

# Sustainability at IRIS

## INTRODUCTION

IRIS recognises the importance of sustainability and its impact on long-term growth. We continue to embrace a culture of incorporating Economic, Environmental, and Social (EES) risks and opportunities into our decision-making, business practices, and processes.

This statement outlines IRIS' commitment to sustainability and its impact on achieving profitability in a safe, secure, and sustainable environment. IRIS Sustainability Statement FY2023 covers efforts and activities carried out in FY2023 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 PRIORITIES

IRIS is committed to formulating and executing the right balance of sustainability initiatives that match long-term interests. Our sustainability approach and programmes are reviewed regularly to determine their impacts on our business and operations. IRIS's 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 Continued



At IRIS, economic sustainability is the ability to create a more sustainable future for us and for the world by generating long-term profits while also operating in a way that is environmentally and socially responsible. This means that we must find ways to reduce our environmental impact, improve our social impact, and operate in a way that is fair and ethical.

### SUSTAINING GROWTH THROUGH MARKET DEVELOPMENT

We continue to accelerate plans for business revenue growth both internationally and domestically. These initiatives focus on further growing and developing existing markets. As international borders reopen, we reconnect in-person with our customers and partners in their respective nations.

Our confidence in sustaining and growing market share is bolstered by the continuing efforts of our dedicated teams who are hard at work in expanding, updating, and repurposing our Trusted ID products and solutions into new offerings.

### SUSTAINING GROWTH WITH CORPORATE GOVERNANCE AND ETHICS

We are committed to sustainability, and we believe that corporate governance and ethics are essential to achieving our sustainability goals. Our corporate governance and ethics policies are designed to ensure that our company operates in a sustainable manner.

To ensure that our company is managed in a responsible and ethical manner, our corporate governance framework is firmly in place and includes a code of ethics that sets out our company's values and expectations for employee behaviour.

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

Our zero-tolerance policies, such as **Fit and Proper Policy**, **Anti-Bribery** and **Anti-Corruption Policy**, and **Whistleblowing Policy**, 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. We believe that these policies are essential to the long-term success of our company as they help us to:

- Promote social responsibility.
- Ensure fair and ethical treatment of employees, customers, and suppliers.
- Manage risk effectively.
- Build trust with our stakeholders.

### SUSTAINING GROWTH WITH COMPLIANCE AND CERTIFICATION

All our customers and business partners hold our company to the highest operational, service, and delivery standards; and these standards are benchmarked to global standards and compliance.

*Sustainability at IRIS*  
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We always ensure that solid internal control systems are in place, that we continually strengthen our risk management framework, and we are committed to safeguarding confidential information. This has led to IRIS being the first company in Malaysia to be dual confirmed with worldwide recognition as Certified Security Printer and Certified Security Supplier.

Our commitment to strict compliance and rigorous auditing processes is evident in our certifications:

**ISO/IEC 27001:2013** –  
Information Security Management Systems



**ISO 9001:2015** –  
Quality Management Systems



**ISO 14001:2015** –  
Environmental Management Systems



**ISO 14298:2021 (INTERGRAF)** –  
Management of Security Printing Processes



**CWA 15374:2018 (INTERGRAF)** –  
Security Management System for Suppliers to the Secure Printing Industry



**SUSTAINING GROWTH BY IMPACTING COMMUNITIES**

IRIS conducts business in numerous locations, both at home and abroad, and cultivates relationships and connections in these communities. We are mindful that 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.

We believe in providing opportunities for graduating students from diverse backgrounds, nationalities, and fields of study through our internship and industrial training placements. Typically, interns spend a period of 3 to 6 months with us, and we are proud to have welcomed nearly 150 interns since the inception of our programme.

In addition, we have committed to offer 8-month placements to more than 450 Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ) trainees, under the READY TO WORK (RTW) programme, over 5 years. PROTÉGÉ is a unit under the Ministry of Entrepreneur Development and Cooperatives (KUSKOP). The overall goal is to enhance graduates' marketability and provide them with valuable work experience across various industries. To date, 109 graduates have been recruited, of which 29 have been offered full-time employment.

We recognise the role of social enterprises in improving Malaysia's socio-economic landscape. The outputs and impacts of credible social enterprises in Malaysia are building future leaders among marginalised communities through education, addressing climate change issues and providing employment to the underserved in Malaysia.

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We recognise the importance of responsible resource management as we take measures to maximise our utilisation rate of raw materials and materials throughout our operations. By implementing efficient production processes, we are minimising waste generation and promoting a more sustainable approach to manufacturing. Through continuous improvements in waste reduction and recycling programmes, we are reducing our environmental footprint.

The need to reduce our environmental impact serves as a catalyst for innovation within IRIS. By embracing sustainable practices, we are experimenting with the development of new solutions, services, and processes that not only provide tangible business but also benefit the environment. Such innovations allow us to tap into new markets, such as securing government contracts or expanding into countries with more stringent environmental regulations. We know that by aligning our operations with sustainability principles, we gain a competitive edge towards opportunities for growth and

expansion while simultaneously contributing to the global environmental agenda.

**CONSERVATION AND STEWARDSHIP THROUGH RESPONSIBLE CONSUMPTION**

As a manufacturer and technology solutions integrator, we are aware that the production of waste is inevitable. However, we are committed to reducing our environmental impact and promoting conservation and stewardship through responsible consumption.

**Waste management**

We take pride in our Quality and Environmental Management System (QEMS) policy which is enforced by our Safety, Health, and Environment (SHE) team. Together, it is everyone’s responsibility to ensure that proper procedures, coordination, and approvals are in place for separating, reusing, recycling, managing, and

ENVIRONMENTAL OBJECTIVES	TARGETS	MEASUREMENT METHODS	PERFORMANCE	
			FY2022	FY2023
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)	<b>Zero (0)</b>
To achieve zero (0) environment related fine or violation	Zero (0) case	Number of fines or notices from Department of Environment (DOE)	Zero (0)	<b>Zero (0)</b>

disposing of all waste by qualified waste treatment vendors. In FY 2023, hazardous waste generation was reduced by 29.2% from FY 2022.

We have implemented company-wide waste disposal themed programmes that aim to encourage a culture of responsible waste disposal. One of our key activities is promoting waste separation and conducting regular 3R (Reduce, Reuse & Recycle) campaigns. Our ongoing collaboration with Kloth Malaysia Sdn Bhd – a Fabric Recycling Movement, aims to prevent fabrics from ending up in landfills, seas, and oceans.

IRIS employees are also encouraged to properly dispose batteries from office and home via our battery drop box because batteries can pollute the earth due to the mercury content in them. Our SHE team will recycle these batteries at e-waste centres. Together, we are making a difference in protecting the environment.

**Printing**

We practice “print only when necessary” and, when required, print small quantities of sales and marketing collaterals using recycled paper or Forestry Stewardship

Council (FSC) paper. We also make deliberate efforts to manage and minimise the environmental impact of the IRIS Annual Report books by promoting the digital version of the 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 limited quantities, and 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.

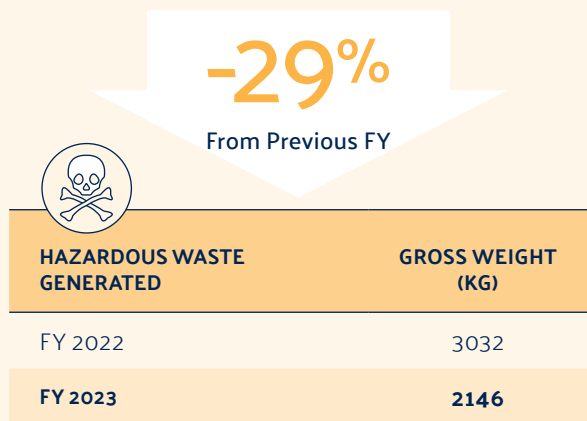
**Energy & Water Management**

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

IRIS commits to achieve 2% year-on-year reduction on the specific energy consumption measured on 0.38kWh/unit to produce smart cards. These targets are achieved consistently by managing power demand controls and protocols.

Water and electricity consumption in general were on an upward trend for FY2023 when compared to FY2022. In FY 2023, a 17.43% increase in employee intake resulted in 4.21% increase in water usage as production output was ramped up in FY 2023 to fulfil orders. Company-wide, employees are reminded to undergo appropriate behaviour modification to reduce water and energy consumption through awareness messages and activities.

By believing in the positive impact of these efforts on the environment, we are confident that through collaboration, we can further reduce our environmental footprint.



**RECYCLABLES DIVERTED FROM LANDFILLS (FY2023)**  
NO ACTIVITY CONDUCTED DUE TO COVID-19 PANDEMIC (FY2022)



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**SOCIAL SUSTAINABILITY**

Social sustainability at IRIS involves prioritising the well-being and fair treatment of individuals and communities where we operate. It encompasses social equity, justice, inclusivity, and quality of life, going beyond the environment to ensure access to basic needs, promote social cohesion, and safeguard human rights. Our goal is to support the welfare and empowerment of all members of society.

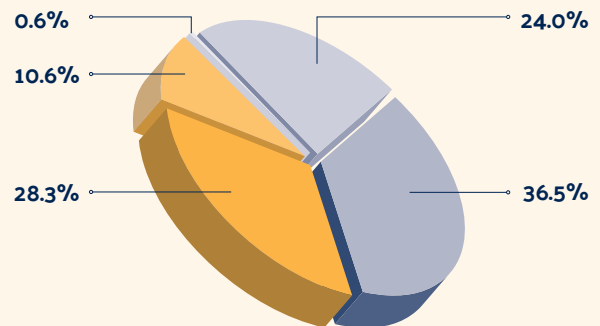
**ENSURING SOCIETY’S WELLBEING THROUGH ECONOMIC SOCIAL RESPONSIBILITY**

We believe that economic social responsibility is a crucial element in ensuring society’s wellbeing. Our commitment to this responsibility is reflected in our focus on prosperity. We understand that to achieve shared prosperity, IRIS must first be financially sustainable. This entails consistently generating profits for our shareholders, providing appropriate remuneration to our Board, management, and employees, paying business taxes, and meeting all other financial obligations. Through our quarterly interim and audited financial disclosures, we maintain transparency with our stakeholders regarding IRIS’ financial status, thereby demonstrating our commitment to economic social responsibility.

**ENSURING SOCIETY’S WELLBEING THROUGH LEGAL AND ETHICAL SOCIAL RESPONSIBILITY**

At IRIS, we understand that legal and ethical social responsibility is essential for ensuring society’s wellbeing. We prioritise providing a safe, healthy, and inspiring workplace for our employees, adhering strictly to applicable employment laws and ethical workplace practices. Our policies, benefits, and guidelines are in accordance with Malaysian Labour Laws and the International Labour Organisation (ILO) guidelines.

In FY2023, IRIS’ workforce stood at 512.



**EMPLOYEES BY AGE GROUP**

<21 YEARS OLD	21-30 YEARS OLD	31-40 YEARS OLD	41-50 YEARS OLD	>50 YEARS OLD
3	123	187	145	54

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We believe that our employees are our greatest assets and are committed to nurturing their fullest potential and capabilities. 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. We encourage a culture of health, safety, continuous learning and upskilling to keep up with the demands of the transforming technological landscape.

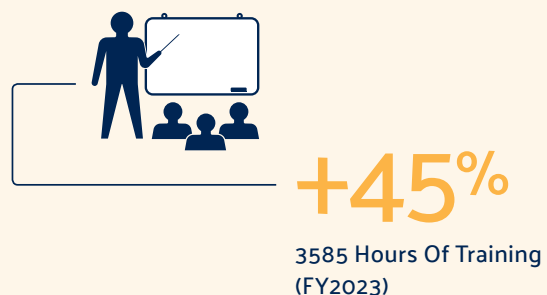
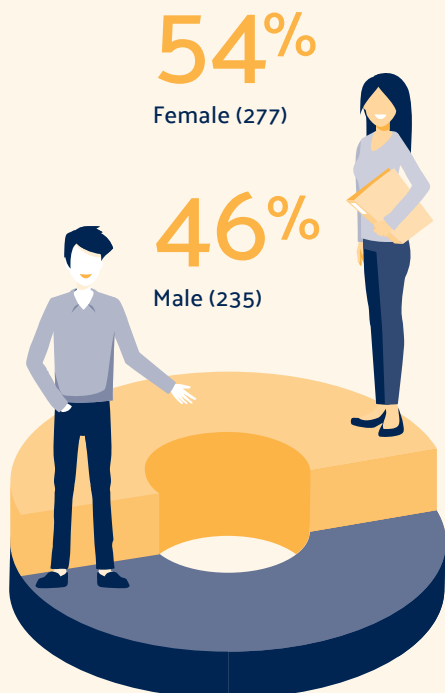
Our vision is to ensure the safety and health of all employees by setting safe standards and adopting a safe work culture. Safety and health at IRIS are overseen and enforced by our Safety, Health and Environment (SHE) Committee while our Fire Safety Organisation (FSO) team is periodically and adequately trained to respond to crisis and emergencies.

In FY2023, our employees dedicated a total of 3585 hours to training, upskilling, and various courses, marking a significant 45% increase compared to FY2022. We organised 35 training programmes, including internal, external, online, and in-house options, reflecting a 12% growth from the 29 programmes conducted in FY2022.

During FY2023, 31 staff members were selected to participate in the six-month Leadership Development Programme. This comprehensive programme involved a combination of in-person and online training, webinars, and coursework. Additionally, 7 staff members attended the Scrum Master certification programme, while 1 participated in the Business IT Architecture Fundamental (BITAF) certification programme. As part of our commitment to safety, 18 key personnel from the production team underwent the Essential Chemical Spillage Control training to enhance our chemical handling practices.

Just like in FY2022, our Training and Development team at IRIS successfully secured funding for retraining and skills upgrading programmes through the Human Resources Development Corporation (HRDC).

Among the highlights of our company-wide employee engagement activities in FY2023 was the Health Fair, where employees received free health check-ups and an insightful health talk delivered by a guest speaker from Columbia Asia Hospital.



## Sustainability at IRIS

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### ENSURING SOCIETY'S WELLBEING THROUGH DISCRETIONARY SOCIAL RESPONSIBILITY

At IRIS, our commitment to discretionary social responsibility extends beyond mere words. By actively supporting charity events, we ensure the betterment of society and the wellbeing of those in need.

Every year, we responsibly and meaningfully contribute our time and resources to the wider community. Our employees are strongly encouraged to engage in community development activities and support charitable organisations.

IRIS supports social enterprises like Batik Boutique who specialises in producing sustainable hand-crafted batik creations made by artisans from marginalised communities in Malaysia. Together with Batik Boutique, we are committed to UN Sustainable Development Goals 1 (No poverty), 5 (Gender Equality) and 8 (Decent Work & Economic Growth).



We once again collaborated with the National Blood Bank in September 2022, after a 2-year hiatus. A total of 57 employees stepped forward to support this noble cause. 93% donors were successful with 53 pints of blood collected. Each campaign is always a big win because 1 donation can potentially save up to 3 lives.

In November 2022, IRIS proudly offered sponsorship support to the “Ai Hua Jiao 爱华教” Charity Concert, a fundraiser for the UTAR Hospital project. As a non-profit and self-sustaining hospital undergoing infrastructure development in Kampar, this initiative holds immense potential to benefit the medical community and health sciences students. Co-organized by Sin Chew Daily and Hai-O Foundation, the donations and funds raised during the charity concert were channelled towards this noble project.

IRIS also provided sponsorship to the Jabatan Hal Ehwal Agama Islam Negeri Kelantan (JAHEAIK) in their commendable efforts to support the Program Semarak Ramadan Bersama Dhuafa'. This programme was dedicated to the wellbeing of 100 orphaned children, offering them the care and support they deserve during the holy month of Ramadan.

In March 2023, we sponsored the PSC International Invitational Tennis Tournament (PSCIITT). The tournament hosted some 500 players and spectators from Singapore, Hong Kong, Thailand, Australia and Philippines, over 3 days of intense matches. IRIS donated in support of this event which serves to develop and boost the local tennis scene.

### CONCLUSION

Our journey towards sustainability is an ongoing effort, as we continuously support and empower each other, integrate best practices, and implement new ways of working in order to have a lasting positive impact on communities and environments.

In September 2022, IRIS took the Malaysia Digital Climate Action Pledge (MDCAP) and is committed to share sustainability best practice such as strategy, action plan, initiatives, and to conduct operations in an environmentally responsible manner through Reduce, Reuse, Recycle practices.

Innovation is at the heart of our organisation, driving us to build a better world through our innovative products and solutions. By staying true to our vision, mission, and core values, we are forging a path towards a sustained and shared prosperity for present and future generations, together with our partners and stakeholders.