



## The United Nations Global Compact

### Annual COP (Communication on Progress), 2015

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

COP Time period: May, 2014 to May, 2015 (3<sup>rd</sup> Anniversary COP)  
COP Published: April 1, 2015

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

To our stakeholders,

KMD had joined the UN Global Compact in May, 2012 when we realized the fact that the 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 10 universally- accepted principles in the areas of Human Rights, Labour, Environment and Anti-corruption, and these principles will bring the World to be better and safer living World.

In this our third year of joining the UN Global Compact, we have maintained the practices we have achieved as standard, and we will keep continuing our best to blend the Global Compact and its principles into our business strategies, plans, cultures and to our day-to-day operations. We are pleased to share this information with our stakeholders using our channels of communication through KMD website and annual report.

Your Sincerely,  
Mr. Ronald Shwe  
CEO  
KMD Company Limited

### Description of practical actions of the 4 issue areas (Human Rights, Labour, 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.

#### 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 include:

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 2014, awareness training session has been given for significant management level employees, to raise the awareness on 30 Articles mentioned in the Universal Declaration of Human Rights. We continue to keep ourselves in our operations that we are not complicit in human rights abuses.

During 2015 – 2016,

1. Continued training session will be given for all significant level of 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.
3. Suggestion system such as suggestion box, email complaint system will be implemented 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.
4. Consultation with stakeholders will be made regarding Human Rights policy and implementation.

During 2016 – 2018,

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

During 2018 – 2020,

1. Human Rights related concerns will be kept discovered, resolved and protected.
2. Further advanced consultations with stakeholders will be made, based on seriousness, regarding Human Rights policy, implementation, concerns, and resolutions.

### **Measurement of outcomes**

During our 3<sup>rd</sup> year (2014 – 2015), we have no significant cases of human rights violations, and we keep ourselves that we are not complicit in any of human rights abuses.

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
- Continued investigations of incidents of Human Rights abuses within the company
- Resolutions of Human Rights related issues within the company

## Labour

### 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.

## Assessment, policy and goals

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

Our Policy and Goals include:

1. To require our employees and our business partners to understand, to respect, to support, and to adhere to the 4 principles on Labour.
2. To monitor and resolve Labour-related risks within the company.
3. To periodically review and promote human resource development.
4. To periodically review and promote employee welfare policies, allowances, bonuses and employee benefits.

## Implementation

In 2014,

1. As a part of human resource development, numerous numbers of internal trainings such as Sales & Mobiles products trainings, Sales & Mobiles services trainings, new and updated ICT courses trainings, marketing & management trainings, orientation trainings for fresh employees, quality control trainings, etc. have been given. Overseas external trainings include attending overseas seminars, exhibition tours, and product trainings.
2. As a part of staff social welfare program, holidays & vacation, salary increments, allowance and bonus, loans with no interest, birthday party, annual dinner, photo contest, and other activities were done.
3. Scholarships for employees to earn degree, diploma, certificate were offered, and discount and grant program were allowed for employees to attend KMD's ICT courses.
4. Staff performance awards were honored at KMD Annual party. Other awards include Lecture notes preparation awards, franchise centre performance awards, sales centre performance award, etc.

During 2015 – 2016,

1. Awareness training session will be planned for significant level of employees within the company to raise the awareness of 4 principles on Labour.
2. Human Resource policies and procedures within the company supporting the Labour principles will be reviewed and updated.
3. Labour-related issues will be assessed and monitored within the company.
4. Labour Rights related knowledge will be shared to our business partners and suppliers to understand, to respect, and to support 4 principles on Labour.
5. 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 Labour. These complaints will be revised by top management and will be discussed promptly.

During 2016 – 2018,

1. Effectiveness of suggestion system, and resolution on Labour

related issues will be reviewed and updated within the company.

2. Labour and human resources related policies will be reviewed and updated.
3. Consultation with stakeholders will be made regarding Labour related policy, issues, and resolutions.

During 2018 – 2020,

1. Labour-related risks will be continuously monitored and prevented before they seriously happen.
2. Further advanced consultations with stakeholders will be made, based on seriousness, regarding Labour related policies, risks, concerns, and resolutions.

### **Measurement of outcomes**

So far as of 2015, 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 Labour.

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

Management of KMD always promotes human resources development and staff welfare policies.

For upcoming years, we will keep our progresses by:

- Reviewing our policy, goals and implementation relating to Labour principles and Human Resource development
- Keeping conforming to 4 principles on Labour
- Internal audits of Human Resource and performance
- Consultation with stakeholders
- Investigations of incidents of Labour abuses within the company
- Resolutions of Labour 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 of environmentally friendly technologies in 21st century. Being an IT education training company, and IT & Mobile products sales company, the nature of our operations makes us no direct significant environmental impact, or bad impact on environment was relatively very small.

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

Our Policy guidelines include:

1. To maintain the environment clean & healthy, safety, and enjoyable.
2. To prevent accidents and cases of work-related ill health in working environment, and provide adequate control of health and safety risks arising from work activities.
3. To implement emergency procedures such as evacuation in case

of fire or other significant incident at working environment.

4. To monitor safe and healthy working conditions.
5. To provide necessary training to ensure that employees are competent to do work at their working environment.
6. To reduce energy usage, to use renewable energy and recycled paper, to implement efficient consumption of natural resources, and to protect the environment.

### **Implementation**

Over the past year,

1. KMD made its working environment and shopping areas of Sales centre clean, neat & tidy, safe, and enjoyable places. Energy saving LED lights were deployed. Re-cycled papers were used. LCD monitors were totally deployed in place of CRT monitors, and energy efficient air-cons were used.

2. As usual, all working areas were well lit including stairs or dark areas. Cleaner staffs daily kept working areas and shopping areas clean. Toilets were cleaned daily. Drinkable waters were provided for easy access.

Safety notice poster was displayed at hazard area. In future, First-aid box and accident log-book are planned to locate.

For upcoming years 2015 - 2020,

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 safety 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**

So far as of 2015, KMD has no known cases of legal cases or fines related to environmental principles.

Electricity power expenses are reduced after deploying energy saving LED lights, and LCD monitors 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. KMD will continue to deploy efficient use of energy, renewable energy, and prevent waste materials output, and protect the natural resources and green environment.

## **Anti-Corruption**

**Principle 10:**  
Businesses should work  
against corruption in all its

### **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

forms, including extortion and bribery.

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 to respond to incidents.

For upcoming years 2015 - 2020,

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 requirement.

#### **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 practiced within the company, corruption risks were almost minimized.

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, reviewed, and necessary actions will be further carried out.