

R&M Manufacturing Co., LLC Communication on Progress (COP)
United Nations Global Compact

General

Period covered by the COP

From: April 1, 2009 To: December 31, 2010

Statement of continued support by Todd L. Dyste, Chief Executive Office (CEO)

It is the commitment of R&M Manufacturing Co., LLC to work towards fulfilling the goals of the United Nations Global Compact. R&M is committed to maintaining core values in the areas of human rights, labour standards, the environment, and anti-corruption. Values, rights, and expectations are outlined for employees in the R&M Employee Handbook. The Company strives for ways to ensure responsible business practice and sustainability within our company and spread those concepts to our customers and suppliers.

Todd L. Dyste
R&M Manufacturing Co., LLC
Chief Officer / President

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

- **R&M Policy Against Harassment:** R&M is committed to providing a work environment that is free of discrimination and harassment, and to provide a means of dealing with such incidents should they occur. In situations of harassment, investigations will occur and initiators will be subject to disciplinary actions, depending on the circumstances.
- R&M values all human beings and understands that all are entitled to international standards of human rights. All employees, customers, and vendors are treated equally regardless of nationality, race, ethnicity, gender, or expression of the aforementioned.
- R&M follows privacy in human resources and personal matters.
- R&M offers free flu vaccines, hearing screenings, on the job training.
- R&M offers savings plans for employees, health and dental insurance plans
- R&M offers paid time off, fair vacation time off, leave, and recognizes holidays as non-working days.

Goals:

- Create formal progress reporting techniques for all human rights engagements.
- Sign up and complete the Human Rights Compliance Assessment and follow through with annual reviews of our improvements within the HRCA.

Implementation

- R&M has identified the need to improve the HR department and is identifying action plans to improve our commitment to employees in 2011 and beyond.

Measurement of outcomes

R&M is new to the review and reporting of human rights abuses. A policy is in place to write up, warn, and potentially remove employees who violate human rights within the company.

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

- R&M is an **equal opportunity employer** and does/will not discriminate against employees, prospective employees, customers or vendors and will make all employment and business decisions in accordance with all applicable laws and statutes prohibiting employment discrimination.
- **R&M Open Door Policy:** employees are free to discuss with their supervisor any problem or question they may have regarding policies and procedures of the Company. Our goal is to openly address issues and concerns.
- **R&M Employee classification:** all employees are classified as under certain employee categories and will have a “service date” which will govern their eligibility for various benefits such as vacation, service recognition, and participation in qualified retirement plans.
- R&M follows minimum pay requirements and offers equal pay for equal work. Time cards and time reporting methods appropriate to the work environment and applied. All employees are paid bi-weekly with pay options available; hours of work are clearly stated for employees and are subject to change/compromise. Employees are given appropriate breaks and rest times for lunch, holidays are recognized and are considered paid time off, and Personal Time Off (PTO) is afforded to the employees at an incremental increase per terms of employment.
- **Overtime pay:** non-exempt employees are entitled for hours worked in excess of 40 hours in a weekly pay period.

- R&M Policy on **Confidentiality**: confidential information must never be released verbally, copied, removed from company premises or in other way used by employees for any purpose outside the scope of their employment or revealed to non-company persons without the expression written consent of the company.
- Possession, use reporting to work, or operating a company vehicle under the influence of **alcohol or prohibited substances is strictly forbidden**. Disciplinary action up to immediate termination will be taken if this policy is abused.
- **Corrective action**: corrective action will result from unacceptable behavior or performance on the part of the employee.
- R&M understands that **workplace safety** is a natural human rights and has crafted policies regarding overall worker safety including, but not limited to: **ear/hearing protection, eye/eyewear protection, foot/footwear protection**, along with other overall job safety procedures.
- In addition to all of the aforementioned policies, the following policies are recognized at R&M for the benefit of the Company and the Employee:
 - Personnel and payroll records
 - Productivity and teamwork
 - Visitors
 - Use of company telephones and internet
 - Company equipment and tools
 - Solicitation of employees or distribution of literature
 - Gifts and gratuities
 - Smoking and use of tobacco products
 - Employment of relatives
 - Attendance and punctuality
 - Inclement weather
 - Performance appraisal/review
 - Jury duty
 - Death in immediate family
 - Health and welfare benefits
 - Leaves of absence
 - Military leave
 - Parental leave
 - Minnesota parental leave
 - Federal Parental leave
 - Serious health condition leave
 - Termination of employment
 - Work rules
 - Outside employment
- **Work place safety**: all warehouse and manufacturing employees are provided a copy of the **Company Safety Policy** as amended from time to time and must comply with all aspects of that policy. Safety violations are grounds for disciplinary action up to and possibly including immediate termination of employment. All employees are to report injuries and

accidents involving equipment or fixtures and/or work induced illness immediately. These reports are updated in the OSHA 300 Log.

- **Manufacturing Manager position filled:** R&M filled the General Manager position with a main goal of improving workflow and worker safety.

Implementation

- At time of employment, R&M provides each employee with an Employee Handbook explicitly outlining each of our policies.
- Policies are in effect for worker safety including first report of injury, hazardous spills, and blood contamination procedures, along with all of the aforementioned policies.
- R&M is an equal opportunity employer and employs citizens from over 5 different countries, employs both men and women, and encourages all to apply.
- R&M offers quarterly shareholder meetings to discuss all pertinent topics, including, but not limited to, profit, worker safety, expansion to new markets, etc.

Goals:

- Ongoing goal to improve upon worker safety and reduce injury.
- Annually review the number of on the job accidents.
- Create formal progress reporting techniques for all labour engagements.

Measurement of outcomes

- Consistently pass ISO and OSHA audits
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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

- **Environmental Policy Statement:** R&M is committed to the health and safety of our environment, community, and employees. We are dedicated to responsible business practice and recognize that proper environmental management is necessary throughout all functions. The company is committed to minimizing negative impacts on the environment and to continually monitor and improve performance by focusing on specific Environmental Policy Objective.
- **Recycling Policy – Comprehensive:** It is our goal at R&M to reduce waste and increase recycling efforts. Recycling of products includes, but is not limited to the following materials:
 - Cardboard, plastic and other material recycling policy

- Paper recycling policy
- Plastic bag and film recycling policy
- Toner and ink recycling policy
- Electronic disposal policy
- Battery disposal policy
- Waste fluids policy
- Energy efficient lights installed throughout shop for energy savings and worker safety

Goals:

- Create formal progress reporting techniques for all environmental engagements ie. logs reporting time and load amount of recyclables, energy savings, etc.

Measurement of Outcomes

- June 24, 2004
Certificate of Recycling issued by Green Lights Recycling confirming that lamps, electronics, and/or other universal waste products from R&M will be recycled and/or disposed of all components in accordance with all agreements Federal, State, and Local laws and regulations.
- July 27, 2008, May 8 2009
OSI Environmental, Inc. Shipping Manifest (Non-Hazardous) Recyclable Materials pickup confirmation. This letter clearly states that all used oil and used oil filters/sorbents are subject to E.P.A. Regulation under 40 CFR Part 279 and MN R. Chapter 7045, Et Seq., Wisconsin Chapter 590. OSI certifies that oil filters and used antifreeze will be shipped for recycling.
- Sept 3, 2009
Letter from the Buffalo City Administrator stating that, “to the best of our knowledge R&M Manufacturing is in compliance with all local laws regarding environmental issues such as air, light, labor, health and safety.”

Anti-Corruption Principles

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

Assessment, Policy, and Goals

- R&M receives and grants no forms of extortion or bribery in its operations.
- R&M knows of no employees, customers, or vendors that uses corrupt tactics in their business practice and would analyze the relationship if any extortion or bribery was suspected or found.

Goals:

- Create and distribute an Anti-Corruption Policy before the submission of the second COP. Request compliance with the UN Global Compact anti-corruption policies from customers, vendors, and employees.

Implementation

n/a

Measurement of Outcomes

n/a