



**Enics Communication on
Progress (COP)
Jan 2015-Dec 2015**



CONTENT

STATEMENT BY PRESIDENT AND CEO 3
HUMAN RIGHTS 3
LABOR 5
ENVIRONMENT 7
ANTI-CORRUPTION 8

Statement by President and CEO

The principles of UNGC are manifested in Enics values, Enics Code of Conduct, vision, mission which form the basis for Enics culture, strategy, relations with partners, decision making and procedures.

As Enics principle "Quality of:for Life", our values and Code of Conduct infer, sustainability is an issue that we hold of high importance. Sustainability at Enics translates into a proactive approach to economic, environmental and social responsibilities and is embedded in the Enics management system. Sustainability means that Enics pays attention to requirements set by employees, customers, society and legislation.

Enics Management Team has a strong commitment to responsible action and sustainable development. In 2015 we have reorganized our resources related to sustainability related topics e.g. by nominating a Head of Compliance to coordinate the activities more effectively.

Enics is a member of the UN Global Compact and remains committed to Global Compact's principles and goals. We work with the Global Compact, to ensure that its initiatives and 10 principles reach a wider audience. We also seek to embed the principles into our own business practice.

Enics AG



Hannu Keinänen
President & CEO

Human Rights



Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Businesses should make sure they are not complicit in human rights abuses

Assessment, Policy and Goals:

Enics recognize that human rights should be considered fundamental and universal, based on accepted international laws and practices, such as those of the United Nations' Universal Declaration of Human Rights, International Labor Organization and the United Nations Global Compact (UNGC) principles.

In most of the Enics units, specific local Employees Grievances Handling Process is implemented to ensure employees have equal possibility to report any violation of their rights and fair hearing. In most of Enics' units, specific local Harassment Dealing Guidelines are implemented to ensure that employees and managers recognize harassment and know how to deal with the cases. Enics common competence evaluation and salary review processes include all employees and ensures fair possibilities to development and fair pay. Enics Executive Management team has approved group level Grievance Procedure and Non-Compliance Reporting Procedure, which allows monitoring and taking preventive actions in relevant matters.

Enics has established OHSAS 18000 requirements in all its units and conducts work environment measurement on a regular basis. The health and safety committee are established in all Enics units.

In interactions with Suppliers Enics promotes and takes effort to ensure human right principles are followed by them. Enics has created Supplier Manual giving preconditions to suppliers. Enics conducts assessment of suppliers on regular basis using Supplier Self-Assessment and Supplier Assessment and Evaluation tools. So far approximately 75% of Enics Preferred Suppliers have signed Enics Commitment to Ethical Conduct of Business and Enics Code of Conduct. Enics has created Conflict Minerals Statement to support Enics initiative to support Human Rights in the war zone.

Enics contributes to the global community development through UNICEF. In 2015 Enics donated into children fund.

Implementation & achievement measurement 2015

Implement Global Grievance Procedure in all sites.	Project started in Q4/2015, communication process will start in 03/2016
Implement Global Non-Compliance Reporting Procedure in all sites.	Project started in Q4/2015, communication process will start in 03/2016
Conduct trainings for all employees.	Trainings planned in Q4/2015, trainings will start in 03/2016
The need for Enics Global Donation Policy will be evaluated	Done

Actions for 2016

- Global Grievance Procedure and Non-Compliance Reporting Procedure trainings will be implemented as part of normal induction process for all our employees – Target is to reach 100 % coverage (all the newcomers have participated to induction training) by the end of the year 2016.

Measures of outcome

Training coverage of 100 % will be measured in January 2017 – Data from training registers (local or global) will be used for reporting

Progress of actions will be reviewed and reported to Enics Executive Management Team by the dedicated UNGC team twice a year.

Implementation of global principles will be followed by nominated responsible person (UNGC team) twice a year.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor

Principle 5: Businesses should uphold the effective abolition of child labor

Principle 6: Businesses should uphold the elimination of discrimination



in respect of employment and occupation

Assessment, Policy and Goals:

Enics considers labor principles based on accepted international laws and practices, such as those of United Nations' Universal Declaration of Human Rights, International Labor Organization and the United Nations Global Compact principles, as fundamental and universal in its business activities.

Freedom to associate, collective bargain or form employees' responsible bodies are recognized and supported by Enics.

Enics has never intentionally used and will not knowingly use compulsory or child labor contradicting with international laws or local labor legislation.

Fair and non-discriminatory treatment of employees and also potential employees of Enics is ensured by Enics Personnel Policy and several processes, like recruitment, compensation related, contracting and other processes.

Enics Executive Management team has approved group level Grievance Procedure.

Enics' suppliers are strongly encouraged to comply with same high level and the relevant internationally recognized standards. For new suppliers, we conduct the Supplier Assessment where labor principles are included.

Implementation & achievement measurement 2015

Implement Global Non-Compliance Reporting Procedure in all sites.	Project started in Q4/2015, communication process will start in 03/2016
Conduct trainings for all employees. Procedure will be made available for all Enics employees in Enics Intranet.	Project started in Q4/2015, communication process will start in 03/2016

Actions for 2016

- A global Human Resources Procedure Audit will be conducted in all business units starting from H2/2016 in order to ensure the compliance with regulation. Actions according to the results will be taken.



Measures of outcome

Audit plan implementation will be measured on yes/no principle. Since this audit is the first one, the target levels for coming years will be set based on year 2016 results.

Progress of actions will be reviewed and reported to Enics Executive Management Team by the dedicated UNGC Team twice a year.

Implementation of global principles will be followed by nominated responsible person (UNGC team) twice a year.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

Assessment, Policy and Goals

Enics environmental activities and improvement of the environmental performance are carried out in compliance with local legislation and customer requirements.

Our focus in environmental development is to reduce waste continuously and recycle. Enics business units operate according to an environmental management system, and all units have an ISO14001 certification.

Towards suppliers Enics promotes its principles about the environment and technology through Enics Code of Conduct, Supplier Manual, Supplier Self Evaluation and Questionnaire, and Supplier Assessment Process.

Implementation & achievement measurement 2015

Creation of global level Key Performance Indicators for environmental area, including water, waste and energy consumption etc.	Preparations in Q3-4/2015, finalizing the project starting from Q2/2016
Creation of informative booklet (electronic or paper) about Enics environmental ambitions, activities and achievements is in consideration	Postponed till 2016, start in Q3/2016

Actions for 2016

- Creation of global level Key Performance Indicators for environmental area, including water, waste and energy consumption etc. latest in Q2/2016.
- Creation of informative booklet (electronic or paper) about Enics environmental ambitions, activities and achievements by the end of Q3/2016.

Measures of Outcome

KPI set will be presented to Enics Management Team in Q2/2016. From that on the Key Performance Indicators will be followed up on yearly basis and the achievement will be communicated in company's intranet in Q1 of following year.

Progress of actions will be reviewed and reported to Enics Group Management Team by the dedicated UNGC Team twice a year.

Anti-Corruption

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

Assessment, Policy and Goals:

Enics expects avoidance of any conflict of interest by its employees and strongly opposes all forms of corruption. We respect and follow local legislation and internationally recognized principles for combating corruption and bribery. Enics' stand is clearly stated in Code of Conduct. Additionally Enics Executive Management Team has approved Anti-Corruption Policy.

In interaction with customers and suppliers the Commitment to Ethical Conduct of Business, which reflects increasing requirements of UNGC principles and anti-corruption,

is promoted to be signed.

Implementation & achievement measurement 2015

• Implementation of Anti-Corruption Policy and Non-Compliance Reporting Procedure.	Project started in Q4/2015, communication process will start in 03/2016
• Trainings about anti-corruption.	Trainings planned in Q4/2015, trainings will start in 03/2016

Actions for 2016

- Implementation of Anti-Corruption Policy as part of the normal trainings will be implemented as part of normal induction process for all our employees – Target is to reach 100 % coverage (all the newcomers have participated to induction training) by the end of the year 2016.

Measures of outcome

Training coverage of 100 % will be measured in January 2017 – Data from training registers (local or global) will be used for reporting

Progress of actions will be reviewed and reported to Enics Executive Management Team by dedicated UNGC Team on a regular basis.