary and in small quantities using recycled paper or Forestry Stewardship Council (FSC) paper sourced from responsibly managed forests;
- Closely monitor Energy Conservation Measures (ECM) with guidance from Suruhanjaya Tenaga (Energy Commission) of Malaysia for electricity consumption.



Sustainability at IRIS

continued

Social Sustainability – People Responsibility to people



ECONOMIC
SOCIAL
RESPONSIBILITY



LEGAL & ETHICAL
SOCIAL
RESPONSIBILITY



DISCRETIONARY
SOCIAL
RESPONSIBILITY

Social sustainability is about understanding the impacts of our business behaviours, decisions and activities on people and society. Social sustainability performance issues include human rights, fair labour practices, living conditions, health, safety, wellness, diversity, equity, work-life balance, empowerment, community engagement, philanthropy, volunteerism, and more.

To fulfil the responsibility of affecting societal progress, we consider transparent and ethical business actions that are integrated throughout IRIS' policies and code of conduct, and practiced in its relationships. We diligently follow applicable laws and remain consistent with international norms of behaviour, while upholding the expectations of our stakeholders.

ECONOMIC SOCIAL RESPONSIBILITY TO PEOPLE

In order to give back to society and deliver value to our internal and external stakeholders, it is imperative for IRIS to grow, be profitable and be financially sustainable. Indicators of strong economic performance include making a profit for shareholders, compensating our Board, management and employees fairly, contributing to taxation and meeting other legal and financial disclosures and obligations.

Sustainability at IRIS

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LEGAL & ETHICAL SOCIAL RESPONSIBILITY TO PEOPLE

The IRIS name and brand is built on trust from all our stakeholders. Part of ensuring unbreakable trust is to abide by the laws and regulations of our business. We take pride in supporting employee fulfilment by ensuring legal and ethical workplace practices in accordance with Malaysian Labour Laws and guidelines from the International Labour Organisation (ILO).

Our business success depends on our people. As IRIS grows, our employees develop their skills, leading to greater enthusiasm in the workplace and personal growth. To encourage this positive cycle, we provide fair compensation and work environments where our employees can give their best efforts each work day while staying safe and healthy.

We acknowledge the importance of key areas such as equality, diversity and inclusion; employee learning and development; and employee safety and well-being. In FY2021, IRIS' workforce stood at 347.

In keeping up with an ever-evolving technology landscape, IRIS' Learning and Development team monitors all employees by managing, developing and improving their competency and skillsets through an annual Performance Management Review (PMR).

Employee Gender Distribution

EMPLOYEE GROUP	FEMALE	MALE
Non-executive	80	62
Executive	66	60
Manager	31	31
General Manager & above	6	11
Total	183	164

Employee Age Distribution

EMPLOYEE GROUP	AGES 21-30	AGES 31-40	AGES 41-50	AGES >50
Non-executive	26	66	37	13
Executive	27	71	20	8
Manager	0	12	30	20
General Manager & above	0	0	9	8
Total	53	149	96	49

Sustainability at IRIS

continued



In FY2021, despite a raging pandemic, IRIS employees completed over 3,634 hours of training and upskilling both in person and online – a 50% decrease in training hours compared to FY2020. Over 117 training programmes, comprising internal, external and in-house trainings, were organised – a 20% decrease from 150 training programmes convened in FY2020. Our Learning and Development team was successful in defraying all allowable costs for retraining and skills upgrading programmes in FY2021, through the Human Resource Development Fund (HRDF).

In response to the COVID-19 pandemic, we deepened our focus on occupational health and safety. To ensure added safety in all working environments, IRIS has established a dedicated COVID-19 Core Team to develop health and safety measures in accordance with evolving local directives and best practices and to oversee and enforce pandemic prevention and control measures.

Some examples of new safety measures include mandatory

wearing of protective masks and other protective equipment in the workplace at all times, temperature screenings upon entry, observance of safe physical distancing and adherence to medical testing and quarantine directives. Office premises and production sites are disinfected regularly and adequate ventilation is ensured. In person, physical meetings have been minimised, with virtual meetings becoming the de facto mode of communication.

DISCRETIONARY SOCIAL RESPONSIBILITY TO PEOPLE

Discretionary Social Responsibility are responsibilities voluntarily assumed by IRIS such as good corporate citizenship and corporate social responsibility.

In support of Malaysia's National COVID-19 Immunisation Programme, we sponsored IRIS MyKad readers together with the Software Development Kit (SDK) to Multimedia University (MMU)'s operation as an Integrated Mega Vaccine Delivery Centre (PPV). MMU Integrated Mega

Conclusion

Continue to advance our goals

PPV will be the first PPV to automate the manual PPV process of keying MyKad information to MyVAS. With the SDK, MMU's team can customise the software to integrate with MyVAS for automation.

The Integrated Mega PPV can accommodate the administration of 3,000 doses of vaccine per day. IRIS is committed to support the programme to achieve its goals, flatten the pandemic curve and achieve herd immunity for Malaysia.

CONCLUSION

The global pandemic has amplified our path towards sustainability by reinforcing the relevance of our corporate vision, mission and core values; increasing the depth of our technological expertise; and deepening the tenacity and dedication of our employees.

With new challenges and opportunities in sight, we continue to scale and advance our sustainability goals across our business, as we collectively take IRIS to greater heights.