

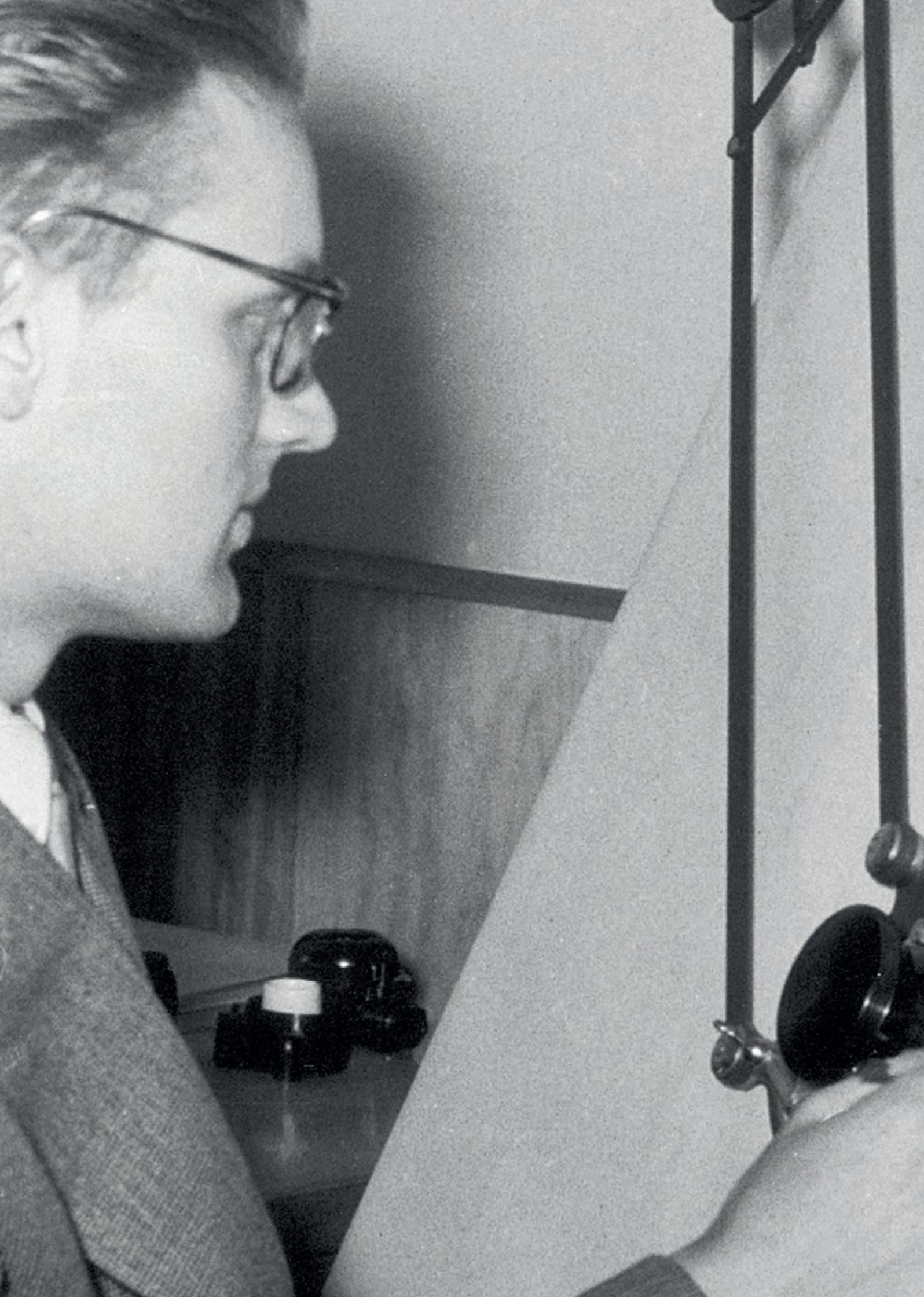


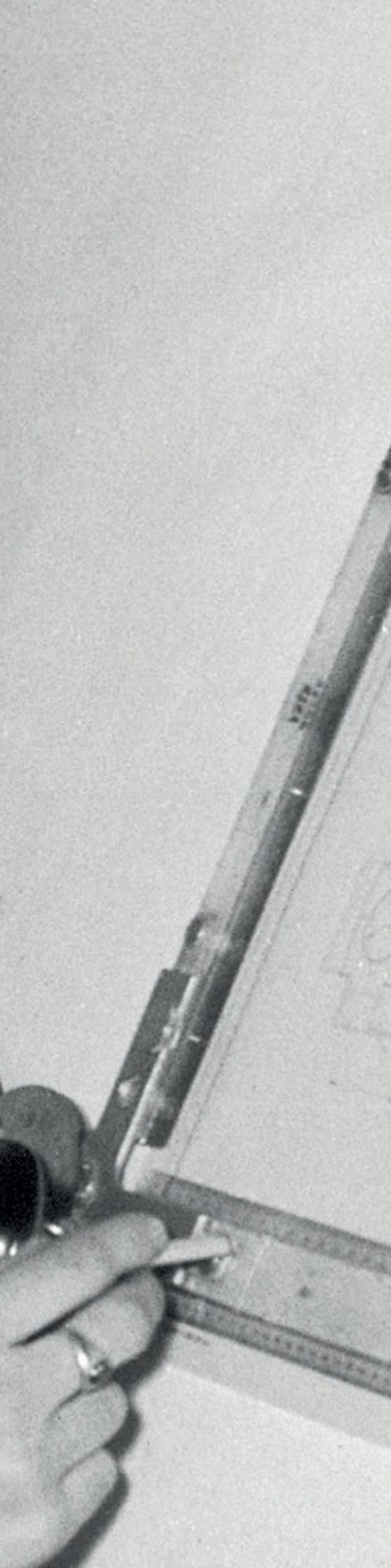
Saves Your Energy



Sustainability at Ensto

2012-2013





Ensio Miettinen

A true engineering visionary

Ensio Miettinen (1929-2010), the founder of Ensto, was born in Vyborg to a family of entrepreneurs.

Miettinen began his career as a 22-year-old technical university student at Puristus-tuote Oy, a company run by his father. By 1958 he was ready to establish his own business, Insinööritoimisto Ensio Miettinen, which started to manufacture electrical supplies in Porvoo, Finland. Just seven years later, his company had grown larger than his father's.

Miettinen gathered knowledge and ideas from German engineers, and wanted to concentrate on creating products that were considered commercially unviable by the bigger manufacturers. By the end of the 1960s, Miettinen's company had grown rapidly thanks to his vision of serving these unfulfilled niches in the market. In the 1970s he expanded the company's product portfolio to Sweden, and in the 1980s took the company to the UK, Germany, Iraq, Peru, and Malaysia.

The economic recession of the early 1990s forced Miettinen to freeze investments and rein in spending, but the company's diverse portfolio helped it survive. The company transferred part of its assembly work to Es-

tonia and Hungary, and founded subsidiaries in Russia, Poland, and Latvia. As the 21st century dawned, the family business was inherited by the next generation.

As a family business, the most important asset we have is trust.

Miettinen's vision was to manufacture products that were easier to install and use than competitors' products. He also believed that in an increasingly globalized world with few trade barriers, operating as a family company with a human touch would always bring a competitive edge.

As a leader, Ensio Miettinen emphasized the importance of loyalty and trust in all relationships.

"As a family business, the most important asset we have is trust," he used to say. He also emphasized the importance of managing company assets in a sustainable way.

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Ensto in brief

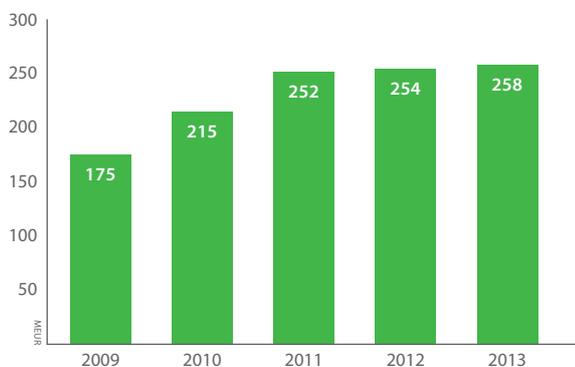
Ensto is a family business and international cleantech company.

We specialize in the development, manufacturing, and marketing of electrical systems and supplies for the distribution of electrical power and other electrical applications.

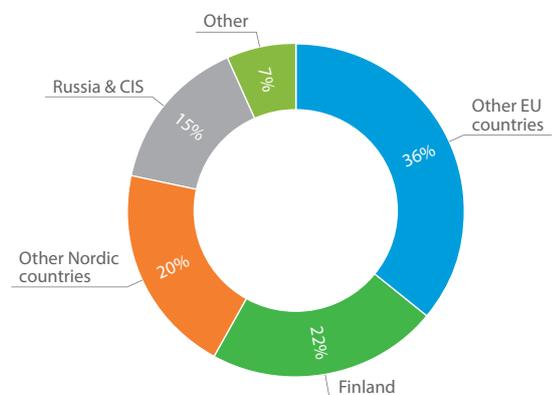
The company contributes to building a better society by improving energy efficiency and focusing on sustainable development in its own activities. Ensto's products are manufactured in seven different countries and are all environmentally friendly, energy efficient, and designed to leave a minimum carbon footprint.

Ensto's turnover is MEUR 280 and the company employs 1,670 people in 20 countries in Europe and Asia. The company is owned by the Miettinen family through EM Group Oy.

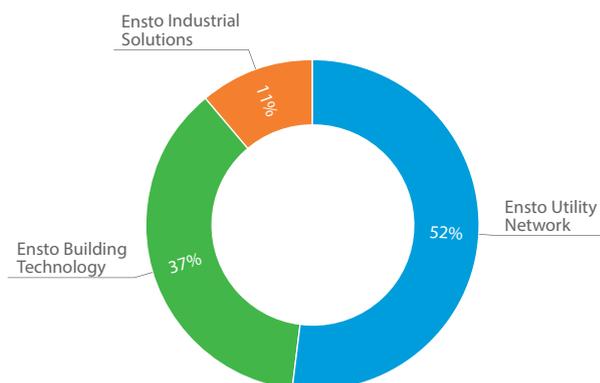
Turnover, 2009–2013



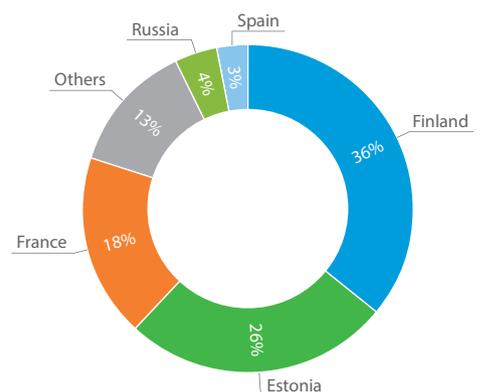
Turnover by country, 2013



Turnover by business area, 2013



Personnel by country, 2013





Locally present in 20 countries

Finland

- Porvoo HQ..... ■■■
- Espoo ■
- Lohja ■■■
- Mikkeli ■■■
- Oulu..... ■

Czech Republic

- Prague..... ■

Estonia

- Keila..... ■■
- Paide..... ■■
- Tallinn..... ■■

France

- Bagnères ■■
- Lyon..... ■
- Ménilles ■■
- Nefiach ■■■
- Paris..... ■
- Toulouse..... ■
- Villefranche-sur-Saône... ■■■

Germany

- Karlsruhe ■

Great Britain

- Chesterfield ■
- Leeds..... ■

Hungary

- Budapest ■

India

- New Delhi ■■■

Italy

- Cormano (Milan)..... ■■■
- Milan..... ■

Kazakhstan

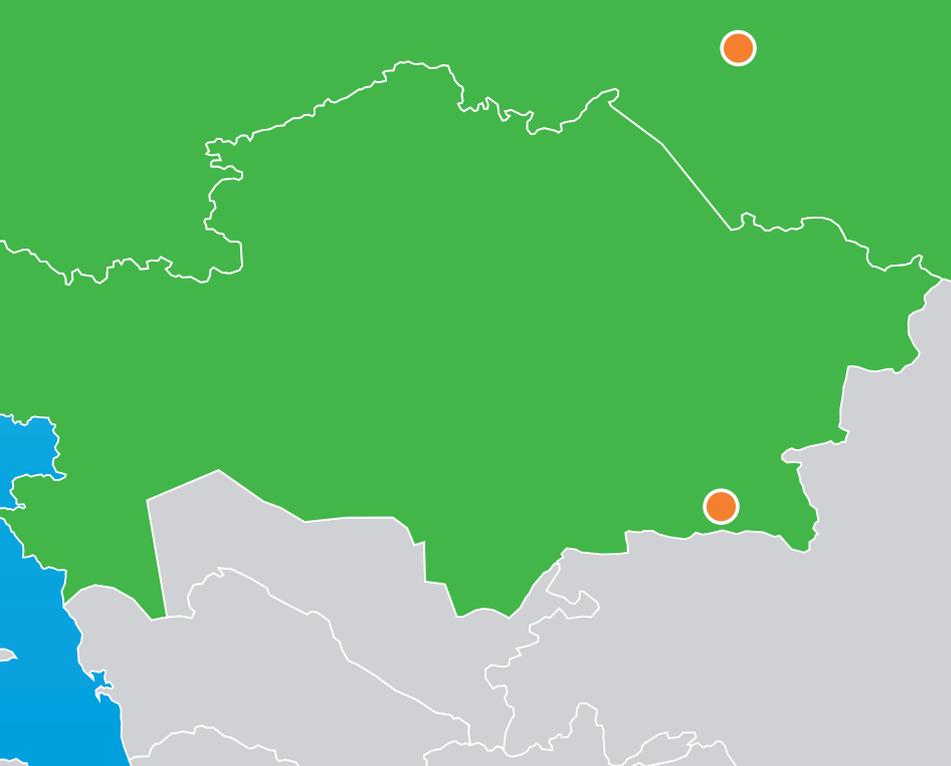
- Almaty ■

Latvia

- Riga ■

Lithuania

- Vilnius ■



Norway

Oslo ■

Poland

Katowice ■

Krakow ■

Łódź..... ■

Straszyn (Gdansk) ■ ■

Warsaw ■

Russia

Moscow ■

Novosibirsk..... ■

Saint Petersburg ■ ■

Vladivostok..... ■

Slovakia

Batizovce ■

Spain

Figueras ■ ■

Sweden

Stockholm..... ■

Täby..... ■

Ukraine

Kiev ■

USA

Atlanta ■

- Product Development
- Production
- Sales

Certificates

Our main locations are ISO 9001 and 14001 certified. We continue extending the certifications and harmonizing our processes and procedures to leverage and enhance best practices towards the harmonized QHSE system.

See all our certificates at www.ensto.com



Ensto's CEO Timo Luukkainen harvests all firewood he needs from a maximum radius of 500 meters from his house. His consumption never exceeds the annual growth in the area.

Message from the CEO

The power to drive a more sustainable future

“There’s nothing to stop it now.” This was the stark message from NASA when summing up their recent findings on the West Antarctica ice sheet, the continued melting of which could lead to a rise in sea levels of 10 feet or more. In the face of this evidence, the need for increased investment in renewable and other CO₂-neutral energy sources, as well as energy-efficient technologies, is greater than ever.

At Ensto, we are focused on building a more sustainable world. We create clean, recyclable, proven, and innovative products and solutions that are built to last and have a low environmental impact. Our goal is to be the world’s leading provider of energy-efficient solutions.

Investing in LED solutions

One of Ensto’s key actions to combat climate change is the development of energy-efficient lighting solutions and LED technology. According to the McKinsey research, the LED lighting market could grow tenfold and be worth as much as 64 billion euros by 2020. This growth is being driven by ever-stricter government requirements for energy-efficiency and CO₂ emission reduction.

The popularity of LED lighting makes perfect sense: it is over ten times more energy efficient than conventional lighting technologies and has practically no maintenance costs. In addition, it lasts at least five times longer than, for example, fluorescent lighting and is made from largely recyclable materials.

In January 2014 we took an important step when we began our sales and manufacturing cooperation with Greenlux, a Finnish company that specializes in LED lighting solutions. In April 2014 we became the leading Finnish manufacturer of LED lighting solutions through our acquisition of Alppilux. Both these actions brought us closer to our target of tripling our sales of LED products by 2016.

Enabling greater efficiency in electricity distribution

Another global trend we are responding to is urbanization, which is particularly evident in middle-income industrialized countries, where people are increasingly migrating to cities and demand for electricity is growing rapidly. In these countries, there is also a serious need for safer and more reliable electricity distribution networks.

Our goal is to be the world’s leading provider of energy-efficient solutions.

Ensto specializes in developing and customizing network automation solutions for developing economies. Following correct installation practices and using high-quality cable accessories can extend the expected lifespan of a distribution network – from five to ten years to as much as 30–40 years. It can also significantly decrease power losses, which can be as high as 35 percent in existing networks.

R&D efforts that benefit customers and consumers

At Ensto we believe that cooperation and teamwork are the key ingredients when developing cutting-edge innovations. Our most innovative solutions are often the result of close partnerships – products developed to address a specific, or completely new, customer need. In our business, sustainability often refers to not only taking care of the environment, but also the overall reliability of our solutions and the economic benefit they create for our customers.

By being at the front line of building the infrastructure required for electric vehicles, Ensto is giving consumers the opportunity to make more sustainable choices in their everyday lives. Every kilowatt-hour used in city traffic means 800 milliliters less crude oil is used and a reduction in CO₂ particulate emissions of approximately 750 grams. As for me, I drive an electric car and use photovoltaic panels as the source of energy for more than half of the distance I drive every year.

Investing in energy efficiency and lean technology

During 2012–2013, we continued with our environmental work, making great improvements at our Tallinn plant, where we invested in three new injection molding machines that have helped decrease our energy consumption. We also run several lean projects that have helped increase the energy efficiency of our own operations and reduce our environmental impact.

Signing the UN Global Compact

In 2013, we took an important step by signing the United Nations Global Compact. This action emphasizes our increasing focus on topics related to social responsibility. We are fully committed to integrating the ten principles of the Global Compact into our business strategy, daily activities, and company culture, and we will report our progress on an annual basis.

I hope you will enjoy reading this report. We will continue our journey to focus on energy efficiency and sustainable development, and will be happy to hear your feedback on our progress.

Timo Luukkainen
President and CEO

Highlights of 2012-2013

Strategic actions

March 2012

Red Dot Award

Ensto's EVP charging point is awarded the prestigious Red Dot Award: Product Design. The EVP charging point is a solution for charging electric vehicles at home or in public parking areas.

July 2012

Energy Saving Week

Ensto wins Finnish electrical wholesaler SLO's (Sonepar) Energy Saving Week competition for suppliers and is chosen as SLO's BlueWay supplier of 2012. Ensto's themed approach, built around energy-efficient LED lighting, helped the company stand out from the competition.

December 2012

Quality Management System

Ensto's laboratory for utility networks starts to use a Quality Management System (QMS) that is designed to meet the needs of Ensto's customers and comply with international standards. SGS Fimko Ltd audits the laboratory in Porvoo and the WMT/SMT agreement is signed, which allows the laboratory to perform certified full type tests for Ensto's products.

March 2012

New assembly plant in India

Ensto enters the enclosure business in India and starts to produce customized enclosures at its manufacturing facility in Manesar.

October 2012

New cable created

A totally new, more cost-efficient cable, called Kapeli, is created in a co-development project with Aalto University and other companies. Test installations were carried out with Ensto accessories. Kapeli is designed for electricity distribution in sparsely populated areas and performs reliably in stormy weather.

Mar

Jul

Oct

Dec

2012

Product launches



Cold Shrink Solutions

Ensto's cold shrink cable joints and terminations for 12–42 kV are made of highly durable silicone rubber. The spiral structure makes installation quick and easy.



Ensto Auguste

Ensto Auguste is a durable, remote-controlled load-break switch designed to withstand severe weather conditions. It is suitable for all types of networks.



Ensto Voltage Booster

Ensto Voltage Booster is a quick and easy solution for improving the quality of electricity. It raises the voltage level instantly at the remote end of a low-voltage network.



Ensto Chago eFill

Ensto Chago eFill is a wall-mounted electric-vehicle charging point, especially suited for home charging.

January 2013

PGEP acquired

Ensto acquires PGEP, the French designer and manufacturer of assemblies made of evolving and reconfigurable sockets. The acquisition improves Ensto's position in the commercial building and office electrification markets.

April 2013

Ensto Novexia

NOVEXIA becomes Ensto Novexia. The name change is the final step in the integration of NOVEXIA into the Ensto Group.

August 2013

Ensto and Jung join forces

Ensto and German electronics manufacturer Jung enter into a cooperation agreement. The agreement covers manufacturing, marketing, and sales of electronic and electromechanical products for the Finnish market. The cooperation results in the launch of a new wiring accessories series, Ensto Intro, in early 2014.

March 2013

Save Energy Award

Ensto wins the Save Energy Award in Russia. A total of 70 companies participated in these annual awards, which recognize notable achievements in the field of energy saving. The award was initiated by the Government of Moscow, the Russian Energy Agency, the Ministry of Industry and Trade, and other industry and community organizations.

July 2013

Design from Finland Mark

Ensto receives the Design from Finland Mark, which is given by the Association for Finnish Work to acknowledge Finnish Design.

August 2013

UN Global Compact

Ensto joins the United Nations Global Compact and commits to integrating the ten principles of the Global Compact into its business strategy, daily activities, and company culture.

Jan

Mar

Apr

Jul

Aug

2014



Ensto Chago Tower

Ensto Chago Tower is an elegant 20 kW DC charging station for commercial charging of electric vehicles.



Ensto eDual

The energy-efficient Ensto eDual LED luminaire is suitable for a wide range of indoor and outdoor applications.



Ensto Chago Power

Ensto Chago Power is a stationary 50 kW charging station for quick charging of electric vehicles en route, e.g. at public parking spaces.



Universal Combo Boxes

Universal combo boxes are certified explosion-protection solutions that are suitable for use in high risk areas. The combo box solution fits perfectly next to an Ex d enclosure. Its simple structure makes maintenance easy, saving time and money.



Engaging with our stakeholders

We want to build an open and transparent dialogue with the people and organizations that are affected by our operations. We are doing this by actively developing our relationships with customers, communities, suppliers, students, and other stakeholder groups.

Our key stakeholders are Ensto personnel, customers, owners, consumers, the media, suppliers, authorities, partner organizations, and potential employees.

We have identified each of these group's expectations of Ensto. Based on their responses, we have made a decision about the actions we need to take in order to meet these expectations.

We believe that regular sustainability reporting provides a good platform for us to maintain open and productive communication with our stakeholders.

Active collaboration with networks and forums





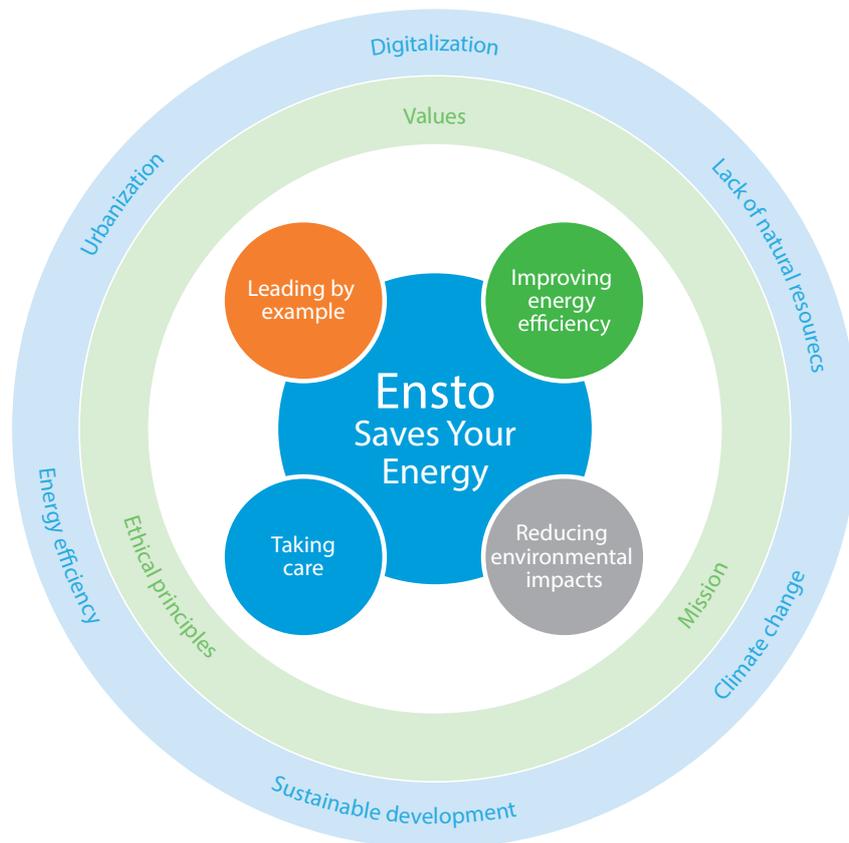
Personnel at Ensto's warehouse in Tallinn, Estonia.

	EXPECTATIONS	OUR ACTIONS	HOW WE MEASURE PROGRESS
Personnel	<ul style="list-style-type: none"> • Permanent jobs and long-term careers • Equal opportunities and an open company culture • Occupational health and safety • Opportunities for training and personal development • Recognition for good performance 	<ul style="list-style-type: none"> • Developing leadership skills • Maintaining skills and competences • Job rotation and continuous training possibilities • Promoting employee health and safety • Motivating pay and performance-based remuneration 	<ul style="list-style-type: none"> • Employee Engagement Survey every second year and biannual Pulse Survey • Annual performance and appraisal discussions • Employee participation in training programs • Employee turnover rate • Accident frequency
Customers	<ul style="list-style-type: none"> • Good service level, high-quality products, and competitive pricing • Long-term relationships • Expertise in the field of energy efficiency • Local presence in each market area 	<ul style="list-style-type: none"> • Improving the price-quality ratio and product and solution development processes • Developing sales promotion programs in cooperation with customers • Making sustainability one of the main criteria in our product development • Training programs for customers 	<ul style="list-style-type: none"> • Regular brand and customer-satisfaction surveys • Systematic feedback • Learning processes for customer claims
Owners	<ul style="list-style-type: none"> • Long-term value creation • Responsible risk management and corporate governance based on family business values and ethical standards 	<ul style="list-style-type: none"> • Materiality survey for management and the Board of Directors • Responsible risk management and good management of our code of conduct • Acting as a trusted partner for all our stakeholder groups 	<ul style="list-style-type: none"> • Profitable growth
Consumers	<ul style="list-style-type: none"> • Energy-efficient and reliable products that are easy to use 	<ul style="list-style-type: none"> • Long-lasting marketing and communication campaigns to improve the awareness of energy efficiency in households • Offering customer training programs that enable them to provide consumers with high-quality service 	<ul style="list-style-type: none"> • Consumer surveys • Web and SOME analytics • Sales
Media	<ul style="list-style-type: none"> • Open, relevant, reliable, and timely communications 	<ul style="list-style-type: none"> • Press releases and conferences • Articles • Sustainability report • Web • Press visits 	<ul style="list-style-type: none"> • Media follow-up
Authorities	<ul style="list-style-type: none"> • Compliance with laws and regulations • Payment of taxes • Reliability as an employer • Open dialogue 	<ul style="list-style-type: none"> • Payment of taxes • Compliance with laws and regulations • Promoting expertise in the field of energy efficiency 	<ul style="list-style-type: none"> • Number of jobs • Amount of taxes paid • Amount of salaries paid
Suppliers	<ul style="list-style-type: none"> • Responsibility and liquidity • Long-term business relationships 	<ul style="list-style-type: none"> • Conducting business in a reliable and responsible way • Updated supplier code of conduct • Regular partner meetings • Promoting expertise in the field of energy efficiency 	<ul style="list-style-type: none"> • Number and quality of suppliers • Concentrated purchasing • Compliance with the agreed terms of payment • Supplier score card
Partner organizations	<ul style="list-style-type: none"> • Open interaction and dialogue • Promotion of common interest • Collaboration projects 	<ul style="list-style-type: none"> • Promoting expertise in the field of energy efficiency • Participation in the sector's development and complying with common rules and policies, as well as providing financial support • Cooperation projects with universities • Training possibilities for students 	<ul style="list-style-type: none"> • Under development



Sustainability focus areas

The global megatrends – lack of natural resources, climate change, sustainable development, energy efficiency, urbanization, and digitalization – as well as our mission, values, and ethical principles are the foundation of our sustainability work. We have defined our four focus areas for sustainability by gathering input and involving people from all Ensto departments and functions. The focus areas are put into practice through concrete action plans that are followed at all levels of the organization.





Our mission

At Ensto we contribute to building a better society by improving energy efficiency and focusing on sustainable development. To help us accomplish this, we have made it our aim to be at the front line of the electrical systems and supplies industry in producing clean, recyclable, trusted, and innovative products and solutions that have a long lifetime and a low environmental impact over their life cycle.

Our values

Ensto's values are defined through our actions and customer relationships, and are visible in our everyday operations.

Trust capital

Trust is a cornerstone of our brand equity, the foundation of everything we do, and the basis of our success. We are loyal in all our relationships and we keep our promises. Trust must be earned every day.

Performance excellence

We always aim for excellence in our performance. We are ready to challenge ourselves, learn, and improve.

Respect

We base our conduct on honest interaction and respect for our customers, colleagues, and other stakeholders. We respect the environment and contribute to sustainable development.

Encouraging creativity

We foster creativity at all times, in everything we do. We are open to new ideas and new ways of thinking and doing.

The following sections will expand on our concrete actions and achievements in our four strategic sustainability areas for 2012–2013.





Leading by example

We seek growth and value creation from sustainable business. We do this by emphasizing our behavior and actions around sustainability – setting an example for the industry.

Active sustainability work entails responsibilities for everyone working at Ensto.

Governance at Ensto

Ensto’s corporate governance policy outlines the rights, roles, and responsibilities of the governing and management entities at Ensto. The policy covers owners (through EM Group Oy), the Board of Directors, the President and CEO, and Ensto Management Group.

EM Group Oy has the fundamental responsibility to formulate and communicate their expectations regarding Ensto’s value creation and respective risk tolerances to the governing bodies of Ensto.

The primary role of Ensto’s Board of Directors is to ensure future success and operational preconditions for Ensto. In order to guarantee objectivity, no person from the operational management of Ensto is allowed to be a member of the Board, and at least two Board members have to be unrelated to the family.

The corporate governance policy highlights, among other aspects, the objectivity of decision-making, adherence to ethical standards, legal compliance, effective procedures, and close and open dialogue. In addition, the policy states the principles and responsibilities for risk management in the organization as well as in audit requirements.

Sustainability reporting steering group

A sustainability reporting steering group has been set up to ensure the reporting process is carried out every two years.

The sustainability reporting steering group has representatives from Corporate Communications, Operations, Human Capital Management, New Technologies, and Finance. The chairman of the steering group is Ensto’s Brand and Communications Director.

Sustainability management

On an operational level it is Ensto’s operations and business units that are responsible for integrating sustainability considerations into our daily work. In order to be successful in this task, we apply a set of policies and principles for maintaining the high standards of our operations.

These include:

- Ensto values
- Environmental policy, Health and Safety policy, and Quality policy
- Supplier policy
- Management systems (ISO 14001/ISO 9001, ISO/IEC 80079-34:2011(EX), and EN ISO/IEC 17025:2005 (UN Laboratory))
- Lean manufacturing
- Waste and energy-saving initiatives
- Sustainability-driven R&D and acquisitions
- Ethical principles and employee Code of Conduct
- Sustainability reporting

We expect all of our employees to fulfill these commitments in their everyday work.



Jelena Surmenkova is working at Tallinn plant in Estonia.

Lean manufacturing at Ensto

Efficient and well-organized operations are an essential part of Ensto's company culture. We work hard to enhance delivery lead times, manufacturing flexibility, and logistical accuracy in order to meet our customers' current and future demands.

Lean manufacturing is a business model and collection of methods that emphasize the elimination of waste while delivering quality products on time, at minimum cost, and with greater efficiency. Lean production techniques create a culture of continuous improvement and employee empowerment.

The Ensto Operational Excellence (EOX) program has been developed to promote lean manufacturing in our factories. The underlying theme behind the program is continuous improvement and a focus on adding value and reducing waste, which results in shorter lead times, flexibility, and top quality for the benefit of our customers. Our goal is to be the most sustainable option for our customers.

Quality management

Ensto wants to provide high-quality, safe, and energy-efficient products and services to its customers around the world. We are committed to meeting the high quality requirements and expectations set by customers, legislative bodies, and authorities. This requires continuous improvement of our processes, procedures, and performance, as well as the setting of challenging objectives. We apply strict quality standards regarding the safety of our products as well as safety standards to all incoming materials throughout our operations.

To monitor compliance with internal and external requirements and ensure continuous improvement, second and third-party audits are conducted on a regular basis. Our internal audit program is extensive and goes from the functional to the operational level. We utilize cross-functional competences in order to gain most from the audits.

Ensto products are verified, tested, and certified as conforming with regulatory and safety standards. All our main locations are ISO 9001:2008 and ISO 14001:2004 certified. We continue to extend certifications and harmonize our processes and procedures in order to leverage and enhance best practices toward a harmonized quality management system.

Ensto Operational Excellence Program

METHOD	WHAT IS IT ALL ABOUT?	ENSTO'S STATUS TODAY	FUTURE TARGETS
5S	Sort, straighten, shine, standardize, sustain <ul style="list-style-type: none"> Visual flow and organization of workplaces 	<ul style="list-style-type: none"> Method standardized and extensively implemented in plants and offices Sustained by regular auditing and cross auditing practices 	Sustain the current level
SMED	Single minute exchange of die <ul style="list-style-type: none"> Shortening production set-up times 	<ul style="list-style-type: none"> Method standardized and implemented in machinery-intensive plants Setup times cut by 30–75% per project SMED extended to reduction of total waste time 	Annual waste reduction target: 20%
ASSY	Efficient production methods through <ul style="list-style-type: none"> Assembly cells and layout Pull-controlled material flow 	<ul style="list-style-type: none"> Method standardized and implemented in assembly-intensive plants 10–30% productivity improvements per project 	Annual total productivity increase target: 5%
War Room	Continuous improvement through people empowerment <ul style="list-style-type: none"> Daily loss and improvement potential identification Four-step improvement projects Wide empowerment across organization 	<ul style="list-style-type: none"> Method standardized and extensively implemented in production, sourcing, and logistics 10,000 loss cards in 2012 20,000 loss cards in 2013 200 four-step projects in 2012 and 2013 10,000 hours of loss reduction in 2012 20,000 hours of loss reduction in 2013 	Sustain the current level
Pull Control (Kanban)	Efficient resource allocation according to market needs <ul style="list-style-type: none"> Shorter lead times Market-driven manufacturing Supplier collaboration 	<ul style="list-style-type: none"> Somewhat used in previous years Systematic method in development and piloting phase Main method to cut lead times 	Implementation in 2014 and 2015 Approximately 10,000 Kanban loops Internal, inter-plant, and with suppliers
Preventive Maintenance	Optimized use of investments <ul style="list-style-type: none"> Reduces waste resulting from machinery breakdown Longer lifetime of investments 	<ul style="list-style-type: none"> Method in development and piloting phase 	Implementation in 2014–2015
Quality Assurance	Quality assurance <ul style="list-style-type: none"> Processes and practices that ensure the high quality of products and services in a proactive manner 	Quality assurance development program divided into four themes: <ul style="list-style-type: none"> Supplier quality Product development quality Manufacturing quality Process quality 	Continuous improvement in product and service quality

Read more about our policies and principles at ensto.com/sustainability

Ensto's guidelines for product development

Our daily product development work is guided by the following principles:

1. Sustainability is a leading criterion that translates into special consideration of:

- The types and amounts of materials used, with an emphasis on their clean origin and maximum use of recycled and recyclable content
- Safety for users and the surrounding infrastructure
- Reliability and long-lasting performance in service
- Optimization of manufacturing and logistics, maximizing operational efficiency, and minimizing waste
- Placing a high value on innovation in product development processes as well as in the products and solutions themselves

2. Energy efficiency as a principle draws attention to how every new generation of solutions must result in relevant energy savings compared to their predecessors – not only during manufacturing, but also throughout their entire life cycle.

3. The customer-focus principle directs our efforts to ensuring that we deliver meaningful and valuable solutions from a technology and user-interface point of view, and involving customers in the development of tailor-made solutions.

4. Intellectual property rights are systematically observed and reassessed. This is done to manage risks in the early stages of development, and also to take them as a positive source of motivation to be more innovative and to maintain our position at the forefront of the electrical industry.



Artur Mostovoi is checking the injection molding machine at the Tallinn plant in Estonia.

Quality assurance development

Quality assurance development is Ensto's systematic approach to ensuring and further developing the high quality of our offering. Quality assurance development is divided into four focus areas:

- Product Development Quality Assurance focuses on continuous improvement of our product development work, including design guidelines, project gate model with design reviews, product validation, and efficient learning from customer feedback.
- Supplier Quality Assurance focuses on supplier selection, including quality and sustainability criteria, supplier scorecard feedback system, and lead-time reduction in close collaboration with our suppliers.
- Manufacturing Quality Assurance focuses on systematic and automated control plans and quality measurements combined with transparent quality data gathering and analysis.
- Process Quality Assurance focuses on defined business processes with clear process-owner responsibilities and continuous process development.

Cutting-edge R&D

The most important partners in our product development are our clients. Our innovative solutions are often the result of close partnerships with our customers – products developed to address a specific customer need.

This customer relationship has been an underlying ingredient in our successful history of cutting-edge R&D. Today we have product development units in five countries, and we have registered over 50 global patents. Our R&D units provide us with access to international research communities that are actively involved in energy efficiency, sustainability, and Smart Grid technology.

We also believe that living innovation is a precondition for creating it. This thinking is applied in all our facilities around the world, where we use our own innovations to cut costs and minimize our environmental impact. For example, lights and room temperatures adjust automatically to the presence of humans, and our factories are equipped with Ensto Enervent heat-recovery systems.

And though electric cars are not yet the norm, we are looking in that direction, with EV charging stations available at our offices around the world.

Ensto Innovation Award

The Ensto Innovation Award is an open innovation competition that is targeted at all Ensto employees. As innovations are made in teams, applications usually include a good number of people who have been involved in the process. The first award was given in February 2013, and the competition is held annually.

In order to be eligible for the Ensto Innovation Award, the idea needs to fulfill the following criteria:

- Is new
- Satisfies a real customer need
- Creates a competitive advantage
- Is profitable
- Improves energy efficiency
- Fits with Ensto's strategy
- Enhances sustainability
- Has been created by positive interaction between Ensto people

Award winners in 2012–2013

The 2012 Innovation Award competition received 18 applications. The winner of the Ensto Innovation Award 2012 was Ensto's lighting solution team, with its innovation AVR320 "MID" – 13W LED series. The team received a 3,000 euro prize.

The 2013 competition received 22 applications. The winning idea was an entry from the Teams category: "Integrating innovation into working culture". The idea addresses how to empower people to work together as a coherent unit in order to produce outstanding results and save a significant amount of working hours.

The two other category winners were "Rural area network distribution cabinet" and "Tension clamps work cell – project".

All category winners were awarded a 1,500 euro prize.



Timo Luukkainen is congratulating Ensto Innovation Award winners.



Improving energy efficiency

We provide solutions with a lower lifecycle energy demand, while striving for higher efficiency in our own operations.

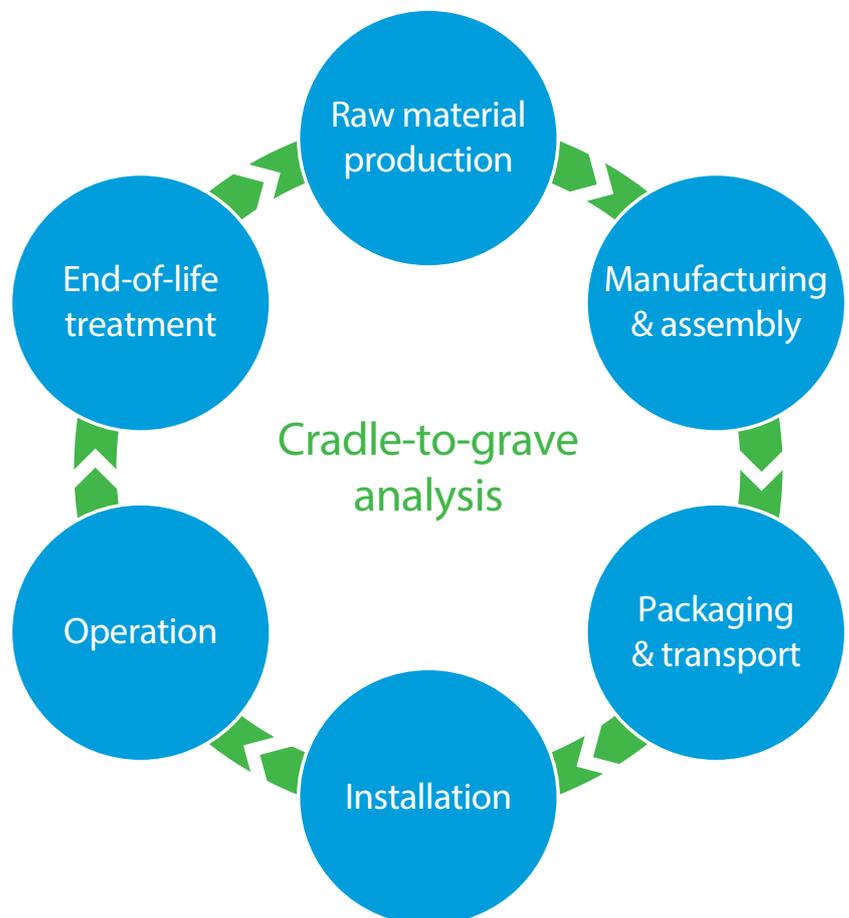
A life cycle assessment (LCA) is a tool that is used to evaluate the potential environmental impact of a product, process, or activity through its entire life cycle. The assessment quantifies the use of resources such as energy, raw materials, and water, as well as carbon emissions.

An LCA focuses on calculating carbon emissions throughout a product's life cycle and identifying ways in which these emissions could be reduced through R&D. The assessment considers the product's entire life cycle, from the production of raw materials to final disposal or recycling (cradle-to-grave analysis).

The ISO 14040 and 14044 international standards are used as a basis for the assessments.

If we focus only on the impacts of energy use in manufacturing and ignore the rest of the product life cycle, we may overlook issues such as how products can be disposed of. This might result in products being sent to landfill at the end of their life cycle, which may have a worse environmental impact than the impact that would be avoided by developing a more energy-efficient manufacturing process.

LCAs help us to assess the energy-saving potential of our products. Our skilled R&D personnel are constantly striving to find ways to minimize the environmental impact of our products.





LEDs light up the future

Ensto entered the LED market in 2007 with the introduction of outdoor LED lighting products. Today, we offer dozens of LED lighting solutions.

We have reacted to the growing demand for LED solutions by rapidly expanding our product range. Today, LED lighting solutions account for 15% of our lighting turnover, and this figure is expected to grow rapidly as we seek to strengthen our status as the leading Finnish manufacturer of lighting solutions.

One of Ensto's development programs is innovating energy-efficient lighting solutions based on LED technology. This development is guided by our LED300 program, the goal of which is to triple our sales of LED products by 2016.

One concrete example of this type of solution can be found in dozens of Nordic housing developments, where traditional staircase luminaires have been replaced by LEDs controlled by passive infrared sensors or motion-detection solutions.

We've been able to reduce the annual energy consumption and costs for a typical Nordic staircase by as much as 90%.

With this kind of controlled lighting equipment, we've been able to reduce the annual energy consumption and costs for a staircase with 100 luminaires by as much as 90%. The illumination time of controlled Ensto LED luminaires is only two hours per day, while for traditional 60 W incandescent bulbs it is six-and-a-half hours per day.

Energy calculation

	EXISTING SYSTEM	NEW CONTROLLED SYSTEM	
Luminaire	2x18 W fluorescent lamps with HF gear	AVR320.1205DL with 100% light level	AVR320.1205DL with 100% light level
Quantity	100	100	100
Power	36 W	3 W	18 W
Ballast	5 W	1 W	1 W
Total power	4,100 W	400 W	1,900 W
Illumination time/day	24 hours	22 hours	2 hours
Energy consumption/day	98.4 kWh	8.8 kWh	3.8 kWh
Energy consumption/year	35,916 kWh	4,599 kWh	

Ensto Chago Kiosk cuts traffic, noise, and CO₂ emissions in Nice, France

The French city of Nice is well known for its innovative urban technology projects. In November 2012, 70 Ensto Chago Kiosks were installed around the city for a trial run by Semiacs, the company in charge of public parking in the city.

The intelligent functionalities of the Ensto Chago Kiosk not only benefit the consumer, but also bring significant environmental benefits.

The Ensto Chago Kiosk is an intelligent parking solution that combines an integrated electronic charging system with a diverse range of online services.

The kiosk offers web-based payment and services that help people find a parking space without having to queue in traffic. The system is also connected to moisture sensors in the ground that alert the city's service department when parks and green spaces need watering. When the number

of electric vehicles – and therefore the number of electric car charging stations – grows, the kiosk can also manage the local charging-station network. It also shows users the location of the nearest charging station and whether or not it is in use.

“The intelligent functionalities of the Ensto Chago Kiosk not only benefit the consumer, but also bring significant environmental benefits,” says **Laurent Prades**, Marketing Communications Manager at Ensto in France.

“Reduced traffic, noise, energy consumption, and CO₂ emissions, as well as reduced watering of green spaces, are all results of this great service!”

600 Ensto Chago Kiosks by 2015

The innovative kiosk won the award for best innovative Smart City project in the world in December 2011.

The multifunctional kiosk was the result of cooperation between several companies. Ensto developed and built the hardware: the stainless steel structure and electronic components, and added its own electrical charging solution.

By 2015, Nice will have a total of 600 kiosks. Although the initial investment is fairly large, the payback period is quite short given the improved level of service for the city's residents and the municipality as a whole.





Innovative solutions for the solar and wind energy industries

The increase in demand for expertise in renewable energy solutions fits very well with Ensto's vision. We want to lead the way in producing innovative, sustainable products that enhance energy efficiency.

Ensto has created a range of solutions for a variety of renewable-energy applications. Our offering includes products such as thermoplastic enclosures, which are ideal for use in photovoltaic applications. They have a long lifetime and a smaller carbon footprint than enclosures made of steel, for example. We also offer customized enclosures and pre-assembled combiner boxes for solar plants, a variety of enclosing solutions for power and string-control purposes, and junction boxes for generators.

Ensto also develops solutions for the wind energy industry. Our product offering for this sector includes en-

closing solutions, terminals and load-break switches, and connectors. We have also provided lighting junction boxes and hydrant systems for our customers in Asia.

Ensto has created a range of solutions for a variety of renewable energy applications.

Our enclosing solutions and components often exceed internationally recognized quality standards.

Ensuring more efficient electricity distribution

We build a better society by improving energy efficiency and focusing on sustainable development. To help us accomplish this, we have made it our aim to be at the front line of the electrical industry in producing clean, recyclable, trusted, and innovative products and solutions that have a long lifetime and a low environmental impact over their life cycle. An electricity grid is a long-term asset that is developed in line with the standards and principles of each era. Therefore some components of the grid may not comply with modern quality, safety, and functionality requirements. As the number of connected households increases, the grid needs to be improved in order to avoid blackouts, maintain power quality, and ensure safety.

In particular, expanding cities in countries with high levels of GDP growth face problems. In some cases, households have been connected to the grid without an official permit and with poor-quality equipment, resulting in high electrical losses and serious safety hazards. The importance of rapid fault resolution and increased use of renewable energy sources has grown in importance. Network automation is being implemented in places where it adds the most value.

The lifespan and reliability of the grid can be significantly increased by using good practices and high-quality equipment.

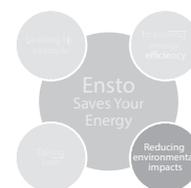
The lifespan and reliability of the grid can be significantly increased by following good practices in terms of continuous maintenance and the use of reliable, safe, and high-quality equipment.

Grid lifespan can be extended through:

- Thorough planning and design
- Use of high-quality cabling capable of withstanding wear and tear as well as UV radiation
- Proper installation practices.







Reducing environmental impacts

Ensto is constantly working to reduce its carbon emissions throughout the company value chain. This involves reducing energy consumption in our operations, exploring possibilities to use renewable energy sources, and promoting innovative products that are based on recycled materials.

Although energy is a key factor determining the impact of our operations on the environment, it is not the only one. We are committed to scaling up environmental impact assessments of our facilities, setting targets, and implementing actions based on these assessments. We are also committed to evaluating the impacts, opportunities, and trade-offs relating to our supply chain.

Energy consumption

Ensto has reported on its direct and indirect energy consumption since 2010, when we conducted our first carbon footprint calculation. Since the first calculation we have concentrated on tracking the most relevant sources of direct and indirect emissions – fuel and energy consumption (direct and indirect) as well as water consumption and waste disposal.

Ensto's energy sources in Finland

In Finland, Ensto purchases its energy from the Finnish electricity supply company Chevys Voiman Ostajat Oy. Chevys Voiman Ostajat has 12 shareholders who consume a total of 800 GWh, which is about one percent of Finland's total consumption. We are continuously looking for new ways of adopting more renewable energy sources in our production processes.

Direct and indirect energy consumption, 2010–2013

DIRECT ENERGY CONSUMPTION (GJ)	2010	2011	2012	2013*
Liquid (diesel, gasoline, fuel oil)	2,128	2,137	2,669	2,922
Gas (natural, propane)	11,267	9,286	11,009	10,541
Others (LPG)	381	395	342	350
INDIRECT ENERGY CONSUMPTION (MWH)	2010	2011	2012	2013
Heating (district)	7,622	7,053	7,733	6,820
Electricity (facilities, machinery)	18,262	18,654	18,080	18,083

Average heating values for fuels are used for all industrial sites.

* Includes figures from Ménéilles plant in France, which were not included in 2010-2012 figures.

Energy source distribution in Finland, 2012–2013

ENERGY SOURCES	2012	2013
Renewable energy	25.4%	29.7%
Fossil fuel and peat	42.6%	34.7%
Nuclear power	32%	35.7%
EMISSIONS FROM PURCHASES	2012	2013
CO ₂	285 g/kWh	258 g/kWh
Spent nuclear fuel accrual	0.93 mg/kWh	1.1 mg/kWh

Source: Chevys Voiman Ostajat Oy

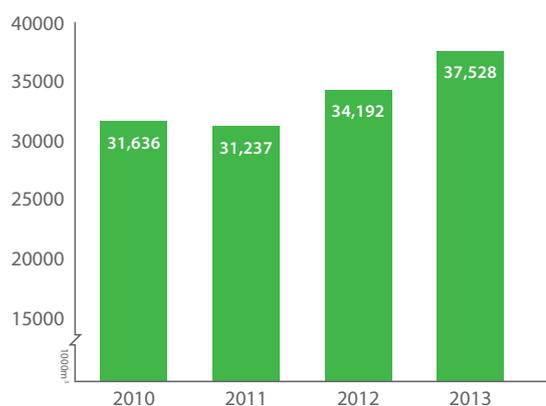
Average energy savings per injection molding machine, 2012–2013

	2012	2013
Number of machines	22	22
Electricity use per IM machine, MWh/year	211	216
Electricity savings per IM machine	8%	6%

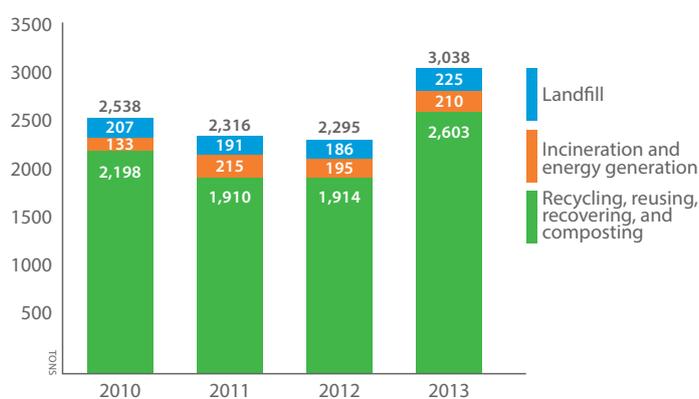
Savings in terms of installation power between new and old machines

INJECTION MOLDING MACHINE	OLD	NEW	SAVING
900T clamping force Engel	162 kW	147 kW	9%
100T clamping force Engel	50 kW	48 kW	4%
100T clamping force Engel	50 kW	48 kW	4%

Water consumption, 2010-2013



Waste by type and disposal method, 2010-2013



Investing in energy efficiency

Estonia

During 2011–2013 we continued our environmental work by investing in three new injection molding machines for our plant in Tallinn, Estonia. Replacing the old machines has helped us to reduce our total energy consumption.

Beside these investments, we have been running lean-improvement projects, which have had a big impact on molding-machine efficiency. Machine time utilization and electricity consumption per machine hour have both improved.

France

At Nefiach, France we improved our heating system by adding time control to further enhance energy savings. We have also covered the windows of our Nefiach and M nilles plant offices with transparent reflecting tape to reduce the amount of sunlight coming in to the offices and thereby reduce the need for air conditioning.

Finland

To save more water in the production process, we changed the old faucets to new ones at our headquarters in Porvoo. Standard lightbulbs were also replaced with more energy-efficient ones. We are also planning to invest in new ventilation solutions in the near future.

Other energy-saving actions

We use our own innovations to save money as well as minimize environmental impact. Our main factories are equipped with Ensto Enervent heat-recovery systems, and we are also installing EV charging stations at our offices around the world.

Ensto also has a guideline for leased company vehicles covering all new leasing agreements signed globally. It aims to limit the CO₂ emissions resulting from business travel. The policy prohibits the leasing of vehicles that have CO₂ emissions greater than 150 g/km. The policy also incentivizes employees to lease vehicles with lower emissions. According to our own estimates, most of the vehicles we lease currently have CO₂ emissions smaller than 120 g/km.

Energy efficiency agreements

Ensto is a member of the Federation of Finnish Technology Industries, which is a signatory to the energy efficiency agreement that covers the period from 2008 to 2016. Our aim is to reduce our main-site energy consumption by nine percent by 2016 compared to 2009.

The agreement was prepared within the framework of the EU Energy Services Directive, which sets reference targets for the energy efficiency of industry. The scheme is based on voluntary agreements in which companies undertake to improve their energy efficiency.

Growth in production reflected in water consumption

In 2013 we acquired a new production plant in M nilles, France as well as launched a new production line for heat shrinks in Porvoo, Finland. This increase in production is reflected in the slight increase in water usage.

We constantly monitor water usage at our production plants and improve our processes.

Recyclability of our products

We put a lot of effort into the recyclability of our products. It is business-critical for us to reduce the environmental impact of our products at the end of their life by prolonging their life cycle and also reducing the cost of recycling. Ensto's products are built to last, with models designed to endure the harshest of weather conditions.

Lubrication is vital to the safe and reliable operation of milling and metal-cutting processes and equipment. Conventional lubricants are a mixture of mineral oil and additives, which may comprise up to 30 percent of the total content. Most mineral oils degrade slowly and have relatively high toxicity. We only use biodegradable and non-toxic lubricants in metal milling, cutting, and machinery lubrication applications.



Technology Development Engineer Maria Penttilä in Porvoo, Finland.

Vegetable-oil based soluble cutting fluid provides good results in all our machining applications and complies with all environmental and performance requirements. Furthermore, cutting productivity and quality is improved with bio-based coolant technology. Health concerns are also important factors. Vegetable-oil based soluble cutting fluids have not only eliminated the dry skin and cracking that some employees experienced with petroleum-based coolants, they have also removed the worry of hazardous fumes.

Waste management

All our main production sites have extensive waste recycling processes, and we are continuously developing and monitoring our industrial waste management practices. Our recycling program covers paper, cartons, plastics, metals, and electronic waste, and all production facilities have established processes for collecting, sorting, and recycling materials.

Waste management, 2010–2013

	2010	2011	2012**	2013* **
Waste generation (total weight), tons	2,538	2,316	2,295	3,038
Recoverable waste, tons	2,198	1,910	1,914	2,603
Hazardous waste, tons	136	123	132	131
Non-hazardous waste, % of total waste	94%	95%	94%	96%

* Includes figures from the Ménilles plant in France, which were not included in the 2011-2012 figures.

** Includes figures from Figueras plant in Spain, which were not included in the 2010-2011 figures..

Efficient use of recycled materials

Recycling of plastic packaging is moving to the next phase, with recycled material being processed into technical plastics for industrial use. Ensto is one of the first manufacturers to begin using recycled raw material that has already been tested in the car industry.

We have introduced eco-friendly raw materials in the plastic parts of enclosures, such as hinges and latches.

The recycled material comes from PET plastic from bottles that have been used to produce PBT plastic granules, which are used for die casting. At Ensto, some 65 percent of this raw material, which has been recognized for its eco-friendliness, comes from PET-plastic based materials. Carbon dioxide emissions from the manufacturing process are only one quarter of the previous level.

For every hundred kilograms of recycled raw material, as much as 87 kilograms of plastic bottles may be saved from ending up in landfill sites or incinerators. This replaces 55–75 percent of the fossil fuel that would otherwise be used for manufacturing plastic. Enclosures extend the usable life of plastic bottles by a minimum of 20 years.

Optimizing logistics

Our end products are shipped all over the world, and we aim to minimize the impacts of our logistics operations on the environment.

We are currently working with our logistics partners through these three stages:

1. Receiving a CO₂ follow-up calculation of our transport
2. Receiving available CO₂ statistics and working to reduce carbon dioxide emissions
3. Using carbon-neutral transport (currently includes all UPS, DHL, and Itella shipments)



Export Sales Manager Markus Nyman is participating Ensto Sales Championship training in Porvoo, Finland.



Taking care

As a family business, we value the dedication, motivation, and spirit that Ensto people demonstrate in their daily work. It is our responsibility to make sure our working environments are safe, friendly, and comfortable. We also value active collaboration with our customers, students, and the communities we are close to.

Taking care is a broad task that we approach by caring for the safety and wellbeing of our employees and interacting with the stakeholders and communities around us. Integrating sustainability into goal-setting to involve our people in improving our sustainable operations.

Diversity as a strength

We believe that satisfied and skilled personnel are the key to success. We see diversity as a strength that helps us attract the most talented and motivated people. It is our duty to offer people a working environment where every individual's contribution and participation is appreciated, rewarded, and encouraged.

In 2012-2013, Ensto employed approximately 1,600 people. The majority of our employees were located in Finland (36%), Estonia (26%), and France (18%). The biggest increase was in France, where the number of employees increased by 34% from 2011, mainly due to the acquisition of PGEF.

Our employee base is relatively evenly distributed in terms of age and gender. At the end of 2013, 43% of our employees were female and 57% male, with an average age of 42.2 years. We also consider factors such as nationality, ethnicity, physical ability, education, and work experience as important aspects of diversity, but do not actively gather data on these factors.

Development programs for personnel and customers

Ensto Pro training

Ensto Pro is a continuous technical training concept that is targeted at customers, partners, and Ensto's own personnel. The aim is to support sales and create strong customer relationships by sharing knowledge. The training varies from large lectures to hands-on installation-type sessions.

Ensto Sales Championship

During 2013 Ensto organized Sales Championship training. The main focus of the training was to stimulate sales by building up a

good spirit among the sales teams and help them succeed in their sales efforts. With sales coaching we used a hands-on approach and focused on helping the teams to achieve their goals.

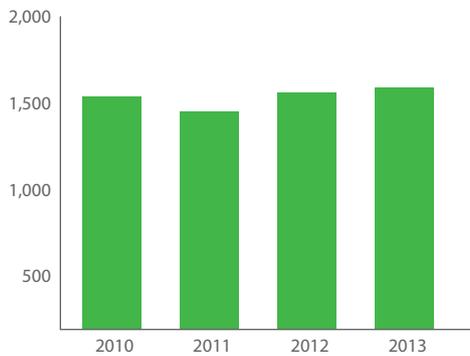
The team leaders benefited from learning how to coach their teams and help them work towards active sales and customer connections. Another great outcome of the training has been the increased synergies between Ensto's functions and business units.

Ensto Lead

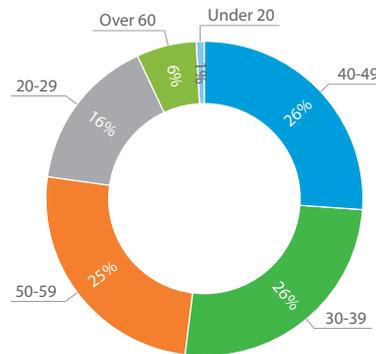
World-class performance requires excellent leadership skills. The Ensto Lead program, completed in May 2014, was targeted at developing our managers' leadership skills and increasing synergies between Ensto's functions.

The learning methods in the program were interactive and discussion-oriented, including practical tasks and team exercises. More than 200 managers and team leaders participated in the training program.

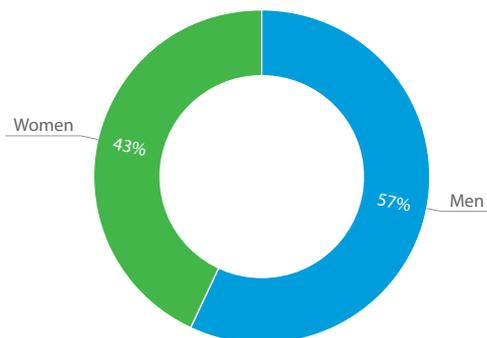
Number of employees, 2010–2013



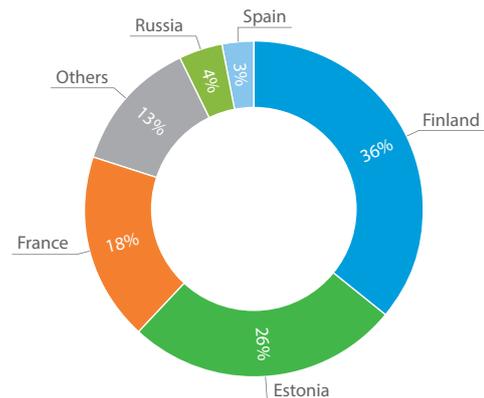
Age distribution, 2013



Gender distribution, 2013



Personnel by country, 2013



Employee satisfaction

One of the most important tools in caring for the wellbeing of our employees are the employee surveys. Our surveys help us gather valuable information about our employees' opinions and identify practices that will make Ensto a better place to work.

Employee Engagement Survey

Every two years we conduct an Employee Engagement Survey that is targeted at all our employees. In 2012 the survey received a response rate of 79%.

The results of the 2012 survey showed that our employees felt that the company was living up to its values. Trust in the senior management and their decision-making efficiency was also mentioned as a clear strength. Our employees also thought that changes were well implemented, and gave positive feedback about the induction of employees into new tasks as well as managers' ability to give positive feedback.

The survey also revealed some areas for improvement. For example, employees said they would like to receive more feedback on the results of their work. They also felt that there was a need to clarify responsibilities and develop more efficient ways for business areas and functions to co-operate.

Pulse Survey

The views of our personnel are extremely important to supporting the continuous development of our working environment. To more effectively gather these views, we have started conducting a short survey comprising eight questions. The Pulse Survey is conducted every six months and allows flexible monitoring of, and rapid reaction to, employee concerns.

Employee health and safety

The health and safety of our employees is very important to us. Our safety work is based on our goal of zero accidents. We are constantly developing our safety procedures in order to achieve our goal of becoming an accident-free workplace.

We provide our employees with regular safety training, and our offices, factories, and laboratories are audited on a continuous basis.

Since the beginning of 2013, we have been using the HeiaHeia wellness tool to actively encourage our employees to lead an active lifestyle. The goal of the tool is to provide some extra motivation for sports and everyday exercise.

Cooperation with educational institutions

Ensto collaborates actively with educational institutions to offer students various kinds of training opportunities. During summer 2013, we employed a total of 90 students across Finland, Estonia, Sweden, Norway, and France. They worked in our production, logistics, service, R&D, communications, and marketing teams.

Ensto also offers thesis-worker positions and internships for students who are finalizing their studies.

In Finland, Ensto has established a cooperation with Aalto University. The Murjottelu training campaign is an interdisciplinary summer training program that helps students to find internships in their own fields of study.

In France, Ensto has established relationships with universities with the goal of bringing new knowledge into the organization. The universities include CRITT Polymer & Silicon, the Electrical Department of the CEA (Commissariat à l'énergie atomique) and Laboratoire Ampère.

Key personnel figures, 2010–2013

GENDER DISTRIBUTION, %	2010	2011	2012	2013
Women	43	41	42	43
Men	57	59	58	57

EMPLOYEE BREAKDOWN BY EMPLOYMENT TYPE AND CONTRACT, %	2010	2011	2012	2013
Permanent	90	96	96	95
Temporary	10	4	4	5
Full-time	98	98	97	97
Part-time	2	2	3	3
Blue Collar	58	55	54	54
White Collar	42	45	46	46

EMPLOYEE TURNOVER RATE, %	2010	2011	2012	2013
France	0.4	2.7	4.1	5.8*
Spain	8	9	0	2
Russia	15	12	33	13
Estonia	11	16	13	13
Finland	12	13	3	4**

ACCIDENT FREQUENCY RATE	2010	2011	2012	2013
France	28.9	15.2	42.5	22.3*
Spain	130.9	99.9	75.2	74.5
Russia	0.0	0.0	0.0	0.0
Estonia	8.9	8.4	2.5	17.0
Finland	N/A	24.2	11.9	13.9**

* Figure includes PGEF, acquisition made in France in January 2013. See p. 8.

** Ensto Enervent has been part of Ensto Group since 2009, but due to reporting-related reasons the figures are included from 2013 onwards.

Accident frequency rate (AFR) = recordable accidents × 1 million / working hours

In Estonia, we support the highest achieving students from the Faculty of Mechanical Engineering at Tallinn University of Technology. The scholarships we offer enable them to do their field training in our company and, if possible, also to write their thesis based on our operations.

Sponsorship activities

Ensto's sponsorship principles are based on our values, which guide us in selecting partners whose operations are based on trust. For us, long-term sponsorships are often also close partnerships.

Our sponsorship policy defines the areas and principles for sponsorship. When making sponsorship decisions, we want to emphasize our corporate social and environmental responsibility.

During 2012–2013, Ensto's financial support for corporate social responsibility projects and sports activities totaled EUR 95,000 (EUR 40,000 in 2012 and EUR 45,000 in 2013). The main beneficiaries of our support were sports clubs in the communities where our production sites are located. We also made a significant contribution to Plan Finland's 'Because I am a Girl' campaign.

In our sports sponsorship deals, we mainly support local youth sports and junior team activities. We prefer to focus on sports-club visibility rather than individual teams, groups, or performers, as this allows support to be given to as many groups as possible and distributed as fairly as possible within the club.



Through the Because I am a Girl campaign, we support Plan Finland's projects in Laos and the Dominican Republic, for example. Part of Plan International, the Finnish organization also supports girls' rights in hundreds of projects across Asia, Africa, and Latin America. We have also signed a corporate partnership agreement with Plan Finland to donate the same sum on an annual basis for 2014–2016. We may take part in various local, national, or international cooperation projects relating to environmental responsibility.

Customer satisfaction

To find out how our customers value our products and Ensto as a company, we collect feedback from them on a regular basis. During 2012–2013, our business areas conducted three customer surveys.

Ensto Utility Networks

In February 2013 we conducted a customer satisfaction survey for our Ensto Utility Networks customers. The survey was sent to customers in 15 countries and was translated into 13 local languages. The target groups were utilities companies, distributors, wholesalers, and contractors, and the response rate was 21%.

The survey showed that personal relationships with Ensto were deemed excellent by 48% of respondents and good by 38%. The customers also stated that a personal visit is the most useful information source for them. According to 53% of the respondents, our service level had improved within the last two years.

According to the survey, our most successful operational factors were:

- Product quality
- Ability to keep promises
- Reliability of deliveries
- Technical expertise
- Ease of cooperation

Ensto Building Technology

At the beginning of 2013, we conducted a customer satisfaction survey for our Ensto Building Technology customers. The survey was sent to 10 countries and received a response rate of 28%.

Based on their willingness to recommend Ensto, our customers were pleased with the service they receive. A total of 43% of the respondents had recommended us, and 56% would be willing to recommend us. The proportion of respondents who had already recommended Ensto had grown significantly since 2008.

According to the survey, our most successful operational factors were:

- Trustworthiness and keeping our promises
- Professional skills of our salespeople
- Smoothness of cooperation
- Helpfulness of our salespeople
- Willingness to listen to the customer

Ensto Industrial Solutions

In April and May 2012, we conducted a customer satisfaction survey for our Ensto Industrial Solutions customers. The survey was sent to 27 different countries and received a response rate of 40%.

The survey identified that 47% of respondents considered our customer service level to have improved either considerably or slightly, with 50% stating that it had remained the same.

A total of 38% of the respondents had recommended Ensto to their colleagues. In addition, 61% would recommend Ensto either warmly or with certain conditions or reservations.

According to the survey, our most successful operational factors were:

- Product quality
- Product price-to-quality ratio
- Product availability

The survey also indicated that Ensto had been most successful in the following areas: expertise, status as a well-known company, activeness in maintaining contact, and willingness to offer high-level customer service.



Industrial Designer Marjo Kurri in Porvoo, Finland.

Cooperation with educational institutions provides opportunities

Murjottelu is a training campaign organized by Aalto University in Finland. The interdisciplinary summer training program helps students to find internships in their own fields of study. Ensto has been participating since 2008.

Marjo Kurri studied industrial design at Lahti University of Applied Science. After getting her bachelor's degree she began her master's degree in industrial design at Aalto University. As part of her studies, she spent three months at Ensto in the Murjottelu program.

"I chose Ensto as I wanted to design energy-efficient and sustainable products. Ensto is also known for its reputation as a well-established and reliable company," says Kurri.

In the Murjottelu training, she was working on a new product concept together with an engineering student. The goal of the collaboration was to combine engineering and industrial design skills in practice. The team worked together for one summer and, among other activities, independently conducted an extensive user study.

Kurri got a permanent job as an industrial designer at Ensto in 2011.

It is nice to see that Finnish cleantech companies like Ensto are placing more and more emphasis on the role of industrial design.

She thinks that companies like Ensto can gain a lot from the fresh perspective to design that Murjottelu trainees bring.

"It is nice to see that Finnish cleantech companies like Ensto are placing more and more emphasis on the role of industrial design in their production processes. My goal is to further develop methods like user research, and to continue integrating industrial design into Ensto's R&D process."

Exercising for a good cause with online service **HeiaHeia!**

Ensto wants to help its employees stay active and live a healthy life. Since 2013, the company has been providing them with extra motivation for sports and everyday exercise using the HeiaHeia activity-tracking service.

HeiaHeia is an online platform for tracking daily physical activities and sharing them with colleagues and friends. The service supports over 350 different activities and is available in several languages.

When Ensto first started using HeiaHeia, the company decided to create a voluntary position called Wellness Motivator. The Wellness Motivator's most important task is to spread the word about the importance of being physically active.

At the beginning of 2013, Ensto Pro Specialist **Maria Vickholm** was selected as the first Ensto Wellness Motivator. She completed her year of voluntary work alongside her daily work.

During the year, Maria helped organize four successful campaigns via HeiaHeia.

"The first was called "Visiting different Ensto countries". A graphic designer drew a map that included all the countries where Ensto operates. The goal of the campaign was to exercise through the countries – an hour's workout represented ten kilometers on the map," says Vickholm.

During May and June 2013, Ensto organized its first HeiaHeia charity campaign. The goal was to exercise in teams and included many forms of exercise, from gardening to marathon running. The most active team won 500 euros to donate to a charity of their choice.

The winning team, from Ensto's Finnish payroll department, took victory by exercising for over 300 hours. Their donation went to Nuotta, a local social services unit in Porvoo, Finland.

A total of 239 Ensto employees have registered with HeiaHeia, and in 2013, the total number of hours of registered activities was 32,523.

The service's extensive social networking features – which include sharing, cheering, and commenting – have helped Ensto colleagues from around the world get to know each other better.

The top 5 sports activities among Ensto employees in 2013

1. Walking
2. Gym
3. Dog walking
4. Running
5. Cross-country skiing



Ensto's rowing team has participated in many rowing events, here with Procurement Manager Sari Ihonen and Controller Pia Sâgbom in front.

Reporting principles

This is Ensto's second Sustainability Report, and it has been prepared in accordance with the G3 sustainability reporting procedures defined by the Global Reporting Initiative (GRI).

Since our first Sustainability Report was published in 2012, it has become apparent that our customers and other stakeholders value regular sustainability reporting. This, and the feedback we have received about the first report, has encouraged us to continue and further develop our reporting while maintaining the same focus areas.

During the reporting period we have taken steps to develop our sustainability approach by conducting stakeholder surveys during the reporting period. The results of these surveys have helped us develop our ways of working and improve our reporting on topics that our stakeholders have addressed.

Initiated in 2010, our sustainability strategy work continued at the beginning of 2014 with an internal materiality survey targeted at our owners and management, with the goal of gathering information on Ensto's sustainability practices.

The results of the survey showed that we have succeeded in improving our waste management and product recyclability processes. The main areas for improvement were quality management and reporting transparency. We will pay particular attention to these issues in our future sustainability work.

The consolidated performance data in this report covers all Ensto's business units and locations. The only exception is the data for employee turnover and accident frequency, which only covers our major production sites. The stories, events, and indicators have been collected from the 2012 and 2013 calendar years, and the data for acquired companies from the time of the acquisition onwards unless otherwise stated.

We believe that following the GRI guidelines is the best way to offer transparent and reliable information about our sustainability efforts. We have applied these guidelines in our biannual reporting since 2010. For those readers interested in how we report against the GRI framework, we have provided a full GRI Content Index at the end of this report.

Based on our own assessment, we declare this report to comply with GRI Application Level C.

We acknowledge that we are still in the early stages of sustainability reporting, but we are committed developing our approach. We are also looking into new ways of involving our stakeholders in the reporting process.

Sustainability contacts at Ensto

If you have any questions or comments regarding this report or other sustainability topics at Ensto, please get in touch:

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UN Global Compact

Full Support for the UN Global Compact

We promote sustainable development in all our business activities and operations. We demonstrated this by committing to the Ten Principles of the United Nations (UN) Global Compact initiative. Through our participation in the UN Global Compact, we are continually learning how to strengthen existing, or develop new, internal practices and policies.

Reporting on the Global Compact Principles

When we became a signatory to the Global Compact, we started publishing an annual Communication on Progress (COP).

HUMAN RIGHTS	COVERED IN
Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> Ethical Principles Employee Code of Conduct Supplier Code of Conduct and Supplier Score Card
Principle 2 Make sure not to be complicit in human rights abuses.	<ul style="list-style-type: none"> Ethical Principles Employee Code of Conduct
LABOR STANDARDS	COVERED IN
Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> Ethical Principles Employee Code of Conduct Supplier Code of Conduct and Supplier Score Card
Principle 4 The elimination of all forms of forced and compulsory labor.	<ul style="list-style-type: none"> Ethical principles Employee Code of Conduct Supplier Code of Conduct and Supplier Score Card
Principle 5 The effective abolition of child labor.	<ul style="list-style-type: none"> Ethical principles Employee Code of Conduct Supplier Code of Conduct and Supplier Score Card
Principle 6 Elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> Ethical principles Employee code of conduct Supplier Code of Conduct and Supplier Score Card
ENVIRONMENT	COVERED IN
Principle 7 Businesses should support a precautionary approach to environmental challenges.	<ul style="list-style-type: none"> Ethical Principles Environmental Policy Safety and Health Policy Supplier Code of Conduct and Supplier Score Card
Principle 8 Undertake initiatives to promote greater environmental responsibility.	<ul style="list-style-type: none"> Ethical principles Environmental Policy Safety and Health Policy Ensto Group R&D Guidelines Supplier Code of Conduct and Supplier Score Card
Principle 9 Encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> Ethical principles Environmental Policy Ensto Group R&D Guidelines
ANTI-CORRUPTION	COVERED IN
Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> Ethical principles Employee Code of Conduct Supplier Code of Conduct and Supplier Score Card

GRI Content Index

The Global Reporting Initiative Content Index is provided to assist the reader in navigating through the report and to aid comparison with the GRI G3 Guidelines. We have self-declared this report to comply with GRI Application Level C. For more information about the GRI guidelines and application levels, please see www.globalreporting.org.

Standard disclosures

	DESCRIPTION	REFERENCE	REPORTED
1	STRATEGY AND ANALYSIS		
1.1	CEO statement	p. 8-9	Fully
1.2	Description of key impacts, risks, and opportunities	p. 8-9	Partly
2	ORGANIZATIONAL PROFILE		
2.1	Name of the organization	p. 5	Fully
2.2	Primary brands, products, and/or services	p. 5	Fully
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	p. 5	Fully
2.4	Location of organization's headquarters	Back cover	Fully
2.5	Number of countries where the organization operates, and names of countries with operations that are either major or specifically relevant to the sustainability issues covered in the report	p. 6	Fully
2.6	Nature of ownership and legal form	p. 5	Fully
2.7	Markets served	p. 5	Fully
2.8	Scale of the reporting organization	p. 5	Fully
2.9	Significant changes during the reporting period regarding size, structure, or ownership	p. 10-11	Fully
2.10	Awards received during the reporting period	p. 10-11	Fully
3	REPORT PARAMETERS		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	p. 40	Fully
3.2	Date of most recent previous report	p. 40	Fully
3.3	Reporting cycle (annual, biannual, etc.)	p. 40	Fully
3.4	Contact point for questions regarding the report or its contents	p. 40	Fully
3.5	Process for defining report content	p. 40	Fully
3.6	Report scope and boundary	p. 40	Fully
3.7	State any specific limitations on the scope or boundary of the report	p. 40	Fully
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	p. 40	Fully
3.12	Table identifying the location of the Standard Disclosures in the report	p. 42	Fully
4	GOVERNANCE, COMMITMENTS, AND ENGAGEMENT		
4.1	Governance structure of the organization	p. 17-21	Fully
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	p. 17-21	Fully
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	p. 17-21	Fully
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	p. 17-21	Fully
4.14	List of stakeholder groups engaged by the organization	p. 12-13	Fully
4.15	Basis for identification and selection of stakeholders with whom to engage	p. 12-13	Fully
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	p. 12-13	Partly
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	p. 12-13	Partly

Performance indicators

	DESCRIPTION	REFERENCE	REPORTED
EC	ECONOMIC PERFORMANCE		
EC7	Procedure for local hiring and proportion of senior management hired from the local community at significant location of operations.	We are encouraging local recruitments in senior management at our main locations. The senior management in 18 of our 20 offices consists of locally hired staff. By senior management we refer to the managing director of the local legal company, the sales director, the controller, and the director responsible for production.	Fully
EN	ENVIRONMENTAL PERFORMANCE		
EN3	Direct energy consumption by primary energy source	p. 29-31	Fully
EN4	Indirect energy consumption by primary source	p. 29-31	Fully
EN6	Initiatives to provide energy efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	p. 23, 24 and 27	Partly
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	p. 29-31	Partly
EN8	Total water withdrawal by source	p. 29-31	Partly
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	p. 25 and 29-31	Partly
EN22	Total weight of waste by type and disposal method	p. 29-31	Fully
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of mitigation impact	p. 23-25, 27 and 29-31	Fully
	SOCIAL PERFORMANCE		
LA	Labor practices and decent work		
LA1	Total workforce by employment type, employment contract, and region	p. 33-36	Fully
LA2	Total number and rate of employee turnover by age group, gender, and region	p. 33-36	Partly
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	p. 33-36	Partly
PR	Product responsibility		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	p. 33-36	Fully



Saves Your Energy

ENSTO

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