

RMA Group UN Global Compact

Communication in Progress

August 2013



UN Global Compact & RMA Group: Ideals



United Nations Global Compact

A strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of:

- Human rights,
- Labour,
- Environment,
- Anti-corruption.

The Ten Principles of the United Nations Global Compact

Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights;
2. Make sure that they are not complicit in human rights abuses.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour; and
6. The elimination of discrimination in respect of employment and occupation.

Environment

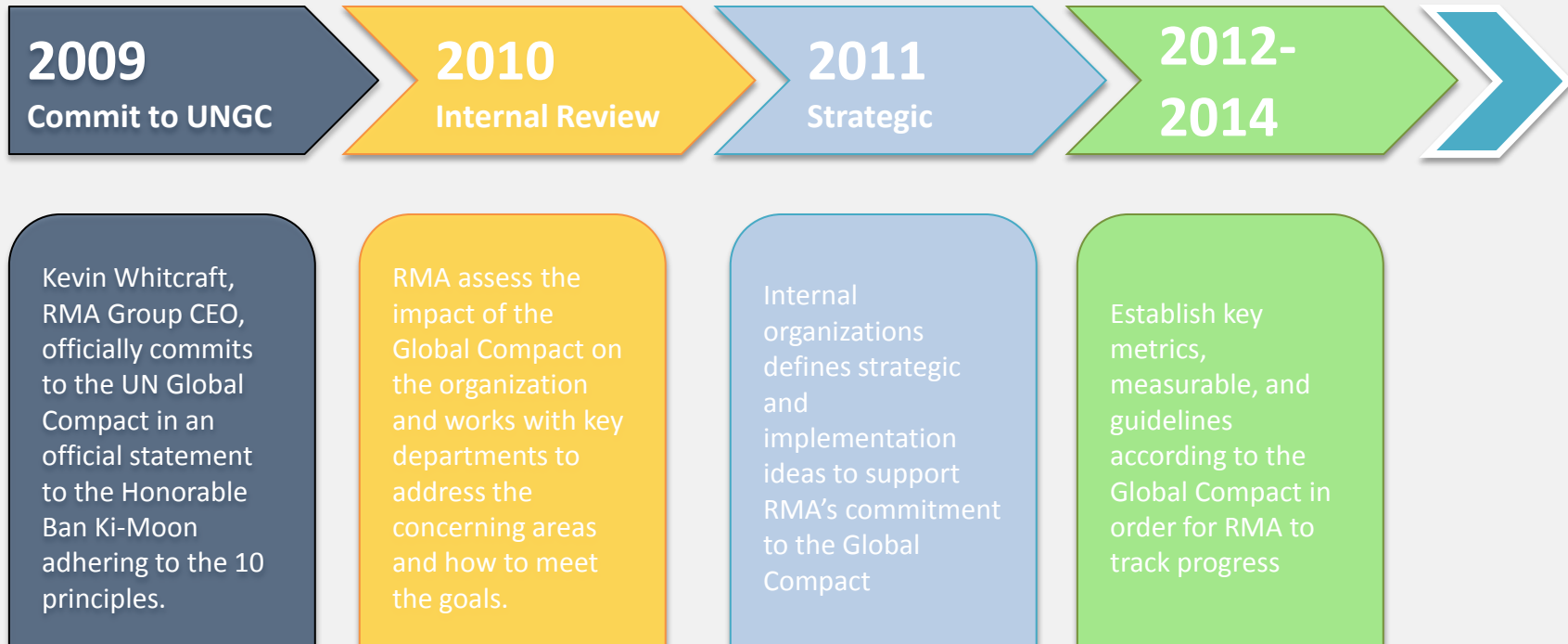
7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

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



RMA Timeline Progression on UN Global Compact



Principle: Human Rights

Principle 1,

Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2,

make sure that they are not complicit in human rights abuses.



RMA's Commitment: Human Rights

Strategic goals towards meeting the UN Global Compact on Human Rights

Education

Education is a basic human right. The wider dissemination of knowledge leads to greater equality and wide spread social development.

- RMA will establish a scholarship and award 1,000 dollar to students with goals to improve their community.
- Basic requirements: need based, academic performance, and social/business awareness.
- Internship with RMA group/subsidiary for subsequent summer break.

Ethical Sourcing

Supplier due diligence is a part of RMA's commitment to finding fair labor and ethically sound partners. As part of the due diligence background checks of suppliers are done to ensure no forced labor or child labor was used to the manufacturing of products supplied to RMA.

Outstanding Character People

RMA performs background checks on all employees hired to ensure they of outstanding character and do not participate in actions deemed questionable to human rights abuse.

All employees are required to adhere to a code of ethics which encompasses protection of human rights.



Principles: 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.



RMA's Commitment: Labour

Strategic goals towards meeting the UN Global Compact on Labour

Diversity

RMA employs over 4,000 worldwide from all cultures, background, and nationalities. We employ approximately 40 different nationalities from all continents. They represent a wide range of religious, cultural, political, ethnic and linguistic backgrounds. Due to some of our key geographical locations and the intensive manual nature of some of the work, male employees represent over 70% of the workforce currently. However, in some locations female employees represent 40-50% of the workforce, including professional and managerial roles.

Fair Treatment

Fair treatment of employees is a fundamental concept and RMA recognises employees' rights both under the laws of the countries in which we operate and through working with employee representative bodies and trade unions. We actively work with such representatives, both proactively as means to establishing fair employment conditions and where issues and disputes require management and staff working together to find solutions.

Human Rights Labour

Most Labor issues overlap with human right concerns. Therefore, RMA commitments in Human Rights are stated with Labor issues in mind. In consideration of forced and child labor, RMA will work on implementing in house supplier checks and by all measurable methods practice fair labor employment.



Principles: 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**.*

RMA's Commitment: Environment

Strategic goals towards meeting the UN Global Compact on Environment

New Technology

RMA is committed to adopting and pushing new environmentally friendly technology and processes. This includes researching and test phasing different approaches that improve the quality of the environment before implementation.

- Oil Recycling: The customary removal of used engine oil in the Afghan army was simple. Dump it. RMA introduced an easy-to-manage solution that saved money and introduced the concept of reduced waste management. The oil was filtered and recycled several times, saving money and the environment.
- CNG Vehicles: Alternative fuel sources has increasingly become most cost effective alternatives to petrol vehicles. RMA has partnered with some of the largest car manufacturers in the world to test and develop Compressed Natural Gas vehicles.

Grants

RMA is involved in a range of charitable institution and programme, the most significant of which is In 2008, RM Asia and Ford launched the "2008 Conservation and Environmental Grants" program in Cambodia and Laos. The following examples demonstrate how we have employed the grants; 1) Provided an ambulance (Ford) to the Lao Association for the Poor, 2) A donation of US\$ 6,000 to the Lao Association for the Poor to purchase rice following a drought in the South of Laos, 3) a US\$ 10,000 donation to build a school in Prea Smach village in Cambodia, 4) RMA paid for the materials and the staff of RMA volunteered their time to renovate a children's library in Cambodia, 5) Together with Ford, RMA provided and planted 2500 trees and plants in Kampong Speu Province and Siem Reap, Cambodia to help reduce soil erosion in the area and 'green' the environs of the town, 6) Provided 600 helmets to the Cambodian dept. of Transport and Ministry of Public to help promote road safety. 7) Donated 250 helmets and US\$ 3,000 to the Red Cross in Cambodia to support their road safety programme. 8) Donated over 25 tons of rice, thousands of soy sauce bottles and packets of noodles over the last 3 years as part of the Ford Adventure event. 9) donated boats and food to teams from under privileged backgrounds to allow them to take part in the Cambodian Water Festival.

RMA is also a main sponsor of AIESEC Cambodia, a programme to build the human resource capability for Cambodia by empowering its youth the develop into youth business leaders.

Certified

ISO 14001: 2004 Accreditation assures customers and neighbors of RMA's commitment to minimize its processes in product manufacturing that negatively affect the environment. RMA's commitment will continuously improve the qualities of air, water and land.



Principles & Commitment: Anti-corruption

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

Education

RMA is developing Anti-Corruption training programs to be rolled out to all our employees. Education is best tool is the effects on showing the micro and macro impacts of corruption on a individual and the surrounding communities

Internal Audit

All business transactions and agreements goes through an internal audit process to check for irregularities. The scrutinization process introduces accountability and ownership of concessions and deals made. This is RMA's effort in pushing for greater transparency.

Management Buy In

Executive Buy-In is critical to any goal an organization looks to implement. Directors at RMA will regularly communicate the challenges and hurdles of corruption to their teams.



2013 Activities: Anti Corruption

RMA has begun to roll out a company wide e-training available to targeted individuals. the RMA Group Code of Conduct and Compliance e-Training (“e-Training”):

- -Code of Conduct
- -Foreign Corrupt Practices Act (FCPA)
- -Doing Business with the Federal Government (only related employees)

The E-Training session will mandatory for all employees by Quarter 1 2014.

In addition, RMA Group will continue to conduct situational training for our affiliates, dealerships, and all other client facing stakeholders within the Group in 2014.



RMA Business Ethics Policy

- RMA Group of Companies view themselves as modern companies in tune with the demands of a market in which buyers are increasingly concerned about the impact their own actions might have in terms of the environment and human rights.
- As such, RMA Group has introduced its own Ethical Business Policy, with the aim of satisfying these customer concerns. Through it, we hope to ensure that we source our materials and services from companies, whose own practices are governed by similar principles.
- Our new policy shall be applied to suppliers of materials, spare parts and vehicle options, as well as our service providers (freight forwarders, etc). The aim is to ensure that due care for the environment has been taken during the manufacturing processes and that the goods and services are produced and provided in a manner which ensures that employees and communities have not been exploited.



RMA Business Ethics Policy

RMA Ethical Business Policy – shall strive to follow as outlined below:

- To maintain the highest standard of integrity in all business relationships.
- To reject any business practice that might reasonably be deemed improper.
- To foster the highest standards of professional competence amongst those responsible for procurement and supply.
- To enhance the proficiency and stature of those responsible for procurement and supply by acquiring and applying knowledge in the most appropriate way.
- To optimise the use of resources for the benefit of the organisation as a whole.
- To comply with both the letter and intent of:
 - The laws of the countries being dealt with;
 - Agreed contractual obligations;
 - and Professional practice.
- Goods and services should be purchased that:
 - Are produced and delivered under conditions that do not involve the abuse or exploitation of any persons.
- Not to engage with suppliers that sell or manufacture anti-personnel mines or components utilised in the manufacture of anti-personnel mines.
- Not to abuse position of authority for personal gain.
- Declare any personal interest which may affect, or be seen by other to affect, impartiality or decision making.
- Not to accept inducements or gifts other than items of low value.
- To always declare the offer or acceptance of hospitality and never allow hospitality to influence a business decision.
- To ensure that the information given is accurate.
- To respect the confidentiality of information received and not to use it for personal gain.
- To strive for genuine, fair and transparent competition.
- To remain impartial in all business dealings and not to be influenced by those with vested interests.



2012 Activities: Rio+20



RMA delegates CEO Kevin Whitcraft, Oscar Davis, and Bo Changpriroa, were invited to participate in the Rio+20 Corporate Sustainability Forum in July 2012.

Oscar Davis, UN Section Manager spoke on behalf of CEO Kevin Whitcraft at the “Business as Unusual” UNESCAP panel alongside the Honorable Assistant Secretary-General for Disaster Risk Reduction Margareta Wahlström and many other distinguished panelists.

Highlights:

- RMA discussed our story of the company’s success in Cambodia 26 years ago through a post conflict nation to an emerging economy.
- Business interaction in frontier and post-conflict economies needs patience, conscience and balance of the bottom-line.
- Invest with an eye on the effects on local economies as well as the bottom of the pyramid.
- Development and promoting of local personnel is key to RMA’s success and long term viability in the countries.



2012 Activities: Cambodia

Education, Labour, and Environment

- Support Cambodia Women Entrepreneurship Association (CWEA) in order to foster and mentor women owned businesses.
- The Young Leaders Challenge is a forum created to teach and embody the Cambodian youth towards entrepreneurship . The series of seminars is capsized by the “Final Business Plan Competition,” where winning teams are awarded prizes and internships.
- Over 20 other events such as “Clean The Beach,” “990 Trees” planting event, and “Red Cross: Road Safety” awareness and training campaigns were facilitated by RMA Cambodia over in 2012.



2012 Activities - Cambodia

1



2



3



1. Winning Student Team at the Final Business Plan Competition
2. Cambodian Women Entrepreneurs Association sponsored by RMA Group.
3. "Clean the Beach" day outing in Sihanoukville, Cambodia.

2012-2013 Activities: UNESCAP Council

- Kevin Whitcraft Chief Executive Officer of RMA Group was formally invited to join the United Nations Economic and Social Commission for Asia and the Pacific Business Advisory Council (EBAC).
- The EBAC aims to provide business perspectives and practical insights to the broad works of the United Nations, particular to ESCAP, which is UN's regional arm in Asia and the Pacific, for better services to its members countries.
- As a Member of EBAC, RMA is able to share first hand experience and best practices on the operational challenges faced in Asia and the Pacific. UNGC issues of Environment, Labour, Human Rights, and Anti-Corruption are all difficulties encountered by businesses in emerging economies
- RMA is honored and eager to learn and share experiences with UNESCAP and other businesses in the advancement and development of a sustainable and ethical business and social environment.



UNGC & RMA Moving Forward for 2013-2015

- Implement enforceable anti-corruption e-training and situational training throughout the organization.
- Establish supplier audit policies for procurement to take into consideration UNGC principles on child and fair labour recommendations.
- Champion case studies such as Cambodia and Guava UK to other subsidiaries in order to increase awareness and generate action.
- Continue to communicate and instill Global Compact values into corporate culture and employees.

