United Nations Global Compact
Annual Communication on Progress

July 2020

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Statement of continued support by the Chief Executive Officer

This is our second annual Communication on Progress Report (COP), issued as part of our responsibilities as a signatory to the United Nations Global Compact.

We recognise that a key requirement for participation in the UN Global Compact is the annual submission of a COP that describes our company's efforts to implement the Ten Principles.

I am pleased to confirm that IrisGuard UK Ltd reaffirms its support to the Ten Principles of the United Nation Global Compact on Human Rights, Labour, Environment and Anti-Corruption. With this communication we express our intent to continue to implement those principles.

We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company and to engage in collaborative projects which advance the broader development goals of the United Nations, particularly the following Sustainable Development Goals.

IrisGuard UK Ltd supports public accountability and transparency, and therefore is committed to reporting on progress annually and will make a clear statement of this commitment to our stakeholders and the general public.

I invite you to read the following report which details the progress we have made.

Mr Imad Malhas
Founder & CEO

About IrisGuard UK Ltd

IrisGuard UK Ltd is the world leader in dedicated iris recognition payment services and its patented techniques, developed over 20 years, incorporating both software and custom-hardware components. This forms part of the process to provide 100% guarantee globally on verifying and authenticating a payment to one person from millions, anywhere in the world in real time (less than 3 seconds). IrisGuard operates from its headquarters in Milton Keynes, UK (certified to ISO9001:2015) and its regional office in Amman, Jordan.

IrisGuard's end-to-end iris recognition, verification, financial authentication and targeted cash transfer platform removes the need for any form of ID such as username, password, card or pin. Our systems are manufactured and designed for easy integration into existing payment services and databases, delivering on the bold objective to provide financial and digital inclusion with unprecedented scalability and accuracy.

Irisguard is an established, trusted and recognised solutions provider for United Nations Agencies such as the High Commissioner for Refugees (UNHCR), the World Food Programme (WFP) and many National government and Non-Governmental Organisations (NGO's) around the world, in addition to a large number of retail banks across the Middle East. Committed to empowering financial inclusion through iris recognition to the world's unbanked, Irisguard has long spearheaded the iris biometric sphere; the first iris recognition platforms in border control, the first iris-enabled ATM, the first iris-enabled supermarket POS, the first to secure blockchain authentication by replacing the cryptic key with an iris and the first to enable disbursement of aid cash via a mobile wallet.

During this global Covid-19 pandemic, IrisGuard's contact-free iris recognition technology has continued to enable the distribution of cash assistance whilst ensuring Covid-19 social distancing rules are adhered to and importantly, without the need to remove protective gloves or facial masks. We have extended our contact-free and Covid-19 resistant platform with the ability to operate our EyePay® mobile verification device in a full offline mode, which has brought a significant step change in field operations.

IrisGuard has received their final certification and notice of compliance for Presentation Attack Detection to internationally recognised ISO 30107-3 standards from independent test house specialists, iBeta labs, in Denver. IrisGuard is one of only two companies globally to receive such compliance for its EyePay android phone, app and EyeCloud processing system.

> *"Innovation is not just about creating technology. It is identifying a problem and developing a solution to address it."*
>
> IMAD MALHAS, FOUNDER, IRISGUARD

Together we are:

"Empowering financial inclusion in the blink of an eye"

The principles of the UN Sustainable Development Goals are an important part of the work of IrisGuard UK Ltd and resonate through our **Vision** and **Mission** and are within the **PRIDE** of our brand values.

Our Vision

is a world where digital payments and transactions are trusted, protected and secured through iris recognition, especially for the most vulnerable

Our Mission

is to provide the unbanked with dignified, secured and cost-effecive financial inclusion platforms based on our innovative iris recognition technology.

Brand Values – PRIDE

Passion   We have the energy, drive and attitude to never give up
Respect   We put human dignity, care and compassion into everything we do
Innovation   We have the courage and conviction to pioneer the future
Design   We create, originate and construct to the highest standards
Excellence   We continuously strive to go above and beyond to exceed expectations

The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS PRINCIPLES

Principle 1: Business should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Assessment, policy and goals

IrisGuard UK Ltd is fully committed to Universal Human Rights and has specific policies on recruitment and employment that protect the rights of women, the disabled and ethnic minorities in both applying for roles with IrisGuard and during their service. We ensure that all staff have equal opportunities within the organisation and IrisGuard does not tolerate discrimination of any kind.

Our Employee Handbook is issued to all staff and a signature obtained to confirm the employee understands the content. The Handbook contains the Code of Conduct which begins:

> We are dedicated to being a responsible employer, ensuring that company activities and the behaviour of all employees is conducted with respect and consideration for human rights, health and safety, and for the working environment of all employees. We seek to develop a workplace where honesty and ethical conduct is upheld at all times and in accordance with company policies, contracts of employment and legislation.

Implementation

Our Finance and Compliance Director ensures adherence to Human Rights policies, Risks and violations. Each of our Board members is equally committed, with a report produced for quarterly Board meeting. All policy documents are available to all for viewing.

A Whistleblowing Policy is in force to support the rights of all employees who also receive awareness raising training incorporated with annual refresher courses. Our Whistleblowing policy states:

> We are committed to conducting our business with honesty and integrity and we expect all staff to maintain high standards in accordance with our policies and procedures. However, all organisations face the risk of things going wrong from time to time, or of unknowingly harbouring illegal, unethical, bullying or harassing conduct. A culture of openness and accountability is essential in order to prevent such situations occurring or to address them when they do occur.

Measurement of outcomes

Our commitment to human rights is monitored through the referenced policies, HR procedures and quarterly Board meetings. We have no incidents, violations or legal cases pending.

Employees performance and wellbeing is documented at probation meetings, regular 1:1 meeting's and through the Annual Appraisal and Objective setting process.

IrisGuard UK Ltd
43 Shenley Pavilions, Chalkdell Drive,
Shenley Wood, Milton Keynes MK5 6LB, UK
Tel: +44 1908 991683 Email: enquiries@irisguard.com

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LABOUR PRINCIPLES

Principle 3:   Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4:   the elimination of all forms of forced and compulsory labour;

Principle 5:   the effective abolition of child labour; and

Principle 6:   the elimination of discrimination in respect of employment and occupation

Assessment, policy and goals

IrisGuard UK Ltd employs 34 members of staff and we take our obligations in relation to labour rights as an employer very seriously. All of our labour policies and goals are clearly defined and applied to every member of staff regardless of role or level of responsibility. We have a zero-tolerance policy on any type of bullying, harassment or employment discrimination. Our Equality and Diversity policy states:

> We seek to establish a work environment free from any form of discrimination, harassment and victimisation. We are committed to appointing, training, developing, promoting and rewarding employees fairly and objectively on the basis of their skills, experience and abilities. We seek to develop an environment where individuals can thrive and differences are valued. Acts of bullying or discrimination will not be tolerated and if proven will result in instant dismissal.

All our board members are fully supportive of our Employment Policies and an Employment Report is presented and discussed at every quarterly Board meeting. All our business partners and suppliers are advised of and expected to adhere to our labour policies.

Implementation

We ensure our compensation and benefits are applicable to all staff and every aspect of our Labour Policies are adhered to by staff with regular training provided at all levels across the organisation.

We have a clearly defined Employee Handbook and a suite of HR/Employment policies that cover every aspect of employment, including Whistleblowing, Anti-Bribery & Corruption and very specific Discrimination policy to ensure every member of staff, regardless of gender race or age, have equal opportunities.

> All employees, no matter whether they are part-time, full-time, or temporary, will be treated fairly and with respect. When we select candidates for employment, promotion, training, or any other benefit, it will be on the basis of their aptitude and ability. All employees will be given help and encouragement to develop their full potential and utilise their unique talents. Therefore, the skills and resources of our organisation will be fully utilised and we will maximise the efficiency of our whole workforce.

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Measurement of outcomes

Our Employment practices are reviewed quarterly at every formal Board meeting and annually by all Shareholders. We have no incidents, violations or legal cases pending. All employees receive awareness raising training. All policy documents are available for viewing.

The demographics of our management teams are diverse and inclusive and there are never any instances where employees are precluded from any employment opportunities, support or management due to diversity factors. We take inclusion very seriously and support every member of staff in all aspects of their employment with us.

Our commitment stated within the Equality and Diversity Policy is:

- To create an environment in which individual differences and the contributions of all team members are recognised and valued.
- To create a working environment that promotes dignity and respect for every employee.
- To not tolerate any form of intimidation, bullying, or harassment, and to discipline those that breach this statement.
- To make training, development, and progression opportunities available to all staff.
- To promote equality and diversity in all aspects of our work.
- To encourage anyone who feels they have been subject to discrimination to raise their concerns so we can apply corrective measures.
- To regularly review all our employment practices and procedures so that fairness is maintained at all times.

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ENVIRONMENTAL PRINCIPLES

Principle 7:   Businesses should support a precautionary approach to environmental challenges;
Principle 8:   undertake initiatives to promote greater environmental responsibility; and
Principle 9:   encourage the development and diffusion of environmentally friendly technologies.

Assessment, policy and goals

All of the IrisGuard UK Ltd management team, Board members and employees are encouraged to be environmentally aware and consider their use of resources such as power, water and paper and reduce the impact of travel by utilising public transport where possible. In relation to travel the Business Expense Policy states:

> Employees and line managers should consider whether or not travel is necessary to meet business objectives or if there are more appropriate means (for example, teleconferencing or videoconferencing). Where possible, flights should be booked well in advance to benefit from any discounts for early booking. The key consideration is whether or not the flight is the most cost-effective for the Company, unless there is a valid business reason for taking an alternative flight.

Additionally, the UK headquarters building is fitted with solar panels to provide a source of renewable energy and was chosen specifically because of the building's environmental credentials.

Implementation

Within each of our offices in the UK and Jordan, all employees are committed to recycling and reuse, as well as reducing single-use plastics whenever possible.
IrisGuard UK Ltd conforms to ISO9001 which is in line with our environmental policy and goals. Both IrisGuard UK Ltd and our suppliers adhere to the WEEE directive and are RoHS compliant.
As a company which designs and produces products, we aim to use the most environmentally friendly components. We design products which make use of existing stock and redesign to reuse component parts where possible.

Measurement of outcomes

We have a documented policy in line with ISO9001 standards and performance against this is audited annually and reported quarterly to Board.

Our staff commitment to the environment is monitored on a day-to-day basis to ensure that resource consumption is kept as low as possible and environmental responsibility is at the heart of the organisation.

With our employees based as far apart as the UK, Jordan and Canada, along with our customers and business partners based all over the world, we make use of environmentally friendly modern technologies and conduct meetings across time zones via internet technology methods.

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ANTI-CORRUPTION PRINCIPLES
Principle 10:   Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, policy and goals
We have zero tolerance policies on discrimination and Anti-Bribery & Corruption which also include Anti-Money Laundering and Terrorist Financing. We have a specified Code of Conduct that all staff must adhere to and expect all employees regardless of role or responsibility:

- To fulfil their duties and obligations responsibly, providing the highest standards of work and performance in carrying out their business activities, adhering to all applicable legal and regulatory requirements;
- To treat each other and any other person with whom who they come into contact while working for the organisation, with respect and dignity. Bullying, harassment or discrimination will not be tolerated under any circumstances and may lead to instant dismissal;
- To behave in a way that enhances and protects the reputation of the organisation;
- To conduct the business of the organisation with honesty and integrity and at all times in a professional manner;
- To avoid any actual or potential conflicts of interest relating to the organisation;
- Not to accept gifts of hospitality or receive other benefits which might reasonably be seen to compromise personal judgement, integrity or brings the organisation into disrepute.

All agreements with suppliers or customers contain the necessary statements and understanding of the expected Code of Conduct, which is monitored and assessed regularly. Any violation of our Code of Conduct will result in immediate and appropriate action being taken by the organisation against those responsible.

Our largest customers include the UNHCR and WFP so we adhere to and are audited against all of their defined policies on Anti-corruption. We provide dedicated time and attention to the necessary protocols for staff who may on occasions enter into difficult areas in support of UNHCR work.

Implementation
The responsibility for the adherence to Anti-Corruption risks lies initially with our Finance & Compliance Director, the CEO, Chairman and any other Board member. Our Board of Directors ensures this is considered a high priority and we have an escalation system to the CEO and Chairman if any member of staff feels there has been a violation of our policies. All our finance systems are secured within defined electronic systems to ensure any financial transactions are secure and only managed by authorised members of staff up to our Finance Director.

All our staff receive certified mandatory training from Ropes and Gray LLP on Anti-Bribery & Corruption which also includes Anti-Money Laundering and Terrorist Financing, Third Party Relationships and Due Diligence, Economic Sanctions and Export Control. We use an electronic system (DDIQ) to perform due diligence on suppliers, customers and partners. Staff are trained on their obligations and responsibilities of reporting whistleblowing on any incident that may be considered against our dedicated policies.

Measurement of outcomes
We are audited regularly by both internal and external parties. All of our policies and procedures are monitored, reviewed and measured regularly by both internal staff and external bodies.

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Our contribution to the Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY	**Goal 1. End poverty in all its forms everywhere** **1.4** by 2030, ensure that all men and women, in particular the poor and vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services including microfinance

Examples:

In 2019, nearly 132 million people needed humanitarian aid and protection and 1.7b remain unbanked. We play a key part in ensuring that those in need are financially included using our EyePay® platform. We are fully committed to the rights of those less fortunate than ourselves and we work with the UNHCR and WFP on projects with Syrian refugees in Jordan, Lebanon, Iraq and Egypt.

During the Covid-19 pandemic lockdown, our contact-free iris recognition technology has continued to enable the distribution of cash assistance whilst ensuring social distancing rules are adhered to and importantly, without the need to remove protective gloves or facial masks. Crucial assistance whether that is cash, in-kind, food or any other, still needs to be delivered at speed and with great levels of accountability required by both donors and beneficiaries. That can be challenging when operating in remote locations such as in the Middle East and ensuring the safety of aid workers and refugees.

We also work with Zain Cash (in a joint partnership with the UNHCR) to deliver aid in a faster and more secure way by integrating with a mobile wallet. UNHCR and other humanitarian organization in Iraq are targeting more than 1 million displaced Iraqis and refugees that are in need of cash assistance. Currently over 120,000 vulnerable families in Iraq and approximately 30,000 non-Iraqi families in the country receive cash support via the UNHCR. Utilising our EyePay® mobile device has helped to increase the registration capacity for beneficiaries, they are served with higher standards of accountability and efficiency, whilst making it more convenient, it has helped to speed up the process and eliminate fraud and identity theft, and made it easier for use by the elderly.

> "…our collaboration with UNHCR and IrisGuard allows us to return greater dignity, privacy and ensure financial inclusion of vulnerable people throughout Iraq…"
>
> *Zain Cash CEO, Yazen Altimimi*

We have partnered up with Egypt Post to enable targeted and verified distribution of humanitarian assistance on behalf of the UNHCR, Plan International and Catholic Relief Services. This project covers 90% of the refugee population in this region enabling Egypt Post and the UNHCR to provide a reliable, accurate and targeted distribution of assistance. Beneficiaries do not need to provide any other identification documents, thus protecting their privacy and providing aid in the most efficient and dignified way.

We also work with Iraq E-Gate where our technology is used to provide proof-of-life, which is required for an accurate and targeted pension distribution. It has become mandatory by Iraqi law that pensioners register their irises to open an account at Al Rashid bank and receive automatic monthly payments on their financial card with the requirement of visiting the bank each year to prove his/her life, otherwise the card will automatically be deactivated.
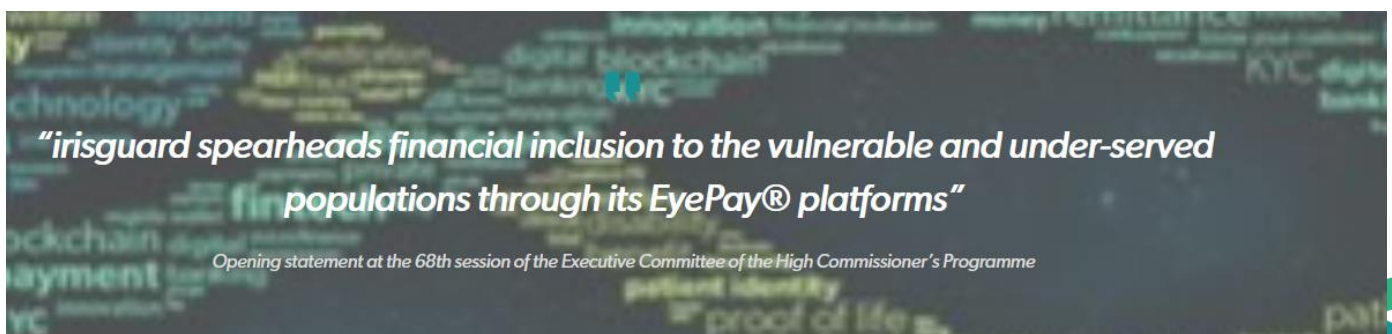
Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture

2.1   by 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

Examples:

The United Nations World Food Programme (WFP) has deployed IrisGuard's innovative EyePay® payment terminals in supermarkets so that Syrian refugees can redeem their monthly food assistance using just their iris at checkout counters, which is more secure and makes grocery purchases easier and faster, instead of using a prepaid electronic card.

IrisGuard's patented EyePay® technology is an innovative Secure Financial Delivery platform that utilizes end-to-end iris recognition technology such as EyeBank®, EyeCloud®, and EyeCash®. In 2017, IrisGuard enhanced its EyePay® Secure Financial Delivery platform to include Blockchain technology. With the humanitarian community increasingly adopting Cash-Based Transfers as the means to provide assistance to beneficiaries to enable them to purchase their own needs, new tools and risk mitigation measures were necessary.

"irisguard spearheads financial inclusion to the vulnerable and under-served populations through its EyePay® platforms"

Opening statement at the 68th session of the Executive Committee of the High Commissioner's Programme

	Goal 5. Achieve gender equality and empower all women and girls **5.b** enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women

Examples:

The World Food Program introduced the WFP Building Blocks where the EyePay® Secure Financial Delivery platforms was integrated with Ethereum as a cryptocurrency to provide transparency in blockchain transactions. IrisGuard helped the WFP secure the last-mile of blockchain transactions through the use of iris recognition as a secure and fail-proof authentication of identity instead of the crypto key.

As part of a regional pilot agreement between UN Women and IrisGuard, approximately 400 UNW Syrian refugee women beneficiaries are now receiving cash using their eyes. EyePay® Cash is used in tandem with Building Blocks Blockchain to both authorize and authenticate cash-out transactions against UNHCR EyeCloud® on Cloud, without a need for any other ID or information. This ensures complete privacy, security and dignity for the women receiving cash payments, completed with a printed receipt and instantly recorded on the Blockchain for total transparency.

IrisGuard UK Ltd
43 Shenley Pavilions, Chalkdell Drive,
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	Goal 10. Reduce inequality within and among countries **10.c** by 2030, reduce to less than three per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than five per cent

Examples:

All of IrisGuard's systems are designed and targeted to reach the furthest number of people and countries and address crisis wherever this may occur. This fits in with the targets set by the UN and the GSMA Mobile Connect/M4H policies for mobility of financial inclusion and identity verification for social benefits and services. Extension of our suite of fixed and portable devices to the revolutionary EyePay® Phone has brought together the expertise of IrisGuard with the portability and connectivity of an Android mobile. We now provide financial inclusion on the move and bring even more dignity to the world's unbanked.

The World Bank also defines financial inclusion as: *"that individuals and businesses have access to useful and affordable financial products and services that meet their needs (transactions, payments, savings, credit and insurance) delivered in a responsible and sustainable way".*

Our technology helps to close this gap to bring financial inclusion to individuals, families and communities who sit outside the traditional banking sphere, providing them with a 100% accurate and secure digital identity. They require no paperwork, card or passwords, their eye is their Unique Verifiable Identity (UVI) and is the key to unlock and facilitate access into the conventional financial world. This means use and access to iris-enabled ATM cash machines, standard retail POS and EFTPOS devices, existing authorisation and payment settlement platforms such as MEPS, APACS and EyePay mobile phone. This has been further enhanced by extending our contact-free and Covid-19 resistant platform with the ability to operate in a full offline mode, when no connectivity is available.

	Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**16.9** by 2030, provide legal identity for all, including birth registration

Examples:

By providing a universal and portable United Nations identity to refugees and IDPs, and linking that to crypto-currencies and Blockchain, we provide the beneficiary with mobility and freedom to move armed with a strong identity that is their eyes. We connect with merchant networks including banks, post offices, remittance agents and mobile wallets connecting aid agencies and disaster funds to multiple distribution points, whilst rapidly utilising the same systems.

Our work with WFP Jordan and WFP Lebanon for card verification throughout both countries ensures there are no duplicate distributions involving both Jordan Post and LibanPost as customer touch points providing service with dignity to all beneficiaries. Including post offices also provides revenue for those entities and increased local value and component; this helps change the view of locals towards refugees in the most profound way, refugees going to the post are customers receiving a paid service (for the post) as opposed to refugees who are burdening the country.
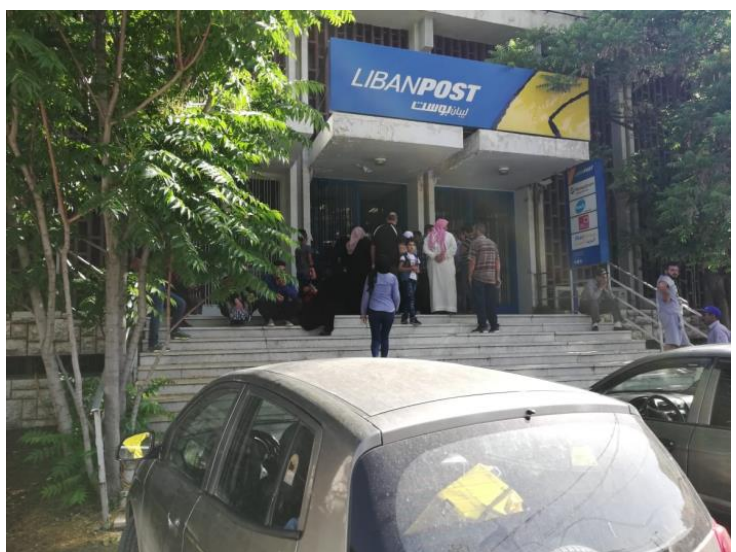
Opening statement at the 68th session of the Executive Committee of the High Commissioner's Programme

"We want every refugee to have a unique digital identity. This will enhance accountability and facilitate two-way communication between refugees and service providers. It will also help prevent and reduce statelessness."

Filippo Grandi, United Nations High Commissioner for Refugees, 2 October 2017