
COMMUNICATION ON PROGRESS 2019

JANUARY 2019 ~ DECEMBER 2019

OCTAGON INTERNATIONAL SERVICES CO., Ltd.



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CEO's STATEMENT

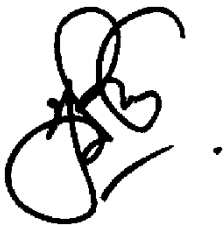
Corporate sustainability starts with a company's value system and a principles-based approach to doing business. We are proud to share with you the seventh Communication on Progress (COP) of Octagon International Services Co., Ltd. (OIS), reaffirming our consistently support to strengthen the sustainability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

In this Communication on Progress, we describe how each business sectors under our organization committed to achieve their long-term business strategies in line with organization's commitment for the best to bring back 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 Seventh 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

Chief Executive Officer

Octagon International Services Co., Ltd.

ABOUT THE REPORT

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. To achieve this, we set ourselves ten ambitious goals in all business sectors across the organization.

Octagon International Services Company Limited (OIS) 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. Our aim is to achieve leading role in CSR engagement and aim to inspire other actors of the business community in Myanmar.

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 achievement in sustainability practices as our commitments has depended and our CSR expertise are now taking up a leading role. 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. Octagon International Services Co., Ltd. will continue to report annually.

Data Collection



Sustainable working group of Octagon International Services Co., Ltd. works with entire business sectors under the organization to gather relevant data and topics for our stakeholders. Our team ensure that each company under the organization has align with their respective input within the COP report. Octagon International Service Co., Ltd. is in 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 SUSTAINABLE DEVELOPMENT GOALS

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



Octagon International Services Co., Ltd. have been contributing tax revenues and we are compliance with tax regulations in Myanmar. Particularly through regular contribution in terms of revenue will help for the development of country and serve the communities affected due to poverty.



Octagon International Services Co., Ltd. support food and agriculture systems that optimize production and minimize waste, to provide nutrition and promote health for all people.



Octagon International Services Co., Ltd. explores the opportunities promote health and well-being in the workplace together with decent occupational health and safety which is good for both employees and employers.



Octagon International Services Co., 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 higher number of skilled workforce, increases the productivity and driving the business for better community and environment.



Octagon International Services Co., Ltd. achieved EDGE Certificate which is one of the leading global assessment methodology and business certification standard for gender equality.



Octagon International Services Co., Ltd. ensure availability and sustainable management of water and sanitation for all.



Octagon International Services Co., Ltd. ensure access to affordable, reliable, sustainable and modern energy for all.



Octagon International Services Co., Ltd. focus on non-discrimination, equal opportunities, treatment and freedom to express workplace concerns.



Octagon International Services Co., Ltd. build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



Octagon International Services Co., 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.



Octagon International Services Co., 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.



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

Octagon International Services Co., Ltd. having knowledge about the current business landscape which is characterized by an unprecedented, acceleration and complex mix of risks and opportunities. Since Myanmar is rich in natural resources particularly forest, land and water resources. Achieving sustainable development of these resources is vital to the country. As a company, we are 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. In view of sustainable business, the alternative approaches towards 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.

As an organization having sustainable mindset, become our responsibility to adopt a set of sustainable business practices to our business goals. We are 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 eight 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

722 Employees

Octagon International Services (OIS) employs 722 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 700 employees.



Our business model is currently based on the accomplishment to carry the business importer 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.

The company places great emphasis in innovation and learning. It is committed in its efforts to constantly develop the necessary competencies in its workforce benchmarking them against international standards. A substantial number of its talented workforce is trained overseas.



Octagon International Services Co., Ltd. is determined to offer leading brands an efficient and sustainable presence on the Myanmar market, while giving local customers an access to the world's best products and services. At present, our main business covers Automobiles distribution, Industrial, Rental and Logistics.

LIEBHERR



Liebherr Myanmar was incorporated since 2007 and in Myanmar it is established especially for Earth Moving Products Concrete Products. We are also trading Liebherr Crane Products. Liebherr is from Germany also premium brand of heavy machinery. Liebherr offer Excavator, Wheel Loader, Crawler Tractor (Dozer), Batching Plant, Boom Pump, Stationary Pump, AG mixer, Tower Crane, Mobile Crane, Crawler Crane and Foundation Crane. Liebherr Myanmar has successfully established and close partnership with customers in mining and construction. At Present Liebherr Myanmar is trying to be developed in market leading brand providing excellent pre-sales and after-sales services for Mining and Construction.

A high level of availability is important for construction machinery & Mining machinery. Therefore, the services team ensure qualified customer services at every operational site along with the supply of original spare parts. We stand for innovative products as well as the highest level of quality and customer orientation. We offer the right solution for every requirement when it come to the cost-effective production, durable components and a comprehensive on-site service.



The 24/7 Service centers of Liebherr Myanmar is located in Yangon, Mandalay, Nay Pyi Taw and Phar Kant to insure after care service.

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 machines.



Liebherr head office located at Hlaing Thar Yar Township, Yangon and another two branch offices are at Nay Pi Taw and Pha Kant. The total of over 195 employees across Head Office and the branch offices respectively.

SCANIA



Scania Myanmar was incorporated since 2012. Scania Myanmar offers trucks, tractors, buses and genset in Myanmar since 2009. At present, Scania Myanmar is trying to be developed in market leading brand providing excellent pre-sales and after-sales services to the Transportation Sector.



Scania Service centers are available across major cities in Myanmar such as Yangon, Mandalay and Nay Pyi Taw to insure after care service.

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.



At Scania Myanmar, we offer wide range of services such as Sales & Marketing of Trucks, Tractors, Buses and Gensets, Sales of Scania Spare Parts to meet customer's requirements and operational needs. Service & Repair of Trucks, Tractors, Buses and Gensets and we also offer Driver Training to our customer.



The headquarters is located at No.37, Corner of Yangon – Patheingyi Road & Yaw Aung Mye Thazan Street, Yangon, Myanmar. The total of over 230 employees across Head Office and the branch offices respectively.

CLAAS



CLAAS is one of the world's leading manufacturers of agricultural engineering equipment. The company is expanding its sales network in South East Asia since 2012 and in October 1st 2017, the CLAAS Regional Center for South East Asia has appointed "Octagon International Services Co., Ltd." as an exclusive sales partner 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. The total of over 40 employees across Head Office and the branch offices respectively.



The headquarters is located at No.37, Corner of Yangon – Patheingyi Road & Yaw Aung Mye Theik Street, Yangon, Myanmar.

BMW



BMW Myanmar was incorporated by Prestige Automobiles Co., Ltd (PAC) in December 2013. PAC is a subsidiary of Octagon International Services Co., Ltd. (OIS) for world-leading brands for machinery and vehicles. PAC is determined to offer leading brands an efficient and sustainable presence on the Myanmar market while giving local customers an access to the world's best product and services.

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 per month. 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. The total of over 130 employees across Head Office and the branch offices respectively.



Located at Corner of Pyay Road and Narnattaw Street, Kamayut Township. Yangon, Myanmar.

Tel: +95 1-2306133

Located at Oo Boke Taw Quarter, Mandalay- Madaya Road, Aung Myae Tha Zan Township, Mandalay Myanmar. Tel: +95 9 255112183

KONE



Octagon International Services Co., Ltd. (OIS) have been trading KONE product in Myanmar since 2013. KONE is one of the global leaders in the elevator and escalator industry. The company has been committed to understand the needs of its customers, providing industry-leading elevators, escalators and automatic building doors. KONE Myanmar is providing complete, innovative and eco-efficient solutions for installation, modernization and maintenance of elevators and escalators to the market.

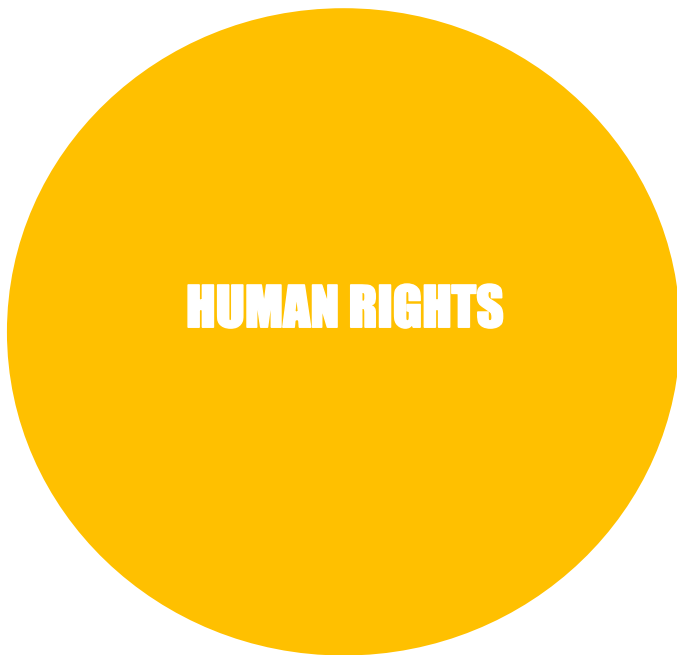
We could provide modernized products according to the design and purpose of each building type as residential, office, retails, hotels, hospitals, industrial and public transportations. KONE solutions can be found in many prominent buildings around Myanmar: Junction City, Crystal Tower, UFC Building, 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

The company's objective is to offer the best People Flow experience by developing and delivering solutions that enable people to move smoothly, safely, comfortable and without waiting in building in an increasingly urbanizing environment.

The total of over 120 employees across Head Office respectively.



No 584, Corner of 7th Street & Strand Road, Lanmadaw Tsp, Yangon, Myanmar. Tel: +95 1 227706



Principle 1

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

Octagon International Services Co., Ltd. is committed to being a good corporate citizen and contributing to the society of Myanmar within which we operate. We fully support the Universal Declaration of Human Rights, to which every human being is entitled. As a company we utilize the 30 articles from within the Universal Declaration of Human Rights as a common standard of achievement across all facets of our work. We acknowledge that understanding and compliance to these rights are of the utmost importance.

As a company, we provide safe and healthy working conditions to all our employees and ensure non-discrimination in personnel practices. We build a company culture to familiarize with the concepts like respect, dignity, fairness and equality and educate them with specific scenarios with which managers and employees may be confronted.

As a good corporate citizen, all our policies and practices comply with the fundamental principles described in the Universal Declaration of Human Rights. This includes equal chance, the right to life, freedom of speech and religious expression, and security of the person. By maintaining a high standard of human rights protection practices, we aim to support the needs of our employees, stakeholders and beneficiaries, and also set a good example for other companies in Myanmar to follow suit for the betterment of the community at large.

IMPLEMENTATION

Responsibility of the supply chain

Octagon International Services company's entire supply chain believe to set a significant impact in promoting human rights, fair labour 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.



G4-HR12

Reporting

There were no reports of human rights abuses in 2019. 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 (Octagon International Services Co., Ltd.) 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

Octagon International Services Co., Ltd. establish 'Worker Grievance Mechanism Team'. The team is aim to form for all employees to raise any grievance without fear victimization, demotion, penalty or dismissal. The team will endeavor to maintain full confidentiality of complaint and investigation process. Employees can be able to complain regarding those employees not obeying company's rules and policies; employees those who destroy company's assets; employees those who do touting, Anti-Bribery and Anti-Corruption; Conflict of Interest; Workplace Health and Safety; Harassment and Bullying and Gender Equality



Reporting

One report received by 'Worker Grievance Mechanism Team' in 2019. The team managed to resolve the issue within 10days upon report received according to policy. The final decision was reported to the top management for further review in order to issue new policy in place if necessary.

IMPLEMENTATION

From 6th May 2019 to 14th June 2019, OIS (Octagon International Services Co., Ltd.) conduct an Internship programme. *"We are the future"* for young professional and students to gain practical workplace experience. Octagon International Services Co., Ltd. supports students from the 'University of Technology' 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. The internship programme is open once every year to facilitate students with workplace experience.

We teach quite a range of topic including Product knowledge – Liebherr, Basic Hydraulic – Liebherr, Basic Batching Plant – Liebherr, Basic Crane – Liebherr, Product Knowledge of Generator – Scania/AJ, Basic Engines – Liebherr, Product Knowledge of Truck and Bus – Scania, Basic Gear Box – Scania, Basic Brake System – Scania, Basic Electrical – Scania, Product Knowledge of Harvester Tractor – CLAAS, Basic Tractor Engines – CLAAS, Basic Hydraulic – CLAAS, Basic Gear Box – CLAAS.





We are expecting our business partners to comply and behave in accordance with the respect of Human Rights. Octagon International Services Co., Ltd. will terminate to any cooperation with a business partner who is found to breach these principles.



Octagon International Services Co., Ltd. has provident fund for all employees. The entitled employee has fully rights to withdraw his/her provident fund according to company's policy.

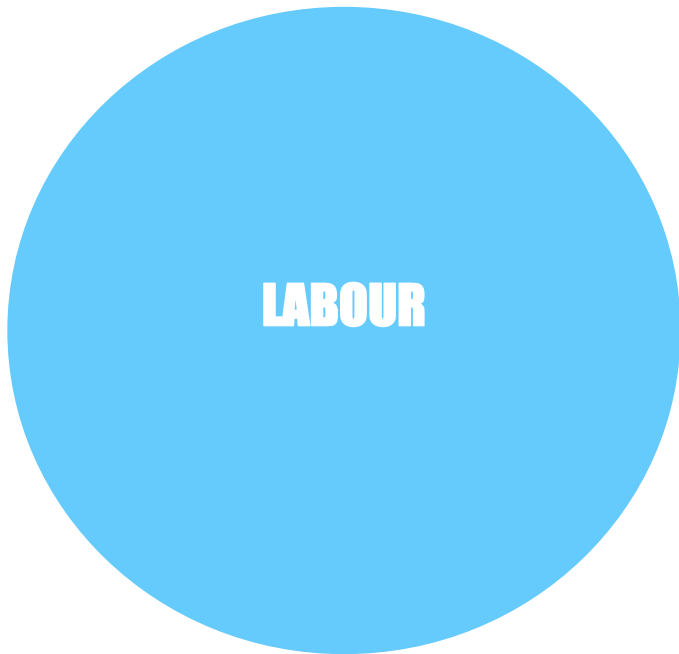


Octagon International Services Co., Ltd. provide health awareness programs (HIV, Tuberculosis and Hepatitis B) to all employees and provide treatment if they are found to be infected.



Octagon International Services Co., Ltd. establish 'Worker Grievance Mechanism Team' for employees to raise any grievance without fear victimization, demotion, penalty or dismissal.





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

Octagon fully understands and supports the International Labour Organization's (ILO) Core Conventions and Principles. We comply with national labour laws and regulations and actively work towards the elimination of all forms of illegal compulsory labour and child labour in Myanmar. We strive to achieve an international standard on labour 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 labour and we strictly condemn forced labour.

We expect our business partners, contractors, suppliers and other stakeholders to uphold an equal standard of labour 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 encourage our employees and their families to be involved.

We ensure that all company's officials having details understanding of what forced labour is.

We ensure that the language used inside employment contracts can be easily understood by workers, indicating the scope of procedures to follow up upon leaving the job.

We institute company policies and procedures which make qualifications, skill and experience the basis for the recruitment, placement, training and advancement of staff at all levels

We establish programs to promote access to skills development training and to particular occupations



IMPLEMENTATION

Universal Standards Labour Principal 4 and Principal 5

G4-HR5

Octagon International Services Co., Ltd. fully support the United Nations' Universal Declaration of Human Rights. We do not employ anyone below the age of 18 ensures that child labour 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 Labour Principal 6

Octagon International Services Co., Ltd. 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. As a company, we operate 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 opportunity of involvement within the company" policy.

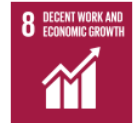


Collective Bargaining Labour Principal 3

G4-HR4 & G4-11

We respect our employees' rights to the freedom of association and collective bargaining. We do not forbid the creation and the commitment to any trade union, and recognize the right to collective bargaining as long as it is done in accordance with the law. We believe our employees should understand their value to the company and be compensated fairly.

IMPLEMENTATION



Work life balance programs

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. The transport facilities are also available according to company policy. The basic medication such as Panadol, dehydrated salt etc. are also make available within office premises or working area for all employees. For those employees, who are on duty at remote area also provided with cost of living allowances by the company.

Health and Safety Programme



Octagon International Service Co., Ltd. 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.



IMPLEMENTATION

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 Octagon International Services Co., Ltd. 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 which company 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.

Training

We welcome all employees with orientation with which we make sure that every employee fully understands the company 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.



Building Culture



Octagon International Services Co., Ltd. is committed to build culture through training, talks, sharing knowledge and throughs playing game. Since 2018, We organize 'Culture Day' where we invite guest speaker as well as the top management to share their knowledge by setting up topic from our culture house. In July 2019, the fifth Culture day was successfully organized with the topic 'Elimination of Waste'.



On that day, we allow employees to raise question based on discussed topic align with their work-related matters. 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 building 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.



Men/ Women equality of chances

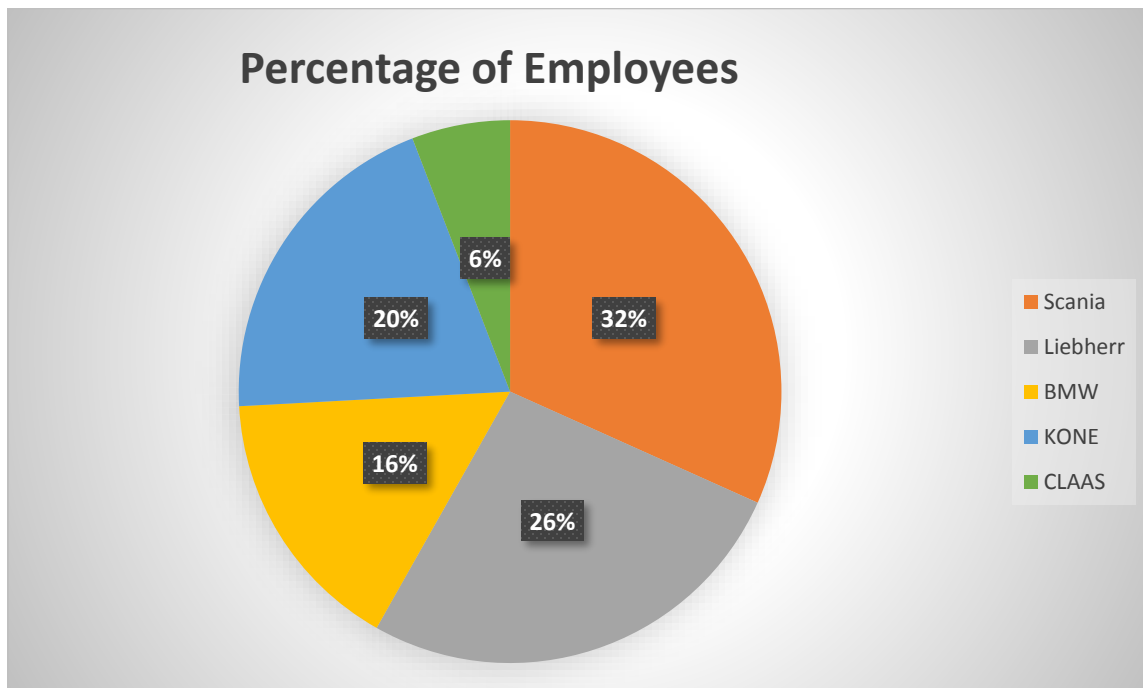


Octagon International Services Co., Ltd. fully support the United Nations' Universal Declaration of Human Rights. Our recruitment policies based on merit, skills, experience, education and ability. A policy of non-discrimination prevails throughout all aspects of the employment. We make sure that men and women have the same chances of hiring, of evolution, and are paid according to company's policy based on merit, skills, experience, education and ability in accordance with labour law.

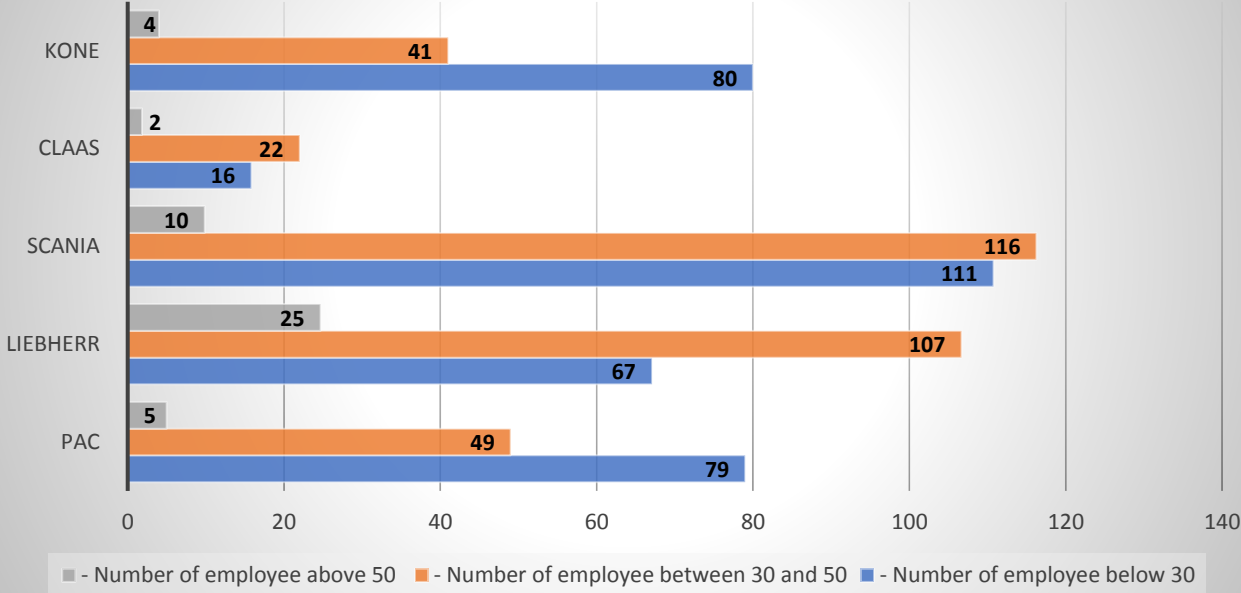
Measurement of Outcomes

NUMBER OF EMPLOYEES

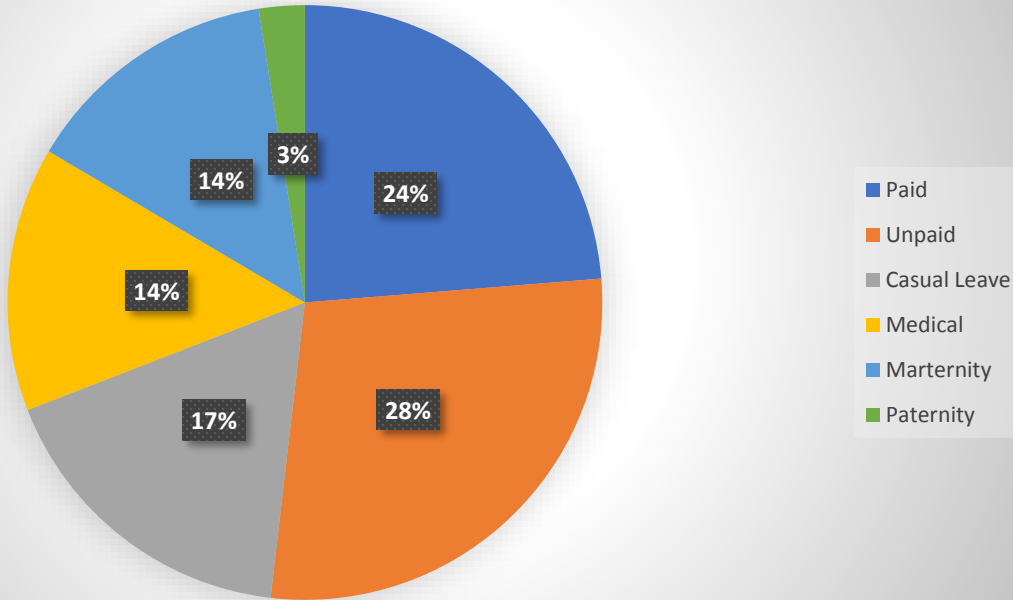
We count more than 727 co-workers across the country. According to the Human Resource data records, 494 male and 233 female employees from January to December 2019. Among all employees, there were total of (28%) of unpaid leave, (17%) of casual leave, (24%), earned leave, (14%) of medical as well as maternity leave and (3%) of paternity leave respectively. Octagon is an equal opportunity employer and do not discriminate between the genders for employment, promotion, leave and skills development.

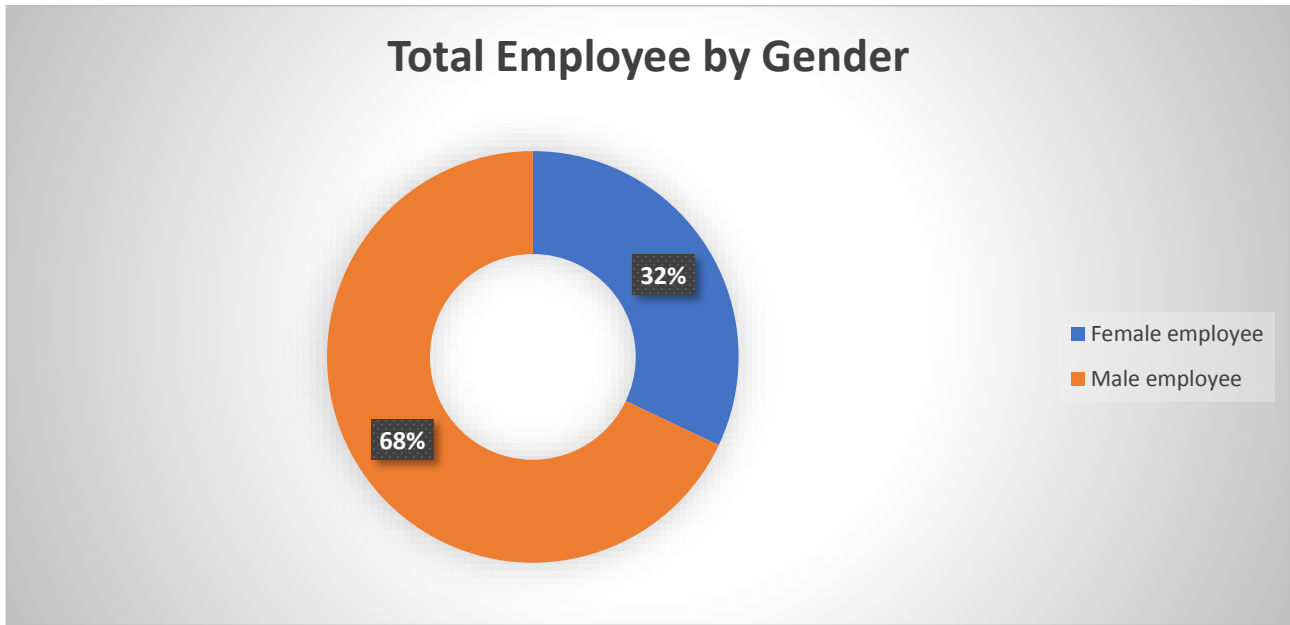
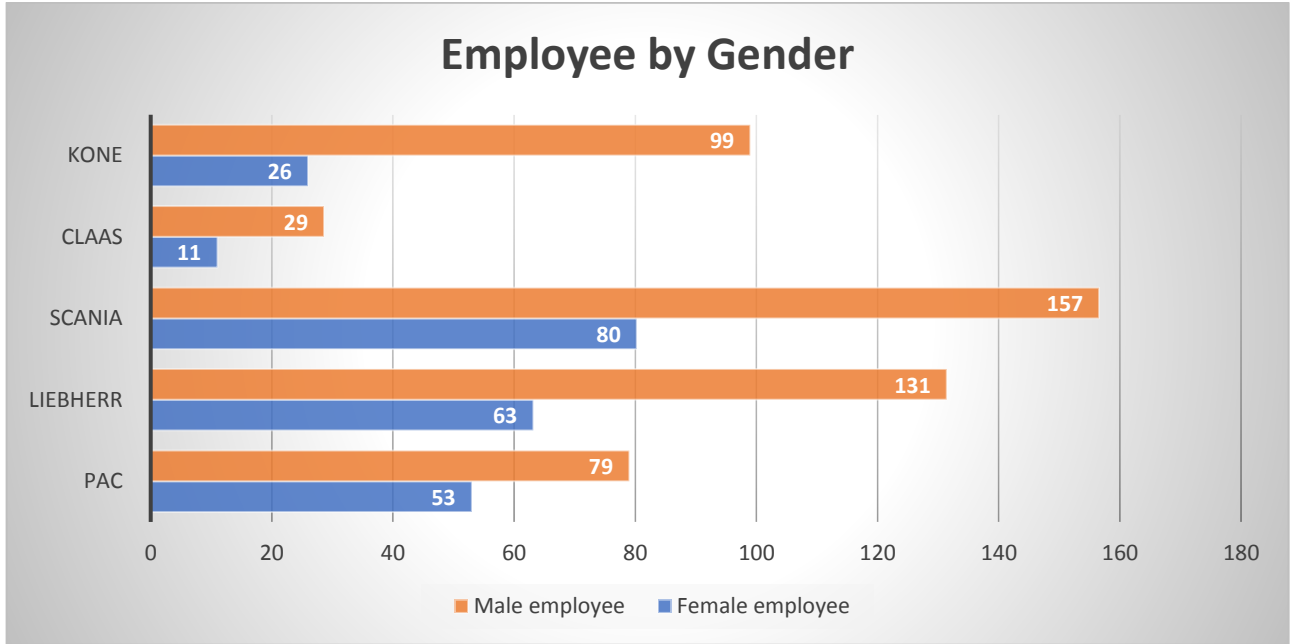


Employee by Age group



Total Leave consumption by category





EDGE Certification

Octagon International Services Co., Ltd. has started the Gender Equality Initiation for workplace to assess our current practices, policies and outcomes related to gender equality within our organization. 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. We are now in process of EDGE certification renewal as our current certification will going to due on 23rd September 2020.

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 (494), Female (233)

G4-LA2

TRAINING AND DEVELOPMENT COURSES

Octagon International Services Co., Ltd. believe that our people are our most important resource and continuous training is the resource for the enhancement of employee's. 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.

We provide Orientation Training, set targets with minimum number of internal training hours per annum for all employees and allowing external training during office hours, if approved by the respective superior and by the Human resource department according to business needs.

We train our employees in order to perform their job effectively with confident.



| <i>List of Training from January to December 2019</i> |
|---|
| - Code of Conduct training |
| - Orientation training |
| - Soft Skills training |
| - Technical training |
| - HSSE training |
| - Departmental training |
| - Product training |
| - Computer training |
| - Language training |
| - Fire Safety training |
| - ISO training |
| - Grievance Mechanism training |
| - Respectful Workplace training |



KONE- LIFT DOOR ADJUSTMENT TRAINING



PAC- ICT Body Technician Training Part 3



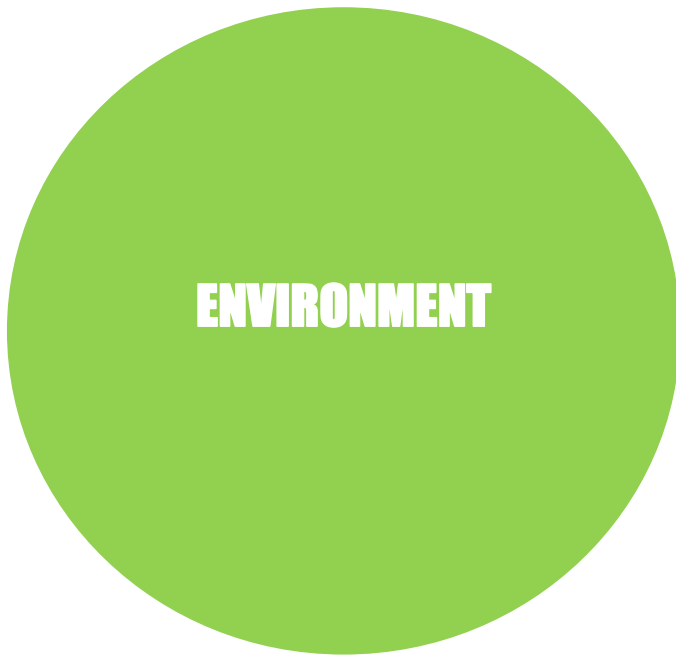
PAC – DeBoer Fellowship (DISC Personal Assessment)



Scania - Dealer Operating Standard



Liebherr – Internship Training



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 Octagon International Services Co., Ltd, 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. Octagon International Services Co., Ltd. targets 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.

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.

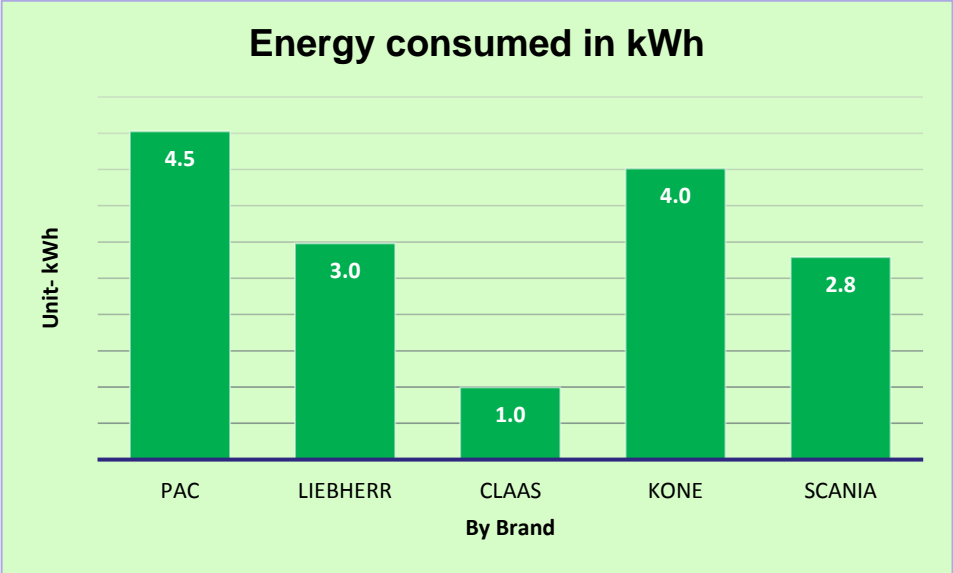
IMPLEMENTATION

Octagon International Services Co., Ltd. had already set Twelve ways for sustainable practices across our projects and operations.

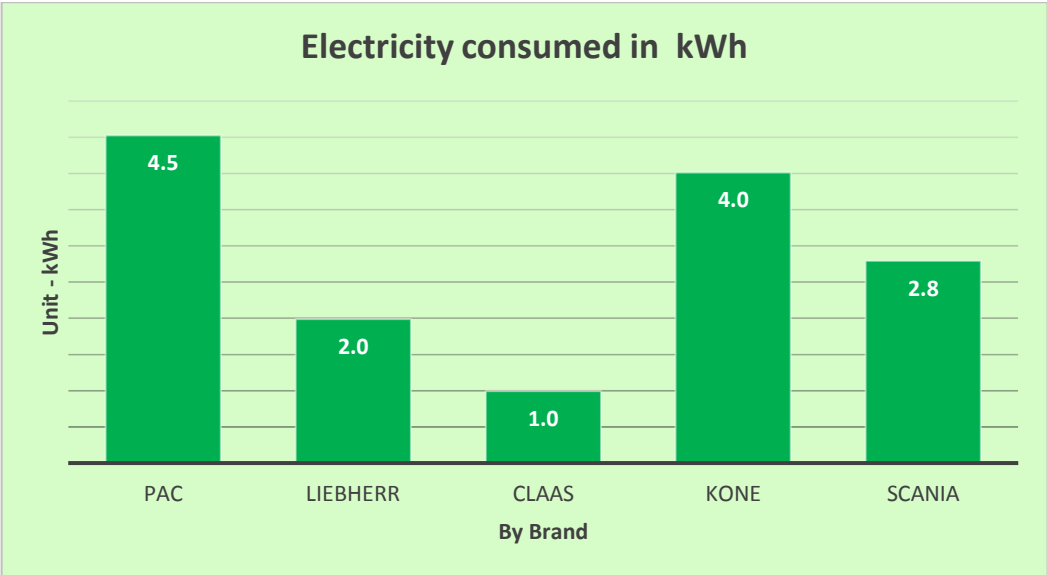
| No. | Sustainable practices | In practice |
|-----|--|-------------|
| 1 | Energy efficient LED light bulbs are a company standard | √ |
| 2 | Our office only uses energy efficient electrical hand dryers | √ |
| 3 | Cutting down paper usage through the digitization of internal and external documents and communications. | √ |
| 4 | Company policy is to switch off all devices when they are not to use | √ |
| 5 | Energy efficient air conditioners installed in all buildings | √ |
| 6 | When paper is needed we only purchase eco-friendly products such as FSC, SFI and PEFC | √ |
| 7 | When greener technologies are produced, we upgrade our appliances where possible | √ |
| 8 | Octagon International Services Co., Ltd. discharges water from maintenance workshop is well treated before being discharged into public drain. | √ |
| 9 | Octagon International Services Co., Ltd. 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. | √ |
| 10 | 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. | √ |
| 11 | Octagon International Services Co., Ltd. management is formed and aware of our business partner guidelines for corporate social responsibility and business ethic. | √ |
| 12 | Octagon International Services Co., Ltd. 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. | √ |

REPORTING

Energy consumed in kWh by brands under Octagon International Services Co., Ltd.



Electricity Consumed in kWh by brands under Octagon International Services Co., Ltd.



MEASUREMENT OF OUTCOMES

The internal controller of Octagon International Services Co., Ltd. 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. Our business partners design international standard technologies to reduce CO2 emissions in order to minimize air pollution to environment. We seek to identify that we consider environmental correlations in our business strategy by importing and distribution latest technologies to our customers.



Octagon International Services Co., Ltd. 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. Our auditors have experienced in practice and what they believe should facilitate the announcement. So that the company officially received DOS certificate for Nay Pyi Taw branch valid till 10th July 2020; for Yangon valid till 15th June'2021; for Mandalay which is valid till 18th June 2021 from our supplier SCANIA.





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.



World's AIDS Day Cycling Event – 2019 (Sponsored by KONE Division)

IMPLEMENTATION

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 the like
- (b) Expensive gifts such as jewelry, phones, tablets, entertainment tickets, vacation trip package, flight, 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.

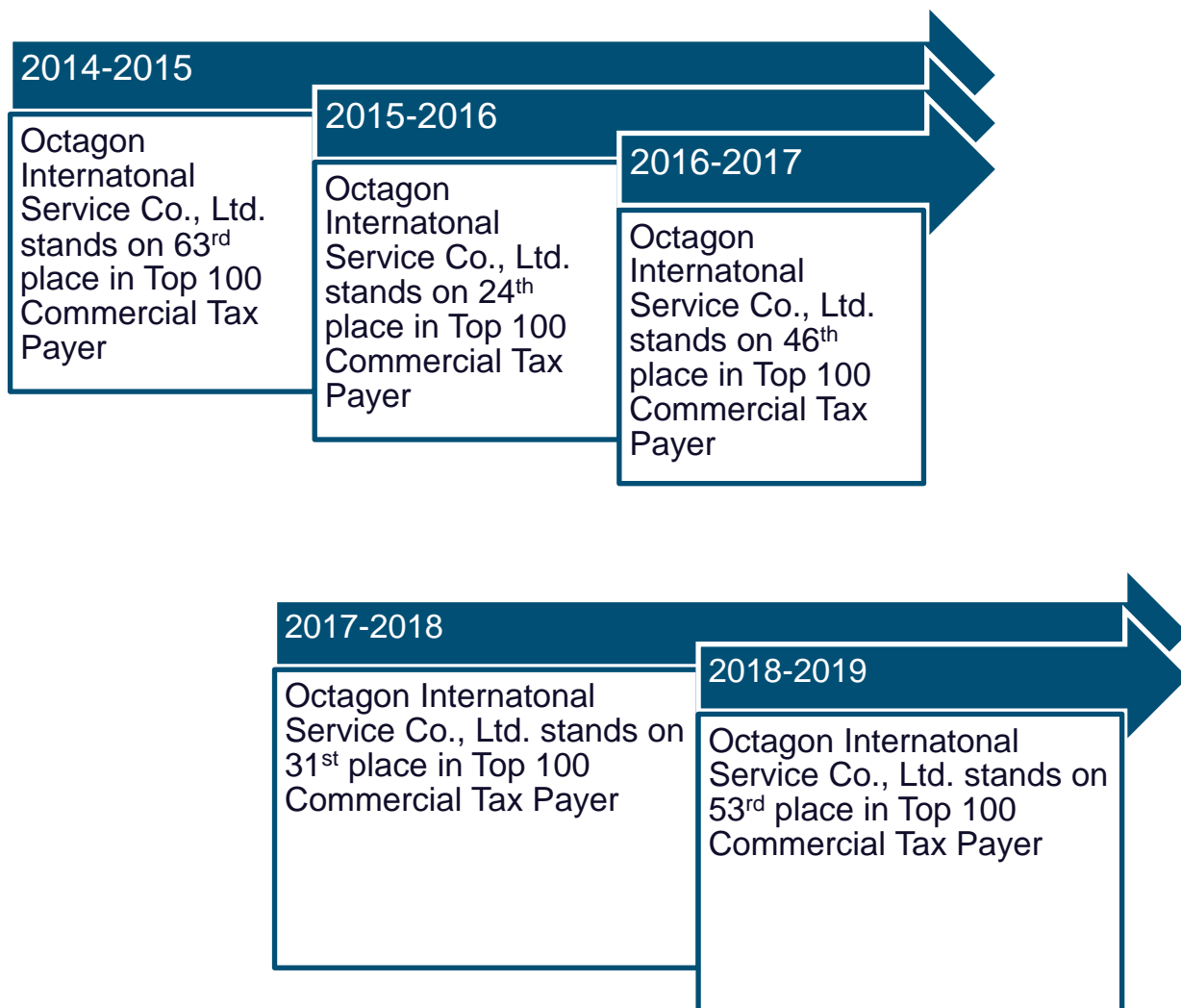
Octagon International Services Co., Ltd. makes appropriate financial and staff resources available to progressing sustainable procurement throughout the company. We integrated ethical consideration into our design and business decision and make sure to practice fire competition, via open tenders when 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.

The management of the company 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.



MEASUREMENT OF OUTCOMES

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





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.