



MIPRO OY COMMUNICATION ON PROGRESS (COP) REPORT

2015

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MIPRO

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1 GENERAL

This document is the Communication on Progress (COP) report for Mipro Oy covering the reporting period of 11.03.2015 – 11.03.2016.

1.1 Statement by the Chairman of the Board

10 March 2016

To our stakeholders,

We are pleased to confirm that Mipro continues to support the United Nations Global Compact, including each of the Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress report, we describe our actions of integrating the Global Compact and its principles into our business strategy, company culture and daily operations. We commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Raimo Laine

Chairman of the Board

1.2 About the company and COP

At Mipro, we have always been about doing the things we do for the community. Operating in the field of functional and environmental safety, we understand our responsibility and impact on providing safe and functional solutions for mass transportation and providing clean water.

Reporting on our social responsibility has become not only a great tool for improving our operations, but also a way to remind ourselves why we are in this business in the first place. We want to actively be part of building and improving communities, and see the value and opportunity in building a successful company through both our local and global involvement in social responsibility.

Responsibility reporting and endeavours are important for us; we communicate our values to our stakeholders through them, and encourage other small and medium sized enterprises to participate. We strive to be in that group of the companies that have a pervasive approach to corporate social responsibility, and have made it a natural part of their daily operations.

For our report this year, we decided to put a greater emphasis on our employees, call it a theme if you will. This ranges from recognising their importance on our success to describing our ways to give back to the employees through actions taken in improving the health and safety. Based on the responses we received from our 2015 employee satisfaction survey, our employees are very proud of what we as company have accomplished and they regard Mipro as a very good place to work.

2 HUMAN RIGHTS AND LABOUR PRINCIPLES

2.1 Human Rights

Assessment, Policy and Goals

Our goal is to adhere to all aspects of the Declaration of Human Rights, and through our own example and actions influence all our stakeholders and business partners to set their standards to a similar level.

As a company primarily based in Finland, Mipro adheres to Finnish laws and regulations. Through that, our standard on enforcing human rights is already at a high level. However, we realize that it's not enough to be complacent about our own and current partners' actions. Instead we have to look for ways to ensure that we will not be part of any human rights infringements either due to our own actions or even implicitly.

Implementation

Our employees have been informed of the contents of the Declaration of Human Rights, and have been advised to look for and report any breaches of its contents caused either by our own actions or by our stakeholders.

Outcomes

Mipro has not been even implicitly involved in any breaches of human rights principles during the reporting period.

2.2 Labour principles

2.2.1 Employees, employees' rights and labour law

Assessment, Policy and Goals

Our goal is to adhere to all local laws and regulations in addition to adhering to the labour principles stated in the Global Compact. As Finnish law is compliant with the labour principles set by the ILO conventions, we believe that our actions fulfil the labour principles to satisfactory levels when operating in Finland. However, we realize that we need to pay attention to recruitment and rights of employees when operating abroad and to our dealings with foreign stakeholders, should the need arise.

Implementation

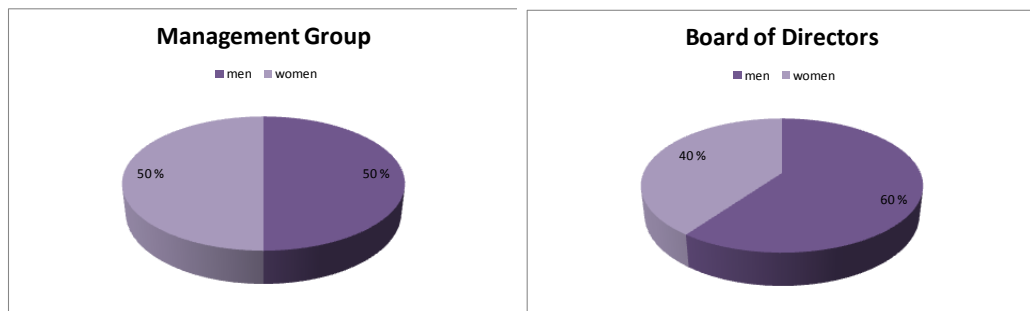
Our employees have been informed of the labour principles and contents of the ILO conventions, and have been advised to report any breaches of these terms should they come across any. All our employees have contracts of employment adhering to Finnish labour laws. Our recruitment process is designed to prevent any (even unintentional) possibilities of breaching the contents of ILO conventions regarding child labour, forced labour or discrimination.

Mipro participates in Finnish Governments' labour politic educational program that is designed to provide further education to job seekers and create jobs in the ICT sector¹. We also employ students through their educational institutes and their work at Mipro is an integral part of their ongoing education – Mipro has not entered into a direct contract with them but provides the same benefits and applies the same principles as to the other employees.

Outcomes

Mipro has not been involved in any breaches of labour principles during the reporting period.

Our commitment to create a corporate culture that provides all employees with equal opportunities is best reflected in the composition of our top management.



¹ Uusi IT-duuni, www.itduuni.fi

Due to our location and the industry we operate in, Mipro does not attract job applicants with particularly diverse backgrounds. This is reflected in our employee demographics.

2.2.2 Occupational health

Assessment, Policy and Goals

Our goal is to adhere to all local occupational health laws and regulations, and we believe that our actions result in a satisfactory occupational health environment for our operations in Finland.

The experts we employ are critical for the success of the company; therefore our goal is to minimise the number of sick leaves. We aim to achieve a low level of absences caused by health related issues through preventive actions and policies as well as with an inclusive employee health insurance policy.

Implementation

Finland provides its citizens with a wide-ranging public health services. However, we have complemented the public services with a comprehensive employee health insurance policy, which gives our employees an access to additional private health services. The policy includes instant access to basic private health services and complementary specialist services such as services of a physiotherapist.

Mipro has implemented preventive policies that aim to ensure satisfactory level of occupational health. The goal of the Early Support Program² is to identify possible health issues and take necessary preventive actions as early as possible. For example, the program has resulted in number of actions in work ergonomics aiming to prevent musculoskeletal disorders. The musculoskeletal disorders are one of the leading reasons for office workers' long sick leaves and occupational disability.

We also conduct a semiannual review of occupational health status with our private health care provider. We realise the importance of the employees' own actions and thus we encourage our employees to actively take care of their own health and well-being.

Outcomes

Mipro has healthy, active and relatively young employees and as a result of this and our long-term focus on occupational health issues, we have been able to achieve a relatively low number of sick leaves. When our annual sick leave days are compared to a sample of Finnish companies operating in the same industry, Mipro has an average or below average total number of sick leave days per employee. Further, the number of long-term sick leaves has remained low over the years.

² varhaisen tuen malli; http://www.ttk.fi/tyoterveyshuolto/tyokyvyn_hallinta

2.2.3 Occupational safety

Assessment, Policy and Goals

Managing occupational safety is a part of our management system, including controls required by Finnish law, and the ones we have put in place voluntarily. Our goal is simply to ensure the safety, health, wellbeing and physical ability of all our employees working in and outside of the office.

The field we work in requires multitude of trainings, approvals and certificates regarding safety. Keeping all these up to date on the employee level constitutes an integral part of occupational safety. Some of the required training is rather specific and not directly available; in such cases our goal is to acquire enough expertise in the company itself to be able to train our own employees with regard to occupational safety.

Implementation

Occupational safety is managed by the occupational safety committee, which is responsible for and empowered by the management to handle all observations, notices, incidents and improvement suggestions regarding safety, wellbeing and work environment.

The committee works in a yearly cycle, which includes creating objectives, planning, implementation and measurement.

Outcomes

Occupational safety is measured by the number of incident-related absence days, "close call" incidents, safety-related deviations, audits of safety equipment usage, reviewing risk management documentation and facility safety scorecard. The first meeting of the cycle is dedicated to a review of all the results of measurement.

In 2015, there were

- 2 days of incident-related leaves
- 1 close call
- 1 safety related deviation
- No reported cases of neglecting the use of safety equipment

3 ENVIRONMENTAL PRINCIPLES

3.1 Assessment, Policy and Goals

Mipro operates in the field of environmental technology, and consequently is committed to take the environment in all the company activities into consideration.

Since May 2014 Mipro has operated the Environmental Management System (EMS) certified according to ISO 14001:2004. The system is based on continual reviewing, self-assessment, planning and improvement. It requires us to adopt an active role and a pre-emptive stance in overcoming challenges and our impact on the environment. Furthermore, it encourages us to implement new technologies and practices which are environmentally friendly and sustainable.

We apply the following environmental principles to develop our operation and products:

- Our operation policy, products and services meet the requirements of legislation and regulations.
- We develop our operation and products so as to reduce detrimental environmental impacts.
- We develop products that have a long lifecycle and are maintainable and extendable.
- We extend the lifecycle of the systems we have delivered by means of our own proactive measures.
- Our organization structure and operation policy support lifecycle management tasks.
- We follow the energy consumption and reduce the amount of waste generated with our daily choices.
- We reduce the number of business trips by planning them carefully and by using remote meeting applications and remote connections.

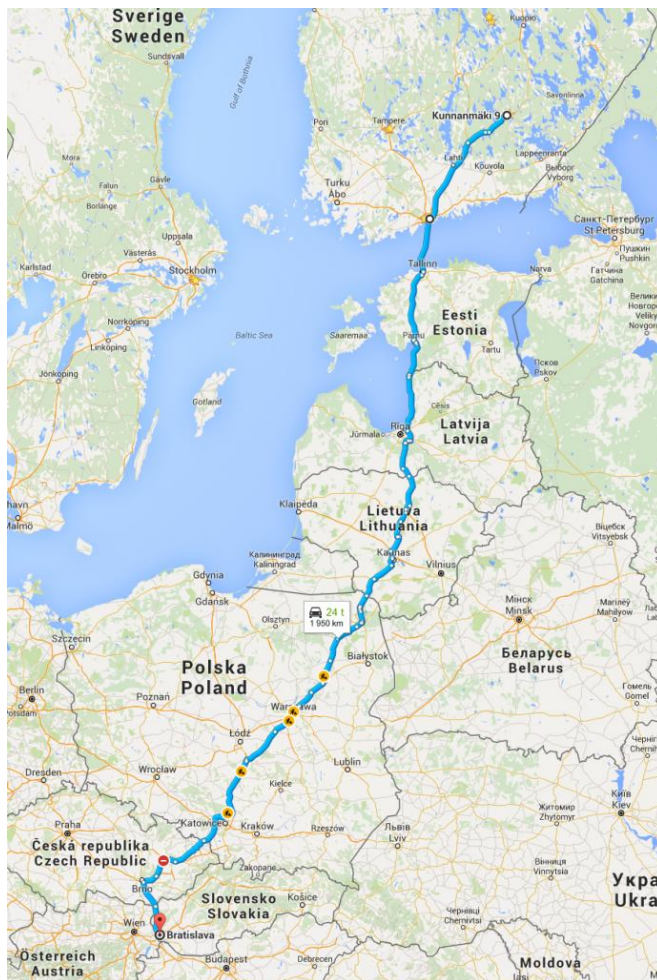
3.2 Implementation

Our implementation of EMS is described in the relevant documents and is part of the company-wide management system. All the roles and responsibilities are assigned, and EMS is subject to both internal and external reviews and audits.

3.3 Outcomes

During the reporting period, there was one incident (severity: minor) with an environmental impact. Corrective actions were subsequently carried out and reviewed.

Mipro encourages their personnel to practical environmental actions in accordance with the principle that even the smallest act is of great significance for environment. We accomplish environmental campaigns the themes of which are based on idea competitions arranged for the personnel.



An example of these campaigns is the one of reducing kilometres travelled to and from work by car. When the personnel came to work by foot, bicycle, bus or car pool instead of driving their own car for five days, over 2000 driving kilometres were saved. The amount of kilometres corresponds to the distance from our Mikkeli office in Finland to our Bratislava office in Slovakia.

4 ANTI-CORRUPTION PRINCIPLES

4.1 Assessment, policy and goals

As a company primarily based in Finland, corruption and bribery have traditionally been exempt from the business environment. However, we realise that corruption appears in many forms outside the exact letter of the law and these can be hard to identify. In interactions with officials and customers there are many borderline, seemingly legal and silently accepted practices that are not in line with the principle of upholding a transparent and fair business environment. Our goal is to refrain from any such activities and encourage our stakeholders to do so as well through our example.

4.2 Implementation

During the reporting period, we outlined what corruption (in all its forms) constitutes, and our employees were informed against partaking in any form of corruption or bribery. They were also instructed to report on any evidence of corruption they come in contact with.

To emphasise the importance of upright dealings, we have clarified our overall instructions and principles, and provided the personnel with instructions concerning corporate gifts. The texts of contracts entered into with our cooperation partners have been checked for any inappropriate contents.

Furthermore, we have decided to go through our integrated management system and ensure that the principles of fair business practices and the UN Global Compact principles have been appropriately taken into account in the management system instructions. We will specifically focus on anti-corruptive operation model.

In addition, our financial duties are separated, preventing individual employees from accessing company funds for unauthorized actions.

4.3 Outcomes

We have not identified any cases of corruption or bribery within our sphere of influence during the reporting period.

5 OTHER

5.1 CSR Competition for Etelä-Savo

Mipro has been an active member of a group organized by Etelä-Savo Chamber of Commerce that organised a CSR-related competition for local small and medium size businesses in the area. The focus of the competition was to encourage participants in improving their social responsibility, both on a local and global scale. The competition has both helped to build awareness of our own CSR policy in the organization, and helped to find ways to improve it outside the scope of UNGC.

5.2 Developing the local community

Mipro exerts influence on the local community by cooperating with educational and other institutions.

We cooperate with the local colleges, universities and polytechnics by offering their students summer and training jobs on the yearly basis. Our long-term goal-directed principle is to offer local young people possibilities to find permanent jobs in their own region as well.

We actively participate in projects related to the development of the region.

5.3 Donations and charity

Mipro supports local sport activities and especially children's and young people's leisure time activities by giving donations. The main principle of donations contributed to leisure time activities is to support sport and culture clubs and societies so that they are able to provide hobbies and interests for as many young people as possible. The aim of donations is to enable sensible activities that support children's and young people's growth and development; for example strengthen children's social relationships, promote their health, create inspiring environments or prevent young people from isolating.

The company selects separately a charity target for its Christmas donation every year. This year the Christmas donation was addressed to the Save the Children organisation.