



Enics Communication on Progress (COP) Jan 2016-Dec 2016



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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 2016

Code of Conduct e-training for white-collar employees have been started	Trainings started in Q3&Q4/2016.
Non-Compliance Procedure trainings have been implemented	Part of Code of Conduct training. Project started in Q3/2016, communication process started in 02/2016
Grievance Procedure trainings have been implemented	Part of Code of Conduct training. Project started in Q3/2016, communication process started in 02/2016

Actions for 2017

- Implement Enics Code of Conduct training as a part of regular induction process in all of our positions in Enics.

Measures of outcome

Training coverage of 100 % will be measured in June 2017 – Data from training registers (local or global) will be used for reporting

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 2016

Global Human Resources Procedure Audit has been conducted in BU-s

During 2016

Actions for 2017

- Continue with Human Resources Procedure Audit
- Harmonize our employee handbooks

Measures of outcome

Audit plan implementation will be measured on yes/no principle. Action plan will be done according to the results of these audits.

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 2016, with the continued implementation of ISO/TS16949, IRIS 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.

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 2016

Business Unit Key Performance Indexes in place.
Follow up on local Management level and reported in Management review. During 2016
Performance shows reduction of environmental impact in a sustainable way.

Actions for 2017

- 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

- Review and align Enics Environmental Policy to reflect long term vision and targets for Enics Group
- Information session / sharing to all Enics personnel

Measures of Outcome

Enics level Green Program is defined and implementation starts in 2017. KPI's are defined and get approval from Enics Management Team in Q4/2017.

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.

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 2016

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| • Implementation of Anti-Corruption Policy and Non-Compliance Reporting Procedure. | Project started in Q3/2016, communication process started in Q2/2016 |
| • Anti-Corruption Policy trainings | Part of Code of Conduct training. Trainings started in Q3&Q4/2016 |

Actions for 2017

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

Measures of outcome

Training coverage of 100 % will be measured in June 2017 – Data from training registers (local or global) will be used for reporting

Progress of actions will be reviewed and reported to Enics Executive Management Team by dedicated UNGC Team on a regular basis.