

# **Enics Communication on Progress (COP) Jan 2017-Dec 2017**

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## Statement by President and CEO

The principles of UNGC are manifested in Enics values, Enics Code of Conduct, vision, mission which forms 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.

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.

### Implementation & achievement measurement 2017

Enics Code of Conduct e-trainings have been conducted in all Enics` locations for white-collar employees	Trainings started in some locations 2016. Started in all locations by Q3/2017
Enics Code of Conduct on site trainings have been started in all Enics` locations for blue-collar employees	Trainings started in Q2/2017
Enics Code of conduct trainings are part of induction process in all Enics` locations	Started in Q2/2017

### Actions for 2018

- Harassment prevention in all forms.

Harassment prevention campaign in 2018, target to increase the awareness of the topics. Implement updates to "Enics Grievances Procedure" with chapters about different types of harassment, how to act in the case and to inform all employees about its details.

### Measures of outcome

Articles about Harassment to be published in Enics internal website, document "Enics Grievances Procedure" changes in Quality Management System to be implemented, all employees to inform and trained.

Progress of actions will be reviewed and reported to Enics Executive Management Team by the dedicated UNGC team once 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 2017

Continue with Human Resources Procedure Audit	Continued process, started in 2017
Continue to harmonize employee handbooks	Continued process, started in 2017

### Actions for 2018

- Co-operation with employee unions in order to guarantee flexible workforce solutions, reasonable salary development and peaceful and steady working environment.

One meeting in a year between local Management and Employee Representative Teams or Employee Union representatives.

### Measures of outcome

Action plans will be carried out acc. proposals and discussions from both parties.

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

Enics business units operate according to an environmental management system, and all units have an ISO14001 certification. Highest quality process requirements were confirmed in multiple business units during 2017, with the continued implementation of ISO/TS16949, IRIS, ISO13385 and other relevant industry standard to ensure Enics capabilities are continuously improved to exceed set requirements.

Our focus on environmental development is to reduce waste continuously and enhance the recycle rate. All actions will reduce our environmental footprint and reduce non-recyclable landfill waste. Thus Enics is continuing to invest environmental protective equipment, for example reducing waste creation. Additionally Enics is working closely with customers to

fulfill their stringent environmental requirements and requirements beyond regulatory and legal requirements.

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 2017

Enics Material Compliance program in place	During 2017
Environmental reporting and performance improvements in all Enics' locations	During 2017
Employee environmental footprint management	During 2017

### Actions for 2018

- Creation of global level Green Program including Key Performance Metric for environmental area, including recycling rates, waste amount, and possibly Carbon Footprint, by benchmarking Enics customers programs, general approach in the industry and benchmarking best practices
- Environmental Policy for Enics Group
- Information sharing to all Enics personnel via electronic or other means
- Environmental footprint management as a result of digitalizing processes; need to print out less paper in Business Units. Limit the need for travelling (more trainings via online eLearning system)

### Measures of Outcome

Enics level Green Program is defined and implementation starts in 2018. KPI's are defined and get approval from Enics Management Team in Q3/2018.

Business Unit level reviews and continuous improvement activities are done on annual management reviews.

On Enics Group level summary of environmental Key Performance Indicators are reviewed on annual basis.

To measure/compare paper consumption between different years, count the total number of online trainings, which were conducted in 2018.

Progress of actions will be reviewed and reported to Enics Executive Management Team by the dedicated UNGC team once 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 2017

Implementation of Anti-Corruption Policy as part of the induction for all employees.

Started in Q2/2017

### Actions for 2018

- Regular audits in different Business Units to ensure the compliance with the anti-corruption policy.

### Measures of outcome

Measure number of findings, company`s target is 0.

Progress of actions will be reviewed and reported to Enics Executive Management Team by VP, Human Resources and Communications.