ENIGMA GROUP

ENIGMA UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

2017

The Enigma Group of Companies continues to support and promote important responsible initiatives such as the UN Global Compact.

Contents

Chief Executive's Statement

"For Enigma, becoming a more sustainable business goes hand in hand with the ten principles of the United Nation's Global Compact".

OUR PERFORMANCE 2016-2017

Enigma continued its drive for sustainability and compliance within the parameters of the UN Global Compact principles and integration with ISO 9001:2015, OHSAS 18001:2007, ISO 14001:2015 and Achilles accreditations. This was achieved while undergoing significant business growth. In March 2016 Enigma achieved a top rating and highest ever score of 151 points in the Security Industry Authority's assessment scheme for Approved Contractors. This topped the previous year's record score and after several years of a top 10% placing, elevated Enigma into the top 5% of all UK SIA Approved Security Contractors.

Enigma maintained its excellent record in the area of Health and Safety for staff, clients and others affected by our operations. Over the past 12 months Enigma continued to refine its carbon reduction strategy (first implemented in 2010) by introducing more stringent monitoring and control measures in regard to waste reduction, recycling and CO_2 output from vehicle/office fuel and energy use. Due to our concerted efforts at carbon reduction initiatives Enigma is well on course for a significant reduction in both waste and carbon emissions relative to the annual increase in business growth. This has been achieved partly by an emissions strategy involving more stringent vehicle monitoring; a staff reward system for planning and enacting vehicular mileage reduction; and the strict use (purchase and hire) of green award vehicles. Results show a substantial comparative reduction in Enigma's overall carbon footprint between April 2013 and March 20176. We have established a long-term sustainability strategy with positive outcomes to be achieved for all strategic KPIs by 2020 (see end Chart).

OBJECTIVES FOR 2017 – 2018

Enigma will aim to actively engage its employees and commercial contacts in the implementation of Enigma's sustainability strategy. The objective is for all stakeholders to share in the responsibility and satisfaction of creating a healthier, more sustainable physical environment and more principled and sustainable social organisation. To assist in this development Enigma will actively encourage awareness programmes and the commitment of all stakeholders through the application of Enigma's Sustainable Supplier Charter and through the development of Carbon Measurement in all aspects and links of Enigma's business activities.

As part of our community engagement, we will maintain our arrangements with the Social Landlord and Regenerations Charity in London enabling disadvantaged people to gain valuable employment training and certification via our training partner. Enigma will aim to improve financial support to various youth sporting groups in different regions of the UK.

Glen Webley
Chief Executive Officer

Our Mission

...is to achieve profitable growth while making the world a better place.

To succeed in our mission Enigma believe that we must plan our business growth based on a comprehensive sustainability strategy which integrates the United Nation's ten principles relating to human rights, labour governance, the environment and anti-corruption.

On Human Rights

Principle 1 Business should support and respect the protection of internationally proclaimed human rights.

Principle 2 Business must ensure that they are not complicit in human rights abuses.

The aim of the Enigma Group is to communicate to all its employees, business connections and communities in which we operate our commitment to respect and uphold human rights. We endeavour to observe and promote the Universal Declaration of Human Rights as a common standard of achievement for all people and all nations. The guidelines and conventions of the United Nations and International Labour Organisation on the Rights of the Child are also fundamental to instructing our policy provisions.

Commitment

- Enigma human rights policy

- Enigma Group ethical code for all our suppliers

Implementation

- Enigma employs a widely diverse workforce who are guaranteed an "equality for all" policy to prevent discrimination in hiring, promotion and work conditions based on race, caste, colour, national origin, sex, age, religion, disability, marital status, actual or perceived sexual orientation, employment status or political affiliation. We endeavour to ensure that employees of sub-contractors and our suppliers have similar guarantees against discrimination. Enigma also expects that all of our employees and those of associated companies are able to work in an environment free of physical, psychological and verbal abuse and harassment, and in an environment free of the threats of such abuse and harassment.

- Enigma has a published statement on human rights which is implemented through internal management systems and staff training, both introductory and ongoing. In March 2011 Enigma introduced a formal, periodic revision course for employees with more than 12 months company service. This course is now given to each employee at 12 monthly intervals and covers policy statements and job-specific information. It is to now continuously, along with other training and updates, as required. The course aims to ensure awareness of content and of changes to the initial induction training that all employees are traditionally given at the beginning of their employment.

- Enigma's employment handbook and site instruction booklets include all Policy Statements including those based on ethical commitments and legislative requirements. Appropriate procedures for implementation of policy are also comprehensively described. The Policy Statements and procedures are checked and reviewed on an annual basis at a minimum and are upgraded if and when necessary.

- Whereas Enigma has long had a broad mix of employees from varying national and ethnic backgrounds, our gender mix was poor due to the traditional male dominance of our core business. In January 2011, we introduced new recruitment procedures which helped to increase the number of female employees from 7% to 13% of the total workforce by mid-2011. This had increased to 19% by March 2014 and to 23% by Mar 2017.

- Enigma endeavours to provide enhanced working conditions regarding safety, comfort, and the ability to profit- for its employees. This is a prime consideration when applying for contracts and increasingly this is a strict requirement from clients seeking to contract products and services from providers. It is Enigma's policy to only seek work contracts from clients adhering to UN principles in their own Corporate Social Responsibility/Sustainability Policy.

- Enigma has implemented a proactive information, advice and complaints structure for through the provision of:

    a) 24 hour local management contact- phone and internet

    b) 24 hour national management contact (through our ARC centre)

- To ensure Global Impact principles are incorporated in Enigma's sustainability strategy and operations, a management committee has been established. This is chaired by our CEO and includes two directors and Enigma's Compliance Manager. This committee is linked to all operational issues regarding aims of improving work and living conditions under the umbrella of sustainability. The development of sustainable communities and workforce, best practice health and safety procedures, natural resource protection and environmental enhancement, are the essential priorities. All key business areas are represented at the committee which is given external specialist advice from SSAIB and Achilles. The committee in turn reports to Enigma directors who set sustainable practices throughout Enigma.

- Enigma's ethical code for suppliers highlights all ten principles of the UN Global Compact to which our suppliers are expected to adhere to throughout their operations. Enigma has linked this to the ISO. 9001.2008 quality assurance manual, and is documented, audited and reviewed. See Enigma's Sustainable Suppliers Charter (below).

ENIGMA GROUP

SUSTAINABLE SUPPLIER CHARTER

Enigma is committed to ensuring that sustainability is paramount in our business and supply chain. We need to deliver ever more sustainable solutions for our people, our customers, the wider community and the environment in which we work and live by promoting best sustainable practice and aiming above guidance levels set by government and regulatory bodies. Enigma applies the principles of the UK's Chartered Institute of Purchasing and Supply's (CIPS) Policy on Purchasing Ethics and operates in line with our Sustainability and Corporate Social Responsibility Policy.

	HEALTH & SAFETY	SUSTAINABILITY	ETHICAL WORKING AND VALUES	CONTINUOUS IMPROVEMENT AND INNOVATION
Enigma Commits To:	i) Provide a safe environment and a safe supply chain.	i) Use sustainability criteria in the award of contracts. ii) Assess the Health, Safety & Environmental Systems of suppliers and to monitor their compliance. iii) Working with their supplier's supply chain to ensure that their sustainability risks are understood and managed	i) Ethical and transparent methods of working ii) Confirm all suppliers are subjected to Enigma's evaluation process (Supplier Evaluation Form QSF 013 Issue2) iii) Check that we and our suppliers comply with the International Labour Organization's Core Conventions as well as local labour laws and regulations iv) Provide clear and fair procurement methods and to develop long term relationships v) Recognize excellent supplier performance via repeat business vi) Payment in accordance with agreed terms	i) Consult with, listen to, and act on supplier's suggestions for continuous improvement ii) Lead continuous improvement programmes within the Supply iii) Deliver solutions that exceed customer requirements
Enigma Expects Suppliers To:	i) Provide a safe and competent workforce employed in accordance with industry best practice ii) Incorporate safety into design and work to approved method statements and risk assessments.	i) Effectively manage and mitigate their environmental impacts. ii) Work to high ethical standards and to improve their social and environmental impacts. iii) Submit prices and suggestions for alternative more sustainable products and methods of working.	i) Treat people fairly and with respect, so there is a culture of equality and equity. ii) Comply with the International Labour Organization's Core Conventions as well as local labour laws and regulations. iii) Deliver to the agreed specification, time and cost iv) Submit complete tenders on the agreed dates v) Apply the principles of this charter fairly and consistently to their Supply Chain to ensure Key Risks are understood & managed	i) Commit to and participate in continuous improvement programmes ii) Coordinate their management and information system's with Enigma's iii) Share and promote innovation with Enigma iv) Understand and deliver to our safety, sustainability, quality, time, and cost management requirements & standards
Together we shall:	i) Provide a safe, healthy workplace	i) Deliver leading edge sustainable solutions to our clients and aim to exceed their expectations ii) make tomorrow a better place	i) Work with the values of Collaboration, Mutual Dependency, Professional Delivery, Sustainable, Profitable Growth & Innovation. ii) Deliver a "right first time" customer solution through better planning, performance improvement & risk management iii) Deliver to agreed programme, quality and cost in order that our customers' success becomes our success iv) Support the UN Declaration on Human Rights to ensure that all parties working with Enigma are protected and treated fairly v) Take a non-adversarial approach to dispute resolution	i) Reduce cost and eliminate waste through continuous improvement ii) Deliver value for money for our customers iii) Develop and deliver innovative solutions iv) Promote a two way engagement process that encourages continuous improvement of sustainable issues and cost reduction

Making tomorrow a better place

Signed: Glen Webley   Chief Executive Officer

On Labour

Principle 3 Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4 Business should uphold the elimination of all forms of forced and compulsory labour.

Principle 5 Business should uphold the effective abolition of child labour.

Principle 6 Business should uphold the elimination of discrimination in respect of employment and occupation

Commitment

- Managing equality and diversity policy

- Enigma code of conduct

- Enigma ethical code of conduct

Implementation

- Enigma's written Code of Conduct and Policy Statements provide a clear outline to all employees, of policies, procedures, and boundaries of various aspects of employment relating to terms, conditions and conduct that must be adhered to. Together they inform that Enigma supports all legislative and applicable common law and regulations concerning an individual's right to freedom of association and right to Collective Bargaining. They also inform that no employee should be expected to work below national wage and benefit standards, or under forced, unsafe, or unsatisfactory conditions; or that any employee, at any level, should allow anything to compromise their own commitment to Enigma's health & safety, environment, and social policies.

- All employees can access our national ARC centre on a 24 hour basis either to request information and advice, or otherwise to report or raise concerns over possible breaches in policy, conduct and other standards.

- Enigma provides all staff with a risk assessment (including hazard identification) and an environmental impact assessment for their particular place of employment. These assessments are reviewed at regular intervals with a compulsory minimum 12 month re-assessment period and comply with British Standards OHSAS 18001:2007 and ISO 14001:2015.

- Enigma applies quantitative testing in the recruitment process as an anti-discrimination measure. Two tests are given: one for literacy and the other for industry-specific knowledge. They were introduced in 2011 in order to increase objectivity and to help eliminate undesired (including unintentional) discrimination. From the time of introduction there has significant improvement in our female to male staff ratio. Enigma aims to continue this development of greater gender equality in the company and our HR Department has had an even balance of male and female staff since 2014.

- Enigma through their ISO 9001:2015 accreditation has asserted minimum expected ethical standards for suppliers through 2010 to June 2016 (See Enigma's Ethical Code and Sustainable Suppliers Charter). This is documented, audited and reviewed based on the ten principles of the UN

Global Compact covering the area of human rights, labour rights, environmental protection, bribery and corruption, and sets out the standards that are expected from all suppliers engaged by Enigma.

A. Code of Conduct Advisory Service: Reports & Enquiries by category (year June-June)

	2010 (209 calls)	2011 (302 calls)	2012 (498 calls)	2013 (522 calls)	2014 (504 calls)	2015 (608 calls)	2016 (558 calls)
Health & Safety Risks	10.0%	7.3%	5.0%	5.0%	6.5%	4.5%	4.0%
Accidents	1.5%	0.5%	0.5%	0.5%	0.7%	0.5%	0.3%
Unsuitable workplace behaviour	14.3%	11.5%	11%	11.5%	10.0%	9.0%	7.0%
Harassment, racial and sexual	1.5%	1.0%	1.0%	0%	0%	1.0%	0%
Co-worker conflict	5.5%	6.2%	4.0%	3.0%	2.5%	3.0%	2%
Work conditions/ comfort	11.5%	5.5%	4.5%	6.0%	4.0%	4.0%	4%
Personal issues assistance	8.5%	11.1%	17.5%	18%	19.5%	23.0%	26%
Policy& Procedural	40.5%	44.5%	47.4%	48.0%	47.5%	44.0%	46%
External Theft/Fraud	5.1%	7.5%	6.6%	7.0%	7.0%	8.0%	7%
Other	1.3%	3.8%	2.5%	1.0%	1.5%	2.5%	3.7%

Table A: shows a significant increase between 2010 and 2016/17 in the number of calls seeking information/ advice while at the same time demonstrating an overall reduction in the need to make enquiries relating to "Work Conditions" and "Health & Safety". Note that almost all enquiries regarding "Unsuitable Workplace Behaviour" and Theft/ Fraud involved either client staff or the public. The increase in "Personal Issues" enquiries may be part explained by the introduction of a computerised employee information and roster management system into the Control Room in January 2012. A dual increase seems to have developed in the overall frequency of calls from employees due to the increased role of Control Room staff in altering rosters and reporting personal issues raised by employees to HR and managers – which was all part of Enigma's aim to improve access for employees seeking advice and to enable a more comprehensive and rapid response of staff deployment in Contingency/ Continuity and Sustainability Planning.

B. Percentage of employees receiving regular Policy & Performance Reviews

	2010	2011	2012	2013	2014	2015	2016
Front Line staff	45%	76%	94%	98%	98%	99%	100%
Section Managers	80%	80%	90%	100%	100%	100%	100%

Table B: shows the results of our recent efforts to intensify training through monthly and yearly appraisals for all staff. Note that beginning 2012 all Section Managers are monitored monthly using the Achievement Monitoring System and that 2016-2017 has seen a 100% return for monthly reviews, all employees.

On The Environment

Principle 7 Business should support a precautionary approach to environmental challenges.

Principle 8 Business should undertake initiatives to promote greater environmental responsibilities.

Principle 9 Business should encourage the development and diffusion of environmentally friendly technologies.

Commitment

- Enigma Environmental Policy: The environmental objective of Enigma is to provide effective environmental awareness and control, seeking to continually improve all aspects of its environmental performance within its sphere of operation as far as is economically viable.
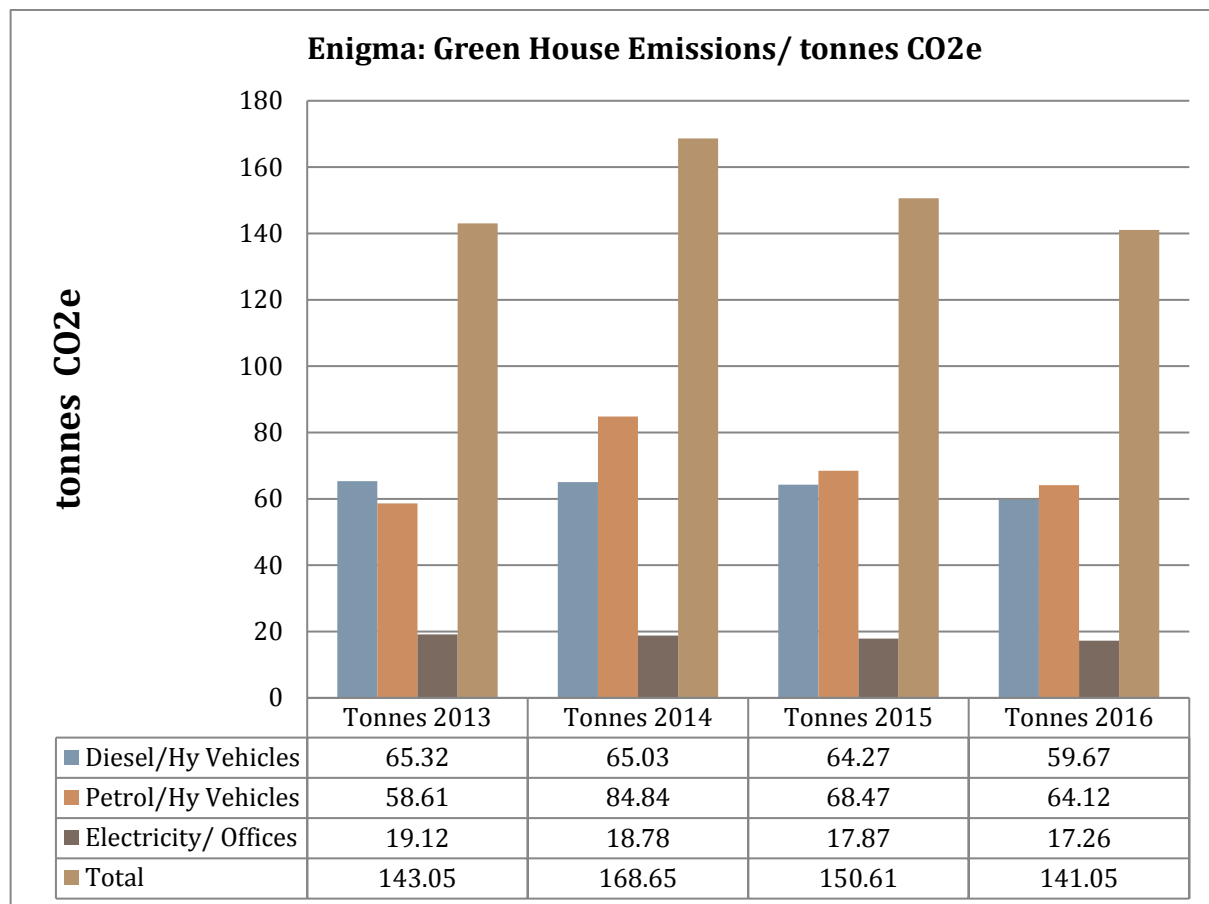
Implementation

- Enigma will endeavour to care for the environment through continual review and improvement to working practices relating to environmental impacts.

- Enigma will comply with the requirements of relevant legislation and regulations.

- Enigma will encourage the efficient use of energy, materials, products and services together with minimising and eliminating pollution and waste wherever possible.

- Enigma will apply health and safety considerations throughout all activities.

- Enigma will provide employee awareness training in its environmental policy and procedures.

- Enigma has established shared environmental objectives with clients and suppliers.

- Enigma employees, directors and consultants are required to carefully consider environmental issues when making decisions in the planning, controlling and execution of work for the company.

- In July 2011, Enigma approved the purchase of a fleet of new "green award" cars for managers, supervisors, and mobile response drivers. These cars which included electronic/fuel hybrids have significantly reduced fuel costs and Enigma's carbon footprint. This reduction is expected to continue over the next few years as new improved additions to the fleet were made in late 2012 and early 2013. Furthermore, in April 2016, a new fleet of cars were purchased by Enigma – 2 x Kia Sportages and 2 x Kia Cee'ds – these cars are specifically designed to be more economical and fuel efficient as part of the ECO dynamics model range. The key to EcoDynamics is the state-of-the-art Intelligent 'Stop and Go' technology, which switches off the engine whenever the car is stationary, cutting down on fuel usage and CO_2 emissions. The cars also have energy saving tyres which reduce fuel usage through less road friction, The gearshift indicator advises on the most fuel efficient points to change gear ensuring minimal engine wear and tear. Finally the Kia Cee'd and Sportage models were produced in Zilina, Slovakia; Kia's first European plant: which meets the highest environmental standards at every stage of the manufacturing process. As of May 2017, Enigma has also added a further Kia model – the Kia Sorento as part of its fleet and this is a further example of Enigma's efforts to improve sustainability whilst maintaining maximum efficiency.

- Enigma has operated an intensive office recycling programme for several years. This has led to a now very refined division of all office waste (for example: high grade white paper; mixed white paper; newspaper; coloured paper) and a methodical procedure ensuring an almost 100% recycling score for all recyclable waste materials.

- Through a policy change first initiated in 2010, approximately 95% of Enigma employees were receiving information and rota bulletins by email as opposed to post by July 2011. By 30th June 2014, this figure had risen to 100% which also includes Employee Pay Slips and Monthly Newsletters.

- As part of its carbon reduction initiatives, Enigma established teleconferencing as the default format for management meetings and by June 2014, the 85% target for inter-branch meets was achieved and has since risen to 92% in 2015.

- Enigma's environmental policy implementation will be based on BS. ISO 9001:2015 and ISO 14001:2015.

- Enigma was first assessed 31st March 2009 for accreditation by Achilles UVDB category B2 and certificated, and has been successfully reviewed annually through to 2017 (Supplier number 056588).

ANNUAL EMISSIONS DATA: 2013- 2016

Enigma: Green House Emissions/ tonnes CO2e

	Tonnes 2013	Tonnes 2014	Tonnes 2015	Tonnes 2016
■ Diesel/Hy Vehicles	65.32	65.03	64.27	59.67
■ Petrol/Hy Vehicles	58.61	84.84	68.47	64.12
■ Electricity/ Offices	19.12	18.78	17.87	17.26
■ Total	143.05	168.65	150.61	141.05

	2013	2014	2015	2016
Diesel Used/Litres	25289 (x 2.583)	25178 (x 2.583)	24880 (x 2.583)	23100 (x2.583)
= Kg CO2e	65321 Kg	65034 Kg	64265 Kg	59667 Kg
= Tonnes CO2	65.32 tonnes	65.03 tonnes	64.27 tonnes	59.67tonnes
Petrol Used/Litres	26588 (x 2.242)	37843 (x 2.242)	30567 (x 2.242)	28600 (x2.242)
= Kg CO2e	58610.Kg	84844 Kg	68470 Kg	64121
= Tonnes CO2	58.61 tonnes	84.84 tonnes	68.47 tonnes	64.12 tonnes
Electricity Used	37989 KWh (x.52)	36120 KWh (x .52)	34360 KWh (x.52)	33200 KWh (x .52)
= Kg CO2e	19754 Kg	18782 Kg	17867 Kg	17264 Kg
= Tonnes CO2	19.12tonnes	18.78 tonnes	17.87 tonnes	17.26 tonnes

NOTES

1) The Fuel Emission Conversion Factors used are based on Defra's Petrol and Diesel used by UNIT VOLUME (per unit litre used of typical bio-fuel blends as sold in the UK), under TOTAL DIRECT GAS HOUSE EMISSIONS (CO2, GH4, N2O) only (also called TAIL PIPE or AT SITE emissions, which exclude emission costs of fuel and car manufacture and distribution). In 2012 the conversion factor given for Diesel was x 2.58 and Petrol x 2.24. (Defra Annex Tables 1b & 6a; also see Calculators National Energy Foundation and Carbon Footprint Ltd for comparable figures). Note that these Conversion Factors differ from those used to determine emissions per km or mile driven per vehicle type and size.

2) The Electricity factor 0.52 is obtained from Defra's tables, as advised, for Converting Purchased Electricity/ Grid Rolling Average, KgCO2e per kWh, Annex Table 3c. Source: Department of Environment, Food and Rural Affairs (DEFRA), Guidelines for Defra/Decc GHG Conversion Factors for Company Requirements, 2012. Enigma has reduced kWh each year between 2012-13 and 2016-17.

Past and Future Strategy: Emissions

Defra provide conversion factors for Passenger Road Transport/Units travelled (km and miles) according to car type and size and fuel used. They also provide conversion factors for other modes of transport (air, rail, sea) and road freight. Conversion factors most relevant/applicable to Enigma's ability to adopt more efficient energy use would include the following (For Total Direct GHG in kgCO2e per mile).

Small Petrol Car to 1.4 litre	x 0.265 per mile	
Medium Petrol Car to 1.4-2.0 litre	x0.334 per mile	
Small Diesel Car to 1.7 litre	x0.230 per mile	
Medium Diesel Car 1.7- 2.0 litre	x0.285 per mile	
Medium Hybrid	x 0.187 per mile	
National Rail (av. per passenger)	x0.093 per mile	(0.0582 per km)
Domestic Air Travel (av. per passenger)	x0.267 per mile	(0.1668 per km) Greater distances allow increased efficiency
London Underground	x0.116 per mile	(0.0719 per km)

From the above data it is evident that average emissions by Medium Hybrid cars are lowest, followed by Small Diesels. London Underground and National Rail are shown to produce less GHG per person than car travel for cars occupied by drivers only. Enigma has used this information, similarly available prior to 2012, to assist in deciding purchases of new vehicles (in 2011, 2012 and again in early 2014 and 2016-17 as has been required in our expanding business) and also in organising travel arrangements between London, Newcastle/Middlesbrough and other areas of the UK. Enhanced teleconference arrangements have also been instituted over the past two years.

From January 2010 to December 2014, Enigma's Emissions tonnage grew from 110.4 to 150.6 tonnes. Enigma's car fleet grew from six cars to fourteen in 2014, with additional use of short term car hire. New eco rated cars were first bought in 2012. Four of the new cars were Medium Toyota Prius Hybrids; five were small diesels (1.3 litre ecoflex active). Enigma made further purchases of Hybrid cars in 2013 and restricted the use of hired cars to eco models. Enigma also introduced a more rigorous analysis of miles and fuel purchases/ fuel types used for all vehicles. The eco cars have significantly impacted on fuel usage and carbon footprint within a period of rapid growth. In spite of significant staff increases and more than doubling of the vehicle fleet in between 2011 and 2017, emissions increase was only around 30% and the office carbon print dropped 10%. The emissions ratio reduction with vehicles continued as expected in 2014-2016 as newer and more efficient technology and car usage was deployed. In fact, emissions fell across the board this past year, with lower usage of both diesel and petrol, in spite of only a very slight drop in mileage. Further gains may be made in regard to both consumption and mileage requirements. Furthermore, in April 2016, a new fleet of cars were purchased by Enigma – 2 x Kia Sportages and 2 x Kia Cee'ds – these cars are specifically designed to be more economical and fuel efficient as part of the ECO dynamics model range. The key to EcoDynamics is the state-of-the-art Intelligent 'Stop and Go' technology, which switches off the engine whenever the car is stationary, cutting down on fuel usage and CO2 emissions. The cars also have energy saving tyres which reduce fuel usage through less road friction, The gearshift indicator advises on the most fuel efficient points to change gear ensuring minimal engine wear and tear. Finally the Kia Cee'd and Sportage models were produced in Zilina, Slovakia; Kia's first European plant: which meets the highest environmental standards at every stage of the manufacturing process. As of May 2017, Enigma has also added a further Kia model – the Kia Sorento as part of its fleet and this is a further example of Enigma's efforts to improve sustainability whilst maintaining maximum efficiency.

On Anti-Corruption

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

Commitment

- Enigma Code of Conduct.

Due to its primary involvement in the security industry business Enigma, as both a company organisation and a group of people, has a duty to fulfil strict legal and social obligations relating to all forms of corruption and illegality. This duty is accepted in accord with the underlying principles and technical requirements of both UK and internationally acclaimed law.

Implementation

- Enigma's Code of Conduct addresses issues of bribery and corruption. As detailed in the Enigma Employment Handbook & the Enigma Instruction Manuals, employees are both protected and encouraged to raise concerns about possible or known acts of corruption. Legal protection is assured under the Public Interest Disclosure Act 1998.

- As a provider of both manned and CCTV security services Enigma carries a great deal of responsibility in the management of public behaviour and Data Protection. Enigma staff are expected to act with enhanced sensibility and unquestionable integrity at all times.

- Enigma is often obliged to carry out internal investigations and provide reports for incidents of suspected criminality involving the property and viability of businesses belonging to clients. These incidents generally involve theft and unlawful property damage but may also include forms of corruption including trade in illegal services and also stolen and/or counterfeit goods. See **Table C** for percent of incidents resolved to the satisfaction of both Enigma and Client. Note that this past year has also proved very satisfying in terms of increased business with reduced Incidents of Suspected Criminality being reported.

Table C.

	2010	2011	2012	2013	2014	2015	2016
Reported Incidents of Suspected Criminality	26	21	19	24	18	20	16
% Resolved to Enigma's and Client's Satisfaction	86%	94%	91%	96%	96%	100%	100%

Looking Ahead: Global Compact and our Sustainable Future

As part of its sustainable and principled growth model, Enigma seeks to embed sustainability into all of its operations. As part of this objective Enigma has aligned its growth model with that prescribed in the UK Government's Sustainability Development Strategy. This strategy focuses on four priority areas:

- Sustainable communities and workforce

- Natural resource protection and environmental enhancement

- Climate change and energy

- Sustainable consumption and production.

It is our intention to deliver more sustainable solutions for our people, our customers and the wider community and environment in which we all work and live.

This strategy reflects our commitment to ensuring sustainability is paramount in all aspects of our business.

The Four Priority Areas:

1. SUSTAINABLE COMMUNITIES:

"We will be good neighbours who engage with, work with, and support our local communities. We will create an excellent workplace where our people are respected, motivated and competent, and where excellence in Health & Safety is our goal."

1.1 Health and Safety.

Through the way we work and behave all our people and stakeholders will be protected from the risks of occupational injury and ill health.

1.2 Our People.

We will attract, develop and retain the best people and promote diversity in a way that underpins our values. We will ensure equal opportunities, eradicate discrimination and create a happy and motivated workforce.

1.3 Community.

By engaging, respecting and understanding our community stakeholder we will make a positive contribution to their environment and quality of life.

2. NATURAL RESOURCE PROTECTION AND ENVIRONMENTAL ENHANCEMENT:

"*We will our impact on environment through the prudent use responsibly manage of natural resources, minimising waste and by protecting and enhancing the environment in which we work and live.*"

2.1 Environmental Impacts

We will not pollute or contaminate land or water and will manage our waste responsibly. We will seek to enhance and improve the environment where possible through good design and management.

2.2 Bio Diversity

We will endeavour to understand and manage our biodiversity impacts and seek opportunities for all forms of wildlife and their habitats.

2.3   Supply Chain.

We will work with our supply chain to deliver mutually sustainable solutions that deliver value for money.

2.4   Resource Use.

We will do "more with less" by maximising resource efficiency in planning, design, waste minimisation and recycling.

3. CLIMATE CHANGE AND ENERGY:

"We will work to reduce our impact on climate change by minimising all our uses of energy."

3.1 Atmospheric impacts.

We will actively reduce our use of energy and emissions of greenhouse in transport use, design, maintenance and operations of our facilities.

3.2 Design.

Sustainability will be a key objective of our designs. We will achieve excellence in life-cycle design and exceed our customer expectations by delivering more cost effective, sustainable solutions.

4. SUSTAINABLE CONSUMPTION.

"We will work with our customers and suppliers to achieve "more with less" through more efficient use of human and material resources, considering life cycle impacts, and delivering profitable yet sustainable and environmentally beneficial outcomes".

4.1 Value and Risk

We will improve our business margins and create shareholder value in a sustainable way. We will be recognised as leader in the way we understand and manage our risk profile.

4.2 Customer.

We will aim to be renowned for understanding and exceeding our customer expectations; and for responding rapidly to their demands for more sustainable solutions.

4.3 Governance

We will be recognised as a company which lives its values in all of its activities and one that demonstrates an ethical approach across all areas of corporate responsibility.

Our Sustainability Strategy

Enigma first established a Sustainability Management Committee in 2010. It was chaired by the CEO and included the senior management team with advice given by external specialist organisations such as "Kelvin Holmes Associates" who have links to the UK government's Sustainability Development Commission and "Achilles" who are strongly involved in the UN Global Compact. The SSAIB is also used to gain advice through their Business Leaders Forum in which key players meet regularly to share best practice information and to develop sustainability plans and objectives for Enigma.

The Sustainability Management Committee refined the company's strategic direction and targets using input from all operational groups within the company. To help clarify the company's sustainability policy vision a long-term strategy model was developed to illustrate the links between Key Performance Indicators and Enigma's Corporate Objectives. After several intensive discussions thirteen key performance indicators (KPI's) were established by the committee to measure progress and an independent audit procedure was set up. This was via external auditors using our BS 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 systems. **See the Enigma Chart**: Value through Sustainability & Strategic KPIs.

Our strategy will be delivered by:

- Generating a culture that actively encourages and communicates best sustainable practices.

- Ensuring the real involvement of all our people, our supply chain and stakeholders.

- Conducting our business in accordance with our core values of openness, collaboration, mutual dependency, professional delivery, innovation, sustainable and profitable growth.

Health & Safety and Sustainability

As part of Enigma's integrated approach to sustainability, a management based Health & Safety cultural assessment was incorporated in its strategy as part of a structured framework with which to assess Health and Safety across Enigma's business. This assessment continues to form the structure for driving Health and Safety improvements, including those in Enigma's supply chain. The assessment is based on four key elements:
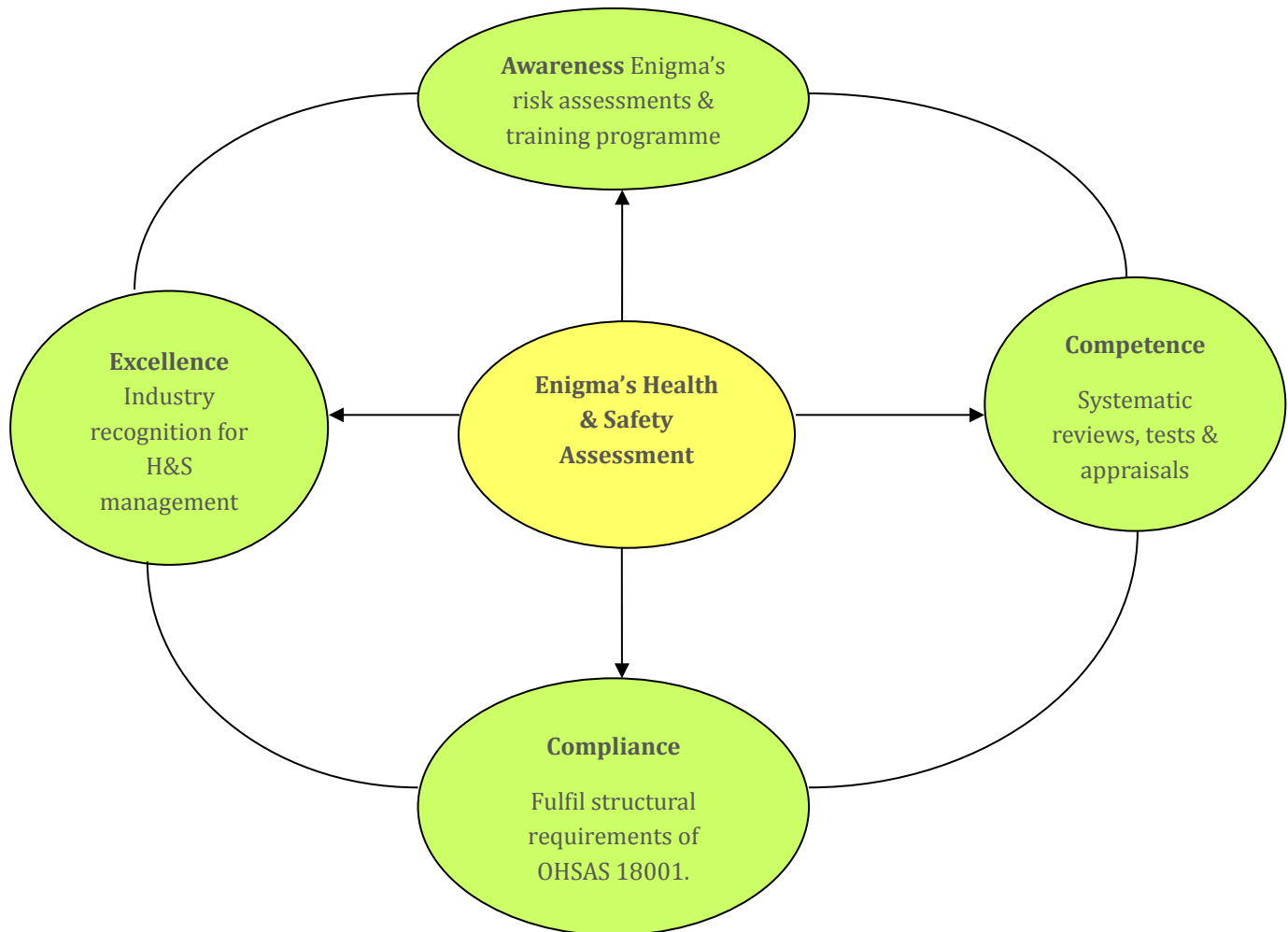
- **Awareness**. "All our people and stakeholders have an awareness and understanding of Health & Safety hazards and risks that affect our people and business".

- **Competence**. "All our people and stakeholders have the competence to undertake their work with minimum risks to Health and Safety".

- **Compliance**. "Our work activities achieve compliance with legislation, and our people are empowered to take action to minimise Health and Safety risks".

- **Excellence**. "Enigma is recognised for excellence in the way it manages Health and Safety".
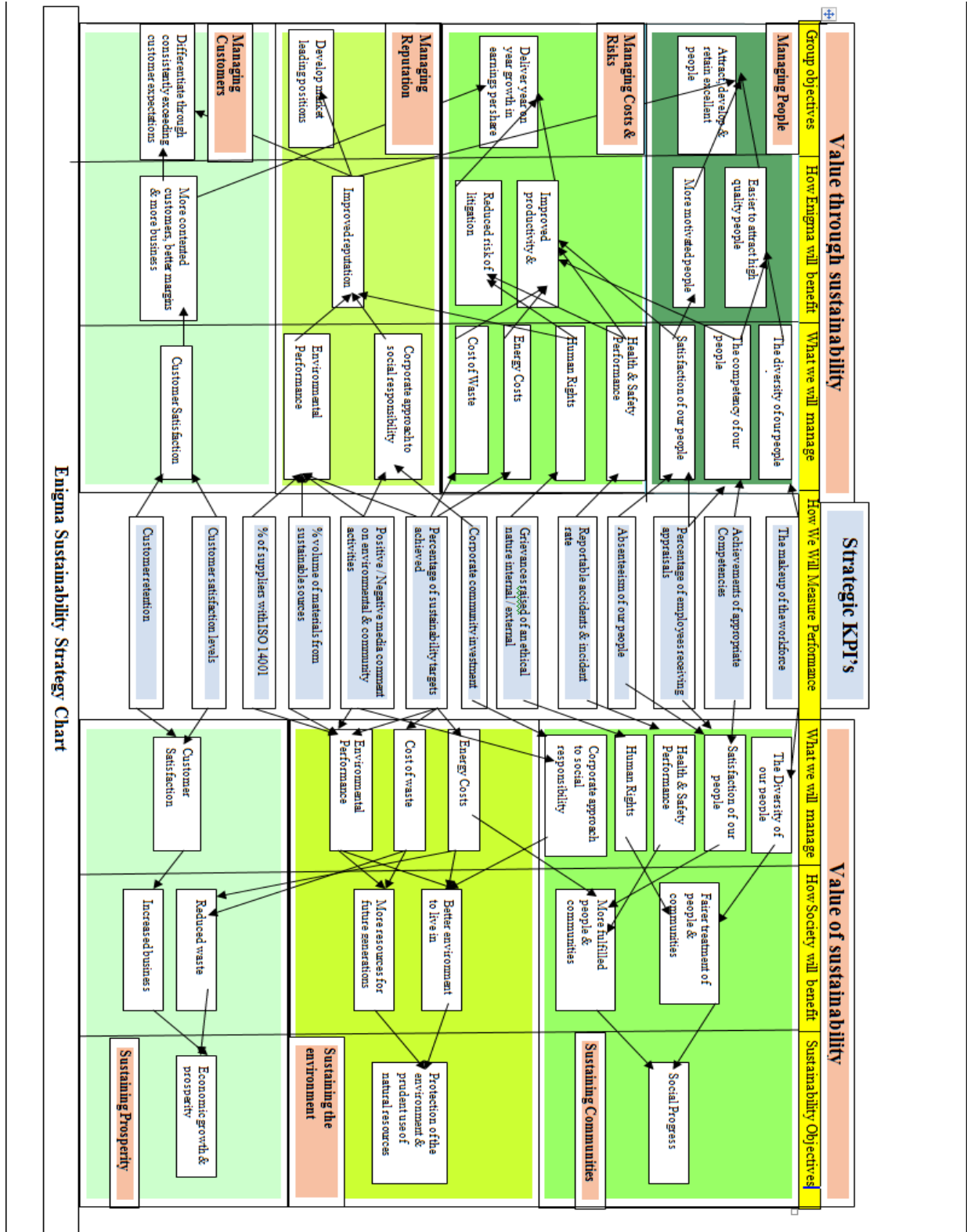
These four elements of Awareness, Competence, Compliance and Excellence form the framework for Enigma to:

- Facilitate the management of Health and Safety excellence.

- Communicate the Health and Safety policy, objectives, procedures, guidance, plans and performance.

- Realise and maintain continuous improvement in Health and Safety performance.

- Ensure compliance with all relevant Health and safety legislation.

- Fulfil the structural requirements of OHSAS 18001: Occupational Health and Safety Management Systems Specifications.

Awareness Enigma's risk assessments & training programme

Excellence Industry recognition for H&S management

Enigma's Health & Safety Assessment

Competence Systematic reviews, tests & appraisals

Compliance Fulfil structural requirements of OHSAS 18001.

Enigma Sustainability Strategy Chart

Sustainability: Strategic KPIs - Results and Targets

PRIORITY AREAS	IMPACTS	Measures	2012 results	2013 results	2014 results	2015 results	2016 results
Sustainable Communities & Workforce	Health & Safety	Complete monthly & yearly training/ assessments (ACCE)	78%	92%	100%	100%	100%
		Reportable accidents and incidents (520,000 man-hours)	0.04	0.04	0.02	0.02	.01
	Our People	Employee turnover based on voluntary leavers	8%	6%	5%	5%	4%
		Employee satisfaction ratings: High & Above	83%	88%	95%	95%	96%
		Grievances raised of an ethical nature: internal/external	7 cases	5cases	0	2cases	0
		Equality & Diversity Policy implemented	yes	yes	yes	yes	yes
	Community	Donations made to local communities	£1000	£1450	+20%	£2,300	£3550
		Engagement: support training for disadvantaged people	30 placements	36	42	44	44
		Participation Charity Walks	£400	£480	+20%	£700	£1080
Natural Resource Protection and Environmental	Environmental Impacts	Percentage of sustainability targets achieved	76%	85%	95%	95%	96%

Enhancement	Biodiversity	Percentage of contracts/clients with Environmental Biodiversity Policies	81%	89%	100%	100%	100%
	Supply	Percentage of suppliers with ISO 14001	90%	95%	100%	100%	100%
	Resource Use	Follow our resource plans	74%	85%	100%	100%	100%
Climate Change and Energy	Atmospheric Impacts	CO_2 reduction by revenue (fuel, energy)	10%	14%	20%	16%	12%
	Av. Emissions per employee	(New for 2014) Tons CO_2 per employee					0.05 T CO_2
Sustainable Consumption and Production	Customer Satisfaction Levels	Satisfaction Score	92%	94%	100%	96%	98%
	Customer Retention	Percentage renewed	95%	92%	100%	98%	100%
	Governance	Adoption of UN, European & UK Industry Standards	85%	95%	100%	100%	100%

Appendix: Enigma Tool Box Talk

SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY

Introduction

When getting involved with ideas about environmental and social best practice it doesn't take long to realize there are many different ways of looking at the subject. This easily leads to confusion even when people are heading in the same direction.

Enigma uses the ideas and practices of sustainable development throughout the Company but increasingly the term Corporate Social Responsibility is being used in the business world. What does this actually mean for us?

Corporate Social Responsibility (CSR)	How does CSR relate to sustainable development?
Has been defined as… "achieving commercial success in ways that honour ethical values and respect people, communities and the natural environment" There are laws and regulations that set minimum requirements for everyone. CSR encourages behaviour that goes beyond basic legal obligations- bringing real business benefits by reducing risk, enhancing brand values and improving staff efficiency and morale.	Sustainable development is… "Development which meets the needs of the present without compromising the ability of future generations to meet their own needs". The UK government addresses this definition of sustainability with 4 key objectives: 1) Social progress which recognises the needs of all people. 2) Effective protection of the environment. 3) Prudent use of natural resources 4) Maintenance of high and stable levels of economic growth. These definitions echo the call from CSR to think about more than the economic bottom line, an issue particularly relevant to business.

With CSR business can contribute to the overall goal of sustainable development…

CSR ISSUES	SUSTAINABLE DEVELOPMENT	ENIGMA'S IMPACTS
Community Ethics Human Rights Workforce	Social Progress which recognises the needs of all people	Health & Safety Our people Community Learning & Development
Environment	Effective protection of the environment	Land Impacts Biodiversity Water Atmosphere
	Prudent use of natural resources	Resource Use Supply chain Design Waste
Marketplace Vision & Values	Maintenance of high and stable levels of economic growth	Cost & Risk Customer Shareholder Community Investment

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