



## The United Nations Global Compact

### Annual COP (Communication on Progress), 2013

Participant: KMD Company Limited  
Date of joining to the Global Compact: May 7, 2012

COP Time period: May, 2012 to May, 2013  
COP Published: April 1, 2013

#### Statement of continued support by the Chief Executive Officer (CEO)

To our stakeholders,

KMD joined UN Global Compact in May of 2012 when we realized that UNGC is a leader in developing and implementing corporate policies and practices to meet the ten universally accepted principles. Since joining and prior to joining, KMD is fully aware of a need for implementing these principles especially in four areas of Human Rights, Labor, Green environment and Anti-Corruptions. KMD is driving our company practices and policies to meet and go beyond the accepted standards.

Our first year of joining The UN Global Compact, our progress have shown tremendous improvement and we are and will keep trying our best to incorporate the Global Compact and its principles into our business strategies, plans, cultures and to our day-to-day operations. We would be very pleased to share these information's with our stakeholders using our channels of communication through KMD website and annual report.

Your Sincerely,  
Mr. Ronald Aung Moe Shwe  
CEO  
KMD Company Limited

#### Description of practical actions of the 4 issue areas (Human Rights, Labor, Environment, Anti-corruption)

##### 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.

KMD Company Limited  
February, 2013

##### Assessment, policy and goals

KMD believe that all 30 Articles mentioned in the Universal Declaration of Human Rights are the common standard of achievement for all peoples and all nations. Common understanding of these rights and freedoms are the greatest importance and realization of this pledge.

Our Policies and Goals are:

1. To require our employees, business partners, suppliers, and our customers to understand, respect, support, and adhere to the principles of Universal Declaration of Human rights.

2. To address Human Rights risk, discover incidents of Human Rights abuse within the company and to act upon the Human Rights related issues.

### **Implementation**

In 2012 – 2013, a training session has been planned for all senior employees to raise the awareness on 30 Articles mentioned in the Universal Declaration of Human Rights.

In 2013 – 2014,

1. a training session will be planned for all employees within the company to raise the awareness on 30 Articles mentioned in the Universal Declaration of Human Rights.
2. Human Rights related knowledge will be distributed to our business partners, suppliers, and clients to understand, to respect, and to support Human Rights.

In 2014 – 2015,

1. Consultation with stakeholders will be made regarding Human Rights policy and implementation.
2. Suggestion system such as suggestion box, email complaint system will be planned in each location for employees to submit their complaints and/or issues with regards to unfair treatment or abuses of Human Rights. These complaints will be revised by top management and will be discussed promptly.

In 2015 – 2016,

1. Effectiveness of suggestion system and resolution on Human Rights abuses will be reviewed within the company.
2. Human resources, and other policies and procedures relating to Human Rights will be reviewed.

In 2016 – 2017,

1. Human Rights related concerns will be discovered.
2. Further consultation with stakeholders will be made, based on seriousness, regarding Human Rights policy, implementation, concerns, and resolutions.

### **Measurement of outcomes**

In our 1<sup>st</sup> year (2012 – 2013) initial implementation of Human Rights, we reviewed our Policies and Goals on Human Rights, and we believe that our Policy and Goals are reasonable enough to be in lined with Human Rights principles of the UN Global Compact.

For upcoming years, we will measure our progresses by:

- reviewing our implementation results by senior management
- internal audits of Human Rights performance
- consultation with stakeholders
- investigations of incidents of Human Rights abuses within the company
- resolutions of Human Rights related issues within the company

## **Labor**

### **Principle 3:**

Businesses should uphold the

### **Assessment, policy and goals**

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

**Principle 4:**

the elimination of all forms of forced and compulsory labor;

**Principle 5:**

the effective abolition of child labor; and

**Principle 6:**

the elimination of discrimination in respect of employment and occupation.

We KMD believe that UN Global Compact's 4 principles on Labor reflects the International Labor Organization's Fundamental Conventions, and the ILO Declaration on Fundamental Principles and Rights at Work, adopted in June 1998, highlights this set of core labor principles endorsed by the international community. The Declaration covers 4 main areas.

Our Policy and Goals are:

1. To require our employees and our business partners to understand, to respect, to support, and to adhere to the 4 principles on Labor.
2. To periodically review and adjust employee allowances and benefits.
3. To assess and resolve labor-related risks within the company.

**Implementation**

In 2012 – 2013, a training session has been planned for all senior employees to raise the awareness of 4 principles on Labor.

In 2013 – 2014,

1. a training session will be planned for all employees within the company to raise the awareness of 4 principles on Labor.
2. Human Resource policies and procedures within the company supporting the Labor principles will be reviewed.
3. Labor-related issues will be assessed and monitored within the company.

In 2014 – 2015,

1. Labor Rights related knowledge will be shared to our business partners and suppliers to understand, to respect, and to support 4 principles on Labor.
2. Suggestion system such as suggestion box, email complaint system will be planned in each location for employees to submit their complaints and/or issues with regards to unfair treatment or abuses of labor. These complaints will be revised by top management and will be discussed promptly.

In 2015 – 2016,

1. Labor related policy, and resolutions on labor related issues will be reviewed within the company.
2. Consultation with stakeholders will be made regarding labor related policy, issues, and resolutions.

In 2016 – 2017,

1. Labor-related risks will be regularly monitored and prevented before they seriously happen.
2. Further consultation with stakeholders will be made, based on seriousness, regarding Labor related policy, risks, concerns, and resolutions.

**Measurement of outcomes**

Currently, KMD has no known cases of discrimination in respect of hiring and employment practices whether based upon race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, political opinion, and there is no abuse of child labor.

It treats all its employees with dignity and respect, and not use corporal punishment or threats of violence or other physical or mental abuse.

Management of KMD reviews and increases employee allowances and benefits periodically, in addition to regular salary.

For upcoming years, we will keep our progresses by:

- reviewing our policy, goals and implementation relating to Labor principles and Human Resource
- Keeping conforming to 4 principles on Labor
- Internal audits of Human Resource and performance
- Consultation with stakeholders
- Investigations of incidents of Labor abuses within the company
- Resolutions of Labor related issues within the company

## 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.

### Assessment, policy and goals

KMD recognizes the benefit, usefulness, and need for environmentally friendly technologies in 21st century. Being mostly IT education training based, and IT products sales, the nature of our operations makes us direct environmental impact relatively very small.

KMD always tries to provide its employees with a safe and healthy workplace, and ensure reasonable access to drinkable water and sanitary facilities, adequate lighting and ventilation and fire safety.

Our Policy guidelines are:

1. To prevent accidents and cases of work-related ill health and provide adequate control of health and safety risks arising from work activities.
2. To provide necessary training to ensure that employees are competent to do their work.
3. To implement emergency procedures - evacuation in case of fire or other significant incident.
4. To maintain safe and healthy working conditions.

### Implementation

Over the past years, all working areas are well lit including stairs. Cleaner staffs daily keep working areas clear. Toilets are cleaned daily. Drinkable waters are provided for easy access. Health and safety notice poster is planned to display at hazard area. First-aid box and accident book are planned to locate. To save electricity power consumption, LCD displays are deployed in place of CRT monitors, and energy efficient air-cons are used.

For upcoming years 2013 - 2017,

1. We will plan to give awareness raising trainings to all employees on environmental protection.
2. We will plan to initiate program to reduce waste materials and consumption of resources (energy, fuels, water, electricity, paper, packaging, etc.)
3. We will plan to make activities aimed at improving the energy efficiency of products, services and processes.
4. We will use environmentally friendly technologies.
5. We will raise awareness among suppliers by asking them for environmental data on their products.
6. We will learn Environmental management systems and procedures for evaluating progress, minimizing negative impacts and transferring good practices.

## Measurement of outcomes

Currently, KMD has no known cases of legal cases or fines related to environmental principles.

Electricity power expenses are reduced after deploying LCD screens in place of old CRT monitors.

For upcoming years, KMD will try its best to comply with applicable environmental laws, regulations and standards as well as implement an effective system to identify and eliminate potential hazards to the environment.

## Anti-Corruption

### Principle 10:

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

### Assessment, policy and goals

We KMD believe that, from the ethical point of view, corruption is a violation of vital principles of social and economic life. For business companies, corruption creates unfair conditions for trade and finance. We appreciate the initiative effort of the United Nations Convention against Corruption (UNCAC) which came into force in December 2005.

KMD will not tolerate or in any way be involved in any form of corruption or bribery, including any kind of illegal payment offer or similar benefit to an administrative official in order to influence decision-making.

KMD will undertake that none of its employees or managers will offer, pay, promise, authorize or give anything of value to any employee or manager for purposes of obtaining or retaining favors or any improper advantages.

Within the company, KMD has below policies towards corruption, bribery and extortion:

1. Not to give and take any form of bribery among employees.
2. Not to give any form of bribery to management levels.
3. Not to accept any form of bribery from customers, suppliers, and business partners.
4. To obey applicable local and regional legal laws.
5. To respect international legal frameworks against corruption.

### Implementation

Over the past years, internal and external checks and balances system over transactions were audited by internal audits, external audits, finance, administration and HR department, to detect and minimize anti-corruption risks and respond to incidents.

For upcoming years 2013 - 2017,

1. We will communicate to all employees on the anti-corruption commitment.
2. Internal and external checks and balances system over transactions will be kept audited, maintained, and controlled by internal audits, external audits, finance, administration and HR department.
3. Appropriate actions will be responded to incidents.
4. Our policies and implementations towards corruption, bribery and extortion will be reviewed and amended, based on priority and

necessity.

### **Measurement of outcomes**

KMD has not been involved in any legal cases with its business suppliers and partners, related to corruption and bribery. Because of regular and compulsory auditing system, corruption risks within the company were minimized to some extents.

For upcoming years, KMD will keep its commitment to be in compliance with its policies, applicable regional laws, regulations and standards; as well as implement an effective system to identify and eliminate hazards of corruption, bribery and extortion; and all its outcomes will be periodically measured and reviewed.