



UN Global Compact

Communication on Progress 2021



This is our **Communication on Progress** in implementing the principles of the United Nations Global Compact.

We welcome feedback on its contents.

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Statement of support from Dr. Anton Stefov, President and CEO of International Armored Group

To: H.E. António Guterres
UN Secretary-General
United Nations
New York, 10017
USA

Date: December 10, 2021

Regarding: IAG's UN Global Compact Communication in Progress 2021

Dear Mr. Secretary-General,

We, at IAG are committed to support the Ten Principles of the UN Global Compact on Human Rights, Labor, Environment, and Anti-Corruption. It is our aspiration to improve what we have committed to the year before and continuously work towards better results.

With our 2021 UN Communication in Progress report we are committed to demonstrate our continuous work towards implementing all ten principles across IAG.

2021 was a memorable year whose impact is yet to be seen. The global COVID-19 pandemic is the most significant health, social and economical crisis in a peacetime the world has ever seen. It has shown us that at no point should the central pillars of sustainability be taken for granted but they require an ongoing commitment.

As a CEO of IAG, I am proud to confirm once more our continued support for this important initiative.

We are also committed to sharing this information with our stakeholders – employees, customers, partners, and societies alike.

I look forward to reporting on our progress next year.

Dr. Anton Stefov, C.E.O. & President
International Armored Group

About us

International Armored Group is a quality conscious armored vehicle manufacturer with over 25 years of experience specializing in the fields of design, engineering, prototyping and manufacturing of armored commercial and tactical vehicles. We have grown substantially over the years and have become one of the most technologically advanced armored vehicle manufacturers in the world.

IAG's core competency is the ability to engineer and design vehicle armoring solutions providing optimal survivability and reliability, while maintaining superior driving dynamics and performance.

As proof of our company's capabilities, in April of 2010 International Armored Group became one of the world's first armored vehicle manufacturers to construct a fully certified armored vehicle, the BRV2009 VR7 Toyota Land Cruiser 200, accredited by Beschussamt Mellrichstadt to protect against high-powered rifle fire and improvised explosive devices (IEDs).

Alongside to our STANAG 4569 Level 2a blast certificate for Toyota Land Cruiser 200, something unheard of in our industry that proves our continuous work in the area of technologically advanced engineering, we have managed to successfully obtain STANAG 4569 Level 3 and we look forward to the upcoming challenges.

Nonetheless, year 2020 and 2021 have been extremely challenging for the world economy as well as the industry IAG operates in. However, the global challenges have never hindered IAG from constantly developing its technological capabilities. In 2021 one more time IAG became the first company in the world to obtain BRV2009 VR7 for Toyota Land Cruiser 300.

Moreover, in 2021 IAG also tested and certified a brand new vehicle platform to STANAG 4569 Level 4. The vehicle is considered the lightest vehicle in its class to receive such a certificate. One more proof of IAG's continuous efforts to be a leader in the industry and great place to work.

Our global footprint enables us to supply North American, European, Gulf Country (GCC) and Right-Hand Drive type vehicles. We have access to an extensive range of chassis that can operate in harsh temperature environments and low quality fuel. IAG's production plants are strategically located near major sea and air ports allowing our experienced logistics team to transport our armored vehicles worldwide.

IAG in the world



With locations in the United States, Canada, United Kingdom, Turkey, Bulgaria, United Arab Emirates, Italy, Indonesia, Pakistan and Iraq, International Armored Group remains dedicated to producing the highest quality armored vehicles together with on-time delivery and professional service.

The Ten Principles

Human Rights

Principle 1: Businesses 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.

Labour Standards

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.

Environment

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.

Anti-Corruption

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

About this Report

This report spans the period between December 2020 and December 2021. IAG has been publishing such reports every year since 2009 to reach out to our stakeholders in a transparent and accessible way.

The pandemic of COVID-19 is having an unprecedented impact on people's lives and economic activities. The situation in many parts of the world is still chaotic. The direction and timing of economical recovery are uncertain. We might not be able to return to the life and business environment as before even if the infection ceases.

While the report primarily focuses on IAG FZE domestic worksite, it also includes its overseas worksites on a selective basis when deemed necessary.

To accelerate progress in achieving our goals, this year we have worked hard to embed sustainability through enhanced governance.

We are committed to maintaining a world – class compliance culture in every IAG business and everywhere we operate around the world.

In so doing, not only we disclose our progress and performance made in the area of economy, environmental footprint and society in a balanced and transparent manner, but we also strive to become a company that heeds the voice of stakeholders for sustainable growth and development.

Through innovation and technology, we deliver a brighter future with the peace of mind to our customers around the world.

Human Rights Principles

Assessment, Policy and Goals

At International Armored Group (herein “IAG”) we are serious about our responsibility to our employees, our partners, and to society. Our pledge to safeguard human rights is rooted in our line of operations.

We embrace new challenges by investing in ourselves for personal growth, and through continuous creativity with a spontaneous attitude. We respect and value our people, and optimize their capabilities through fostering culture and diversity. To achieve our goals, we always act with integrity and shared ethics utilizing a collaborative effort focused on communication.

We consider our employees to be the most important stakeholders and in striving to further promote and strengthen various existing measures, including health management, we create a workplace where productivity and motivation can be enhanced.

IAG works with the highest integrity, compliance culture and respect for human rights while also reducing the footprint of our technology and environmental impact.

IAG promotes respect for fundamental human rights. We demand the same respect from our business partners. Collaborating with expert stakeholders locally and globally is integral to IAG’s human rights principles.

IAG respects the rights of human beings in accordance with the UN guidelines, government laws of each respective country where IAG operates, and moral principles that guide company’s business operations.

We believe in our responsibility to respect and support internationally proclaimed human rights, and we will constantly strive to make sure that we are not complicit in human rights abuses of any individuals we are in contact with directly or indirectly.

At IAG we strive to attract the best candidates and work hard to retain our employees. Striving to be an employer of choice, we place value on creating a culture of learning, promoting diversity, and fostering equality.

Our global community includes people of diverse ethnicities, colours, religions, socio-economic backgrounds, and a range of other human differences. We understand that fostering a culture of respect and inclusion creates a dynamic and happy workforce. We believe that everyone should be treated fairly and with respect, regardless of their ethnicity, sexual orientation, gender, age, disability, status, or professional background.

With respect to gender, we seek to foster women leaders in our senior global roles but we are also focusing on ensuring that women are leaders of our most significant client relationships.

IAG is committed to fostering diversity – be in terms of skills, ethnicity, cultural background. Diversity makes us, as a company, stronger, ensuring a variety of perspectives, expertise and experience.

We encourage all employees to raise concerns about inappropriate conduct, including potentially unethical or illegal conduct, while assuring confidentiality or any form of harassment. Employees are able to raise their concerns via their respective manager or human resources business partner.

IAG regularly confronts complex human rights challenges in its various businesses and throughout the world. We also support efforts to prevent the global pandemic of forced labour in our operations and those of our supply chain.

Due to the international travel restrictions, many of our employees were stranded abroad on project assignments. IAG responded to this with campaigning to return employees all over the world. Due to our continuous compliance with local rules and regulations, we did not have to close any of our production plants. However, we implemented specific internal rules in order to meet the health treat in most adequate way that represent quick and targeted response to COVID-19 pandemic tailored to local situations in order to guarantee employee health and safety.

Our activities affect directly and indirectly huge number of people. We are aware of the responsibilities resulting from this global impact; hence the constant tries to ensure respect of human rights in our activities worldwide. We are aware that this is a core element of responsible business conduct and therefore an integral part of our business.

IAG's commitment to performing with integrity is instilled in every employee as a nonnegotiable expectation of behaviour which is underscored by an extensive system of policies, processes, training and communications.

Additionally, IAG's employees are encourages to raise integrity concerns and to feel confident that they can do so without fear of retaliation. IAG's employees remain our first and best line of defence in the early detection of potential compliance issues.

As part of IAG continued efforts to respect the applicable Universal Declaration of Human Rights, extensive efforts have been made to ensure all aspects of IAG's policies and goals are in compliance with these standards.

As a professional product manufacturer with such an eminent history, we judge that our prime human rights-related risks and opportunities lie in our relationships with our stakeholders, and above all, with our employees.

IAG is an Equal Opportunity Employer and has adopted the following policy:

- IAG focused training plans to educate employees about the risks and policies they need to be aware of. Such learning as reinforced via leadership communications and embedded messaging within various applications.
- IAG's Integrity and Compliance Program focuses on personal engagement from IAG's leadership and is supported by robust compliance processes. IAG leaders across the businesses personally drive a culture of integrity everywhere IAG operates.
- We regard to the ten principles of United Nations Global Compact as binding for the entire company and therefore we expect from our employees, suppliers and business partners worldwide to recognise and apply the ten principles.
- IAG has implemented audit and management review which are carried out on an annual basis and are an integral part of IAG's policies.
- IAG stands committed to its philosophy that all employees are entitled to equal employment opportunities. This policy applies to all personnel actions, including

compensation, benefits, discipline, transfers, promotions, lay-offs, leaves of absence, terminations, and participation in IAG-administered activities.

- IAG also affirmatively recruits and hires individuals based upon demonstrated abilities, achievements and experience, without regard to race, color, religion, age, national origin or ancestry, sex, pregnancy, citizenship status, marital status, physical or mental disability, medical conditions, sexual orientation, or any other consideration made unlawful by UAE laws.

It is the responsibility of all employees to ensure IAG's policy of equal employment opportunity is implemented in all phases of human resources administration. Violation of this policy by any employee will result in disciplinary action, up to and including termination. To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, IAG will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee, unless undue hardship to IAG would result.

Any applicant or employee who requires an accommodation to perform the essential functions of the job should contact their supervisor or Human Resources representative and request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job. IAG will then conduct an investigation to identify the barriers that make it difficult for the applicant or employee to have an equal opportunity to perform his or her job. IAG will identify possible accommodation, if any, which will help eliminate the limitation. If the accommodation is reasonable and would not impose an undue hardship, IAG will make the accommodation.

We do not tolerate harassment in the workplace, we are committed to maintain healthy and safe work environment in all offices. Dangerous, abusive or violent behavior, or the threat of such behavior, is prohibited and will not be tolerated.

We believe everyone should be treated fairly regardless of their race, gender, economic status, ethical background, sexual orientation, age, political beliefs or any other comparable characteristics, and therefore we prohibit discrimination, harassment, forced labour and child labour.

It is against IAG policy for any employee, male or female, to harass another employee, based on an individual's race, religion, color, sex, sexual orientation, national origin or ancestry, citizenship status, marital status, pregnancy, age, medical condition, handicap or disability. IAG policy defines "sexual harassment" to mean any conduct, comment, gesture or contact of a sexual nature (a) that is likely to cause offence or humiliation to any employee; or (b) that might, on reasonable grounds, be perceived by that employee as placing a condition of a sexual nature on employment or on any opportunity for training or promotion".

IAG's policy against improper payments and presents in business transactions is a key element in our integrity policy. Our employees are able to make an anonymous report if they suspect that an IAG employee is engaged in unacceptable or inappropriate conduct in relation to human rights or any other ethical issue.

With changing workforce demographics and model of communication, our program required

constant reinvention to stay relevant for a global community. IAG relies on key controls and input from regional experts to ensure compliance is achieved everywhere.

We are committed to developing the talents and skills of our people, and we actively promote a culture of learning within the company. Employees are encouraged to expand their knowledge and expertise throughout their careers.

In addition to respecting human rights and fair labor practices in our company, we believe that one of the most significant contribution we can make is through the support of local communities and their initiatives. Just an example is our commitment to a local Pilipino volleyball club for which we have expressed our support, not only financially but also moral.

We take legal advice in the local jurisdiction we operate in about human rights compliance and require managers across IAG to comply with all company policies. Employment contracts are reviewed for compliance in each local jurisdiction and we seek compliance with our policies and contract through governance and management structure.

We believe that working with suppliers will enable us to identify projects that will have both operational and environmental benefits while building stronger relationships and reducing our supply chain costs.

Suppliers are critical partners in IAG's value chain. As IAG's business has globalized so has our supply chain, including in locations where environment, health, safety, labour and human rights practices can be very challenging. We expect our suppliers to obey the laws that require fair treatment of workers, a safe and healthy work environment, and environmental protection.

Outcome

Since the last COP report in 2020, our company has not received any human rights complaints nor have been documented for any violations. No fines related to human rights issues have been levied against the company by any governmental organization since the formation of the company.

Objectives

Through our policy of inclusion, we aim to encourage and develop:

- Increase the supply of ethically sources labour by creating an enabling environment and supporting the development and implementation of systems to identify and use ethical recruitment agencies.
- A workplace environment that encourage high-quality performance and individual engagement as a function of diverse teams.
- Create demand for responsible recruitment by raising awareness about the positive benefits of ethical practices.
- To treat people fairly, with dignity and pursue equality of opportunity and inclusion for all employees through our employment policies and practices.
- To observe no human rights abuses within areas of operation and to show zero tolerance towards such abuses.
- To recruit, select and develop our people on merit – irrespective of their age, race, colour, origin, gender, religious believes, disability, family or marital status, sexual orientation or other prohibited grounds.
- To report any human rights abuses detected within suppliers, subcontractors or clients

operations.

- A company with a richly diverse pipeline of people who are prepared to advance within the organization.
- An attractive image as a company that welcomes people who think differently.

This statement applies to all our internal stakeholders in all locations where IAG operates. We will implement human rights due diligence into our operating mode and instruct our team members to comply with this policy. We also take into account social, ethical and environmental considerations in our procurement and supply chain decisions.

A hallmark of our compliance program is a steadfast commitment to a vibrant, well- publicized and effective transparent reporting environment.

Labor Principles

Assessment, Policy and Goals

IAG is committed to pursuing the objectives of the leading international initiatives designed to promote human rights and sustainable development, including the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights.

IAG's compliance and integrity culture places the company in an excellent position to pursue and perform work compliantly with governments and government contractors. We do not rely solely on our culture but we continue to emphasize with our employees and executives the importance of our policies.

IAG promotes respect for fundamental human rights and support the principles contained in the Universal Declaration of Human Rights. We endeavour to advance respect for fundamental human rights by leading by example in our business capacity, with our direct business partners, and in the communities we operate.

At IAG, we strive to raise awareness of human rights among employees through regular human rights educational activities. In addition, human rights enlightenment is promoted through human rights education for newly appointed managers and new employees. We identify negative impact on human rights and work to prevent or mitigate such impact.

We remain committed to fostering a culture of inclusion, and diversity remains one of our top priorities. The success of our company depends on our highly skilled and qualified workforce. Having the right people with the right skills is essential for our company growth.

Commitment to people is one of our core values. We are committed to provide opportunities for our employees to develop, achieve professional aspiration, and enjoy successful and rewarding career within the company.

IAG Supports the efforts to prevent and works to eliminate forced labour. We are aware of the responsibilities resulting from our impact and fully accept the accountability to ensure respect for human rights in our activities worldwide.

We aim to enrich and continuously improve our positive health culture where our employees can work to their full potential, both in mind and body.

The goal of IAG's ethics management is to conduct business in a transparent manner based on fairness, honestly and faithfulness and to constantly evolve into a top-tier company. In so doing, fulfilling its responsibility to customers, suppliers, stakeholders and society at large, we build trust in our company and our products which helps us to expand into various markets and improve our corporate value and reputation.

IAG respects all labour laws and regulations as governed by the United Nations and government laws of each respective country where IAG operates. Phases of particular focus to IAG are opposing forced labour and child labour, providing equal opportunities for employment with regard to gender, ethnicity and race, working conditions and fair pay.

We are committed to ensuring that our employees are consulted about any changes to the business that might have an impact on their employment. Addressing every aspect of labour abuses help increase awareness among employees regarding possible occurrence of such mistreatments and thus proves to be an effective preventive measure within IAG's business operations.

Leading policy for IAG is to guarantee equal opportunity without abusing human rights for all its employees. Therefore, IAG is constantly implementing policies beyond minimum legal requirements regarding: supporting the freedom of association, elimination of forced labour and child labour, elimination of all forms of discrimination.

IAG's employees have the right to work in an environment in which respect for people's dignity is at the core of our organisation. The company and all its employees have accountability to ensure a working environment in which everyone is treated with respect and dignity.

Further, IAG abides by International Labour Organization's (ILO's) eight fundamental conventions in support of UN Global Compact's four labor principles, including:

- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- Forced Labour Convention, 1930 (No. 29)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)
- Equal Remuneration Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

As a socially responsible employer IAG continuously provides all employees with a safe working environment. All obligatory training and drills are carried out according to the company's training plan. Safety instructions are made accessible to all employees. Each and every employee on a particular position is equipped with work clothes, gear and equipment suitable for their responsibilities.

Based on employees' feedback, IAG has launched a number of initiatives spanning from employees recognition, internal events and communication, new career management and development program, flexible working hours and etc. Many social events were held across our areas of operations, all of these foster unity and sense of belonging.

Just an example of IAG's contribution to social local events are our commitment as a main sponsor of a basketball team who has been playing in the 1st League of the local tournament in a country where IAG operates. In 2019 IAG became main contributor for the building of a library in a university named after IAG's President and CEO.

In another country, IAG sponsored the local football club where a lot of our employees are members. This is a way to encourage more of our employees to participate in sport activities.

Our practice and sustainability policies are designed to guarantee that all employees reflect in their daily work the high ethical standards set by the company.

IAG is upholding the freedom of association by means of providing the right to form and join workers' organizations of their choice. Workers are allowed to freely choose representatives and no management interference is obstructing their privilege in collective bargaining. Moreover, IAG is working on implementation of rigid sets of rules preventing from any form of harassment levied on unions' representatives at the work place.

Providing access to all workplaces in the company and allowing attendance to certain management meetings in order to initiate genuine dialog with workers' representatives through consultations are just few of the strategies which reflect company's desire to abide to the labour principles regarding the freedom of association and the right to collective bargaining.

IAG respects the right of freedom of association and collective bargaining for all its employees. Representative of employees are neither favoured nor discriminated.

IAG strictly does not engage in any practices related to forced labor. We require all recruitment to be consistent with the human rights policy, equal opportunity requirements, relevant employee protection legislation and appropriate pre-employment screening in order to prevent from involving the company into activities harming vulnerable workers. One of the means for prevention is initiating regularly consultations with employees and workers' representatives as well as other groups concerned. Further, IAG plans to include in our sets of sustainability development policies a transparent procedure for appointed employee to educate and inform the workers in order to prevent their becoming involved in forced or compulsory labour practices as well as to prevent vulnerable workers from possible abusive and fraudulent practices during recruitment and placement process.

IAG guiding philosophy is intended to abide to effectively abolish child labour. We require from all our employees to conform with the relevant protection legislation and to strictly observe labour requirements such as: minimum age for working in the particular country, minimum weekly hours of work that can be undertaken legally by children below this age, minimum age for hazardous work, other legal requirements if any regarding child labour. Regular audits are being held of HR documentation in order to maintain proper screening of the age of the workers.

Diversity is a key element of our human resources strategy. IAG is committed to working with individuals without regard to their ethnic origin, culture, religion, age, disability, skin colour, gender, sexual identity and orientation, or worldview.

IAG aims to create an environment that welcomes and respect the different perspective of all our employees, as well those of our clients and suppliers. Recruitment and promotion are based entirely on professional qualities, without any form of discrimination. IAG undertakes to respect and defend the dignity and privacy of each of its employees. Across every part of our business, we strive to create an inclusive culture in which difference is recognized and valued. We employ people on the basis of job requirements and do not discriminate on grounds of age, ethnic or social origin, gender, sexual orientation, politics, religion or disability. It is of great importance to us that our employees are properly trained, and that they work in safe, healthy and environmentally responsible ways. We are committed to diversity, and aim to build an environment of inclusion where all differences are valued.

We set our course of action forward as becoming a global top-tier manufacturer of armored vehicles, and are exploring a variety of opportunities to expand our global business presence. To tab into the wider global market and increase sales, the recruitment process is developed in a way to identify and nurture necessary talent over the middle to long term carrier.

Institutional mechanisms are arranged to ensure that our employees do not suffer any unjustified discrimination on the grounds of gender, race, religion. Diversity management policies are implemented and constantly improved to motivate employees to fully engage in their work. To this end, we provide an environment to give equal opportunities to all employees so unleash their full potential.

Occupational health and safety management is anchored in our sustainability principles and in our business processes and has become an integral part of our business conduct. In addition to technical protective measures, we foster practicing occupational safety culture by providing optimal working conditions for all IAG employees. Safe behavior is governed not only by complying with laws, regulations and procedures, but also by the personal values of managers and employees.

IAG strives to select suppliers who are committed to maintaining high ethical standards. We are a signatory to the United Nations' Global Compact, and we are trying to select suppliers who share the fundamental principles of the UN Global Compact, whether signatories or not.

We uphold a high standard of ethics and conduct business activities in good faith by adhering to laws and regulations, following fair business practices, and disclosing company information in timely and appropriate manner.

Implementation

The following has been implemented to ensure compliance with IAG policies:

1. Ensure the healthy life of employees, and provide equal opportunities for leadership.
2. Ensure women's participation and equal opportunities.
3. Maximize potential based on respect for human rights.
4. Value integrity and follow the right way.
5. Cultivation of inclusive corporate culture.
6. Enabling success in personal development and growth.
7. Ensure our employees are not subject to any disadvantage for their involvement in labour union activities and are thus guaranteed the freedom to engage in such activities.
8. Incorporate appropriate principles into contracts with suppliers, business partners and distributors.
9. Evaluate human rights issues involving our direct business partners, particularly in emerging markets, and considering practical responses within the relevant context.
10. IAG works in good faith, within the appropriate legal framework, with trade unions and other bodies that our people collectively choose to represent them.
11. Annual audit has been conducted to ensure possibility for labour abuses are limited.
12. Certain employees were sent to various seminars to improve their qualifications.
13. All hiring managers have been trained to take affirmative action in compliance with IAG policy.
14. Hiring managers are supervised by a Company Director to ensure compliance with IAG policy.
15. All reasonable accommodations have been made to allow employees to practice their religious beliefs without interference.
16. Participation in the annual Breast Cancer Awareness Marathon followed by medical checks for the female employees.
17. IAG's training manual is made available to all office staff, which outlines IAG's company vision, core principles, health and safety regulations and employee labor rights.

18. As part of the hiring process, all employees are required to submit valid government documents with photos (passport, driver's license) as proof of age to ensure minimum age requirements are met
19. ISO 9001:2008 Quality Management Systems principles, goals and objectives are published throughout the factory.
20. Any grievance or suggestions may be submitted to hr@interarmored.com

Outcomes

1. Annual review by company director has found employees to be in full compliance with IAG labour policies.
2. IAG boasts a very diverse workplace, with over 500 employees from a diverse range of backgrounds. Over 15 nationalities are represented at IAG
3. No government agency, commercial company or NGO, including all UN agencies, have ever blacklisted or barred IAG from bid participation as a result of labor rights violations.

Objectives

IAG's goals for 2022

- IAG to ensure the continuity of locally-customized social contribution programs.
- IAG to observe no labour abuses within areas of operation and to show zero tolerance towards such abuses.
- IAG will not accept any form of discrimination, harassment or bullying.
- IAG will not tolerate child labour and are committed to the elimination of all forms of forced and compulsory labour.
- IAG to report any labour abuses detected within suppliers, subcontractors or clients operations.
- IAG to introduce a staff loan scheme for loyal employees with certain criteria to allow its employees to become land owners in their respective countries.
- IAG to introduce fully equipped medical room available for employees whenever an employee needs a medical help prior to hospitalisation.
- Continue to enhance our positioning to a diverse range of potential applicants through further improvements to our careers website and supporting recruitment and on-boarding materials.
- Internalize awareness of social responsibility through increased employee engagement.
- We will strive to enable our employees to succeed in their own personal development and growth.

Environmental Principles

In promoting sustainable management, IAG is organizing and identifying social issues with higher priority and setting them as priority themes. Among the various issue, one of the themes with particularly high priority is measure against climate change. As a manufacturer, IAG emits greenhouse gases in the course of our business as well as in the supply chain and during the use of our products. In 2021 we revised our Environmental Action plan to set up higher and more ambitious goals. That was done in order to strengthen our response to climate change and to highlight the importance of greenhouse gases.

IAG operates a process-based safety and environment management system to create and injury and pollution-free workplace. As part of our endeavours to respond to climate change, we promote green designs as much as possible throughout our manufacturing processes. We constantly make risk assessments and improvements to reduce injuries to zero across our worksites. IAG is ISO 14001 certified for its environmental management systems.

Assessment, Policy and Goals

Harmonious coexistence with our planet is a key point in our daily life and business operations. Contributing to global warming mitigation measure is responsibility not only to every business owner but to every person on Earth. As a company, IAG can contribute through building a healthy workplace, responsible procurement, develop human resources to act spontaneously, contribution to local communities to name a few.

Climate change, demographic change and globalization are reasons for constant changes in our world, hence the need for more sustainable future. The purpose is to improve the prosperity and quality of life of all people through innovative methods. Climate change is a key challenge that IAG has been tackling for more than two decades.

IAG recognizes that protecting the global environment is one of the most important management objectives. We continue to contribute to the sustainable development of society by helping create a safe, comfortable society and developing a prosperous and bright future to people around the world. In addition, while observing all environmental regulations in our business operations, we are actively pursuing environmental protection and new initiatives related to safeguarding the natural environment.

Combating climate change is one of the Sustainable development goals in IAG's long-term agenda. Achieving such goals requires collaboration among many stakeholders. We are fully committed to the targets and principles of the United Nations Global Compact.

There are several ways which we consider important to minimise our footprint:

- strategic implementation of health and productivity management
- promoting innovation and technology that lead to solving social issues
- use energy as efficiently as possible
- accelerate the uptake of highly flexible technologies to integrate renewable energies and ensure system stability

- increase the usage of renewable energy and accelerate the switch from conventional electricity generation to low-carbon fuels
- fostering innovation to address social issues
- providing a healthy, clean and safe society and environment
- promoting health and productivity management to create a workplace with enhanced productivity and motivation

In order to create workplace where employees can stay healthy and energetic and enhance their productivity and motivation, we will strive to strengthen our existing health management initiatives. We are promoting initiatives that contribute to the improvement of employee health, including the strengthening of our industrial medical system and implementation of health promotion events.

We strive to meet the needs of our customers while strengthening our position as a sustainable company, especially by improving energy and resource efficiency.

We prominently recognise the importance of strengthening the climate resilience and adaptive capacity of our society and in particular the focus of our operations with possible negative impact on the environment. Therefore, by adopting appropriate policies within IAG's operations in both short-term and long-term plan, we aim to bring awareness among our stakeholders that concrete actions are being taken.

IAG identifies it has a major role to play in the minimization of risk to the safety and health of employees, contractors, customers and also to protect the environment. Thus, we constantly look for alternative solutions in order to minimise environmental impact and energy consumption in our day to day operations. IAG continuously tries to reduce its environmental footprint and to improve operational performance. We aim to improve our energy efficiency and emissions performance and make a positive contribution to the protection of the environment.

We regularly adjust to trends and specific requirements in response to constant dialogue with key stakeholders such as suppliers, employees, communities, policy-makers, media, non-governmental organizations, business organizations and academia. These engagements create value on all sides of the equation through the exchange of knowledge and information and creative partnerships.

The following is IAG's environmental policy:

1. We are committed to restoring and preserving the environment.
2. We are constantly trying to reduce waste usage and waste disposal.
3. We shall strive to add value to waste and by-products in order to reduce the negative impact that these streams may have through landfilling or other types of disposal.
4. We are committed to reducing waste and pollutants, conserving resources and recycling materials at every stage of the product lifecycle.
5. We are committed to reduce the consumption of primary resources by substituting primary raw materials with value-added by-products.
6. We will actively participate in educating the public about environmental conservation.
7. We will continually assess the impact of our facilities and products on the environment and the communities where we live and operate with a goal of continuous improvement.
8. All staff to be trained in environmental awareness including energy efficiency and waste management.

9. We prioritise good housekeeping and the preservation of natural resources to contribute to a sustainable society.
10. Our environmental management system drives a way of working in which we constantly strive to develop and improve ourselves.
11. We will always comply with the environmental requirements imposed by current legislation.
12. We place health and safety impacts first across all products, work areas, equipment, processes and technologies.
13. We provide appropriate resources for health and safety improvements and encourage the proactive participation of employees through educations and training.
14. We set and implement action plans to identify potential risk factors while minimizing and improving on health and safety hazards in order to prevent safety incidents.
15. We try to reduce second-hand smoke exposure and encourage smokers to quit.

Foremost among the commitment we are undertaking to constantly aiming to be environment-friendly orientated business organization. We are continually educating our employees on IAG's priorities revealing our motivation of a company based on ambitious for a greater sustainable development.

We will constantly work to ensure the best planning decisions and use the best technological solutions to be able to continue offering high value-added products and services and to meet the expectations of our customers and stakeholders.

IAG acknowledges the need for greater climate change and supports a precautionary approach to environmental challenges. We believe that human activities footprint is contributing to climate change, and that avoiding human-caused changes to climate is an internationally recognized aim which we unconditionally support. We recognize that investment in climate solutions is essential to competitive advantages which will give us opportunities for growth and innovation in addressing the climate challenge.

We undertake initiatives to promote greater environmental responsibility in collaborating with industry peers to foster innovation for climate change solutions. Thus, we address the climate challenge through cooperation which unlocks scalable ways to efficient solutions. Setting up targets and regular screening against these targets is a priority and helps us to manage our performance. Taking sound measures to increase climate resilience demonstrates our commitment to encourage the development and diffusion of environmentally friendly technologies.

We truly believe that climate action is an urgent priority for business to address. Therefore, our most substantial investment is related to technological innovations and machinery that help in significantly lowering energy consumptions. We recognize the ever-increasing importance to climate debate in order for these ambitious commitments to be realized. Hence, IAG's policies reflect our desire to persistently implementing environmental friendly technologies and methods and encouraging our peers to do the same.

We believe that close collaboration with stakeholders supports us in addressing complex, interlocking sustainability challenges. Stakeholders engagement creates value for both stakeholders and IAG thought knowledge exchange and enhances creativity.

Implementation

1. Conduct activities to prevent safety incidents and promote health.
2. Establish fire and disaster prevention infrastructure.
3. Operate an eco-friendly green workplace for sustainable management.
4. Prevent safety incidents by improving on high-risk work through safety audits.
5. Manage risk based on the health and safety management system.
6. Providing transparency on our contribution to external and internal stakeholders.
7. In order to reduce paper waste, IAG's employees are encouraged to add the following to their email signatures:

"Please consider our environment before printing this email."

8. Defining strategic actions to enhance our contribution and shape further development.
9. We minimize the environmental impact of our operations through environmental management program.
10. IAG uses high efficiency, energy rated machines and equipment.
11. Air conditioning is limited to the office areas of the facility only in order to reduce greenhouse emissions.
12. State-of-the-art technologies help maximize the use of raw materials to minimize waste, such as CNC laser cutting machines
13. Steel used in our production comes from recycled metals.
14. Restrict air travel to essential trips only.
15. We work towards making our employees, customers and suppliers aware of general environmental issues and the issues which apply specifically to IAG's products.
16. We take the initiative to work with our stakeholders to manage projects and reputational risks and identify relevant business trends.
17. We partner with our customers to identify and develop sustainability-related business opportunities.

Outcomes

1. The percentage amount of waste created from production as a result of leftover materials has not increased over the past three years.
2. The amount of energy costs per IAG employee has decreased over the past three year.
3. The amount of the recyclable materials has increased during the last year.

Objectives

IAG's goals for 2022:

1. IAG to create a workplace that promotes healthy lifestyle among employees to achieve improve life conditions.
2. Operate an eco-friendly green workplace with sustainable management.
3. Conduct periodic assessments to analyse environmental performance and to improve the environmental management system
4. IAG to improve the efficiency and climate resiliency of operations by responsibly operating our business.
5. IAG to take responsibility for waste and wastewater generated, as well as other sources of pollution as a result of our business activities.

6. Contribute to the protection of marine and coastal ecosystems through waste and wastewater management.
7. IAG to assess and prevent actual or potential negative impact on soil, wildlife, ecosystems and the food chain.
8. IAG to implement circular business models to reduce their environmental impact further, improve resource efficiency as well as increase supply chain security.
9. IAG to implement a comprehensive climate risk assessment policies to identify possible risk for the local society.
10. IAG to engage with policymakers to encourage scaled up climate actions.
11. IAG to develop a business strategy to limit climate risks.
12. IAG to work towards improvement of waste efficiency and to reduce waste for disposal.
13. IAG to work towards shrinking greenhouse gas output by increasing energy efficiency and reducing carbon intensity.
14. IAG to help customers reduce their ecological footprint and apply these measures also to companies in our supply chain.
15. IAG to increase hazardous waste processing and recovery.

Safety and environment are constantly gaining importance and drawing attention, and their significance will only grow in the years to come.

A good economic sustainability practise is crucial for our business. Without it, IAG would not succeed in the social and environmental aspects of sustainability.

We intend to achieve our environmental goals through constant development and improvement and by maintaining and excellent relationship with our stakeholders.

Our excellence stems from our shared commitment across the businesses and by company leadership. Sustainability management is a company-wide effort embedded in our corporate culture and linked with our company concept.

Anti-corruption Principles

IAG manages its entire global supply chain

We pride ourselves with our consistent efforts to enhance management systems and adopt good practices to ensure the best possible results over the long term. It is important that our employees understand that anti-corruption is part of our mindset.

At IAG, we take a zero-tolerance stance to corruption, money laundering and violations of fair competition, data privacy, export control and human rights principles, as well as other breaches of applicable laws. A key element of integrity is compliance and adherence to the law and to our own internal regulations.

To be effective, the IAG compliance system must continuously adapt to meet business-specific risks and multiple local legal requirements. The aim of compliance risk management is to detect compliance risks at an early stage and derive measures to prevent or mitigate risks. In such a way, compliance can make an important contribution to the achievement of corporate goals.

A precautionary management approach is taken in reviewing our entire work process to identify any potential risks. Once recognized, such risks are constantly reviewed and improvement measures are taken through robust follow-up management.

IAG makes a clear stand against corruption, and its internal procedures support its anti-corruption commitment. We believe that our way of doing business demonstrates our values. We always strive for sound competition and work for the benefit of our customers without promoting illegitimate interests.

IAG does not accept any kind of corrupt activities, extortion or bribery and thus takes on a rigorous approach towards accepting any benefits. We want our employees to know that they can provide information on any concern they have, understanding where they can report, know what happens after they make such a report, and ensure they feel safe in providing a report.

In procuring products, materials and equipment, IAG has formulated a Procurement Policy and Guidelines with the aim of fulfilling social responsibility in the entire supply chain. We share our policies and guidelines with suppliers and expect them to adhere and implement them within their companies.

This responsibility extends beyond the unequivocal role of senior management, all managers must embody to our commitment to ensure that all business decisions and actions in their areas of responsibility are always in accordance with the relevant requirements and our values and guidelines.

It is main our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

We have a great focus on carrying our risk assessment and know-your-customer procedure on every current and potential client which allows us to catch suspicious circumstances relating to compliance

violations.

We prohibit bribery and corruption in all forms. We do not offer, promise, give, demand or accept any bribe or other undue advantage, whether directly or indirectly to obtain, retain or direct business or to secure any other improper advantage in the conduct of business. Nor do we allow gifts, entertainment and per diem reimbursements to be given or received as a reward or encouragement for preferential treatment.

To promote the voluntary elimination of any unethical practices that may occur among IAG employees or in relation to stakeholders (customers, suppliers, stakeholders and etc.) and to establish transparent and sound organizational culture, we operate the self-reporting program to regularly report on unjustified business practices according to the predefines reporting form.

This policy should not be used for complains relating to personal work-related grievances, such as an interpersonal conflict between the informant and another person, concerns regarding discrimination, sexual harassment, harassment, breaches of policy, the creation or existence of unsafe work conditions.

Our policy against bribery states that all employees must act with good judgement and take responsibilities if offered a gift or benefit. It is a matter of course for our employees to comply with current regulations and legislation. Every successfully executed project shall furthermore annually go through an assessment regarding risk of bribery.

Assessment, Policy and Goals

It is of great importance that our business partners and customers can rely on us. All employees, including temporarily hired staff, are expected to act in accordance with our business values.

Our policy and training make clear that we will offer full support to employees who encounter difficult situation as a result of their refusal to pay bribes. At the same time, it also states that the company will take disciplinary action, up to and including dismissal, against employees who fail to comply.

IAG actively works against corruption at all levels of business, including extortion and bribery.

To prepare and disclose trustworthy financial statements, IAG ensure that its internal accounting control system is effectively designed and operate in order to prevent and identify any errors or fraudulent practices that may cause distortion on such statements.

IAG's Code of Ethical Business Conduct highlights the company's policies against corruption. It comes to show that IAG recognises its obligations towards the prevention of bribery and corruption and the need to avoid any business that might lead to involvement in, or encourage, corruption or breach of any law relevant to countering bribery and corruption. All Personnel must strictly comply with this policy, which is designed to ensure to the greatest extend possible full compliance with the local penal laws, as well as any other anti-corruption law which may apply locally where IAG operates.

Below is excerpt from IAG's Code of Ethical Business Conduct:

Legal Compliance

The industry which IAG operates in is heavily regulated by governing bodies at various levels, and it is imperative that we meet all the requirements set forth by these organizations. In addition, we will grant full cooperation during all government inspections and inquiries. It is strictly prohibited to impede an inspection, including but not limited to lying to inspectors, destroying or altering information and unreasonable delaying the release of information.

Bribes/Kickbacks

Bribery or kickback is the exchange of valuable goods (i.e. money, gifts, or favors) for preferential treatment. Offering and receiving bribes or kickbacks directly or indirectly is illegal and strictly forbidden. Violation of this policy may result in penalties and/or termination in addition to possible criminal charges.

Gifts, Meals, and Entertainment

IAG competes solely on the merits of the products and services. It is our policy not to influence the purchasing decision of potential customers through the usage of gifts, meals and entertainment. This is regulated by various government organizations, and it is crucial for all IAG employees to ensure that these regulations are not violated. Gifts, meals and entertainment are considered non-material and acceptable only up to an amount of US\$100.

Clientele

IAG will only conduct business with legitimate and recognized governments, international organizations, non-governmental organizations and lawful private companies. We refuse to conduct business with any clients who are engaged in unlawful activities.

International Business

The geographic scope of IAG spans across many countries across the world, and it is imperative that we comply with all the laws of the regions in which we are conducting business as well as any additional regulations from international governing bodies. Furthermore, we may encounter foreign traditions, cultures, norms, and mannerisms, and it is important for us to be aware and respect these issues when engaging in business activities overseas in order to maintain our professional reputation.

Internal ethics and integrity committee is engaged in measuring outcomes and is responsible for reporting to the IAG board on all issues and reports regarding ethics and integrity.

All purchasing activities are executed within the boundaries of our principles. These are the guiding principles of our supply chain management and form an integral part of all relevant supplier management process. Those include supplier selection and supplier qualification and evaluation. Responsible supply chain management can contribute the progress of a company.

IAG achieves its obligations through:

- Whistleblowers and their reports strictly remain confidential, and the whistleblowing system is operated in a highly secure manner.
- If a whistleblower reports corruptive practices involving himself/herself, this is taken into consideration in the reasonable resolution of the concerned case.
- Information on whistleblowers and stakeholders is kept strictly confidential, and fair investigations are conducted on their reports to ensure the reasonable resolution of the concerned case.
- Recognising that it operates in territories that have underdeveloped fiscal regimens and where bribery and corruption are known to be present as a commercial risk.

- Ensuring that the Company's management is alerted immediately of any potential compliance issues.
- Insisting that clients, business partners, suppliers, subcontractors, agents and other relevant third parties work to prevent bribery and corruption.
- Personnel may not engage in a personal relationship with a client, vendor or consultant to the Company, where the relationship may create the appearance of unethical conduct or of a conflict of interest.
- Promotion of supply chain diversity – we set supply chain diversity as our goal of responsible business and promote it globally.
- Regular internal audits.
- We pursue quality from customer's perspective.
- We engage in quality improvement with our business partners.

Implementation

1. We comply with all applicable domestic and international laws and regulations, appropriate standards and principles, including all competition, anti-trust and anti-money laundering laws.
2. We strictly take responsibility for and deal with misconduct.
3. Prices and quantity discounts for all products, including but not limited to, armored vehicles, spare parts and maintenance services, are published for all sales staff to use.
4. All transactions and contracts are internally reviewed before being sent to the client to ensure prices accurately reflect company's price list. If discrepancies are found, the overseeing manager will review the contract to ensure corruption practices are not found.
5. Financial statements are independently audited every year.
6. Each new employee is presented with our anti-corruption and bribery policy handbook.
7. Training Personnel employed by the Company to recognise, avoid and report bribery and corruption.
8. Setting up procedures and processes designed to minimize the chance that bribery and corruption may occur.
9. Conducting internal and external checks and audits, as necessary, to detect and deter any act of bribery and corruption.
10. Any violation against our policies or our code of conduct shall be reported to our HR manager and/or our safety representative.
11. We contribute to promoting the interest of stakeholders, from customers to local communities, through compliance management, and fulfil our responsibility and obligation towards the society.

Outcomes

1. IAG has never been investigated or accused of corruption.
2. IAG has never been blacklisted or disbarred from any agency or company for any reason.
3. Internal audits by senior management have revealed no evidence of corruption in the history of the company.
4. No investigations, legal cases or fines have been made against IAG.

Objectives

1. IAG to look for training options to help employees identify corruption in the work environment.

2. Risks related to anti-corruption will be added to the annual risk assessment of the company.
3. IAG to implement strict policies for monitoring to fight corruption and bribery within its business operations.
4. IAG to maintain flawless track record on corruptions cases.
5. IAG to report any corruption cases detected within suppliers, subcontractors or clients operations.
6. IAG to work on our new anti-corruption training package.
7. IAG to develop continuous monitoring concept for export control risks
8. IAG to develop business dialogue approach for the early identification and mitigation of specific risks.
9. IAG to monitor its management system and ethical initiatives.

IAG is always cautious when signing agreements with clients, suppliers and customers to ensure that the scope of the assignments is clearly stated and that potential risks and uncertainties are thoroughly eliminated.

We are absolutely committed to minimizing negative impact on people and society and in promoting culture with zero tolerance for corruption.

It is the policy of IAG to exclude from its products, parts and supply chain those materials and equipment with a high risk of contributing to conflict or being associated with forced labor or human rights violations.

Conclusion

As a signatory to the United Nations Global Compact, IAG supports the 10 principles of the Global Compact in the areas of human rights, labour, environment, anti-corruption. We aim to achieve our purpose by advancing corporate activities based on environmental- friendly approach which will provide a new basis for the actions of each person within the company.

IAG is committed to maintaining a world-class compliance culture in every IAG business and everywhere we operate around the globe. We recognize that our reputation for integrity and compliance is a competitive advantage. IAG's commitment to performing with integrity is instilled in every employee as a nonnegotiable expectation of behavior.

Placing our customers at the core is a tradition and obligation within IAG. The way we do it however must adapt to a world where change itself is constant. To meet these challenges, IAG strives to become more flexible. In 2022 we will aim to define a strong sales vision and key messages; use cutting-edge sales methods to streamline and optimize the sales tools and processes.

We linked our corporate goals to the UN Global Compact principles because we believe that IAG can help achieve progress on critical sustainability challenges in cooperation with our stakeholders. Our goals are at the heart of our corporate sustainability approach and they reflect our long-run plan for competing successfully and contributing to the environmental, social and economic development through our positive impact.

As a business leader in the industry we are seeking to close the gap between ambition and execution entailing major factors in our everyday operations such as:

- Management commitment - constantly defining goals and overseeing implementation;
- Monitoring and screening – attaining long term corporate sustainability;
- Stakeholder engagement – publicly recognizing IAG's responsibilities on our global impact;
- Transparency - sharing sustainability information and achievements.
- Commitment to excellence to protect people, communities, environment and our company.
- Set ambitious targets and act with agility.
- Embrace diversity and create original ideas.
- Honor promises and exceed expectations.
- Contribute to a trusted society using technology.
- Work together to solve global challenges.

We acknowledge that setting ambitious targets is not just an act of altruism but it is a step further to enhance our positive footprint on the society. Engaging more actively with the local government, inter-government organizations and the local society whenever possible are just few of the future aims which IAG has set up for the upcoming year in order to express our commitment for improvement of our footprint. Hence, IAG will continue working towards that direction for improvement through participating and supporting the United Nations Global Compact.

IAG and all its Personnel shall keep on working towards honest conduct and ethically in all manner of business that they perform and in compliance with the spirit of the principles.

Our main goal is establish ourselves as the partner of choice for our customers by fostering close and trusted partnerships. We aim to solidify long-term customer loyalty. Loyal customers are likely

to recommend IAG to peers, partners and associates.

Our mission for 2022 would be to be the preferred company in the eyes of customers and employees. IAG wants to continuously grow through innovative solutions and to improve customer satisfaction through professionalism and good business practices. With this objective in mind, we will transform our mindset and corporate culture. IAG aims to make stable, long-term contribution to all its stakeholders, both in financial and non-financial sense. This will create a positive cycle that results in further growth for our company.