

ECONOMIC

Empowering Digital Transformation with Innovative ICT Solutions

Datasonic is involved in the provision of ICT solutions including smart card personalisation (such as secure ID or chip-based credit/ debit/ bank cards), customisation of software and hardware solutions, project management, consultancy, R&D and technical consultancy services.

In order to enhance its competitive edge, the Group focuses on investing in R&D and human capital to create highly secured, integrated and innovative ICT solutions for various governmental, commercial and financial markets. Therefore, the Board supports a culture that embraces technological change by empowering digital transformation with our innovative ICT solutions to stay ahead of global competition.

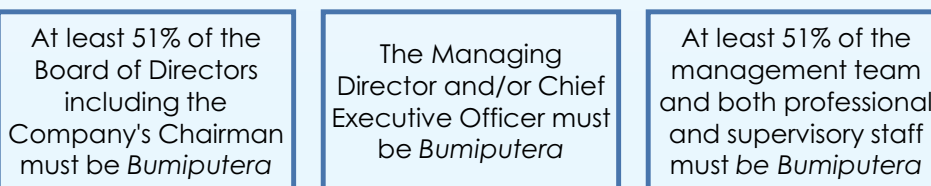
Datasonic aims to capitalise on various business models and our innovation culture to deliver sustainable value to our shareholders/stakeholders. We will continue to explore and venture in the areas of innovation and expansion of capabilities to remain competitive and relevant in delivering global trending or emerging ICT solutions including but not limited to e-ID, e-Passport, e-Border Control, e-Visa, Multi-modal Biometric solutions, Smart surveillance & security systems, e-Health and fintech (financial technology) solutions.

Local Employment

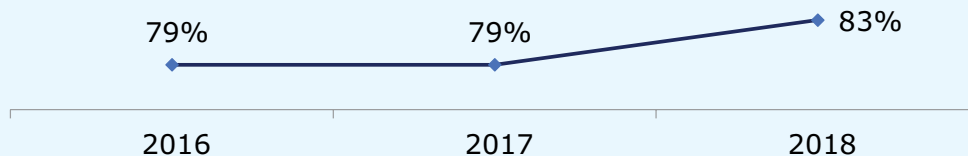
While our operations continue to provide direct employment opportunities for local people, we encourage local businesses to be part of our supply chain. We also work with the government to build local skills and expertise.

We prioritise the procurement of goods and services from local suppliers who meet our requirements. Suppliers are screened to ensure they meet our high standards in the areas of human rights, labour practices and business integrity.

In line with the Bumiputera-status, Datasonic ensures compliance with the following criteria at all times:

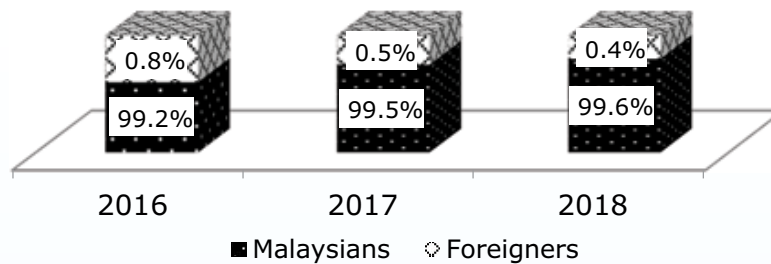


Percentage of Bumiputera in the Workforce



Local people are favoured due to the high sensitivity and security of our products and solutions. Identification cards such as MyKad and passport services are important to national security; financial products such as ATM and debit cards are also highly sensitive.

Malaysians versus Foreigners in the Workforce



Sustainable Supply Chain

Supply chain management is an integral part of the Group's Procurement Practices. We are committed to the principle of sustainability across our operations and place strong emphasis on minimising any adverse impact on society or the environment.

Risk assessments are performed before launching new products such as IT programmes and services or the outsourcing of core or material services as and when necessary.

Supplier risk assessments may be performed either ad hoc or annually when the project is due for renewal or depending on the circumstances. Our risk management processes are governed largely by the **ISO 31000** Risk Management Principles and Guidelines.

Integrating Sustainability into Procurement Decisions

The effective use of natural resources is part of Datasonic's Code of Ethics and Conduct. For example, we use PEFC*-certified printing paper that has been sourced from sustainable forests and controlled sources for our operations. Also, we have implemented e-papers at our Board meetings whereby documents are saved in shared folders with controlled accessibility to reduce paper consumption.

* PEFC: Programme for the Endorsement of Forest Certification

Quality Control of the Highest Standards

The Group continues to improve its production technologies and quality of the products by carrying out Research and Development (R&D) to generate new knowledge of manufacturing and personalisation processes and the use of products while implementing the innovations in production. In order to ensure that we have an inclusive and safe society, the Group empower all our business and functional units to regularly engage with our stakeholders so that key risks and issues impacting our stakeholders are promptly addressed in our practices and business strategies.

Value is created by maintaining relevant certifications and licenses:

- The Group's ISO 9001:2015 and ISO/IEC27001:2013 certifications ensure that our products and services meet the most demanding standards in the industry which in turn, improves the ability of the Group's operations to meet customers' requirements and expectations.
- We comply with relevant legislation to operate our businesses as a secure ID/ smart card manufacturer, responsible Network Service and Facilities Service Provider and licensed national security printer.