



金海機械工程有限公司
KUM HOI ENGINEERING INDUSTRIES SDN. BHD.
(No. Syarikat 110137-D)
No. 5, Lot 550, Jalan Subang 2, Taman Perindustrian Subang,
47610 UEP Subang Jaya, Selangor Darul Ehsan, West Malaysia.
Tel No.: 603-80233568 (HUNTING LINE) Fax No.: 603-80251042 / 80235696
URL: www.kumhoi.com.my



Communication On Progress 2014

Statement of continued support

In 2009, Kum Hoi Engineering Industries Sdn Bhd (KHEI) became a signatory to the United Nation Global Compact (UNGC). I am pleased to confirm that Kum Hoi Engineering Industries Sdn Bhd reaffirms its support of the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations.

We will continue to support the UNGC Principles and look forward to report our progress again next year. In order to support public accountability and transparency concerning our efforts, we are committed to share this information with all our stakeholders.

Yours sincerely,

Kevin Chan Kin Wai
KHEI Executive Director
6th June 2014

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure they are not complicit in human rights abuses

- **Assessment, Policy and Goals**

KHEI is committed to develop an organizational culture which supports internationally recognized human rights and avoid any involvement in the abuse of human rights. We provide an environment which supports and promotes equal opportunities, dignity and mutual respect. This is clearly stated in our Human Rights & Sustainability Policy.

- **Implementation**

KHEI practice no discrimination in race, gender and religion. All our employees are allowed to practice their chosen religion and belief without prejudice. Our employees are of different ethnics and they are all treated equally.

New employees are informed about Code of Conduct, Human Rights & Sustainability Policy and Employee Manual through induction trainings. Every employee can raise any employment issues and perceived violations with their respective superiors, managers or the Human Resource department.

Also, we target to educate our vendors on the Supplier Code of Conduct. Other than that, we did organize a Human Rights awareness training workshop for employees in September 2013. The training was conducted by our appointed consultant for ISO 26000 Social Responsibility.

In KHEI, we make sure our foreign workers have an appropriate accommodations and facilities during their stay and work in Malaysia. A canteen was built to provide them with a decent place to consume their meals.

- **Measurement of Outcomes**

During the reporting period, there was no complaint from employees regarding any violation of Human Rights in KHEI.

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**

KHEI complies with the Malaysian law and ensure that all our foreign workers receive their benefits as stipulated in their respective contracts. Every endeavor is also made to ensure that their condition of employment is safeguarded.

We respect the rights of employees to freedom of association and collective bargaining. An open door policy has been established where employees can report grievances to their upper management and the Human Resources Manager.

We do not employ or condone any form of forced labour because we consider that as fundamental violation of human rights. Also, we are totally against the practice of child labour. All job applications are subject to detailed screening by our Human Resources personnel.

All employees in KHEI are given equal opportunities; hiring and promotion of employees are based on meritocracy and criteria like academic qualifications, skills and track record.

- **Implementation**

In August 2013, KHEI implemented the minimum wages policy which was enforced by the Malaysian government law. With this implementation, our employees can meet their basic needs and increase productivity.

On top of that, Labour awareness training was conducted by our appointed consultant in September 2013 to make sure sufficient information was given on all relevant labour legislation.

By second half of 2014, we will organize the Safety Orientation training for new employees which will guide them on the importance of using the safety equipment and the safety precautions to be aware of while performing their duties.

A better working environment will develop happier employees; we have formed the Sports and Recreation Club, a committee that will organize outdoor activities and events for KHEI employees. Last year, we had organized the badminton competition and bowling competitions.

- **Measurement of Outcomes**

No grievances or complaints were reported during this reporting period. KHEI did not receive report of any accident case involving loss of life.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility;

Principle 9: Businesses should encourage the development and diffusion of environmental friendly technologies

- **Assessment, Policy and Goals**

Environmental Management System (ISO 14001) was adopted aiming at controlling the environmental impact of its activities. KHEI was certified with ISO 14001 in 2010 and since then we are committed to ensure that all our activities is safeguarded and does not harm or destroy the environment.

- **Implementation**

Since 2010, all concerned employees had to undergo training on all environment aspects. These include Chemical Control, Environmental Pollution and Waste Control, Emergency Preparedness and Response, Environmental Monitoring and Measurement, Forklift Training and Fire Drill Training.

The activities/programmes to monitor environmental protection that have either been completed or underway are:

- Waste Water Treatment Plant
 - ✓ The weekly monitoring on the final discharge was conducted by our appointed laboratory service provider
- Boundary Noise Level Monitoring
 - ✓ The yearly monitoring on the boundary noise was conducted by our appointed laboratory service provider
- Air Emission Monitoring and Dark Smoke Monitoring
 - ✓ These of 3 months and 6 months respectively were conducted by our appointed laboratory service provider
- Sewage Final Discharge Point
 - ✓ This is conducted yearly by our appointed laboratory service provider

- Additional Noise Level Monitoring
 - ✓ This is conducted by appointed noise competent person if there is any change in process or equipment.
- Audiometric Testing
 - ✓ The yearly testing on the audiometric was conducted by our appointed laboratory service provider
- Local Exhaust Ventilation monitoring
 - ✓ The yearly monitoring was conducted by our appointed laboratory service provider

In July 2011, two representatives from our Safety and Health Committee attended the Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems-Physical Chemical Processes (CePIETSO-PCP).

By second half of 2014, our representatives will be attending a few environmental courses such as:-

- Course for Certified Environmental Professional in Scheduled Waste Management organized by the Airwastewater Management Sdn Bhd
- Course for Certified Environmental Professional in Scrubber Operation

We have appointed a consultant to guide us on ISO 26000 Social Responsibility in second half of 2013.

- **Measurement of Outcomes**

External audit on ISO 14001 was conducted in 25th and 26th March 2014. No NCR was issued during this reporting period.

Anti-Corruption

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

- **Assessment, Policy and Goals**

KHEI does not condone or tolerate any corrupt practices, either by its employees or its suppliers. This is clearly set in our Human Rights & Sustainability Policy as well as Supplier Code of Conduct.

- **Implementation**

Anti-corruption training was held in September 2013 in order to ensure that all of our employees and our suppliers are fully aware and understand KHEI's strong stand against corrupt practices in all form.

- **Measurement of Outcomes**

No fraudulent or corruption activities were reported during this reporting period.