



**The Enigma Group of Companies continues to support and promote the corporate, social and environmental initiatives of the UN Global Compact.**

## **COMMUNICATION ON PROGRESS 2017/18**

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**“FOR ENIGMA, BECOMING A MORE RESPONSIBLE AND SUSTAINABLE BUSINESS GOES HAND IN HAND WITH THESE INITIATIVES AND THE TEN PRINCIPLES OF THE UNITED NATION’S GLOBAL COMPACT.”**

## OUR PERFORMANCE IN 2017



HUMAN RIGHTS & LABOUR



ENVIRONMENT



ANTI-CORRUPTION



SUSTAINABLE DEVELOPMENT GOALS

Enigma continued its drive for sustainability and compliance within the parameters of the UN Global Compact principles via integration with verified accreditations such as the current ISO 9001:2015, OHSAS 18001:2007, ISO 14001:2015 and Achilles.

These were secured while undergoing significant ongoing business growth.

In March 2017, Enigma also achieved a top rating and highest ever score of 151 points in the Security Industry Authority’s assessment scheme for Approved Contractors. After several years of a top 10% placing, this latest score elevated Enigma into the top 5% of all UK SIA Approved Security Contractors.

Enigma maintained its excellent record in 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 waste reduction, recycling and CO2 output from vehicle/office fuel and energy use.

Due to our concerted efforts at carbon reduction initiatives, Enigma continued to achieve significant reduction in both waste and carbon emissions relative to the annual increase in business growth.

This was 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 2013 and December 2017.

We have established a long-term sustainability strategy with positive outcomes to be achieved for all strategic KPIs by 2020 (see end Chart).

## GLOBAL COMPACT PRINCIPLES





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## OBJECTIVES FOR 2018

# CHIEF EXECUTIVE'S STATEMENT

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Today, Transparency, Sustainability and Social Responsibility are essential requirements for sound business practice and all-inclusive social and economic growth. Stakeholder demand for accountability and transparency is more prevalent than ever. Corporate Social Responsibility (CSR) is all about addressing such requirements and demands.

Our shared UN Global Compact membership helps provide our company with valuable tools and guidance in its quest to satisfy best practice CSR in our daily operations and the strict regulations of the industry in which we operate. The ten principles of the Global Compact also provide a frame of reference with respect to the multifaceted issues of human rights, labour, environment and anti-corruption.

In 2018 Enigma will 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 introduce new awareness programmes for employees and commit all stakeholders through the application of Enigma's Sustainable Supplier Charter. Stringent Carbon Measurements will continue to apply to all aspects of Enigma's business activities. We will integrate the UN's seventeen Sustainable Development Goals (SDGs) into our CSR strategy.

We will take steps towards improving interactions with clients, to express our values of corporate social responsibility and to understand their needs and priority values to help accentuate common ground. This will also help reinforce the bond with clients and give us the ability to improve our operational and strategic services.

Our business is focused on a minimal "environmental footprint". A more proactive personnel policy and training will make our planners and employees more aware of the impact of their actions on Enigma's environmental footprint. New personnel will also be expected to have high environmental awareness and personal competencies.

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.

As part of Enigma's broader commitment to Sustainable Communities, Consumption, Climate Change and Environmental Enhancement, Enigma will extend support to TREE AID, Water Aid and UNICEF's general health programmes. TREE AID UK and Water Aid are separate charities which invest heavily in tree planting and providing accessible drinking water for communities on the African continent.

UNICEF has a broad range of programmes aimed at the general welfare of children and communities including the WASH programme (WATER, SANITATION, HYGIENE). This programme takes specific aim to provide clean, affordable and accessible water for all impoverished people across the globe. Enigma supports this aim with its charitable donation to UNICEF and its operational commitment to the UN Global Compact.

## ENIGMA & THE GLOBAL COMPACT'S TEN PRINCIPLES

# OUR VISION PLAN

*Enigma seeks to achieve profitable growth while making the world a better place. To succeed in this mission, Enigma plans its business growth on a comprehensive sustainability strategy which integrates the United Nation's principles relating to human rights, labour governance, the environment and anti-corruption. Enigma has a clear strategic intent to base our operations on these core values and honour obligations towards the communities in which we operate. Certification and industry standards guide our approach and actions.*







# ON HUMAN RIGHTS

*Human rights are universal and every person around the world deserves to be treated with dignity and equality. Basic rights include freedom of speech, privacy, health, life, liberty and security, as well as an adequate standard of living.*

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

**Principle 2** Businesses 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 now delivered 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, or more frequently, as necessary to ensure any safety or other compliance issues and legalities are applied and maintained.



## Human Rights



# HUMAN

# RIGHTS

# FOR

# ALL



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 March 2017.

Enigma endeavours to provide enhanced working conditions - legislated and best industry practices - regarding health, safety and comfort, for its employees. It is Enigma's policy to provide a written Risk Assessment for all work sites and to implement all necessary control measures before workers are allowed on site. Enigma only contracts to clients with appropriate Management, Health, Safety & Environmental accreditations and Corporate Social Responsibility/Sustainability Policies which adhere to Global Compact Principles.

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

- a) 24-hour local management contact.
- b) 24-hour national management contact (through our ARC centre).

To ensure Global Compact principles were incorporated in Enigma's sustainability strategy and operations, a management committee was established in 2010. The committee is now chaired by our CEO and includes two directors and Enigma's Compliance Manager.

The operational expertise of committee members helps link issues regarding aims of improving work and living conditions for all stakeholders, 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.

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 9001:2015 quality assurance manual, which is documented, audited and reviewed. See Enigma's Sustainable Suppliers' Charter (below).

# 151.6 Million

Around the world, there are approximately **151.6 million** children aged 5 to 17 in child labour.

**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
<b><i>Enigma Commits To:</i></b>	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 Organisation'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) Recognise 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
<b><i>Enigma Expects Suppliers To:</i></b>	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 Organisation'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
<b><i>Together we shall:</i></b>	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
<b><i>Making tomorrow a better place</i></b>				



# ON LABOUR

*Economic growth alone is not enough to ensure equity, social progress and to eradicate poverty. All employees around the world should have decent working conditions. Decent work involves employment that is productive and delivers a fair income. It also should ensure workplace security, social protection, better prospects for personal development and social integration.*

**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 labour.

**Principle 5** Businesses should uphold the effective abolition of child labour.

**Principle 6** Businesses 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 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 and 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.

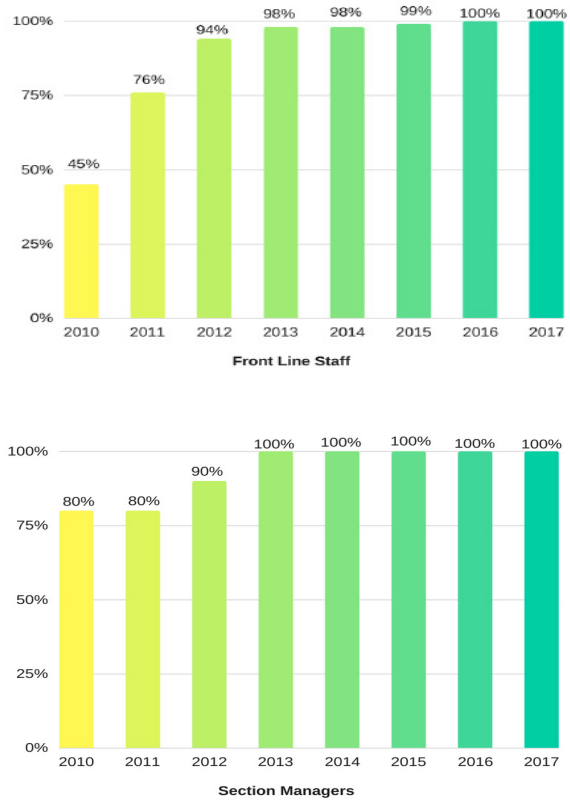
Enigma applies quantitative testing in the recruitment process as an anti-discrimination measure. Two tests are given: one for literacy and the other for industry-specific knowledge. They were introduced in 2011 in order to increase objectivity and to help eliminate undesired (including unintentional) discrimination.

From the time of introduction, there has been 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 since achieved an even balance of male and female staff.

Enigma, through its ISO 9001:2015 accreditation, has asserted minimum expected ethical standards for suppliers through 2010 to June 2018 (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.

**Percentage of employees receiving regular policy and performance reviews**



**Table A** 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 the period 2016-2018 has seen a 100% return for monthly reviews of all employees.





# ON THE ENVIRONMENT

*The world today is facing unprecedented, interconnected environmental challenges in areas including climate change, water, energy, biodiversity and agriculture. With businesses relying on natural resources directly and via supply chains, new corporate efforts are needed to address environmental responsibilities, value natural capital, and better understand the linkages between resources.*

**Principle 7** Businesses should support a precautionary approach to environmental challenges.

**Principle 8** Businesses should undertake initiatives to promote greater environmental responsibilities.

**Principle 9** Businesses 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.

Implementation of sustainable mobility of the workforce and thereby reducing the average journey distance continues to decrease our CO2 footprint. Enigma endeavours to recruit local staff for work locations to reduce travel. For almost a decade, Enigma has used “green award” cars for managers, supervisors, and mobile response drivers.

These cars, which include electronic/fuel hybrids, have significantly reduced fuel costs and Enigma’s carbon footprint. From 2017, the Enigma Group will only purchase vehicles of Euro 6 emissions standard or better, with a preference for electric and petrol/electric. New standards expected in 2019 will be adopted.

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; co-

loured 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 and was maintained at 100%, which also includes Employee Pay Slips and Monthly Newsletters.

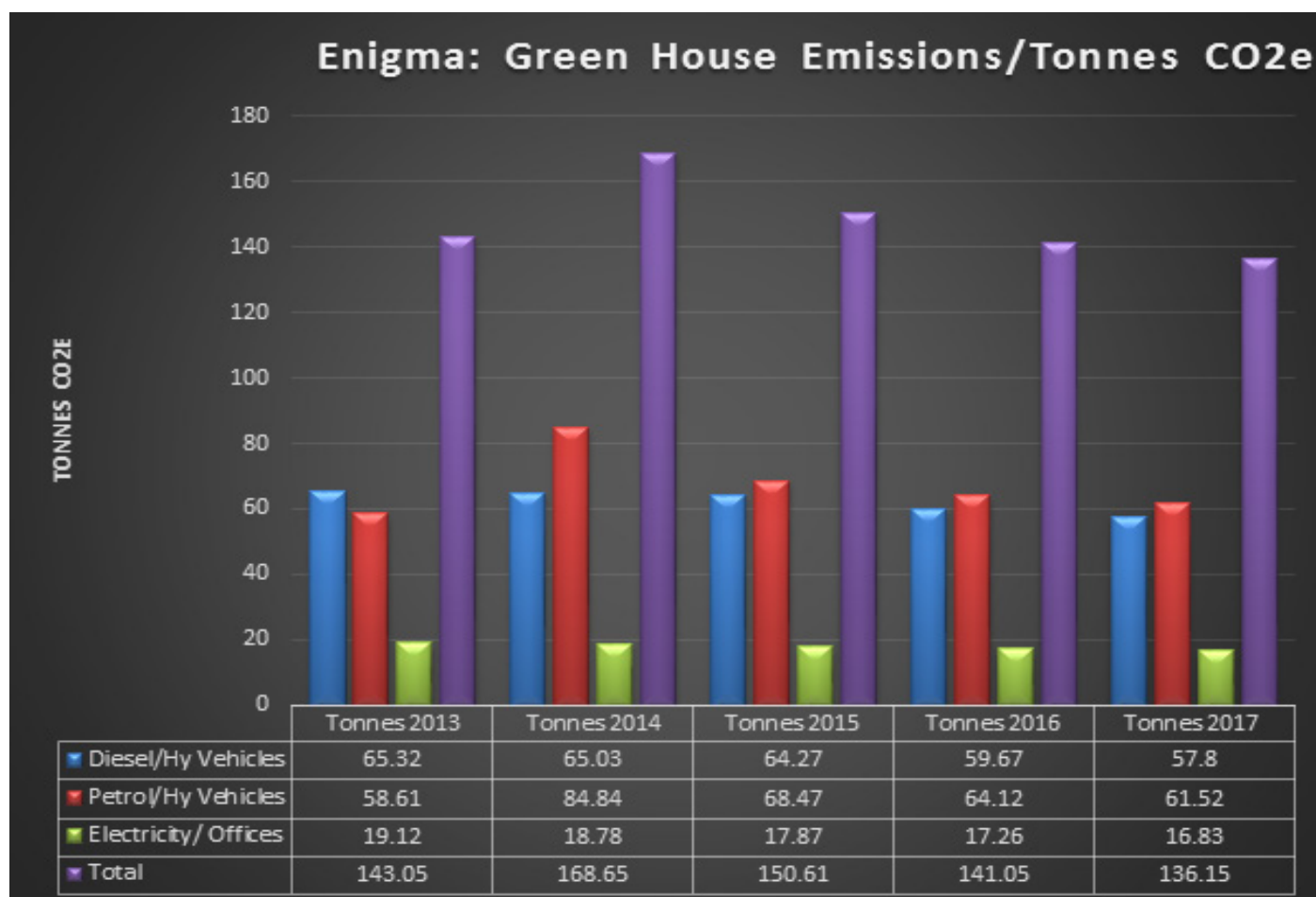
As part of its carbon reduction initiatives, Enigma established teleconferencing as the default format for management meetings and by June 2014, the 85% target for inter-branch meets was achieved and has since risen to 95% in 2017. Enigma’s environmental policy implementation will be based on BS ISO 9001:2015 and ISO 14001:2015.

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

By annually donating to the foundation “Trees for All” in order to compensate all greenhouse gas emissions.

Every year in the period 2015 to 2025, the aim for the Enigma Group is for an energy consumption drop of 2% per employee.

# ANNUAL EMISSIONS 2012 - NOV 2017



Annual Data Table					
	2013	2014	2015	2016	2017
Diesel Used/Litres	25289 (x 2.583)	25178 (x 2.583)	24880 (x 2.583)	23100 (x2.583)	22400 (x2.583)
= Kg CO <sub>2</sub> e	65321 Kg	65034 Kg	64265 Kg	59667 Kg	57850 kg
= Tonnes CO <sub>2</sub>	65.32 tonnes	65.03 tonnes	64.27 tonnes	59.67tonnes	57.8 tonnes
Petrol Used/Litres	26588 (x 2.242)	37843 (x 2.242)	30567 (x 2.242)	28600 (x2.242)	27440 (x2.242)
= Kg CO <sub>2</sub> e	58610.Kg	84844 Kg	68470 Kg	64121	61520kg
= Tonnes CO <sub>2</sub>	58.61 tonnes	84.84 tonnes	68.47 tonnes	64.12 tonnes	61.52 tonnes
Electricity Used	37989 KWh (x.52)	36120 KWh (x .52)	34360 KWh (x.52)	33200 KWh (x .52)	32375 KWh (x .52)
= Kg CO <sub>2</sub> e	19754 Kg	18782 Kg	17867 Kg	17264 Kg	16835 Kg
= Tonnes CO <sub>2</sub>	19.12tonnes	18.78 tonnes	17.87 tonnes	17.26 tonnes	16.83 tonnes



## NOTES:

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 (CO<sub>2</sub>, GH<sub>4</sub>, N<sub>2</sub>O) 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.

The Electricity factor 0.52 is obtained from Defra's tables, as advised, for Converting Purchased Electricity/Grid Rolling Average, KgCO<sub>2</sub>e per kWh, Annex Table 3c. Source: Department of Environment, Food and Rural Affairs (DEFRA), Guidelines for Defra 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 kgCO<sub>2</sub>e per mile).

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



From the above data it is evident that average emissions by Medium Hybrid cars were 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 (2012/13 and again in 2014 and 2017, as has been required in our expanding business) and in organising travel arrangements between London, Newcastle/Middlesbrough and other areas of the UK. Enhanced teleconference arrangements have also been instituted over the past three 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. 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 gear-shift 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.

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 by 10%.

The emissions ratio reduction with vehicles continued as expected between 2014-2018 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. In the future, petrol hybrids or electric will be favoured over diesel due to recent research on diesel pollutants and government policies advocating against diesel engines.

# ON ANTI-CORRUPTION

*Corruption is a considerable obstacle to economic and social development around the world. It has negative impacts on sustainable development and particularly affects poor communities.*

**Principle 10** Businesses 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.

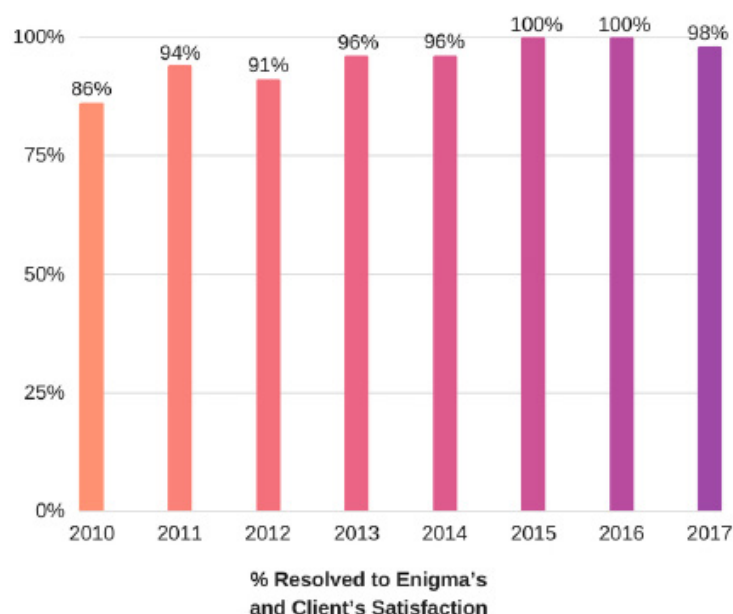
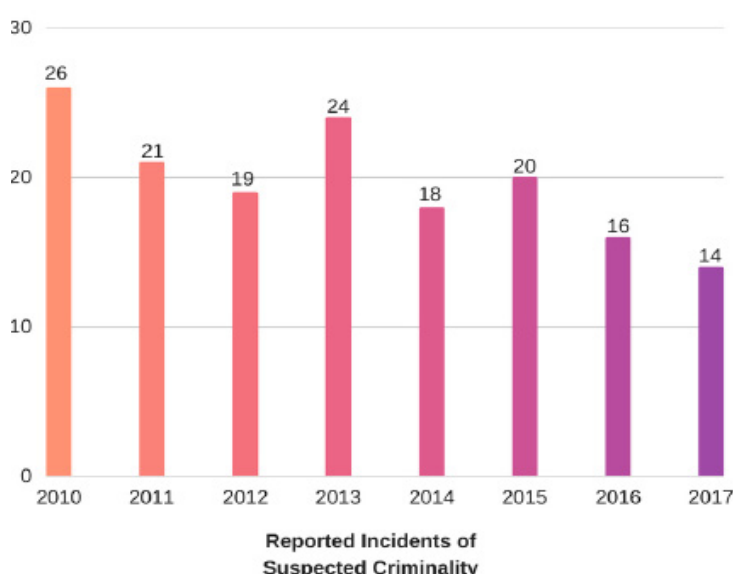
## Implementation

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. In 2012, a whistle blower policy and system was implemented. Hereby our employees are provided with a possibility to raise, whilst remaining protected from reprisals of retaliation (anonymity), any serious and/or sensitive concerns. In 2017, the number of grievances related to corruption were zero.

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. In February 2018, the Enigma Group obtained a Certificate of Assurance in the UK Cyber Essentials Scheme.

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 B for percentage of incidents resolved to the satisfaction of both Enigma and the 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 B



LOOKING AHEAD:

# A SUSTAINABLE FUTURE



*The Seventeen Global Goals for Sustainable Development (UN Development Programme)*

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 described in the UN's Global Goals for Sustainable Development and the UK Government's Sustainability Development Strategy. This Sustainable Growth Model focuses on four priority areas:

- Sustainable communities and workforce
- Natural resource protection and environmental enhancement
- Climate change and energy
- Sustainable consumption and production

Enigma intends to deliver more sustainable solutions for its people, customers and the wider community and the environment in which we all work and live. Our strategy reflects our commitment to ensuring sustainability is paramount in all aspects of our business but particularly the impact in the four priority areas.

## 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 and 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 and gender equality, end discrimination and create a happy and motivated workforce.

**1.3 Community.** By engaging, respecting and understanding our community stakeholders, we will aim to make a positive contribution to everyone's environment and quality of life.

### 2. NATURAL RESOURCE PROTECTION AND ENVIRONMENTAL ENHANCEMENT:

"We will minimise our impact on the environment through the prudent use and responsible management 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.

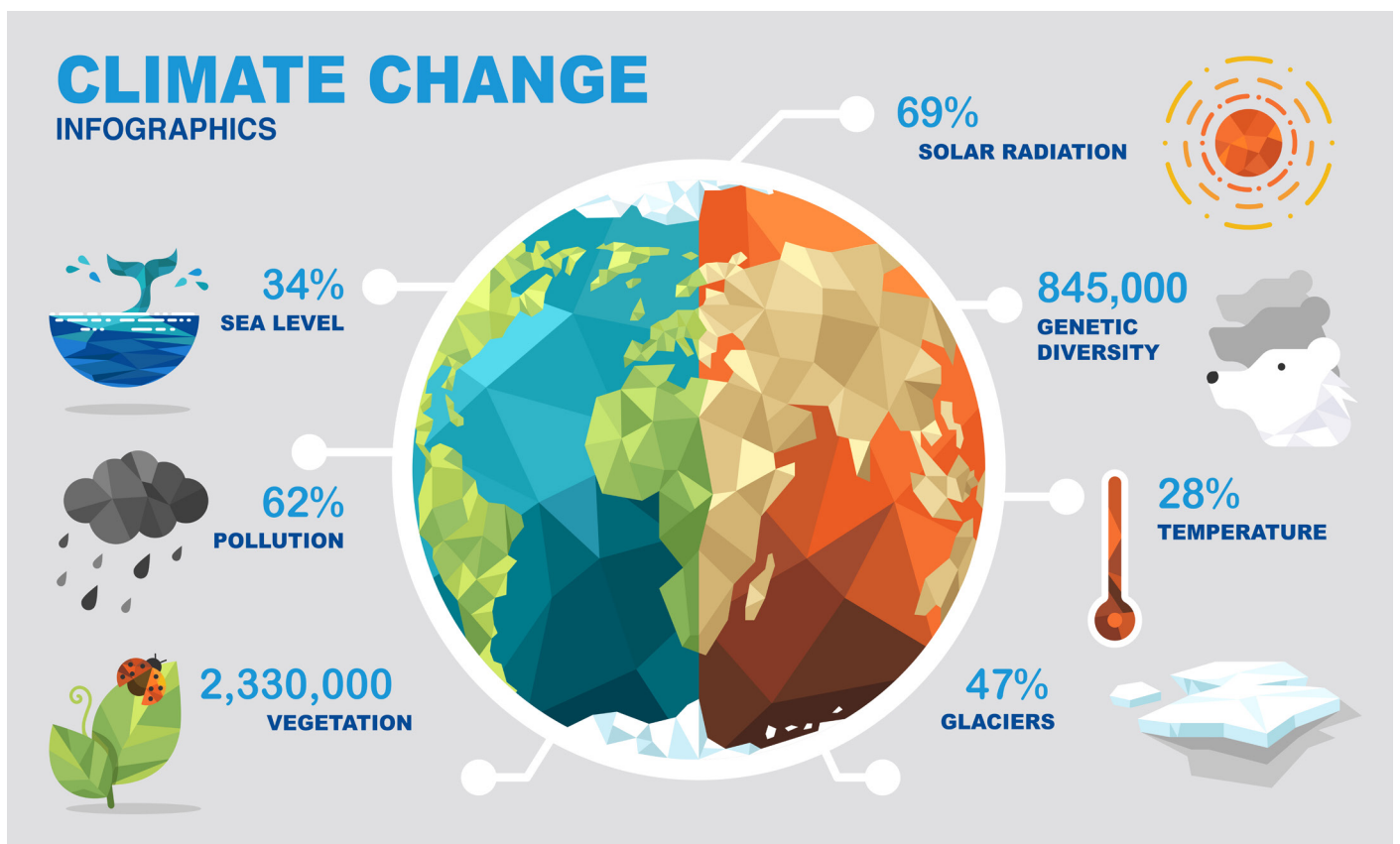
### 4. SUSTAINABLE CONSUMPTION

“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 values in a sustainable way. We will be recognised as a 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 applies its values to all its activities and one that demonstrates an ethical approach across all areas of corporate responsibility.





# ENIGMA'S BROADER COMMITMENT

*As part of Enigma's broader commitment to Sustainable Communities, Consumption, Climate Change and Environmental Enhancement, Enigma has become a contributor to TREE AID, Water Aid and UNICEF's general water and health programmes.*

TREE AID UK and Water Aid are separate charities which invest heavily in tree planting and community water access on the African continent. UNICEF has a broad range of programmes aimed at the welfare of children and families but also aims to provide clean, affordable and accessible water for all people across the globe.

WASH is the UNICEF Programme which stands for Water, Sanitation and Hygiene. Due to their interdependent nature, these three core issues are grouped together to represent a growing sector. While each is a separate field of work, they are all dependent on the presence of one other.

UNICEF's work in water focusses particularly on issues pertaining to children in their ability to access clean, safe water, and the journey they must take to collect it. Worldwide, some estimated 700 million people are still without access to clean drinking water, particularly in sub-Saharan Africa (though not restricted to this area), yet solutions are relatively simple and inexpensive.

Both WaterAid UK and UNICEF are at the forefront of exploring innovative ways to access sustainable, affordable water while building a climate resistant infrastructure. Reducing evaporation at water points and piping water from clean local and distant sources are standard solutions.

Finding groundwater as opposed to surface water is increasingly being developed as new techniques allow easier access to groundwater which is less likely to become contaminated than surface water. Although often subject to poor management and over-extraction, UNICEF has developed a series of Groundwater Programming and Drilling Principles to ensure how to best site and develop new water points.

Household water treatment (for example chlorination or filtration), along with improved water storage and handling, is another control measure to ensure safe water use inside the household and this is widely supported by WaterAid UK and UNICEF.



## 2.5 BILLION

people in the world do not have access to adequate sanitation, almost two fifths of the world's population. Around 700,000 children die every year from diarrhoea caused by unsafe water and poor sanitation - that's almost 2,000 children a day.



## 8 MILLION

trees will be grown over the period 2017-2022 by TREE AID. Through this, TREE AID aims to help lift 2.5 million people out of poverty, restore over 250,000 hectares of degraded land and promote people's rights to trees by working with local and national policy makers.



For sanitation, UNICEF works to ensure access and use of basic toilets and ways to separate human waste from contact with people. One important area of work for sanitation is to facilitate community-led initiatives to build, maintain and use basic toilets as well as the prevention of cross contamination with water supplies. UNICEF's work in hygiene is aimed at nurturing good hygiene practices, especially handwashing with soap. Although it sounds simple, this act is essential to prevent disease and preserve the health of children.

As part of its broad commitment to Sustainable Growth, Enigma also contributes to TREE AID UK. TREE AID is a UK registered charity which works to create thriving, sustainable communities throughout the isolated and remote regions of Africa. It works with locally-based teams in the drylands of Burkina Faso, Ghana, Mali and Niger and the isolated areas of Ethiopia, working with communities to build skills, knowledge and self-reliance. Since 1987, TREE AID has helped people in the drylands of Africa to lift themselves out of poverty and protect their environment.

People here live in some of the toughest conditions on earth and trees are essential to their survival. Trees provide nutrition, generate income and help to create a healthy environment.

TREE AID works with local communities to help them protect and grow trees, for themselves and for future generations. TREE AID has planted 14 million trees across the drylands of Africa with hundreds of thousands more trees being naturally regenerated through improvements in natural resource management. Over 1,000,000 villagers have directly benefited from TREE AID's work, meaning better health, education and life chances.

#### **TREE AID:**

- Gives vital food all year round, with trees that can survive droughts.
- Helps people earn an income for basic needs like food, education and health.
- Protects the environment using trees, land and water to protect and improve it.
- Defends people's rights to the trees and land on which they rely for survival.

TREE AID plans ahead in 5 year strategy periods to have the most impact. In the current strategy period 2017-2022, it has plans to:

- Grow another 8 million trees.
- Help to lift 2.5 million people out of poverty by growing incomes, creating jobs and diversifying diets.
- Restore over 250,000 hectares of degraded land.
- Promote people's rights to trees by working with local and national policy makers.



# COMPANY SUSTAINABILITY AIMS & 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 who had links to the UK government's Sustainability Development Commission and 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 (KPIs) were established by the committee to measure progress and an independent audit procedure was set up. This was conducted via external auditors using our BS 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 systems.

See the Enigma Chart below: 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 in the broadest world-wide perspective.
- Conducting our business in accordance with our core values of openness, collaboration, mutual dependency, professional delivery, innovation, sustainability and profitable growth.

### Health & Safety and Company Sustainability

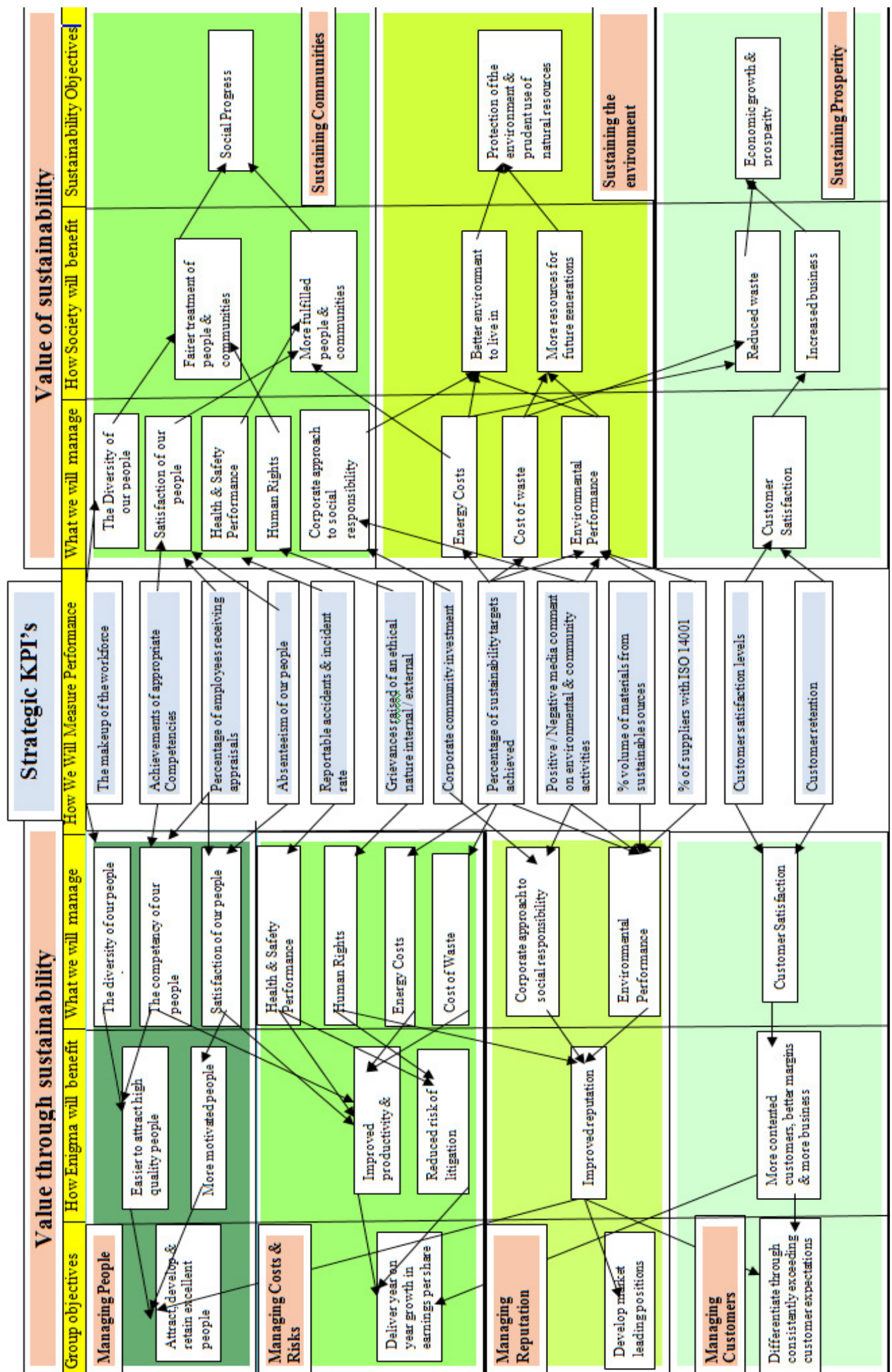
As part of Enigma's integrated approach to sustainability, a management based Health and Safety cultural assessment was incorporated in its strategy as part of a structured framework with which to assess Health and Safety across Enigma's business. This assessment continues to form the structure for driving 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 and 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.





# Sustainability: Strategic KPIs - Results and Targets

PRIORITY AREAS	IMPACTS	MEASURES	2013	2014	2015	2016	2017
<b>Sustainable Communities &amp; Workforce</b>	Health & Safety	Complete monthly & yearly training/ assessments (ACCE)	78%	92%	100%	100%	100%
	Health & Safety	Reportable accidents and incidents (520,000 man-hours)	0.04	0.04	0.02	0.02	0.01
	Our People	Employee turnover based on voluntary leavers	8%	6%	5%	5%	4%
	Our People	Employee satisfaction ratings: High & Above	83%	88%	95%	95%	96%
	Our People	Grievances raised of an ethical nature: internal/external	7 cases	5 cases	0	2 cases	0
	Our People	Equality & Diversity Policy implemented	Yes	Yes	Yes	Yes	Yes
	Community	Donations made to local communities	£1,000	£1,450	+20%	£2,300	£3,550
	Community	Engagement: support training for disadvantaged people	30	36	42	44	44
	Community	Participation Charity Walks	£400	£480	+20%	£700	£1,080
	Community	Participation Charity Walks	£400	£480	+20%	£700	£1,080
<b>Natural Resource Protection and Environmental Enhancement</b>	Environmental Impacts	Percentage of sustainability targets achieved	76%	85%	95%	95%	96%
	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%
<b>Climate Change and Energy</b>	Atmospheric Impacts	65.1 CO2 reduction by revenue (fuel, energy)	10%	14%	20%	16%	12%
	Average Emissions per employee	(New for 2014) Tons CO2 per employee					0.05 T CO2
<b>Sustainable Consumption and Production</b>	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%



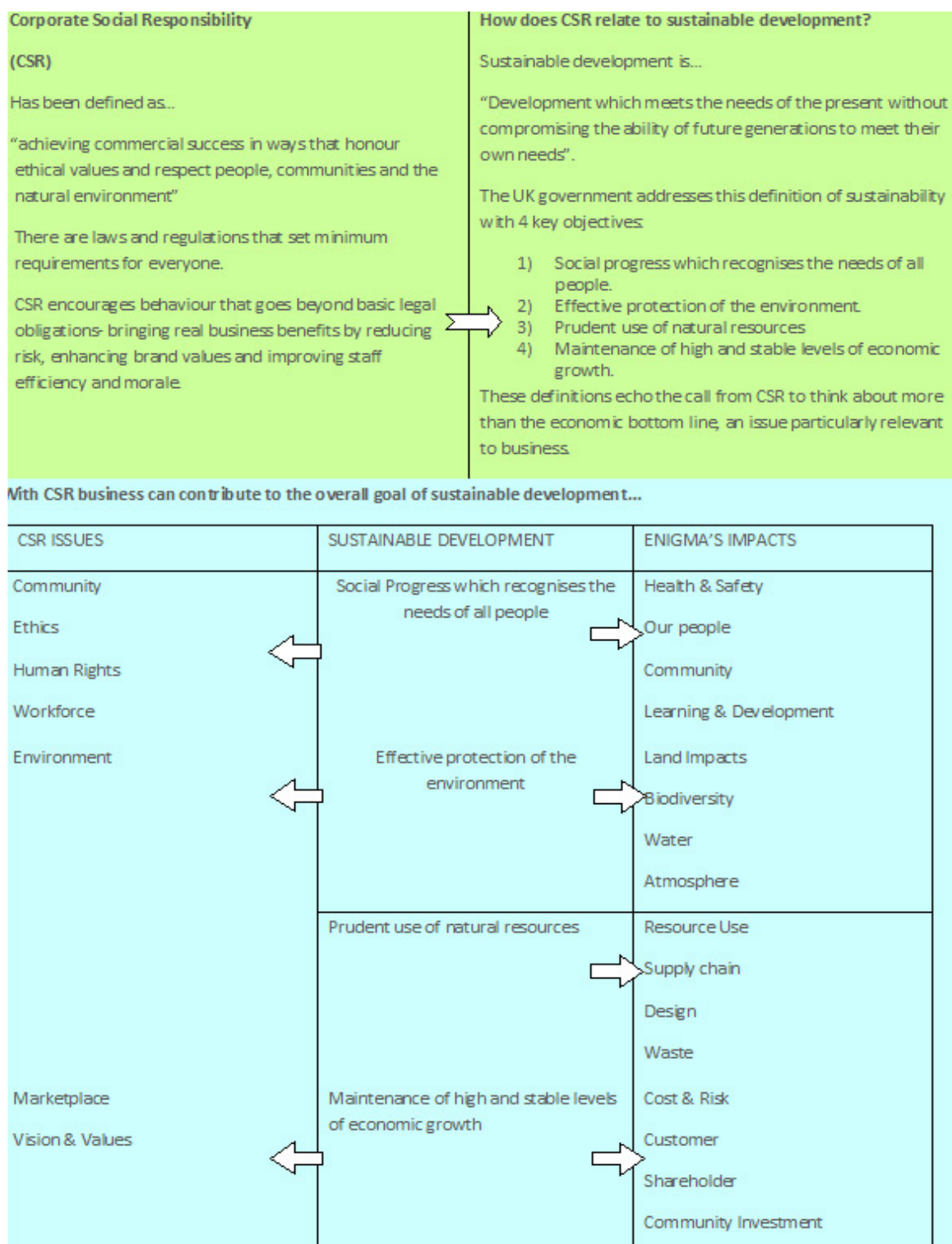
# APPENDIX: ENIGMA TOOL BOX TALK

## SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY

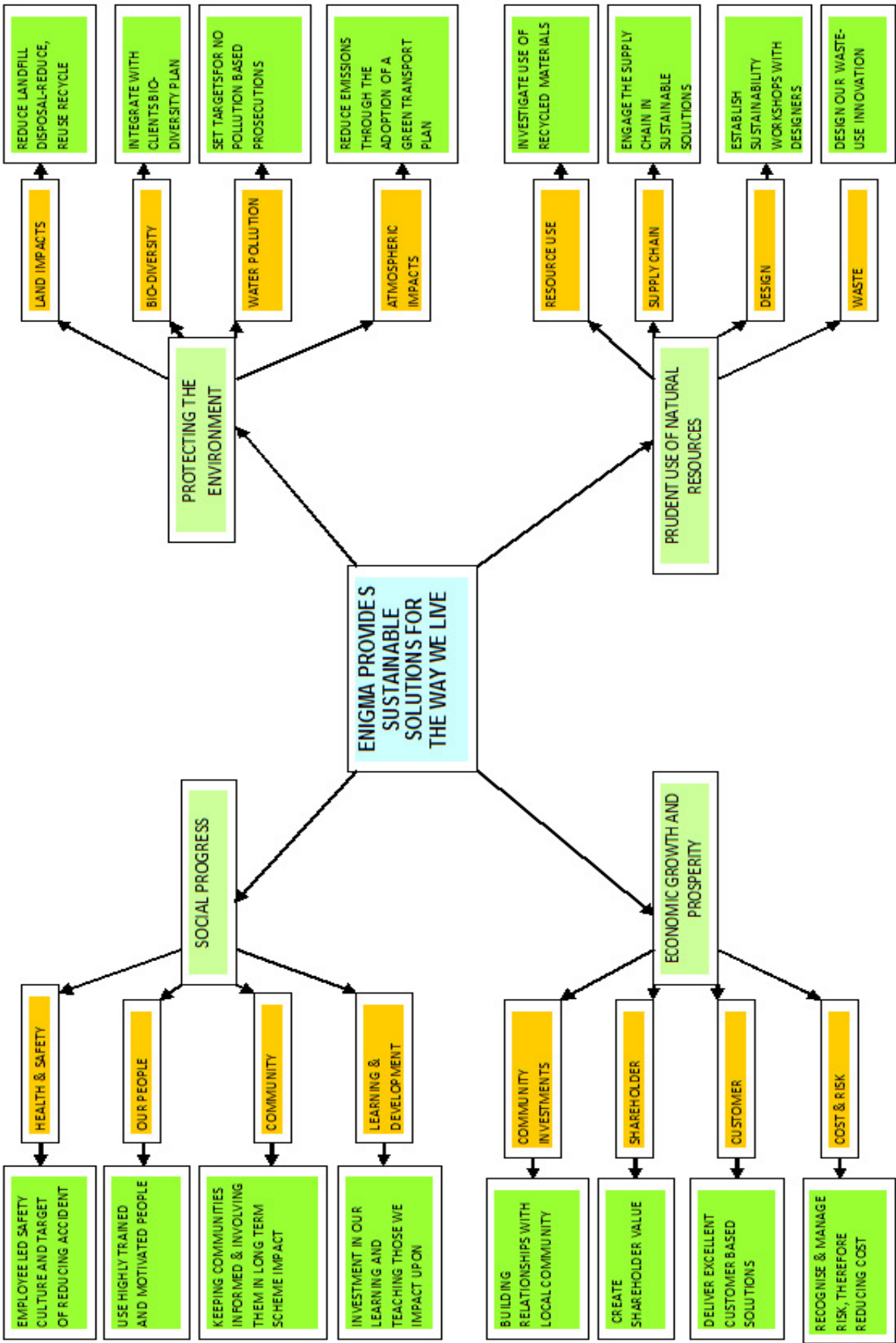
### Introduction

When getting involved with ideas about environmental and social best practice, it doesn't take long to realise that 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?



The below diagram shows Enigma's Sustainability Policy and Impacts. From these, Enigma can develop suitable actions that deliver positive impacts on society. To realise this overall goal of sustainable development, it is important to embrace change and innovation – it may be small or large but it can make a difference.







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