

Quality, environment and ethics

Sustainability issues are integrated into NOTE's business operations. Segments covered are quality issues, environmental impact, business ethics and human rights. This work is decentralised and co-ordinated using collective targets and guidelines. NOTE is a member of the UN Global Compact, which was started on a UN initiative.

Holistic perspective raises standards

Taking an integrated approach to various sustainability issues is crucial to how effective overall results are. These matters involve everything from helping customers to select components with good environmental and quality performance, to locating manufacture close to final markets and, as far as possible, to utilise shared transportation so that the environmental impact of transportation is limited. When mitigating its customers' impact on the environment and wider society, NOTE works actively to limit the group's negative impact on its surroundings.

Quality policy and working methods

NOTE creates competitiveness for its customers by delivering the right quality at the right time and at the right price. To achieve this, NOTE continuously develops and improves its services with the aim of constantly satisfying applicable standards and customer expectations. Production units work towards shared and measurable targets. For example, product quality and delivery precision are continuously measured for both customers and suppliers.

NOTE utilises a portfolio of quality assurance tools and methods whose origins lie in the quality systems of the automotive and pharmaceutical industries.

ISO 9000 is a series of international standards used to direct the focus of corporate quality management systems. All the group's production units have ISO 9001 certification. Using its quality management system, NOTE can trace faults and continuously develop the company's methods and processes. NOTE ensures its work is functioning

through regular audits, which monitor standards and procedures, by internal and external resources. An external party verifies and certifies its management system.

Quality audits are regularly conducted on NOTE's strategic suppliers.

Environmental policy and working methods

NOTE strives for long-term and sustainable development by producing with the minimum possible environmental impact. NOTE endeavours to comply with, or exceed, applicable environmental legislation and works on continuous improvement regarding environmental issues.

Environmental work follows international ISO guidelines, mainly the ISO 14000 series. All the group's production units have ISO 14001 certification and are audited by internal and external resources.

Although different countries' environmental legislation varies, NOTE's ambition is for all units to follow a common line of environmental work. Production units sort consumables and monitor energy consumption continuously. Other parts of operations also include environmental considerations, such as in discussions with customers regarding materials sourcing and production arrangements.

Electronic scrap, glass and paper are recycled. Improvement projects reduce waste and limit energy consumption and CO₂ emissions. Corrugated board and combustible waste are compacted to minimise the number of waste transportation runs affecting the environment. NOTE also co-ordinates freight agreements in the group to optimise transport, and thus limit energy consumption and CO₂ emissions.

The business sector is showing growing interest in the Global Compact principles and what they stand for. NOTE considers this to be a positive development.

Peter Laveson,
CEO and President

Additionally, NOTE units collaborate to share experiences, good examples and suggested improvements.

Environmental audits are regularly conducted on NOTE's strategic suppliers.

Ethics

NOTE has been a member of the Global Compact program, started on a UN initiative, since autumn 2011. The Global Compact states ten principles member companies undertake to comply with. These principles govern human rights, labour law, the environment and corruption. NOTE reports its Communication on Progress (CoP) annually to the UN. This reviews the work being conducted within the group internally and with customers, suppliers and other stakeholders.

In 2014, NOTE updated and strengthened its policy work and executed a new employee satisfaction survey. In 2015, NOTE intends to continue enhancing its policy initiatives and to make a more active contribution to the progress of its surroundings on a number of the company's markets.

NOTE's Code of Conduct is based on the UN Global Compact and is available at www.note.eu.

A summary of the NOTE units' executed and prospective work on Global Compact principles is on the following page.

UN Global Compact principles	NOTE's approach	Results 2014	Goals 2015
HUMAN RIGHTS			
Principle 1 Companies are requested to support and respect the protection of international human rights in their spheres of influence; and	NOTE has been using its Code of Conduct since 2006. NOTE endeavours to develop business with companies that have the corresponding ethical rules on accountability.	NOTE works actively and continuously on securing compliance with NOTE's Code of Conduct. During the year, NOTE encouraged customers and suppliers to join or support the UN Global Compact by communicating the significance of these issues. NOTE informed new customers of its membership of the UN Global Compact and its principles and benefits. A further six agreements were signed with suppliers who had accepted NOTE's Code of Conduct or follow similar codes in the year. NOTE followed up compliance with the Code of Conduct and UN Global Compact's ten principles with 24 suppliers. NOTE has also supported Doctors Without Borders in their admirable work to fight Ebola.	Increase the proportion of sourcing from strategic and contract suppliers by five percentage points and influence customers to accept NOTE's Code of Conduct or support UN Global Compact's ten principles. Help children and uphold their rights.
Principle 2 ensure that their own company is not party to breaches of human rights.	NOTE has been using its Code of Conduct since 2006.	NOTE actively works to ensure that the Code of Conduct is followed internally. During the year, NOTE has worked to reduce its use of conflict minerals. The implementation of NOTE's human rights policy intensified in the group subsidiaries.	Further strengthen the implementation of the human rights policy throughout all group subsidiaries.
LABOUR LAW			
Principle 3 Companies are requested to maintain freedom of association and make actual recognition of the right of collective bargaining;	NOTE respects that its employees form and join labour organisations, and negotiation is collective. Collective agreements are in place at a majority of NOTE's units. Some of NOTE's subsidiaries use OHSAS 18001 as a guideline. OHSAS 18001 is a far-reaching, global and verifiable occupational health and safety standard, which includes auditing and certification by an external party.	Principles 3–5 NOTE works actively and continuously on securing compliance with NOTE's Code of Conduct. During the year, NOTE has encouraged customers and suppliers to join or support the UN Global Compact by communicating the significance of these issues. NOTE informed new customers of its membership of the UN Global Compact and its principles and benefits. A further six agreements were signed with suppliers who had accepted NOTE's Code of Conduct or follow similar codes. NOTE followed up compliance with the Code of Conduct and UN Global Compact's ten principles with 24 suppliers. During the year, NOTE worked to reduce the use of conflict minerals. The implementation of NOTE's human rights policy, which includes labour law, has been strengthened in the group's subsidiaries.	Principles 3–5 Increase the share of sourcing from strategic and contract suppliers by five percentage points and influence customers to adopt NOTE's Code of Conduct or support UN Global Compact's ten principles. Introduce OHSAS 18001 to be used as a guideline in more subsidiaries.
Principle 4 abolition of all forms of forced labour;	As part of its business principles, NOTE and its customers' and suppliers' employees should enter employment and contracts of their own free will. Some of NOTE's subsidiaries use OHSAS 18001 as a guideline. OHSAS 18001 is a far-reaching, global and verifiable occupational health and safety standard, which includes auditing and certification by an external party.		
Principle 5 abolition of child labour; and	NOTE does not employ children and does not collaborate with companies that use children as part of their workforce. Some of NOTE's subsidiaries use OHSAS 18001 as a guideline. OHSAS 18001 is a far-reaching, global and verifiable occupational health and safety standard, which includes auditing and certification by an external party.		
Principle 6 abolition of discrimination in employment and at work.	NOTE believes in a workplace where everyone has equal opportunities to work and progress. NOTE sees and benefits from all employees' specific competence and developmental opportunities, regardless of sex, ethnicity, sexual orientation, disability, age and social background. NOTE's units are encouraged to work on integrating equal opportunities and diversity in all parts of their operations. Some of NOTE's subsidiaries use OHSAS 18001 as a guideline. OHSAS 18001 is a far-reaching, global and verifiable occupational health and safety standard, which includes auditing and certification by an external party.	NOTE completed a group-wide employee satisfaction survey in the year. Employee satisfaction with regard to workplace atmosphere and working climate increased, mainly in terms of the collaborative spirit and mutual respect amongst colleagues. NOTE works actively on securing compliance with NOTE's Code of Conduct. During the year, NOTE has encouraged customers and suppliers to join or support the UN Global Compact by communicating the significance of these issues. NOTE informed new customers of its membership of the UN Global Compact and its principles and benefits. A further six agreements were signed with suppliers who had accepted NOTE's Code of Conduct or follow similar codes. NOTE followed up compliance with the Code of Conduct and UN Global Compact's ten principles with 24 suppliers. In addition, the implementation of NOTE's policy for human rights regarding issues such as labour law was strengthened in the group subsidiaries.	Conduct a group-wide employee satisfaction survey and use the results in operational processes to progress as an attractive employer. Increase the share of sourcing from strategic and contract suppliers by five percentage points and influence customers to adopt NOTE's Code of Conduct or support UN Global Compact's ten principles. Introduce OHSAS 18001 to be used as a guideline in more subsidiaries.

UN Global Compact principles	NOTE's approach	Results 2014	Goals 2015
ENVIRONMENT			
Principle 7 Companies are requested to support the principle of prudence in terms of environmental risks;	NOTE's units run improvement projects in the environmental segment, and measure a series of environmental factors such as electronic scrap, energy consumption, CO ₂ emissions and transport. All units have environmental targets, which are monitored regularly.	Principles 7–9 NOTE's units worked on the basis of internal goals and conditions relating to environmental issues. NOTE's consumption of energy, gas, paper and water reduced, as did the share of products containing lead. Faulty and reworked products in manufacture decreased, implying that waste derived from components, solder paste and PCBs in production reduced. NOTE installed a new air compressor and more energy-efficient heating and lighting equipment at the unit in Hyvinkää. A nitrogen generator, replacing liquid gas, was installed at the Pärnu unit. These measures improved occupational safety. New production equipment at the unit in China reduced power consumption and waste generated by solder paste. The Estonian Sustainable Business Index awarded the unit in Pärnu its silver level for the fourth year running. The award recognises sustainable and responsible business practices. The proportion of sourcing from strategic suppliers increased by some seven percentage points. NOTE followed up compliance with the Code of Conduct and UN Global Compact's ten principles with 24 suppliers.	Principles 7–9 Continue progress towards even more environmentally-friendly production and transport. Increase the share of sourcing from strategic and contract suppliers by five percentage points. NOTE has good insight into these suppliers' environmental initiatives and is able to promote progress and improvement in this arena.
Principle 8 take the initiative to promote acceptance of far-reaching environmental responsibility; and	NOTE works actively on developing policies and methodologies designed to minimise the company's negative environmental impact. Employees are encouraged to participate in this process.		
Principle 9 encourage the development and dissemination of environmentally friendly technology.	NOTE takes a positive view of developing environmental technology and actively supports new manufacturing methods and components that are more environmentally friendly. NOTE conducts environmental audits when introducing new equipment, technology and logistics solutions. Experience is shared between group units. An environmental perspective is considered jointly with customers when tailoring product manufacture. NOTE has implemented a database for identifying RoHS, Reach and conflict minerals in components.		
ANTI-CORRUPTION			
Principle 10 Companies should counteract all forms of corruption, including blackmail and extortion.	NOTE encourages employees to resolutely counteract all forms of corruption, blackmail and extortion. Simultaneously, NOTE expects the corresponding attitudes from its customers and suppliers. NOTE's purchasing policy ensures that purchasing is handled ethically and prohibits bribery and corruption. NOTE has group-wide and local authorisation procedures expedient for its business.	NOTE followed up and audited its anti-corruption policy, and the effectiveness of its authorisation procedures, in the group subsidiaries in the year. NOTE signed agreements with a further six suppliers that adhere to NOTE's Code of Conduct. NOTE followed up compliance with the Code of Conduct and UN Global Compact's ten principles with 24 suppliers.	Strengthen the implementation of the anti-corruption policy in all group subsidiaries. Develop internal processes and controls regarding authorisation rights throughout the group. Follow up NOTE's Code of Conduct and the ten principles in continuous supplier audits.

