

KMD Computer Group

The United Nations Global Compact



Annual COP (Communication on Progress), 2020

Participant: KMD Company Limited

Date of joining to the Global Compact: May 7, 2012

COP Time period: May 2019 to May 2020 (8th Anniversary COP)

COP Published: March 17, 2020

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

To our stakeholders,

Our KMD Group is now 34 years (established since 1986) in the Myanmar ICT Industry, and this year is our 8th year of joining to the United Nations Global Compact. Since recent years, we got aware that, the United Nations has launched a ground-breaking set of global 17 Sustainable Development Goals (SDGs) for 2016 – 2030 as the future development framework while the era of the Millennium Development Goals (MDGs) for 2000 – 2015 had expired in 2015.

We KMD accept the fact that, Sustainable Development Goals (SDGs) meant to transform our World by providing an historic opportunity to unite all global stakeholders to end extreme poverty, fight inequality and injustice, and protect our planet.



KMD had joined the UN Global Compact in May, 2012, to support the Ten universally- accepted Principles in the areas of **Human Rights, Labour, Environment, and Anti-corruption**, by believing the fact that these principles will bring the World to be better and safer living World.

We also hope that the OECD (Organisation for Economic Co-operation and Development) Due Diligence Guidance for Responsible Business Conduct (RBC) also aligns and conforms with the Ten Principles of the UN Global Compact. And we will continue maintaining the standard practices we have achieved over last 34 years while we will keep continuing our best to blend the Global Compact & its Ten Principles, and Due Diligence into our business strategies, plans, practices, ethics, behaviors, cultures and to our day-to-day operations and activities. We also expect our suppliers, partners to comply with their respective Code of Conduct and Due Diligence for continuous improvement in responsible business practices.

From 2020 and beyond, we will continue to explore the 17 SDGs to realize that which Goals are mostly relevant and applicable to our business, and we will try to define our priorities based on an assessment of our exploration, its potential impacts & consequences of the SDGs across our value chains.

We are pleased to share this information through KMD website and annual report.

Your Sincerely,
Mr. Ronald Shwe, CEO

Honorable Initiative Statement by Founder & Chairman (and former CEO)

on April 30, 2012 for KMD joining to the United Nations Global Compact

30 April 2012

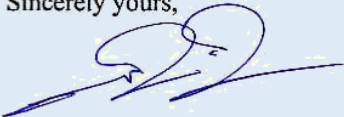
H.E. Ban Ki-moon
Secretary-General United
Nations New York, NY
10017 USA

Dear Mr. Secretary-General,

I am pleased to confirm that *KMD Company Limited* supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. *KMD Company Limited* will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within *one year* of joining the Global Compact, and *annually* thereafter according to the Global Compact COP policy.

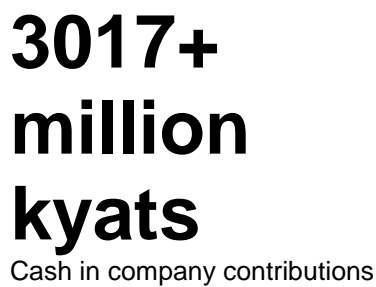
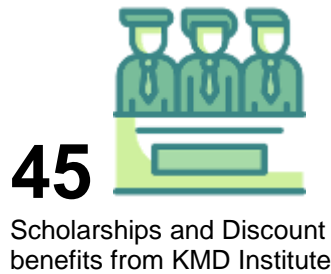
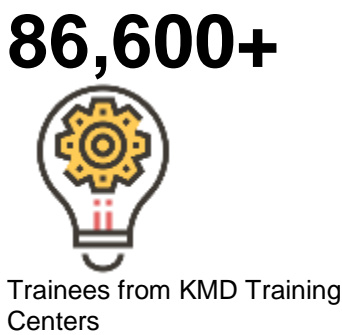
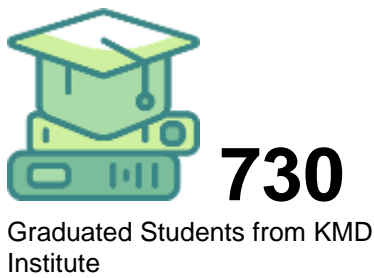
Sincerely yours,



Mr. Thaung Tin
CEO

HIGHLIGHTS FROM 2019

This figure provides a high-level view of our progress in sustainability over the last year.





Goal 1 End poverty in all its forms everywhere

Goal 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 3 Ensure healthy lives and promote well-being for all at all ages

Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
 ~ *relevant and applicable to KMD considerations*

Goal 5 Achieve gender equality and empower all women and girls
 ~ *applicable to KMD considerations*

Goal 6 Ensure availability and sustainable management of water and sanitation for all
 ~ *applicable to KMD considerations*

Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all
 ~ *applicable to KMD considerations*

Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
 ~ *relevant and applicable to KMD considerations*

Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
 ~ *relevant and applicable to KMD considerations*

Goal 10 Reduce inequality within and among countries

Goal 11 Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12 Ensure sustainable consumption and production patterns
 ~ *applicable to KMD considerations*

Goal 13 Take urgent action to combat climate change and its impacts

Goal 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development
 ~ *applicable to KMD considerations*

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

During 2019, awareness explanation has been given to every newcomer employees about the importance of the UN Global Compact and the company's participation.

We continue to keep ourselves in our operations that, we are not complicit in human rights abuses or not conflicted with the Universal Declaration of Human Rights.

Keeping in mind that Corporate Philanthropy and Social Responsibility are the part of the company's responsibilities, CSR (Corporate Social Responsibility) related several activities such as blood donation activities (3 times per every year), education trainings, donations to elder people, contributions to schools, society organizations, monasteries, donations for religious events, and traditional cultural fairs have been continued throughout 2019 as KMD Corporate Philanthropy.



2019 13th time Blood donation activity led by Ms. Tyn Tyn Aye - the President of KMD



2018 Blood donation activity led by the President of KMD



2019 13th time Blood donation activity participated by employees of KMD



2019 13th time Blood donation activity participated by employees of KMD



2019 12th time Blood donation activity participated by employees of KMD



2019 13th time Blood donation activity participated by employees of KMD



Education Trainings sponsored by KMD Foundation 2018



Education Trainings sponsored by KMD Foundation 2018



Union Day 2018 activity by KMD: Bringing the unity, and value of traditional dresses



Union Day 2018 activity by KMD: Bringing the unity, and value of traditional dresses



Union Day 2018 activity by KMD: Bringing the unity, and value of traditional dresses



Union Day 2018 activity by KMD: Bringing the unity, and value of traditional dresses



Union Day 2018 activity by KMD: Bringing the unity, and value of traditional dresses

During 2020,

1. Awareness training session will be continued to give to all relevant level of employees within the company to raise the awareness on 30 Articles mentioned in the Universal Declaration of Human Rights.
2. Suggestion system such as suggestion box, email complaint system will be continued 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 reviewed by HR department, senior management group, and will take actions.
3. Effectiveness of suggestion system, and resolution on Human Rights abuses will be reviewed and updated within the company.

4. Human resources, and other policies and procedures relating to Human Rights will be reviewed and updated.
5. Consultation with stakeholders will be made regarding Human Rights policy and implementation.
6. Corporate Philanthropy and CSR (Corporate Social Responsibility) related activities will be continued every year.

During 2020 – 2025,

1. Human Rights related concerns will be kept discovered, resolved and protected.
2. Further advanced consultations with stakeholders will be arranged that are based on seriousness regarding Human Rights policy, implementation, concerns, and resolutions.
3. Corporate Philanthropy and CSR (Corporate Social Responsibility) related activities will be continued.

Measurement of outcomes

During our 8th year (2019 – 2020), 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 continue measuring 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



Religious affair activity, led by Top Management of KMD 2019



Religious affair activity, participated by KMD 2019



Donation by Founder of KMD Group of Companies, 2018



Donation by the President of KMD Group of Companies, 2018



Religious affair activity by KMD 2019 March: Full moon day, Shwe Dagon Pagoda



Religious affair activity by KMD 2019 March: Full moon day, Shwe Dagon Pagoda



Religious affair activity by KMD 2019 March: Full moon day, Shwe Dagon Pagoda



Religious affair activity (contribution of lights) by KMD 2019 March: Full moon day, Shwe Dagon Pagoda

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

During 2019,

1. Awareness explanation has been given to every newcomer employees about the importance of the UN Global Compact and the company's participation.
2. 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.
3. As a part of staff social welfare program, holidays & vacation, salary increments, performance allowance and bonus, loans without interest, seasonal religious ceremony events, annual dinner, and other activities have been done as usual.
4. As a part of KMD Group of Companies' corporate social responsibility and employee benefits, KMD Top Management Group had provided and HR Management had arranged the Corporate Medical Screening (Medical Check-up)

package for all long-term serviced management level KMDers (*KMD careers*) on September 1, 2019.

5. Scholarships for employees to earn ICT related degree, diploma, certificate have been offered, and discount & grant program were allowed for employees to attend KMD's ICT courses.

6. 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 2020,

1. Awareness training sessions will be continued for relevant 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. Safety supports such as First-aid box, accident log-book will be checked to locate at suitable places of work and offices. Security guards are employed for safety and security at work and offices.

5. Suggestion system such as suggestion box, email complaint system will be continued 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 reviewed by top management and will be discussed promptly.

6. Effectiveness of suggestion system, and resolution on Labour related issues will be reviewed and updated within the company.

7. Labour Rights related knowledge will be shared to our business partners and suppliers to understand, to respect, and to support 4 principles on Labour.

8. Consultation with stakeholders will be made regarding Labour related policy, issues, and resolutions.



Corporate Medical Screening (Medical Check-up) activity 2019



Corporate Medical Screening (Medical Check-up) activity 2019



Corporate Medical Screening (Medical Check-up) activity 2019

During 2020 – 2025,

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

Measurement of outcomes

So far as of 2020, KMD has no known cases of discrimination in respect of hiring and employment practices whether those are based on 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



Sports activity of employees 2019.
Award offered by Mr. Thuang Tin - Founder & Chairman of KMD Group of Companies



Sports activity of employees 2019.
Award offered by Mr. Thuang Tin - Founder & Chairman of KMD Group of Companies



Sports activity of employees 2019. Award offered by CEO



Sports activity by KMD 2019



Sports activity by KMD 2019



December 2019 Sport activity participated by KMD Institute



December 2019 Sport activity participated by KMD Institute





Performance Award offered by Mr.Thaug Tin - Founder & Chairman, KMD: January 2020



Centre Award offered by Ms.Tyn Tyn Aye - the President of KMD: January 2020



Performance Award offered by Group CEO, KMD: January 2020



Performance Award offered by KMD Institute CEO: January 2020



Dance performance by KMD employees: January 2020





Mr. Thaug Tin - Founder & Chairman of KMD Group of Companies given keynote speech at KMD Annual Dinner, January 2020



Keynote speech listen @ KMD Annual Dinner, January 2020



Keynote speech listen @ KMD Annual Dinner, January 2020

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 and beyond.

We hope that, global 17 Sustainable Development Goals (SDGs) for 2016 – 2030 will protect our planet and transform our World to better, healthy and resourceful World.

Circular Economy | Environmental Awareness:

The development of re-X (reduce, reuse, recycle, refurbish, resale, re-production, re-model, re-change, remanufacturing, etc.) technology and practices is one of the focuses KMD is considering to leverage this technology & practices for the transition towards a Circular Economy, environmental issues, and Zero Emission concept.

Zero Emission:

The concept of zero emissions is based on improving technologies and processes to the point of maximum resource productivity and virtually no waste. This goal can be approached in a number of ways, including technological innovation, pollution prevention, cleaner production, by-product synergy, or industrial ecology. All of these are ways of eliminating wastes or turning wastes into profitable resources, while preventing harm to environmental and human health.

Being an IT Education Training company, and IT & Mobile products sales company, the nature of our operations makes us no direct, significant bad impact on environment, or negative 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, while protecting the natural nature of environment.

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.*



Neat & clean environment of KMD shopping mall, downtown Yangon

Implementation

Over the past years,

1. KMD made its working environment and shopping areas of Sales centre clean, neat & tidy, safe, and enjoyable places. Energy saving LED lights had been deployed. Re-cycled papers were used. LCD monitors had been 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 kept working areas & shopping areas clean daily. Toilets were cleaned daily. Purified, drinkable waters were provided at work places for easy access.

For upcoming years 2020 - 2025,

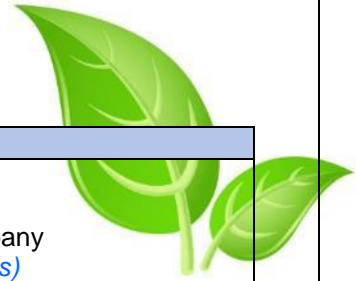
1. We will continue to give awareness raising trainings to all employees on environmental protection.
2. We will promote to reduce waste materials and consumption of resources (energy, fuels, water, electricity, paper, packaging, etc.)
3. We will participate in activities that are aimed at improving 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 study environmental management systems & procedures for evaluating the progress, minimizing negative impacts on environment, and transferring good practices.

Measurement of outcomes

So far as of 2020, KMD has no known cases of legal cases or fines that are related to environmental principles. Costs on electricity power consumption are reduced after deploying energy saving LED lights, and use of LCD monitors in place of old CRT monitors. Environmentally hazarded waste materials were not produced.

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.

Business Models for a Circular Economy



Business Model	
1 Procurement	<ul style="list-style-type: none"> - Sell renewable energy and renewable materials <i>(e.g. Solar power, Inverter, UPS, PowerBank @ KMD Sales)</i> - Use renewable energy and renewable materials inside the company <i>(e.g. LED light, Solar power, Inverter, UPS, Copier @ KMD Offices)</i>
2 Collection and Recycling	<ul style="list-style-type: none"> - Collect products whose service lives have ended <i>(e.g. used computers & accessories @ KMD Offices)</i> - Collect waste and by-products that are generated in the company's processes & operations <i>(e.g. used computers, old record books/papers @ KMD Offices donation of computers to schools)</i>
3 Extend product service lives	<ul style="list-style-type: none"> - Recover used products <i>(e.g. regular maintenance of computers, office equipment, power generators, vehicles @ KMD Offices)</i> - Collect and resell used products <i>(e.g. used computers & accessories, office equipment, etc. @ KMD MRS)</i> - Get profits by upgrading and changing/repairing disposal parts <i>(e.g. upgrade computers, mobile devices @ KMD Service)</i> - Focus on customers who prefer premium quality, and make products that will last long time <i>(e.g. selling premium quality products, providing quality services, that last long time @ KMD Sales)</i> - Make earning models such as pay-per-service (cost is incurred in accordance with the amount used) <i>(e.g. computers rental, service contract @ KMD MRS)</i>
4 Convert from ownership to sharing	<ul style="list-style-type: none"> - Make more efficient use of products/services possible by means of lending, borrowing, sharing, exchanging products, and take full advantages on products & services <i>(e.g. Server & network, printer @ KMD Offices donation to schools)</i>
5 Change products into services	<ul style="list-style-type: none"> - Make the model where people only pay for the amount of products & services that they use as Pay-as-you-go, lease, rental, performance contracts, etc. <i>(e.g. education training, computers rental, service contract @ KMD Institute, KMD MRS)</i>

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 administrative officials, 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 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 & balances system over the business transactions were audited by internal audits, external audits, finance, administration and HR department, in order to detect and minimize anti-corruption risks and to respond appropriate actions to incidents.

For upcoming years 2020 - 2025,

1. We will communicate to all employees to follow on the anti-corruption commitment.
2. Internal and external checks & balances system over the business transactions will be kept audited, maintained, and controlled by internal audits, external audits, finance, administration and HR department.
3. Appropriate actions will be taken against 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 never been involved in any legal cases with its business suppliers, partners, related to corruption and bribery. Because of regular and compulsory auditing system practiced within the company, corruption risks were almost minimized or non-existed.

For upcoming years, KMD will continue to 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 against the problems.



Traditional dance performance by KMD Senior Management group @ KMD Annual Dinner. January 2020



Traditional dance performance by KMD Senior Management group @ KMD Annual Dinner. January 2020

