

UN GLOBAL COMPACT – Communication On Progress

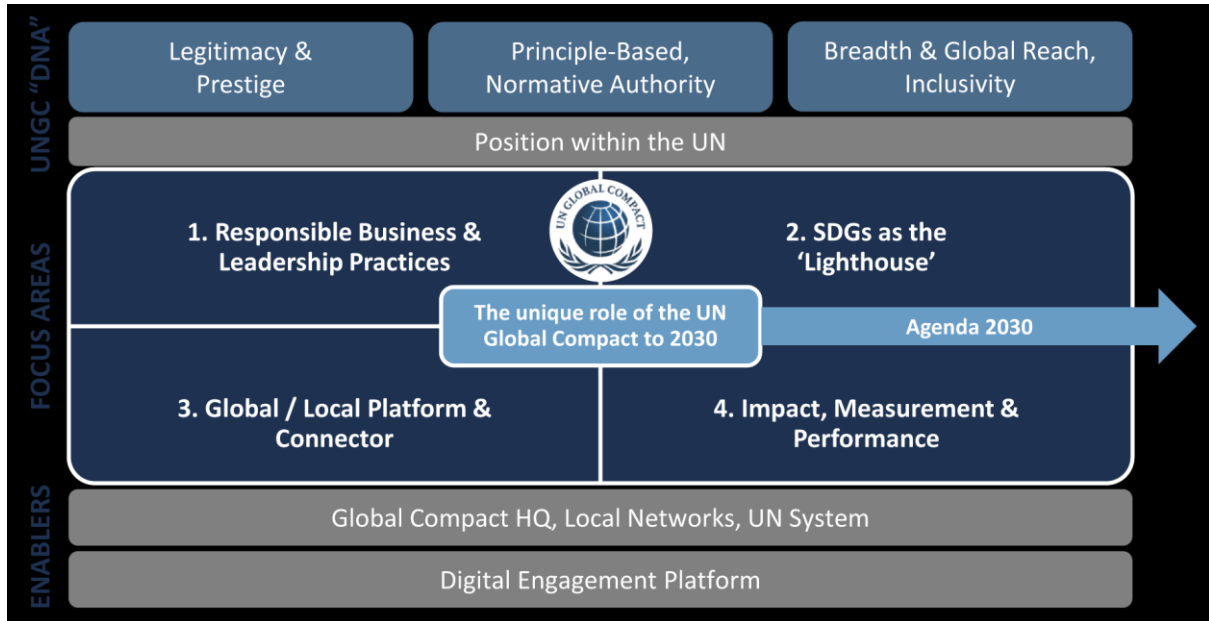
Submitted: March 2020



CEO Statement : Entec International is proud to be a signatory and member of the UN Global Compact. We remain committed to supporting the UN Global Compact’s Ten Principles and have placed the UNGC universal principles on human rights, labour standards, protection of the environment and anti-corruption, at the heart of our operations. We take our CSR very seriously and our entire business model is based on improving efficiency for our customers through driving sustainability and reducing carbon emissions.

The United Nation Global Compact (UNGC)

As the world’s largest corporate sustainability initiative, it is the stated priority and responsibility of the UNGC to be a leading catalyst of the transformations ahead. Its strategy is to mobilize sustainable companies and stakeholders globally to create peace and prosperity on a healthy planet. To achieve this goal by 2030, the UNGC has shaped a new global strategy for engaging business to deliver on UN goals at unprecedented scale and impact.



Entec joined the UNGC initiative in 2016 and has implemented a culture of a responsible corporate citizenship that reflects the full scope of the UN Global Compact’s Ten Principles. In 2018, Entec has stepped up its engagement with the UNGC, moving from being a signatory to ‘Active Member’ based on its ‘green’ initiatives within the UK factory. Today, we stand ready to continue our journey with the UNGC and become one of the pioneers in the new era of Sustainable Development Goals, helping ‘Make Global Goals Local’.

Statement of Support to the UNGC



Mike Robinson, CEO of Entec International

"At Entec we understand that corporate sustainability starts with our company's value system and having a principled approach to doing business. In practical terms this means operating in ways that, at a minimum, meet our fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

As a responsible business we must enact the same values and principles wherever we have a presence, whether a company or local staff, and we know that good practice in one area does not offset harm in another.

By incorporating the Global Compact principles into our strategies, policies and procedures, and by establishing a culture of integrity with our staff, Entec companies are not only upholding our basic responsibilities to the people we interact with and our environment, we are setting out to ensure we deliver compliant long-term success".

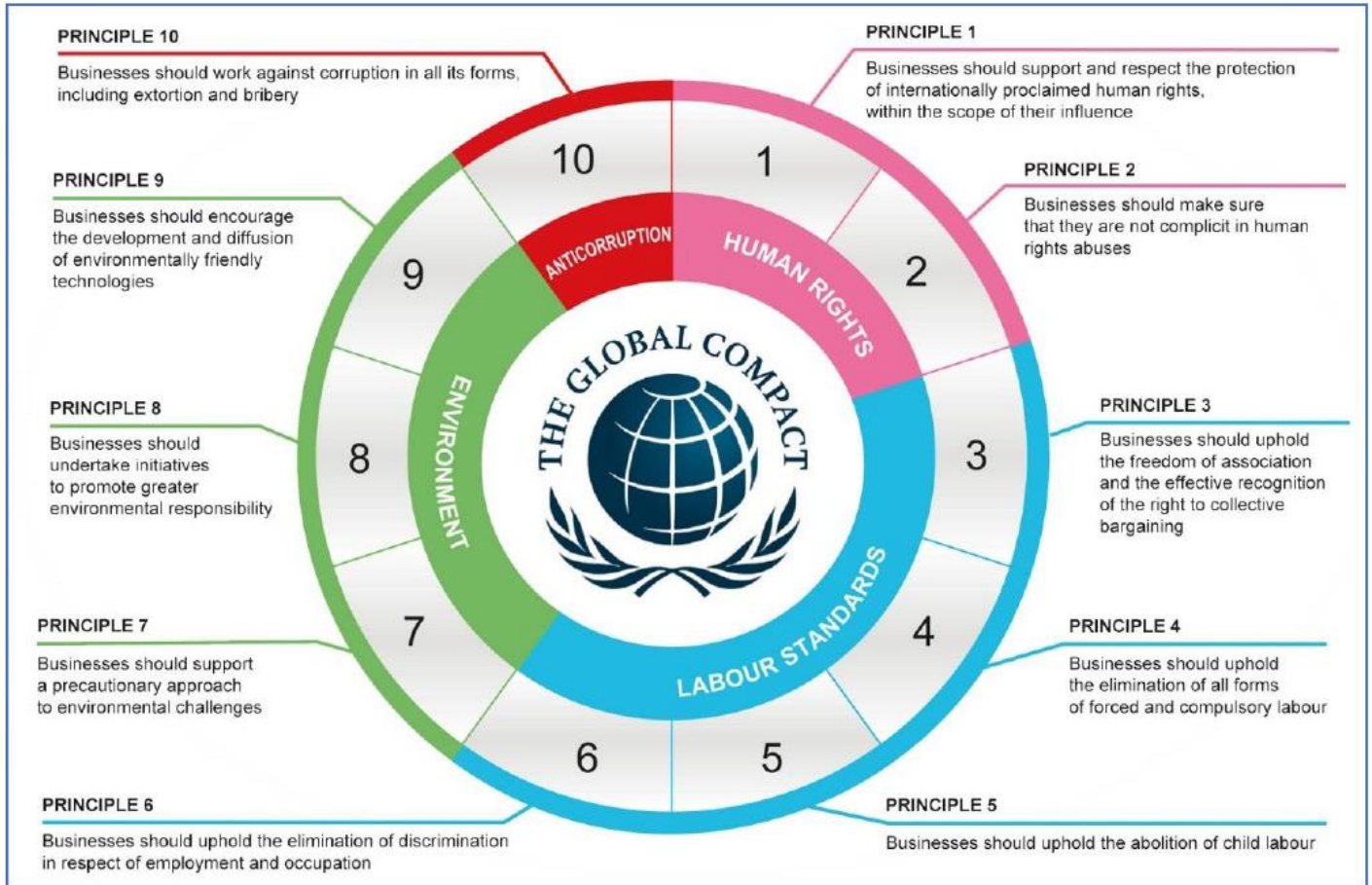
About us

Based in the heart of the UK, Entec International is one of the world's leading authorities on MRO (Maintenance Repair Operations) parts procurement, supply and management for major companies with global supply chains. Our expert 3PMRO service provides customers with a professionally managed single source, multiple supplier procurement process, with global reach.

We manage complex supply chains for some of the world's largest manufacturers, in over 70 different shipping destinations. Our customer base spans the food and beverage packaging industries, oil, gas production and mining & minerals.

Entec's 3PMRO value proposition delivers best cost by leveraging global scale, reduces CO² emissions through consolidated global logistics and optimizes MRO stock, improving customers' operational cash flow.

Entec's commitments to the 10 UNGC principles



The Entec management team will always review these principles in their dealings with staff and clients, they should ask themselves 4 key questions during negotiations:

- 1) Is what I propose fair and considerate of those I work with?
- 2) Is what I propose likely to create hardship or enforce illegal labour practices through my negotiations?
- 3) Is what I propose likely to reduce or add to waste and carbon emissions?
- 4) Have I been clear that no inducement or personal benefit has been offered, in what I propose?

The Sustainable Development Goals

'Making Global Goals Local Business'

The multi-year strategy of the UN Global Compact is to drive business awareness and action in support of achieving the Sustainable Development Goals by 2030.

SUSTAINABLE DEVELOPMENT GOALS



By being a UNGC Network member, Entec is already supporting and applying some of the SDGs throughout its organization, and actively encourages all of its partners to engage with and promote this initiative across their own scopes.

The formalization of these 17 SDGs constitutes a real opportunity for Entec of self-assessment and provides a route to follow to achieve measurable progress.

Caring for our planet

- *Removing plastic packaging*

In 2018 Entec implemented a zero plastic packaging policy at its Midlands based warehouse in the UK, stripping out all plastic packaging from incoming products and replacing with biodegradable alternatives before shipping overseas to customers in Africa, the Middle East, Australia and beyond. Today, on average we recycle 8000L of plastic packaging a month.

A short video summarizing our action on tackling plastic wastes and sharing best practices can be seen on the Entec website, follow the link below:

<http://www.entec-int.com/entec-removes-plastic-packaging-from-supply-chains-to-africa/>

Chris Syner, Managing Director : "We have been doing business in Africa for almost 30 years, most of the plastic pollution we see originates from outside the continent, so we felt that removing this plastic from our shipments was something we could do that was both ethically and environmentally responsible and also puts something back into a continent in which we've built a very successful business."

- *Waste Recycling*

In addition to our "zero plastic policy", Entec is committed to recycling all its industrial wastes, in partnership with one of the waste management industries world leaders.

Waste collection facilities for industrial and wood waste have been set up on site and are collected periodically. Entec is kept informed of the recycling usage of its waste stream and figures are monitored and communicated to our stakeholders within an annual statement.

- *Development of logistics emissions optimization calculator*

As an MRO supplies integrator, Entec realises the importance of green supply chain management and is proud to be at the forefront of helping our customers eliminate excessive emissions across their MRO supply chain through shipment consolidation, demonstrating their 'green' credentials as well as saving costs.

In 2019, we unveiled a sophisticated new tool, developed in co-operation with Southampton Business School at the University of Southampton, that calculates CO² reduction achieved through supply chain optimization, using real-time logistics data; it can report emission savings delivered to customers as carbon value or credits.

Our investment in this new tool to evaluate and improve the carbon footprint of customers' supply chains further demonstrates our own commitment to environmental sustainability.

Shipment consolidation is an efficient logistics strategy which combines multiple shipments from the same or different locations on the same vehicle in order to utilize the capacity of that vehicle and reduce the transportation cost due to economy of scale. If properly employed, shipment consolidation can become a powerful tool to help businesses towards attaining greener supply chains.



Case study:

Entec to roll out 3PMRO Project to new region

Based on the rewards reaped to date from Entec International's services in the AMENA region (Asia, Middle East, North Africa), one of the world's leading soft drinks and snacks manufacturers is to roll out the 3PMRO project further across the globe.

CEO Mike Robinson explains, "Reducing and controlling the costs of maintenance, repair and operations (MRO) on a global basis has become a key focus for many large manufacturers, who recognise the opportunities for greater productivity, improved efficiency with reduced costs and lower emissions. Entec provides a single point of contact for this customer as part of its 3rd party MRO service (3PMRO) and has delivered significant savings as well as lower CO2 impact, while massively cutting down the Process to Pay (P2P) cycle," he says.

"Directly due to the results we've achieved across the 14 sites in Asia Pacific, Africa and the Middle East, Entec will now be expanding its 3PMRO service for our customer in what is a new region and a truly exciting development for us."

Entec's results speak for themselves. Their 3PMRO service in AMENA has seen the number of MRO suppliers reduced from 430 to a single consolidated source, covering 14 sites in 6 countries. **During 2019 Entec reduced air freight shipments for this customer by a staggering 82%, with carbon output accordingly down by over 7,500 tonnes.** 38% fewer purchase orders have been placed and 46% fewer invoices processed. The client has seen 13% reduction in their multimillion dollar spend, significantly impacting overall costs and dramatically improving their carbon footprint.

Mike concludes, "For a global brand business with complex manufacturing and packaging operations, often in challenging markets, there are daily demands for planned and unplanned spares.

Entec's mission is to simplify this essential and often overlooked area of manufacturing operations, bringing increased visibility and control, thereby enabling clients to operate more efficiently, reduce waste and drive out cost."

Human rights and labour standards

In 2019 Entec International celebrating its 30th anniversary and is proud to recognize 300 years of combined service from 20 of our longest serving members of staff. We believe we enjoy high levels of staff retention and loyalty due to our commitment to the well-being and fair treatment of our employees.

- We are an equal opportunities employer and do not discriminate on the grounds of gender, sexual orientation, marital or civil partner status, gender reassignment, race, colour, nationality, ethnic or national origin, religion or belief, disability or age.
- Those working at a management level have a specific responsibility to set an appropriate standard of behaviour, to lead by example and to ensure that those they manage adhere to the policies and procedures and promote our aims and objectives with regard to equal opportunities.
- We are committed to promoting equality of opportunity for all staff and job applicants. We aim to create a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit.
- The company provides each employee with corporate work wear suitable for all seasons. Employees are given the option to wear their corporate work wear on a day to day basis.
- The principles of non-discrimination and equality of opportunity also apply to the way in which staff treat visitors, clients, customers, suppliers and former staff members.

Anti-corruption

- It is our policy to conduct all our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.
- We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and abroad.

The purpose of this policy is to:

- (a) Set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
- (b) Provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

2020 and beyond:

Entec are engaged in regional and global supply projects which have the potential to reduce further the number of air and sea freight shipments made weekly to our global clients. Entec will use its 'Carbon Calculator' to calculate and report CO² reduction achieved through these optimised ways of working.