

RMA Group UN Global Compact

Communication on Progress

August 2016



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 supports the UN Global Compact



Practical Actions in Human Rights, Labour, Environment, and Anti-Corruption



Principle: 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.



Human Rights



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 has established a scholarship program for 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 in the manufacturing of products supplied to RMA.

Outstanding Character of Employees

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

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



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.



Labour



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.



Labour



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.



Environment



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 or 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 25 0 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 it’s youth the develop into youth business leaders.

Certification

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.



Environment



Principles: Anti-Corruption

Principle 10

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



Anti-Corruption



Principles & Commitment: Anti-corruption

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

Education

RMA has developed Anti-Corruption training programs , which have been rolled out to all our employees. Education is the best tool to show the micro and macro impacts of corruption on an individual and the surrounding communities

Internal Audit

All business transactions and agreements go 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.



Anti-Corruption



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 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.



Anti-Corruption



RMA Business Ethics Policy

RMA shall strive to act 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.



Anti-Corruption



Activities in Support of Broader UN Goals and Issues



2014 - 15: Anti-Corruption Training

RMA rolled out a company wide e-training on 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 has been mandatory for all employees since Quarter 1 2014. In addition, RMA Group continues to conduct situational training for our affiliates, dealerships, and all other client facing stakeholders within the Group since 2014.



2015-16: Mangrove planting



Environment & SDGs 2, 6, 12-15



2015-16: Mangrove planting

RMA employees planted over 700 mangrove seedlings in the province of Chonburi, Thailand and over 500 seedlings in Cambodia

- Mangrove trees are being cleared quickly in Southeast Asia in order to have more space for shrimp aquaculture and resorts.
- This is problematic for the local environment, as mangroves forests are home to a large variety of fish and mollusk species. These fisheries form an essential source of food for thousands of coastal communities around the world.
- Mangroves also help prevent erosion with their root systems and maintain water quality and clarity, filtering pollutants and trapping sediments originating from land.

<https://www.flmnh.ufl.edu/southflorida/habitats/mangroves/importance-mangroves/>



Environment & SDGs 2, 6, 12-15



2015-16: Sponsoring clean water and education



Ford Motor Company and RMA Cambodia handed over 8 wells to communities in Kampot Province, which now receive potable water for their more than 100 households.



Ford and RMA pledged a total of USD 20,000 this year for Ford's Conservation and Environmental Grants program in Cambodia. So far Ford Cambodia and RMA Cambodia have built more than 70 water wells across the country.



2015-16: Visiting our neighbors



A group of our employees visited a school in the Samut Songkran Province, Thailand. During the same day they also visited some disabled people living in the same Province.

RMA supports both education, with grants for promising students, and the rights of the disabled, which should have more employment opportunities, in order to support the improvement of their quality of life.



Human Rights and Labour & SDGs 1, 3, 8, 10



2015-16: Supporting education



RMA's Express Food Group (Myanmar) Ltd. donated 33 study tables and chairs and brightened the children's day with balloons and ice cream.

RMA employees visited the students of Nawarat Monastery, in the Shwepyithar District, north of Yangon. The Monastery operates a school with limited government funding and donations to provide education for approximately 320 orphans and children from low-income families.



Human Rights and Labour & SDG 4



2015-16: Funding scholarship and cultural exchange



A scholarship recipient gains the opportunity to attend high school in the USA.

The scholarship program provides a grant with the aim to help students develop their English skills as well as experience a different culture.

The Whitcraft Family and RMA Group have sponsored one AFS exchange student per year since 2012.



Human Rights and Labour & SDG 4



2015-16: Donating blood



Our employees donate blood at the Thai Red Cross Society

The Thai Red Cross often needs a large amount of blood platelets and plasma, especially during festive seasons.

RMA encouraged employees to participate in blood drives and will continue to encourage participation in the future.

2015-16: Developing leaders



This year, RMA rolled out two connected programs: succession planning and leadership development.

Both of these programs focus on developing local nationals' careers, providing training and support to help them move into more senior roles and take over team, departmental, divisional and, ultimately, country management roles.



Human Rights, Labour & SDGs 4, 8, 10



2015-16: Cleaning our city: Almaty, Kazakhstan



Other activities in Kazakhstan:

- Helping war veterans
- Providing demo cars for 8-month eco project
- Remodeling 2 low-income families' apartments
- Participation in "Discover Kazakhstan," a project supporting the development of tourism in Kazakhstan
- Employees became members / volunteers of the Red Cross / Red Crescent

2015-16: Other activities



Turkey: Donating a copy machine for a school and supplies and clothing to its students



Kenya: Sponsoring the First Lady's Half Marathon to support efforts to reduce mother and infant mortality



Cambodia: Improving safety for construction workers

- **Laos:** Donating school supplies and sports equipment to a rural school in Bolikhamxay Province; a generator the Lao German Technical school; and a John Deere tractor to Humana People to People's agricultural projects
- **Australia:** Corporate Sponsorship for Ride for Cancer riders; Food donations from Employees for the homeless through Kilo of Kindness; Employee donations to Royal Flying Doctor Service; Sponsorship of employees participating in the Leukaemia Foundation's World's Greatest Shave; Donations for Osteopathy outreach program for drought-affected farmers



Human Rights and Labour & SDGs 1-5, 7, 8, 10, 13, 15, 17



UNGC & RMA: Moving forward for 2016-17

- Continue to implement anti-corruption e-training and situational training throughout the organization.
- Review supplier audit policies for procurement to take into consideration UNGC principles on child and fair labour recommendations.
- Share case studies and success stories such as RMA Cambodia with other Group subsidiaries in order to increase awareness and generate action.
- Continue to communicate and instill Global Compact values into corporate culture and among employees.



Global Impact

The Compact aligns business operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

RMA continues to support this compact and ensures that its own actions support and embrace the protections of internationally accepted human rights and reject rights abuses.

RMA supports the elimination of discrimination in the workplace and the abolition of child labour.

