

K-ONE TECHNOLOGY BHD

Report for:-

UNITED NATIONS GLOBAL COMPACT

Assessment Date : 16th April 2012

Assessment Criteria : Communication on Progress in Human Right, Labour,
Environment and Anti Corruption.

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General

Period covered by Communication on Progress (COP)

From: 18th Feb 2011

To: 16th April 2012

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

Please provide a statement of your company's chief executive expressing continued support for the Global Compact and renewing your company's ongoing commitment to the initiative and its principles (Please include name and title of the chief executive at the bottom of the statement).

H.E. Ban Ki-moon

Secretary-General

United Nations

New York, NY 10017

USA

Date: 16th April, 2012

Dear Secretary-General,

In K-One, the commitment to the Global Compact's ten principles remains firm. Our vision and company value is to build innovative attitude in social & technology innovation in K-one. The Global Compact's principles are embedded within our company's business practices, policies, and operations and help us function as a stronger company.

Our commitment to the Global Compact – as well as our commitment to working responsibly – is a fundamental of continuous improvement to adapt the best challenges in meeting customer expectation and provide technical know-how solutions to our customers. This is not limited to implement lean manufacturing concept to improve yield, productivity and reduce resources. Indeed, we develop with customer for green material in products as well as meeting RoHS and REACH requirement.

We are effectively communicated the company policy and procedures to every employee and other interested parties, including business partners, suppliers and other stakeholders where appropriate. We provide regular training to employees and other interested parties to promote awareness related to environmental, health and safety as well as corporate social responsibility.

Looking ahead, as part of our effort to operate with the gentlest environmental footprint possible, we will explore new ways that we can apply our technology along with the innovative attitude of our employees to improve social and environmental in line with local and international standards.

Yours sincerely,

Martin Lim



Group CEO, K-One Technology Bhd.

Human Rights Principles

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

Description of the relevance of human rights for the company (i.e. human rights risk-assessment).

Description of policies, public commitments and company goals on Human Rights.

- *The Company is working on a CSR project to ensure equal treatment of staff benefits to all staffs*
- *Freedom to speak out*
- *No discrimination on race, age, gender and disability*

Implementation

Description of concrete actions to implement Human Rights policies, reduce Human Rights risks and respond to Human Rights violations.

- *Working on a CSR project to commensurate with human rights policies*
- *To include all level of workers to be part of committee such as Health & Safety Committee*

Measurement of outcomes

Description of how the company monitors and evaluates performance.

- *Social dialogue with workers to be held every quarterly*

Labour Principles

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

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities). Description of written policies, public commitments and company goals on labour rights.

- *We do not hire staff below 16 years old*
- *Social dialogue for workers to voice out their concerns*
- *Workers are paid on time accordingly*
- *No illegal deduction of wages*

Implementation

Description of concrete actions taken by your company to implement labour policies, reduce labour risks and respond to labour violations.

- *All recruitment of staff are above 16 years old*
- *Social dialogue to be set up on a quarterly basis*
- *All salaries are paid by last day of the month*
- *Pay slips are provided to staff to indicate details of their wages*

Measurement of outcomes

Description of how the company monitors and evaluates performance.

- *Comply with Employment Act 1957*

Environmental Principles

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

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection

- *To provide hassle-free integrated one-stop technology solutions which are of quality, competitive cost, on-time delivery and environmentally friendly to customers in the communication, computer, consumer electronics, automotive and health-care industries.*
- *To design, develop, manufacture and market products that are safe for their intended use and do not adversely affect the environment.*
- *To promote conservation, preservation of environment and prevention of pollution through management of significant environmental aspects.*
- *To meet or exceed all applicable legal and other requirements such as customer requirements through continuous improvement of our Quality and Environmental Management System with commitment of all staff.*

Implementation

Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents

- *Perform Aspect & Impact analysis for new production line and equipment set up.*
- *Improvement in consumption of resources such (Water, Electricity, Paper and Packaging) which review monthly.*
- *Development green material in product and compliance test such as XRF test.*

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance

- *To achieve <8,000 KWh electricity consumption per RM1 mil sales volume of a year*
- *To reduce water consumption < 2.280m³ / 2 months / employee*
- *To audit at least 4 raw material suppliers for environmental management and awareness*
- *To comply with RoHS & REACH requirements*

Anti-Corruption Principles

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

Assessment, Policy and Goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment).

Description of policies, public commitments and company goals on anti-corruption.

- *In our line of work, we generally do not need to deal with any bureaucracies where there are corruption risks.*
- *We also do not deal with any suppliers that have monopoly power over any goods or services. We addressed our intolerance towards corruption or bribery in our Employees Handbook.*
- *We regard bribery as a major misconduct. In our handbook, bribery covers acceptance of bribes, directly or indirectly by the employee himself or through members of the employee's family.*
- *We also have policies such as Unethical/Unlawful Conduct Reporting Policy & Procedures that addresses bribery.*
- *All these contribute to the creation of an ethical environment that makes corruption/bribery unthinkable*

Implementation

Description of concrete actions to implement anti-corruption policies, reduce anti-corruption risks and respond to incidents.

- *The Unethical/Unlawful Conduct Reporting Policy & Procedures provide an effective means to individuals for reporting unethical/unlawful conduct which includes but not limited to taking or soliciting bribes.*
- *Our board of directors closely oversees the senior management's activities and, with the assistance of the internal and external auditors, secures assurance concerning the state of our organization's system of internal control.*
- *We take reasonable steps to ensure that our books, records and overall financial reporting are transparent.*

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

- *Monitoring controls by auditing high risk transactions which includes but not limited to auditing all transactions posted to Gifts/Entertainment general ledger accounts.*
- *Under the Unethical/Unlawful Conduct Reporting Policy & Procedures a Quarterly Report of Unethical/Unlawful Conducts and an Annual Report of Unethical/Unlawful Conducts are kept.*
- *We evaluate our anti-corruption/anti bribery effort through the number of bribery complained reported.*