

COMMUNICATION ON PROGRESS



OCTAGON

OCTAGON INTERNATIONAL SERVICES CO., LTD

JANUARY 2018 ~ DECEMBER 2018

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CEO'S STATEMENT

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. We are proud to share with you the sixth Communication on Progress (COP) of Octagon International Services Co., Ltd (OIS), reaffirming our consistently support to strengthen the sustainability of our company by upholding the ten principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this Communication on Progress, we describe how we build culture in our business, operations as well as actions taken to improve the integration of the Global Compact and its principles in accordance with our commitment, long- term business strategies, and daily activities in bringing the best to our society and environment providing safety and premium products and services exceeding our customer's expectations. Providing the highest level of service to our customer is part of our company culture.

We acknowledge that the respect of the Ten Principle of the Global Compact, together with a pro-active behavior to support social stability, safety and responsible economic development by sharing this information with our stakeholders through our primary channels of communication in order to reach our goal, easy to access and give a good overall impression.

We reaffirm our respect and support of the Ten Principles of the United Nations Global Compact with this Sixth Communication of Progress Report and beyond.

Your sincerely,

A handwritten signature in black ink, appearing to be 'Chan Mya', with a small dot at the end.

Chan Mya
CEO
Octagon International Services Co., Ltd.

ABOUT THE REPORT

According to GRI Indicator Number

G4-2 G4-3 G4-18 G4-28 G4-29 G4-30 G4-31 G4-32

Octagon International Services Company Limited (OIS) is committed to be a good corporate citizen contributing to society the best position to thrive from the value of our work.

Our aim is to achieve leading role in CSR engagement and aim to inspire other actors of the business community in Myanmar. We offer leading brands an efficient and sustainable presence on the Myanmar market – providing quality of products and services and to build long term relationships with our customers and clients by pursuing business in a sustainable way, while caring the community and protecting the environment.

To create value for stakeholders, while conducting sustainable business practices, caring for the community and protecting the environment. In order to achieve this goal, we are committed to identify, manage and fix sustainability-related risks including human capital risk, safety risks, environmental risks as well as fraud and corruption risks. We follow a pro-active behavior towards these areas and our actions do not only comply with Myanmar laws but also go beyond them.

This year report contains more details on our sustainability practices as our commitments has depended and our CSR expertise are improving. This report is aiming to reach the Core Global Reporting Initiatives (GRI) context to create and disseminate a global framework for sustainability reports have helped shape our own efforts. OIS will continue to report annually.



The data collection in order to produce this report was closely overseen and monitored by our Sustainability Working Group from Octagon International Services Co., Ltd.

This allowed for a holistic approach to gather the relevant documents and ensures each company has align with their respective input within the COP report. Octagon International Service Company Limited is in the process of implementing an external audit in order to allow for an objective assessment for an improved sustainable development strategy in the future.

UNITED NATIONS 2015 SUSTAINABLE DEVELOPMENT GOALS

We consider the following SDG's and align with UN Sustainable Development Goals:



OIS Company Ltd have been contributing tax revenues and we are counted as one of the top 100 Commercial Tax Payer in Myanmar. Particularly through regular contribution in terms of revenue will help for the development of country and serve the communities affected by poverty.



OIS company Ltd is the sole distributor of 'CLAAS' Agricultural machinery and believe that the positive impact of our business can have on food security, nutrition and sustainable agriculture and to engage in principle-based collaboration with the UN, governments, civil society and other stakeholders.



OIS Company Ltd explores the opportunities promote health and well-being in the workplace together with decent occupational health and safety which is good for employees and employers.



OIS Company Ltd aimed to have more skill workforce, increasing productivity and driving business growth. We have invested in training program and job training to provide up to date knowledge to all our employees. We believe that more skilled workforce, increase productivity and driving business growth for better community and environment.



OIS Company Ltd achieved EDGE Certificate which is one of the leading global assessment methodology and business certification standard for gender equality.



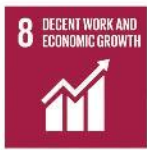
OIS Company Ltd ensure availability and sustainable management of water and sanitation for all.



OIS Company Ltd ensure access to affordable, reliable, sustainable and modern energy for all.

UNITED NATIONS 2015 SUSTAINABLE DEVELOPMENT GOALS

We consider the following SDG's and align with UN Sustainable Development Goals:



OIS Company Ltd focus on non-discrimination, equal opportunities and treatment and freedom to express workplace concerns.



OIS Company Ltd build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



OIS Company Ltd avoid lack of social development, including poverty, inequality and weak rule of law in order to have smooth business operations and strong growth.



Make cities and human settlements inclusive, safe, resilient and sustainable.



As a company, we ensure sustainable consumption and production patterns.



OIS Company Ltd is committed to take urgent action to combat climate change and its impacts.



As a company, we conserve and sustainably use the oceans, seas and marine resources for sustainable development.



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

UNITED NATIONS 2015 SUSTAINABLE DEVELOPMENT GOALS

We consider the following SDG's and align with UN Sustainable Development Goals:



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



As a company, we strengthen the means of implementation and revitalize the global partnership for sustainable development.

SUSTAINABILITY CONTEXT

Economic growth will reinforce expectations and aspirations for a better life among the world's newest consumers. Since Myanmar is rich in natural resources particularly forest, land and water resources. Achieving sustainable development of these resources is vital to the country. OIS company limited keep ensuring that we do achieve sustainable mindset and compliance with UN Global Compact sustainable approach. We are committed to take the responsibility to ensure that the development process is sustainable and equitable for all stakeholders in Myanmar. The objective of alternative approaches to growth and development will be essential to meet the basic needs as well as to protect the environment.

The mindset, practices and business models could offer critical insights for emerging market-based business, established multinational and governments. It could provide multiplier effects and create the basis for replication and extension among companies operating in emerging markets. It could be the starting point for redefining the future of growth: one that is robust and efficiently binds together all elements of Sustainability-economic, environmental and social.

It is our responsibility to adopt a set of good business practices and must to insure the sustainable success of our activities and of Myanmar. OIS is developing our sustainability strategy beyond CSR and always trying to measure its impact and the needs of its environment to adjust its policies and practices in the scope of sustainability.

Head Office Address:

No.37, Corner of Yangon–Patheingyi Road & WYTU Street, Hlaing Thar Yar Township, Mya Sein Yaung Industrial Zone, Yangon, Myanmar.

<http://www.octagoninternationalservices.com>

Phone: +95 9 860 9888

Fax: +95 9 730 650 28

G4-5 & G4-57

8 ongoing operations

OIS maintains a wide portfolio of work with four operations across the country.

G4-3, SDGs8



Our supply chain is composed of principle, suppliers, government and customer these differ across various sectors of our work.

G4-13

742
employees

Octagon International Services (OIS) employs 742 people across all companies.

G4-9



Octagon International Services (OIS) has operated businesses across different locations in Myanmar since its establishment in 2005. Its activities are dedicated to the Myanmar market, continually driving economic growth in the country.

G4-3, SDGs8



OIS has been a member of the UNGC since August 2013. This year, we align our COP report to the calendar year 2017, and future COP reports will follow future calendar years.

G4-15

ABOUT OIS

Octagon International Services Company Limited (OIS) has been established since 2005 as a distributor of world's leading brands for machinery and vehicles in lower and upper Myanmar with over 742 employees.

Our business model is currently based on the accomplishment to carry the business importer and distributor of Liebherr, Scania, Kone, BMW and CLAAS in Myanmar. We provide broad experience and comprehensive expertise of premium passenger buses, generator, agricultural machinery, heavy machineries including construction and mining equipment, cranes and vehicles as well as related spare parts for repair and maintenance.



LIEBHERR

LIEBHERR provides Excavators, Wheel Loaders, Concrete Machinery, Mobile & Tower Cranes, Crawler Cranes to Myanmar market in 2007. Liebherr head office located at Hlaing Thar Yar Township, Yangon and another two branch offices are at Nay Pyi Taw and Pha Kant. The total of over 139 employees across Head Office and the branch offices respectively.

SCANIA



Scania was incorporated since 2007 and is fully only authorized distributor in Myanmar. Scania Myanmar is present through its partners since 2008 in the mining segment. Scania Myanmar has successfully established Scania's trucks and Bus Services has developed a close partnership with customers in mining companies in 2009.

Since 2009, Scania Myanmar offers trucks, tractors, buses and genset in Myanmar. Service Centre Yangon. The service centers also opened in Mandalay and Nay Pyi Taw to insure after care service convenient for customers. Our service centers are also fully equipped with latest diagnosis equipment, tools and will be served with well-trained services technicians, engineers and services consultants to maintain your vehicles for 24-hour service. The total of over 247 employees across Head Office and the branch offices respectively.

CLAAS



CLAAS is one of the world's leading manufacturers of agricultural engineering equipment. CLAAS business operation was inaugurated on 25th February 2018 and it is exclusive authorized dealer and distributor in Myanmar. Since then,

CLAAS Myanmar offers wide range of agricultural machineries such as Tractors, and various types of Combines Machineries. We provide onsite service for the local farmers to cater according to their business needs and develop a trustful relationship with farmers in their respective crop fields. CLAAS head office located at Hlaing Thar Yar Township, Yangon.

BMW



Located at Corner of Pyay Road and Narnattaw Street, Kamayut Township, Yangon. The new facility comprises a display area along with a customer lounge area houses the sales office and meeting rooms, while the service center is located on the third floor with four working bays that can service up to more than 200 cars.

The aftersales facility also comes with body and paint repair services that can handle not only cosmetic repairs but also structural repairs of damaged vehicles. The facility has more than 80 visitor parking lots located both indoors and outdoors. Opened the second showroom, BMW Pavilion Mandalay in July 2016, located Oo Boke Taw Quarter, Mandalay-Madaya Road, Aung Myea Tha Zan Township, Mandalay, Myanmar.

KONE

We (OIS) has been an exclusive distributor of KONE in Myanmar in 2013. KONE Myanmar is providing complete, innovative and eco-efficient solutions for installation, modernization and maintenance of elevators and escalators to the market. We could provide modernized products according to the design and purpose of each building type as residential, office, retails, hotels, hospitals, industrial and public transportations. KONE solutions can be found in many prominent buildings around Myanmar: Junction City, Crystal Tower, UFC Building, Gamone Pwint Shopping Center, Malikha Condo, and many others. KONE's maintenance target is to improve the eco efficiency of all phases of a building's lifecycle – designing, building, maintaining and modernizing.



HUMAN RIGHTS

Principle 1

Support and respect the protection of internationally proclaimed human rights

Principle 2

Make sure that they are not complicit in human rights abuses

IMPLEMENTATION

RESPONSIBILITY OF THE SUPPLY CHAIN

OIS company's entire supply chain believe to set a significant impact in promoting human rights, fair labor practices, environmental progress and anti-corruption policies in accordance with UN Global Compact's Ten Principles. We are determined to engage with those business partners who follow and comply in accordance with supply chain sustainability.

REPORTING



There were no reports of human rights abuses in 2018. We believe this is mainly due to the effectiveness of our whistleblowing policy and grievance mechanism, as well as company-wide training across management teams on prevention of human rights abuses. All of OIS's suppliers and contractors are expected to maintain the same principles in relation to human rights protection, and the company is working towards making this contractually binding for future partnerships.

IMPLEMENTATION

From November 15th October 2018 to 15th November 2018, OIS run an Internship programme and an excursion the 6th batch “We are the future” for young professional and students to gain practical workplace experience. OIS supports students from the Yangon Technological University (Yatanarpon Cyber City) in Myanmar by offering the options to undertake either at the two programmes in order to help them combine their academic skills with practical experience.



IMPLEMENTATION



Myanmar is rich in natural resources particularly forest, land and water resources. Achieving sustainable development of these resources is vital to the country. We all have the responsibility to ensure that the development process is sustainable and equitable for all stakeholders in Myanmar. Octagon International Services is the exclusive authorized dealer and distributor of CLAAS in Myanmar and its

sales center and office is located at No. (42-47), Corner of Yangon-Pathein Road, Mya Sein Young Industrial Zone, Hlaing Tharyar Township, Yangon, Myanmar. CLAAS is a family business founded in 1913 and is one of the world's leading manufacturers of agricultural engineering equipment. The company, with corporate headquarters in Harsewinkel, Westphalia, is the European market leader in combine Harvesters. CLAAS Myanmar Grand Opening was held at Mya Sein Young Industrial Zone on 25th February 2018.

Agriculture in Myanmar is the main industry of the country, accounting for 60 percent of the GDP and employing some 65 percent of the labour force. Myanmar was once Asia's largest exporter of rice, and rice remains the country's most crucial agricultural commodity. Since CLAAS is the new brand for Myanmar and require to introduce its products to the local farmer.



IMPLEMENTATION

We provide wide range of product launch and product knowledge session to local farmers at the crops field all over Myanmar. CLAAS Myanmar mission is to become market leading brand providing excellent pre-sales and aftersales service for agricultural businesses in Myanmar. CLAAS Myanmar offers CLAAS brand Tractors and Multi-crop Combine Harvesters in Myanmar. We would like to take part in sustainable agriculture business in Myanmar in accordance with UN Global Compact's Ten Principles.



- We are expecting our business partners to comply and behave in accordance with the respect of Human Rights. OIS will terminate to any cooperation with a business partner who is found to breach these principles.
- We provide special driving training to all farmers who will be driving tractors and Combine harvesters in their respective crop fields to achieve a better-quality crop.
- We provide customers with product knowledge and hands on agricultural machinery driving training at the opened workshop at their respective crop fields.
- OIS has provident fund for all employees. The entitled employee has fully rights to withdraw his/her provident fund according to company's policy.
- OIS provide health awareness programs (HIV, Tuberculosis and Hepatitis B) to all employees and provide treatment if they are found to be infected.

LABOUR

Principle 3

Uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4

And 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

OIS fully understands and supports the International Labor Organization's (ILO) Core Conventions and Principles. We comply with national labor laws and regulations and actively work towards the elimination of all forms of illegal compulsory labor and child labor in Myanmar. We strive to achieve an international standard on labor policies and will continue to develop tools to measure the outcomes of our policies and practices for greater advancement in this area.

We allow participation and formation of trade unions by our employees and we recognize their right to collective bargaining as long as it is done in accordance with the law. We do not employ child labor and we strictly condemn forced labor.

We expect our business partners, contractors, suppliers and other stakeholders to uphold an equal standard of labor rights and principles. We will make sure that each employee does not suffer from any kind of discrimination, feels integrated and happy within the company. As a responsible employer, we are committed to do our utmost to participate to our employees and their families.



Universal Standards

G4-HR5



OIS fully support the United Nations' Universal Declaration of Human Rights. We do not employ anyone below the age of 18 ensures that child labor does not occur in any of our operation. We agree with the universal standard of strictly condemning forced labor in all circumstances. We make sure that our subcontractors and business partners respect these principles. The principles of "no child labor" and "no force labor" are mentioned in most of the contracts with our stakeholders.

Equal opportunity employer



OIS believe that discrimination in employment and occupation means treating people differently or less favorably because of characteristics that are not related to their merit and inherent requirements of the Job. We are an equal opportunity employer. And have a policy of non-discrimination across all facets of employment from the hiring phase to on-going employment right through to termination or retirement. OIS operates in a fair manner and does not consider race, religion, gender, disability, parental status or age in any matter related to employment. We follow an "equal salaries for equal job" policy as well as "equal opportunity of involvement within the company" policy.

Collective Bargaining

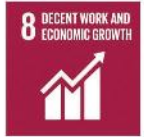
G4-HR4 & G4-11

In compliance with the national laws, we respect our employees' rights to the freedom of association the right of their employees to practice collective bargaining. OIS, collective bargaining is encouraged as we believe employees should understand their value to the company and be compensated fairly.

IMPLEMENTATION

Work-life balance Programmes

We are convinced that the work place should also be a place for personal development. The mental and physical well-being of our employees is of the utmost importance to us. We organize series of team bonding activities to enhance their professional relationship through understanding, trust and leadership activities such as annual trips aiming to create a positive work environment in which everyone can evolve harmoniously. We also encourage the formation of sport teams, birthdays celebrations, as well as the expression of group initiatives. Caring about family cohesiveness, our initiatives also include our staff's relatives.



Allowance

G4-LA2

All our employees are provided with food or food allowance for meals during working hours. They are also given essential clothing and equipment such as uniforms, raincoats, security hats, and sun hats. And also, we provide all our staff with necessary stationary to perform duties.

IMPLEMENTATION

Health and Safety Programme

OIS is committed to provide a healthy and safe working environment for our employees. We have conducted regular health and safety trainings and awareness seminars by inviting local fire brigade team and professionals for our employees. OIS believe that safety is everybody responsibilities. Our employees are not only responsible to carry out safety check within our department but also, we encourage our employees to be alerted on potential safety risk and report to relevant department as precautionary measure. Personal Protective Equipment (PPE) is also distributed to employees to ensure their safety during operations. Penalty fees have been collected from employees who do not follow the rules and regulations, the penalty fees are then used to buy first aid kits and medical equipment.



Leave

G4-LA3

All employees are granted annual leave and days in lieu for additional working hours, as well as medical, maternity, paternity, earned, casual and emergency need leave. Overtime is paid out above the legal minimum in accordance with the national legislation on labor laws. Percentage of the total parental leave taken for the year; 100% of males returned to work at OIS after their paid paternal leave and 100% of females returned after their paid maternity leave – a total return rate of 100%. This statistic reflects the welcoming attitude and adaptable environment, OIS offers for employees with families.



Transport

As a company, we provide transport facility to all employees working in all areas to and from work. Employees working in remote areas are also provide transport facilities to and from work. OIS bear the transportation fees for all staff who commute company's transport.

A clearly written policy

Our Employee Handbook describes the rights and clearly state the principles that have to be respected at OIS. Our corporate values are all mentioned, including the principles of ethic, mutual respect, team spirit, non-favoritism, etc.

IMPLEMENTATION

Training



We welcome all employees with orientation with which we make sure that every employee fully understands OIS's policies and practices. In addition, we also provide them with further skills training in the area of work they are entering. This helps to develop their skill sets for growth within the company and beyond.



OIS is committed to build culture through training, talks, sharing knowledge and play game. Thus, we organize 'Culture Day' where we invite guest speaker as well as the top management to share their knowledge by setting up topic. We allow employees to raise question based on discuss topic align with their work-related matters. On that day, employees are not allowed to wear uniform in order to create stress free environment. We set up sharing counters where employees can be able to share their food items with one another and enjoy the food while build network and be friendly with one another across departments. We also set up game activities aiming our employees to have knowledge about company policies, rules, mission, vision etc. and reward the winners to create motivation across OIS.

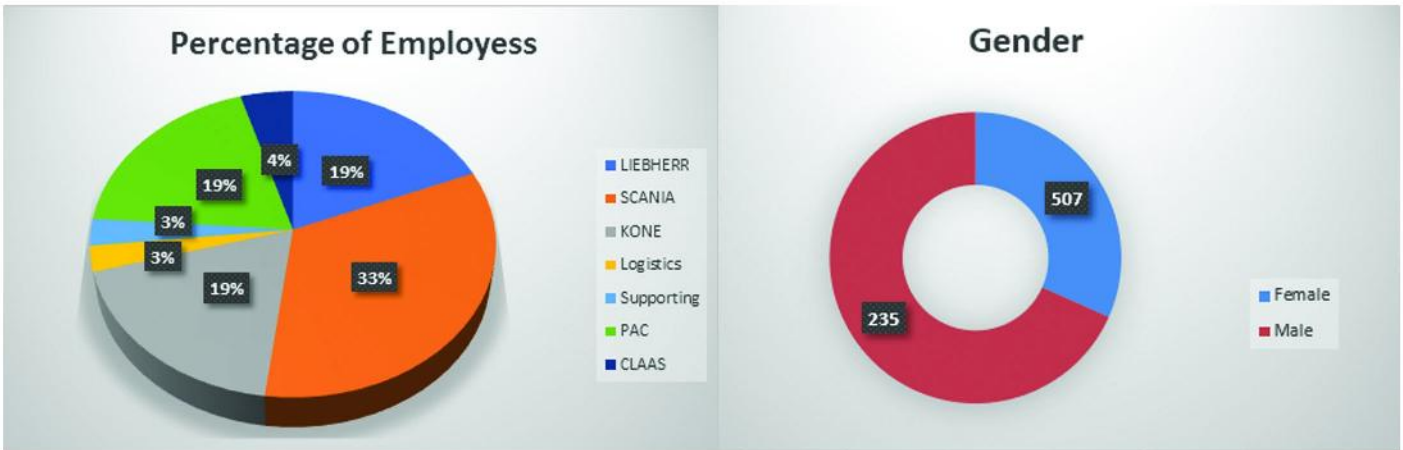
IMPLEMENTATION

Men/ Women equality of chances

OIS fully support the United Nations' Universal Declaration of Human Rights. Our recruitment policies based on merit, skills, experience, education and ability. A policy of non-discrimination prevails throughout all aspects of the employment. We make sure that men and women have the same chances of hiring, of evolution, and are paid an equal salary for an equal job.

MEASUREMENT OF OUTCOMES

Number of Employees



We count more than 742 co-workers across the country. According to the HR data records, there was male 507 and 235 female employees. According to HR collected data, there was (30%) of unpaid leave, (19%) of casual leave, (27%) of earned leave, (11%) of medical leave, (10%) of maternity leave and (3%) of paternity leave respectively. OIS is an equal opportunity employer and do not discriminate between the genders for employment, promotion, leave and skills development.

MEASUREMENT OF OUTCOMES

EDGE Certification for Shwe Taung Distribution (OIS)



This certificate may only be amended by FLOCERT GmbH. Any unauthorised amendment will be invalid. All previous certificates are revoked by this issue. © FLOCERT GmbH • Borner Talweg 177 • 53129 Bonn, Germany Unique Certification body identification code: 38931-00141-2016-EDGE ASSESS

Shwe Taung Distribution (OIS), has started the Gender Equality Initiation for workplace to assess our current practices, policies and outcomes related to gender equality within our organisation. We further deepen our commitment for gender equality by starting the process to achieve the EDGE Certificate, the global assessment methodology and business certificate standard for gender equality. EDGE, which stands for Economic Dividends for Gender Equality, is designed to help companies not only create an optimal workplace for both men and women, but also benefit from it. By measuring ourselves against a global business standard for gender equality, we hope to reinforce the gender equality mindset in our workplace and work towards a better workplace for all.

MEASUREMENT OF OUTCOMES

INSURANCE

We are one of the first companies in Myanmar to provide life insurance to our employees. Insurance programs are currently in place. Total number of employees with life insurance Male (507), Female (235) G4-LA2

TRAINING AND DEVELOPMENT COURSES

OIS believe that our people are our most important resource and continuous training is the key resource for the enhancement of employees. We also provide an extensive range of training programmes in areas that would develop our employees' skill sets for growth within the company and beyond.

OIS provides staff members with on-going skills development and training opportunities. We facilitate wide range of training programmes according to skill requirement to run business smoothly. Moreover, our company Employee Handbook is a valuable tool for education our employees on OIS's Values, Ethics, Policies and Practices. The training programmes coupled with the Handbook are designed to protect the ethics of our company and also the rights of our employees. We want to ensure our employees feel safe at work and are able to maintain a healthy work –life balance.

MEASUREMENT OF OUTCOMES

Type	Training and Course
Management	Workshop Manager Phase III Training Understanding Supply Chain Management within PDC Warehouse Operations IFC Stakeholder Engagement and Grievance Mechanism Training Soft Skills: Attitude Building and Work Ethics Leadership Training
Engineering	Technical Training Product knowledge and Maintenance Training Basic Electric & Electronic Training ICT Technician Step 1,2,3,4,5 ICT Body Technician Part I, II Service & Maintenance Training Basic Hydraulic, Brakes & Electrical Training 5s safety training Rescue training Basic service module training (Technical)
Accounting	Diploma in International Financial Reporting
Sales	Sales Manager Level I Training Sales & Sales Management
Computer & IT	Advance Excel
Health & Safety	Health Awareness of Healthy Happy Living Workshop Fire Safety Training
Workshop	Culture House Workshop ICT Workshop Managing Productivity Workshop
Personal Development	Team Effectiveness & Communication Skills Training DeBoer Fellowship (DISC - Personal assessment)

Activities Highlights



ENVIRONMENT

Principle 7

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



At OIS, we recognize the need to respect the environment and be cautious when conducting projects that may adversely harm the eco-system and bio-diversity of Myanmar.

We are fully committed to tackling the challenges brought about by climate change and actively working towards reducing our carbon footprint across all our operations and continues to develop tools to measure the outcomes of our progress in the direction of being more carbon neutral and environmentally sustainable. We support the newly elected Myanmar government in its implementation of the 2012 Environmental Law.

We strive to achieve greater environmental management and will continue to refer to the UNGC principles and the GRI indices as we continue to develop our environmental policies. OIS targets to align according to the international standards such as ISO14001:2004 for environmental management systems and to refer notably to the UN Global Compact assessment principles and the Global Reporting Initiative to set up our environmental policy.

ASSESSMENT, POLICY AND GOALS

The key benefits of environmentally friendly technologies include:

- Implementing environmentally friendly technologies helps a company reduce the use of raw materials leading to increased efficiency;
- Technology innovation creates new business opportunities and helps increase the overall competitiveness of the company; and
- Technologies that use materials more efficiently and cleanly can be applied to most companies with long-term economic and environmental benefits.

With that key benefits stated above, OIS had already set Twelve ways for sustainable practices across our projects and operations.

- Energy efficient LED light bulbs are a company standard
- Our office only uses energy efficient electrical hand dryers
- Cutting down paper usage through the digitization of internal and external documents and communications.
- Company policy is to switch off all devices when they are not to use
- Energy efficient air conditioners installed in all buildings
- When paper is needed we only purchase eco-friendly products such as FSC, SFI and PEFC
- When greener technologies are produced, we upgrade our appliances where possible
- OIS discharges water from maintenance workshop is well treated before being discharged into public drain.
- OIS designs washing bays capture all contaminates from vehicles after cleaning and therefore help to reduce environmental damages. OIS uses Water-Based Paints instead of Oil-Based Paints for car body and paint to be friendly to our environment.
- Our role also involves maximizing the positive contributions that our products and services bring to society and environment. We are proud to distribute energy efficient and low carbon emitted buses, coaches, luxury passenger cars, and other machineries that will help deliver tomorrow's sustainable transport, logistics and building solutions.
- OIS management is formed and aware of our business partner guidelines for corporate social responsibility and business ethic.
- OIS aims to align according to the international standards such as ISO 14001:2004 for environmental management systems and to refer notably to the UN Global Compact assessment principles and the Global Reporting Initiative to set up our environmental policy.

MEASUREMENT OF OUTCOMES

Shwe Taung annually conducts tree plantation programmes across our group to promote reforestation and mitigate the effects of climate change. We celebrated the Yangon Monsoon Tree Plantation Festival in June 2018 and planted trees in collaboration with the Yangon Regional Government and Yangon City Development Committee at Hlaw Gar region.

OIS internal controller monitors and records data consumption rate monthly basis on some KPLs such as power consumption, paper usage, water and wastes have to be proper consumed in work place in order to minimize the ecological footprints to our environment. OIS's imported products including trucks, coaches, and passenger cars are maintained more sustainably thanks to greater fuel efficiency and safer user practices. Our business partners design international standard technologies to reduce CO2 emissions in order to minimize air pollution to environment. OIS seeks to identify that we consider environmental correlations in our business strategy by importing and distribution latest technologies to our customers.

OIS fully follows the guidelines and standard way with a high level of quality, SHE Legislation, safety and fire protection, health and environment, work related to the business ethics. OIS auditors have experienced in practice and what they believe should facilitate the announcement. In 2018, OIS officially received DOS certificate for Nay Pyi Taw branch from our supplier SCANIA which is valid till 2020. In 2017, Yangon and Mandalay branches received DOS certificate again, which is valid till 2019.



IMPLEMENTATION



ANTI-CORRUPTION

Principle 10

Work against corruption in all its forms,
including extortion and bribery

ASSESSMENT, POLICY AND GOALS

Corporate governance is fundamental to maintaining a successful business. At OIS, we believe that transparency and accountability are necessary to ensure our company maintains a high standard of corporate governance and in turn remains a sustainable business model.

We publicly state our commitment to fight corruption at all levels, and in order to manage this commitment, we have implemented an effective system to identify the signs of corruption and eliminate them at their core. In actively working to fight corruption, OIS sends a strong message to our stakeholders that the private sector shares in the responsibility of removing corruption from Myanmar.

As a successful Myanmar business, we aim to positively contribute to policy development at the national level in this area. OIS ensures business partnerships are built on trust and that both parties operate with equal respect for ethics, transparency and accountability.



IMPLEMENTATION

OIS measures on anti-corruption is fully embedded into our governance policy, involving transparency and ethic. Our initiative scheme is to ensure the respect of these values for the sustainable success of our company, clients and stakeholders.

The values of integrity and ethic are central in our policy. They are mentioned under Employees' Handbook and presented in the Bribery and Corruption Prevention induction training attended by all new staffs. We provide necessary training, advice, information as may be necessary to personnel at all levels.

Employees who are working within the group as well as their relatives, do not accept any gift, cash, and benefits from third parties (incl. contractors, subcontractors, customers, partner and clients). This includes:

- (a) Cash, discounts (when directed to the individual employee, not to the company), financial commission, coupons, gift cards and etc.
- (b) Expensive gifts such as jewelry, phones, tablets, entertainment tickets, vacation trip package, flight and etc.

Employees are encouraged to report any form of corruption to management team. A continuous control from the senior management team is set up to ensure that no form of corruption is observed. If even these precautions, a present is accepted, it has to be given to the administration team that will organize a lucky draw with the complete team.

OIS management sets stringent policies and procedures which do not allow any corruption and bribery regardless of any level of management position. Every employee has to strictly follow the company's policies. Any gift or present shall not be accepted in favor of the performance of work either.

OIS makes appropriate financial and staff resources available to progressing sustainable procurement throughout the company. We integrated ethical consideration into our design and business decision and make sure to practice fair competition, via open tenders when choosing our business partners. We have transparent reporting procedures and try to continuously improve our practices. We attach a very high importance to contracts and ensure we always honor contractual commitments make.

MEASUREMENT OF OUTCOMES

OIS uses internal audits and controllers to identify any payments that could be related to bribery or corrupt behavior. 100% permanent employees have received a training and Employee Handbook mentioning our zero-tolerance policy towards corruption. 100% of new employees received the key speeches, setting out our guiding values and principles. OIS group has not been involved in any legal cases related to corruption and bribery.

- Top 100 Commercial Tax Payer for 2014-15
63rd Octagon International Services Co., Ltd.
- Top 100 Commercial Tax Payer for 2015-16
24th Octagon International Services Co., Ltd.
- Top 100 Commercial Tax Payer for 2016-17
46th Octagon International Services Co., Ltd.
- Top 100 Commercial Tax Payer for 2017-18
31st Octagon International Services Co., Ltd.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.