



Sustainability at IRIS

INTRODUCTION

IRIS' Sustainability Statement covers efforts and activities carried out in FY2022 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 describes our commitment and journey with our stakeholders as we work at ways to deliver responsible, ethical and sustainable, long-term growth.

IRIS recognises the importance of sustainability and its impact to achieve profitability in a safe, secure, and sustainable environment. We have been incrementally embracing a culture of incorporating Economic, Environmental, and Social (EES) risks and opportunities into our decision making, business practices and processes.

Our Priorities

We know that our efforts and investments in sustainability are bringing us closer to the multi-stakeholder and long-term value principles that lie at the heart of EES.

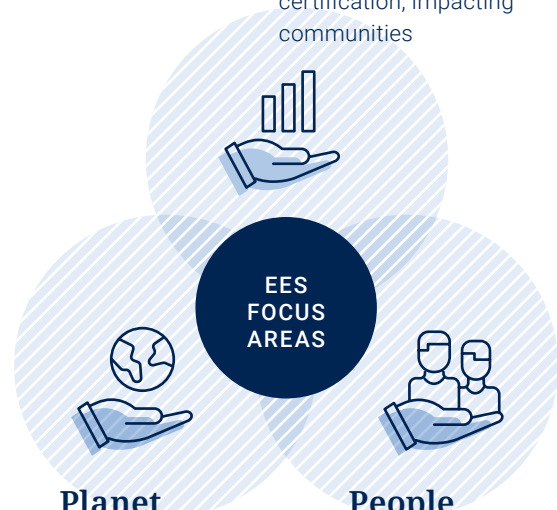
To achieve continuous growth and value for our stakeholders, the environment, and society, we are determined to formulate and execute the right balance of sustainability initiatives which match long-term interests.

Our sustainability approach and programmes will be reviewed regularly to determine their impacts on our business. Our EES focus areas include:

Prosperity

Economic Sustainability

Sustaining growth through market development; corporate governance and ethics; compliance and certification; impacting communities



Planet

Environmental Sustainability

Conservation and stewardship with responsible waste disposal, and through responsible consumption

People

Social Sustainability

Ensuring society's wellbeing through economic social responsibility; legal and ethical social responsibility; and discretionary social responsibility



Sustainability at IRIS (Cont'd)

SUSTAINING GROWTH through Market Development

Our initiatives to increase business revenue centres around our growth strategy to develop our existing market. We continue to expand, update, and repurpose our Trusted ID products and solutions to offer new solutions locally and internationally.

This is especially evident as we develop and build Malaysia's new National Integrated Immigration System (NIISe) to leverage the latest advances and technologies in digital management and administration of the movement of people across our nation's borders using multiple forms of identification, documents, data, and analytics.

As new innovative solutions springboard from the creation of NIISe, we are confident of sustaining and growing market share.



SUSTAINING GROWTH with Corporate Governance and Ethics

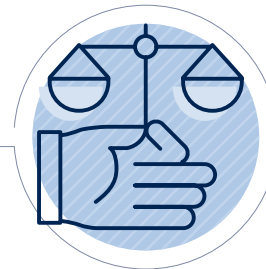
At IRIS, principles of corporate governance are outlined in the Board Charter. The charter guides and controls integrity, accountability, and ethics among those who have influence over IRIS' strategy and financial performance, as well as decision-making. IRIS is committed to maintaining high ethical standards and strict adherence to policies and guidelines set by Bursa Malaysia and other relevant authorities.

Our Board of Directors believes that good corporate governance is essential for strengthening accountability, delivering sustainable value, enhancing business integrity, and maintaining investors' confidence towards achieving the Group's corporate objectives and vision.

We build and promote stakeholder trust in IRIS with clear, zero-tolerance policies such as:

- Fit and Proper Policy
- Anti-Bribery and Anti-Corruption Policy
- Whistleblowing Policy

These policies serve as guidance and awareness for all stakeholders in identifying, avoiding, refusing unethical or illegal activities. They also encourage stakeholders to present or submit credible information on illegal practices or violations.



Economic Sustainability (Prosperity)



Sustainability at IRIS (Cont'd)

SUSTAINING GROWTH with Compliance and Certification

Our customers, both locally and internationally, know us well and hold us to the highest operational, service and delivery standards; and these standards are benchmarked to global standards and compliance.

We pride ourselves in ensuring proper implementation of solid internal control systems, strengthening our risk management framework, and safeguarding confidential information – all while considering the preservation of our environment.

OUR CERTIFICATIONS



ISO/IEC 27001:2013 –
Information Security
Management Systems



ISO 9001:2015 – Quality
Management Systems



ISO 14001:2015 –
Environmental Management
Systems



ISO 14298:2013 (INTERGRAF)
– Security Management
System for Secure Printing



SUSTAINING GROWTH to Impact Communities

IRIS conducts business in numerous locations, both locally and internationally, and we cultivate relationships and connections in these communities. Our operations and activities impact local communities in terms of responsible procurement of materials, employment opportunities, environmental protection, as well as social and economic avenues.

As we build local supply chains, locally sourced materials and resources are adopted into our business and production processes. We can then support local stakeholder groups and reduce the business impacts arising from serious supply chain disruptions.

IRIS continues to offer internship and industrial training placements to graduating students from all walks of life, nationalities, and disciplines of study. Interns generally spend between 3 to 6 months at IRIS per tenure. More than 140 interns have completed their tenures since we started the placements.

We also participate in the Ministry of Entrepreneur Development and Cooperatives (KUSKOP) Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ) programme. We offer PROTÉGÉ placements in the READY TO WORK (RTW) initiative. RTW is responsible for increasing the marketability potential of graduates and to provide real work experience in various participating industries. IRIS has committed to place more than 450 PROTÉGÉ applicants, in 8-month stints, over 5 years.





Sustainability at IRIS (Cont'd)

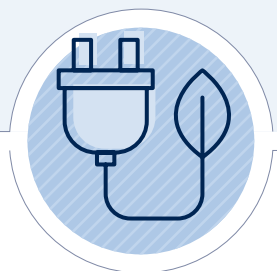
CONSERVATION AND STEWARDSHIP with Responsible Waste Disposal

As a manufacturer and technology solutions integrator, the production of waste is inevitable. IRIS generates waste materials such as plastic, metal, paper, chemicals and other effluents during business, manufacturing, and 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. We are conscious about how we can

separate, reuse, recycle, manage and dispose waste. All waste materials are disposed by qualified waste treatment vendors contracted by IRIS.

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.

ENVIRONMENTAL OBJECTIVES	TARGETS	MEASUREMENT METHODS	PERFORMANCE	
			FY2021	FY2022
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%
To achieve zero (0) major chemical spillage	Zero (0) case	No reported incident	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)



Environmental Sustainability (Planet)



Sustainability at IRIS (Cont'd)

CONSERVATION AND STEWARDSHIP through Responsible Consumption

All IRIS employees are regularly reminded and encouraged to inculcate a culture of responsible waste management and disposal with various ongoing campaigns. 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.

As we work towards “doing more and better with less”, we consciously and deliberately work to relieve and avoid further pressure on our planet’s finite resources.

Our practice of “print only when necessary” and printing in small quantities of sales and marketing collaterals using recycled paper or Forestry Stewardship Council (FSC) paper sourced from responsibly managed forests continue to be our corporate mantra.

We have also taken conscious efforts to manage and minimise the environmental impact of our annual report by promoting the digital IRIS Annual Report and encouraging our stakeholders to download the soft copy instead of requesting for a hard copy. In addition, IRIS Annual Reports are printed in compliance with Forestry Stewardship Council (FSC) standards using paper sourced

from responsibly managed forests and printed by a FSC certified printer who has been audited against the FSC Chain of Custody standard.

For continual improvement on efficient electrical energy management, IRIS Energy Management Committee monitors and enforces Energy Conservation Measures (ECM) guided by Suruhanjaya Tenaga (Energy Commission) of Malaysia. New targets and guidelines are being introduced to align increased employee counts with consumption levels.

IRIS Energy Management Committee commits to achieve 2% year-on-year reduction on the specific energy consumption measured on 0.38kWh/unit to produce microchip embedded cards and has been achieving this consistently through responsible power demand controls and protocols.

Water and electricity consumption in general are on an upward trend for FY2022 when compared to FY2021 mainly due to varying work arrangements and production output due to the Covid-19 pandemic. These increases commensurate with the increase in rising employee counts and production outputs as we physically return all employees to our office and manufacturing premises. All IRIS employees are encouraged to undergo appropriate behaviour modification to reduce electricity consumption through awareness messages and activities.





Sustainability at IRIS (Cont'd)

ENSURING SOCIETY'S WELLBEING

through Economic Social Responsibility

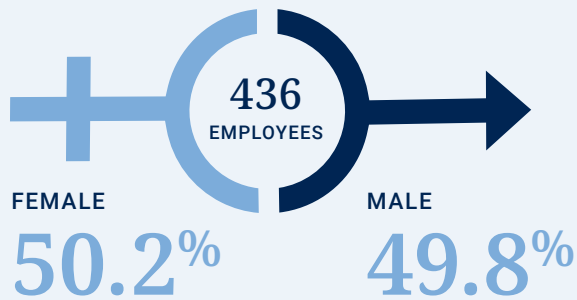
The aspect of prosperity is of paramount importance in our commitment to economic social responsibility. IRIS must be financially sustainable before we can have shared prosperity. This means continually making a profit for shareholders, appropriately remunerating our Board, management and employees, paying business taxes and meeting other financial obligations. By being transparent with our stakeholders regarding IRIS' financial status through quarterly interim and audited financial disclosures, we demonstrate economic social responsibility.

ENSURING SOCIETY'S WELLBEING

through Legal and Ethical Social Responsibility

At IRIS, we work hard to ensure an inspiring and engaging workplace for our employees so that they can stay safe, healthy and give their best each workday. We adhere strictly to applicable employment laws, and we ensure ethical workplace practices, policies, benefits, and guidelines in accordance with Malaysian Labour Laws and guidelines from the International Labour Organisation (ILO).

In FY2022, IRIS' workforce stood at 436.



EMPLOYEE GROUP	FEMALE	MALE
Non-Executive	92	72
Executive	88	82
Manager	34	52
General Manager & Above	5	11
Total	219	217



Social Sustainability (People)



Sustainability at IRIS (Cont'd)

Our human resource policies ensure that our employees are treated with respect and dignity, receive fair compensation, equitable benefits packages, and are insured against harm while carrying out their tasks and responsibilities. When employees feel they are treated well, they want to give the Company their best efforts.

We are proud of our talent development initiatives and embrace a culture of continuous learning and encourage our employees to upskill and even relearn new skills to keep up with the demands of the transforming technological landscape.

IRIS' greatest assets are its employees. We believe in nurturing our employees to their fullest potential and capabilities. Each employee's talents are carefully

managed, developed and tracked through an annual Performance Management Review (PMR). In FY2022, IRIS employees completed over 1615 hours of training, upskilling, and various courses – a 55% decrease in training hours compared to FY2021. Over 29 training programmes, comprising internal, external, and in-house trainings, were organised – a 75% decrease from 117 training programmes convened in FY2021. The downward trends are attributed to the uncertainties brought on by the COVID-19 pandemic.

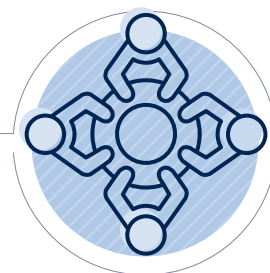
In FY2022, IRIS' Safety Health and Environment (SHE) Officer gained his CepSWAM (Certified Environmental Professional in Scheduled Waste Management) Competency Certificate. Key personnel from IRIS' Software Group (SWG) received refresher IoT (Internet of Things) Design, Deployment and Development training.

In FY2022, as was in FY2021, IRIS' Training and Development team were successful in defraying all allowable costs for retraining and skills upgrading programmes, through the Human Resource Development Corporation (HRDC).

We continue to ensure a healthy and safe working environment for sustained business operations while in the shadow COVID-19 through wearing face masks, continued sanitising efforts, strict adherence to Government and Health Ministry SOPs, the provision of hand sanitisers, the use of medical and self-testing.

The practice of conducting virtual meetings continues at IRIS, together with hybrid versions combining physical and virtual gatherings.

EMPLOYEE GROUP	AGES <21	AGES 21-30	AGES 31-40	AGES 41-50	AGES >50
Non-Executive	1	52	57	38	16
Executive	–	51	79	31	9
Manager	–	–	19	47	20
General Manager & Above	–	–	–	9	7
Total	1	103	155	125	52





Sustainability at IRIS (Cont'd)

ENSURING SOCIETY'S WELLBEING through Discretionary Social Responsibility

Discretionary social responsibility refers to how we contribute time and resources to the community at large in a responsible and meaningful way. IRIS employees are encouraged to participate in community development activities and donate to charitable organisations.

In FY2022, IRIS sponsored and participated in the Perdana Leadership Foundation CEO Forum 2021. The annual event hosted more than 30 speakers over 11 Plenary, Keynote, and Concurrent Sessions on "Business in the New Normal", covering industry-specific and nationwide issues related to the post-pandemic recovery and challenges faced by business and government. Top business leaders and industry experts exchanged views and ideas with the business community, youths, and students.

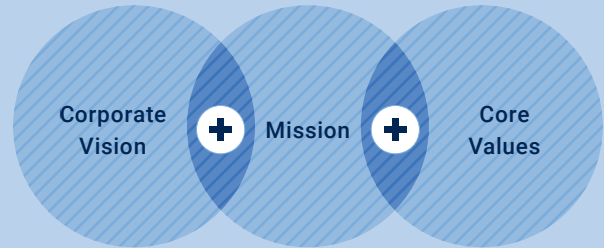
The Perdana Leadership Foundation positions itself as the premier resource centre for the policies, strategies and initiatives adopted under Malaysia's various Prime Ministers which may be used and adapted by other developing nations. The Foundation was also founded to promote global understanding by providing a channel for scholars and thinkers to undertake research and idea-sharing for lasting, peaceful resolutions.



Social Sustainability (People)

CONCLUSION

**Our corporate vision, mission,
and core values remain relevant,
and they reinforce our
path to sustainability**



We remain tenacious and dedicated in our resolve to face new, unexpected challenges and make the most of every opportunity.

We will continue to collaborate with our business partners, governments, and other stakeholders to create shared prosperity for current and future generations. This is what IRIS does best, bringing new solutions to life for a brighter, more sustainable tomorrow.