

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

General

Period covered by the COP

From: December 31, 2013 To: July 13, 2015

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.

In 2013, R&M Participated in the ECOVADIS Survey CSR. During 2014 and 2015, R&M used the results of that report to build on its commitment to Corporate Responsibility.

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 continues to support these principles as stated in its previous progress reports.

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

- In 2014, R&M continued to improve the alignment of the HR department and its employees with its core values.
- The core values that were written by the employees are:
- **Safety: Safety is the #1 priority!**
- **Growth: Invest in people and infrastructure.**
- **Integrity: Operate with honesty without compromise.**
- **Service: Provide world class service to foster dynamic partnerships.**

- **Teamwork:** Work together to continually improve the organization.

Measurement of outcomes

R&M has a policy in place to write up, warn, and potentially remove employees who violate human rights within the company.

R&M has worked with employees to provide further training on shop processes

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 a 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 are 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 expressed 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 right 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 the 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 meeting 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

- Passed the ISO audits for 9001:2008 and 13485:2003
- Reviewed the number of on-the-job accidents.

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 the shop for energy savings and worker safety.

Goals:

- Develop a REACH program for hazardous materials
- Create formal progress reporting techniques for all environmental engagements ie. logs reporting time and load amount of recyclables, energy savings, etc.

Measurement of Outcomes

The goal for 2013 was not met. The company needs to create the formal process in 2015.

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 use 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 customer, vendors, and employees.

Implementation

n/a

Measurement of Outcomes

n/a