

Quality, environment and ethics

Sustainability issues are integrated into NOTE's business activities. NOTE has been affiliated to the Global Compact since 2011, which was created from a UN initiative.

Overview raises standards

Taking an integrated approach to various sustainability issues is highly significant to the effectiveness of overall outcomes. These issues cover everything from helping customers select components with positive environmental and quality performance, to locating production close to final markets, and as far as possible, utilising shared transport to limit our environmental impact. In tandem with improving our customers' impact on the environment and wider society, we endeavour to conduct ourselves responsibly on those markets where NOTE is active.

Quality policy and working methods

NOTE creates competitiveness for its customers by delivering the right quality at the right time, and to a favourable total cost. To achieve this, NOTE continuously develops and improves its services, and simultaneously endeavours to satisfy customers' relevant standards and expectations. Its production units all work towards consistent and measurable targets. For example, product quality and delivery precision are measured continuously for customers and suppliers.

NOTE utilises a range of quality assurance tools and methodologies, originating in automotive and pharmaceutical industry quality systems.

ISO 9000 is a family of international standards that are the foundation of NOTE's quality work. All the group's production units hold ISO 9001 certification. With its quality management system, NOTE can track faults and continuously develop the company's methods and processes. NOTE verifies that its efforts are working through regular audits, where it follows up on standards and routines, which apply to internal and external resources. Its management system is approved and certified by an external party.

NOTE conducts regular quality audits of strategic suppliers.

Environmental policy and working methods

NOTE endeavours to secure long-term, sustainable development by producing with the minimum possible environmental impact. NOTE endeavours to comply with, or exceed, applicable legislation, and pursues continuous improvement in the environmental segment.

NOTE's environmental work complies with international ISO guidelines, under the ISO 14000 family of standards. All the group's manufacturing units hold ISO 14001 environmental certification, and are audited by internal and external resources.

Despite variations in the environmental legislation of individual countries, NOTE has the consistent ambition of all its units following a consistent line of environmental work. NOTE units exchange best practice, best-in-class actions and proposals for improvement.

Manufacturing units sort the waste from consumables at source, and monitor energy consumption continuously. NOTE also applies environmental consideration to other parts of its business, such as in discussions with its customers regarding sourcing materials and production setups.

Electronic scrap, glass and paper are recycled. NOTE conducts improvement projects to reduce waste, energy consumption and CO₂ emissions. Corrugated board and combustible waste is compacted to minimise the amount of waste transport, which affects the environment. In its transport segment, NOTE also coordinates its freight agreements group wide to optimise transportation, and thus limit energy consumption and CO₂ emissions.

NOTE conducts regular environmental audits of strategic suppliers.



Ethics

NOTE has been affiliated to the Global Compact, started on a UN initiative, since autumn 2011. The global compact has formulated 10 principles, which affiliated companies undertake to comply with. These principles apply to human rights, labour law, the environment and anti-corruption. Each year, NOTE submits its COP (Communication on Progress) to the UN, which reviews the work it has conducted within the group, and with customers, suppliers and other stakeholders.

In 2015, NOTE updated and consolidated its policy initiatives and conducted a new employee satisfaction survey. In 2016, the aim is to continue to strengthen the policy work and encourage positive social progress in the locations where NOTE has a presence.

NOTE's Code of Conduct is based on the Global Compact, and a full version is available at www.note.eu.

A summary of the actions completed and prepared by NOTE units related to Global Compact principles follows on the next page.

UN Global Compact

HUMAN RIGHTS

	UN GLOBAL COMPACT	NOTE'S APPROACH	RESULTS 2015	GOALS 2016
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 to ensure compliance with its Code of Conduct. In the year, NOTE encouraged existing customers and suppliers to affiliate to, or support, the UN Global Compact by communicating the significance of these issues. New business customers were informed of NOTE's affiliation to the UN Global Compact, its principles and benefits. NOTE has signed agreements with another 13 suppliers, who accept NOTE's Code of Conduct or have their own, equivalent Code. NOTE conducted follow-up audits on 16 suppliers in the context of the Code of Conduct and the ten principles of the Global Compact. NOTE also supported UNICEF in its work with refugee children.	Influence customers to accept NOTE's Code of Conduct, or support the ten principles of the UN Global Compact. Increase the share of sourcing from strategic suppliers and contracted suppliers by six percentage points. Work to 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 works actively and continuously to ensure compliance with its Code of Conduct internally. In the year, NOTE worked actively to reduce the usage of conflict minerals. The implementation of NOTE's human rights policy was enhanced.	Further enhance implementation of the human rights policy.

LABOUR LAW

	UN GLOBAL COMPACT	NOTE'S APPROACH	RESULTS 2015	GOALS 2016
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.	NOTE works actively and continuously to ensure compliance with its Code of Conduct. In the year, NOTE encouraged existing customers and suppliers to affiliate to, or support, the UN Global Compact by communicating the significance of these issues. New business customers were informed of NOTE's affiliation to the UN Global Compact, its principles and benefits. NOTE signed agreements with another 13 suppliers, who accepted NOTE's Code of Conduct or have their own, equivalent Code. NOTE conducted follow-up audits on 16 suppliers on the Code of Conduct and the ten principles of the Global Compact. In the year, NOTE continued its work on reducing the usage of conflict minerals. The share of sourcing from strategic suppliers has increased by some one percent. The implementation of NOTE's human rights policy, which deals with issues including labour law, was consolidated in the year. OHSAS 18001 was also implemented at the unit in Finland.	Influence customers to accept NOTE's Code of Conduct, or support the ten principles of the UN Global Compact. Increase the share of sourcing from strategic suppliers and contracted suppliers by six percentage points. Implement OHSAS 18001 as a guideline in more NOTE units.
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 conducted a group-wide employee satisfaction survey in the year. Staff satisfaction regarding the atmosphere and sentiment at NOTE as a workplace remained at a high level, especially in terms of collaborative spirit and respect between colleagues. NOTE works actively and continuously to ensure compliance with its Code of Conduct. In the year, NOTE encouraged existing customers and suppliers to affiliate to, or support, the UN Global Compact by communicating the significance of these issues. New business customers were informed of NOTE's affiliation to the UN Global Compact, its principles and benefits. NOTE signed agreements with another 13 suppliers, who accepted NOTE's Code of Conduct or have their own, equivalent Code. NOTE conducted follow-up audits on 16 suppliers on the Code of Conduct and the ten principles of the Global Compact. The share of sourcing from strategic suppliers has increased by some one percent. The implementation of NOTE's human rights policy, which deals with issues including labour law, was consolidated in the year. OHSAS 18001 was implemented at the unit in Finland.	Conduct a group-wide employee satisfaction survey and use its results in business processes to evolve as an attractive employer. Influence customers to accept NOTE's Code of Conduct, or support the ten principles of the UN Global Compact. Increase the share of sourcing from strategic suppliers and contracted suppliers by six percentage points. Implement OHSAS 18001 as a guideline in more NOTE units.

ENVIRONMENT				
	UN GLOBAL COMPACT	NOTE'S APPROACH	RESULTS 2015	GOALS 2016
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.	NOTE's units work on the basis of individual targets and circumstances in the environmental segment. The consumption of energy, gas, paper and water reduced, as did lead-content products. The number of faults and reworked products in manufacture reduced, implying that the waste from components, braze flux and PCBAs in production decreased. More energy-efficient heating and lighting equipment was installed in Torsby, Sweden and the UK. Equipment optimising the consumption of braze flux has also been installed at the UK unit. Additionally, equipment to improve the indoor climate for casting, painting and surface mounting was installed in the UK, Estonia and China. These activities were audited by a third party. The share of sourcing from strategic suppliers increased by some one percent. Follow-up audits of 16 suppliers on NOTE's Code of Conduct and the ten principles of the UN Global Compact were conducted.	Continued progress towards still more environmentally friendly production and environmental transportation. Increase the share of sourcing from strategic suppliers and contracted suppliers by six percentage points. NOTE has good insight into these suppliers' environmental work, and can help them develop and make improvements in this segment.
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				
	UN GLOBAL COMPACT	NOTE'S APPROACH	RESULTS 2015	GOALS 2016
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 conducted follow-ups and audits of its anti-corruption policy in the year, and verified that its authorisation procedures are functional. NOTE signed agreements with another 13 suppliers, who accepted NOTE's Code of Conduct. NOTE conducted follow-up audits on 16 suppliers on the Code of Conduct and the ten principles of the Global Compact.	Consolidated implementation of NOTE's anti-corruption policy. Enhance internal control processes. Continuously follow up on NOTE's Code of Conduct and its ten principles during supplier audits.



The interest in the Global Compact's principles and what they represent increases in the business world. We think that's positive.

Henrik Nygren,
acting CEO and President