

ENSTO

Sustainability Report 2021



Better life.
With electricity.



For over 60 years, Ensto, a growth-oriented and international family business, has been dedicated to electricity with a long-term and human-centric approach. We offer smart and reliable electrical solutions and expertise for electricity distribution system operators and help them to succeed and create a more sustainable tomorrow.

Currently Ensto has a total of 920 employees in 18 countries in Europe and Asia. We are bound by our common purpose: making life better with electricity. Sustainably.

Table of contents

- Message from the President and CEO 3
- Ensto in brief 4
- Highlights of 2021 5

- Sustainability at Ensto 6
- Our key sustainability commitments..... 8
- Sustainability Governance 9
- Stakeholder engagement 10
- Sponsoring and memberships..... 11
- Sustainable Development Goals at Ensto 12
- Enhancing actions on climate and circularity..... 13
- Empowering employees by providing a safe and inclusive working place 18
- Ensuring high ethical standards and compliance across our value chain 23

- UNGC index 27
- GRI index 28
- About this report..... 31

Ensto's Sustainability Report 2021 focuses on the key sustainability challenges and opportunities we face and the many ways in which we are responding. See section [About this report](#) to read more about our reporting practices. In this report, the reporting scope has been clarified in connection with each indicator and marked with the following asterisks:
 *Ensto DSO business
 **Ensto DSO business and Ensto Building Systems business both 12-month data
 ***Ensto DSO business 12-month data and Ensto Building Systems business 10-month data

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MESSAGE FROM THE PRESIDENT AND CEO

Ensto's commitment to sustainability stands, amid changes

The year 2021 was again a year of changes for us, as we made a big strategic decision to focus on the DSO business and divested Ensto Building System business to Legrand, the global specialist in electrical and digital building infrastructures. The decision and transaction support the next phase of our growth strategy and enables us to better serve our Distribution System Operator customers with our expertise and solutions. We continued acquisitions to strengthen the expertise especially in new smart technologies.

Russia's attack on Ukraine on February 24, 2022, changed the world and our operating environment overnight. It has become apparent that Ensto's business in Russia can no longer continue in its current form, and we have suspended our export and sales in Russia until further notice. At the time of publishing this report, our subsequent actions are being planned by taking into account our employees, customers, and local legislation.

In the middle of organizational changes and a turbulent operating environment, our commitment to sustainability remains. Electricity has a key role to play in society, both from a social and environmental point of view. Electricity consumption is expected to double within the next few years as fossil fuels are replaced by emission-free electricity. The world needs more sustainable and reliable solutions like Ensto's to enable a smarter infrastructure for renewables.

At the same time, the importance of electricity in combating climate change and as a basic resource for a modern and functioning society, is indisputable. The electrification of society promotes social equality, especially in developing countries.

Building our competence with new sustainability focus areas

We see great potential in further enhancing our positive handprint in society. This is due to Ensto's long history of ethical business conduct, and products that are reliable, durable, and of high quality. However, it is the people that bring our business to life. Taking care of our people is a top priority at Ensto, and we constantly seek ways to be a better employer. Therefore, diversity and inclusion have been identified as areas in which we need to focus more of our attention in the future.

As Ensto is a member of the manufacturing industry, it is clear that more actions to reduce our greenhouse gas emissions are needed to contribute to the goals set out by the international community. In 2021, we set our first emission reduction targets for our direct emissions. As a next step, we are mapping the emissions of our value chain as a whole. During 2021, we also focused on building our competence in circular economy as a means for enhancing our environmental handprint.

Despite our already extensive efforts, there is still room to improve and in some areas of sustainability we are at the beginning of the journey. At Ensto, we see the value of sustainability in the long run, and our strong family roots and values form a good basis for contributing to a more sustainable society.

Continued commitment to UN Global Compact

Like previous years, I am pleased to confirm that Ensto reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. This sustainability report includes UN Global Compact report. In the report, we describe our actions to continuously improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations.

I hope you enjoy reading this report and wish that you will follow our sustainability progress in the future too. Let's continue to strive for our common purpose: making life better with electricity. Sustainably.

Hannu Keinänen

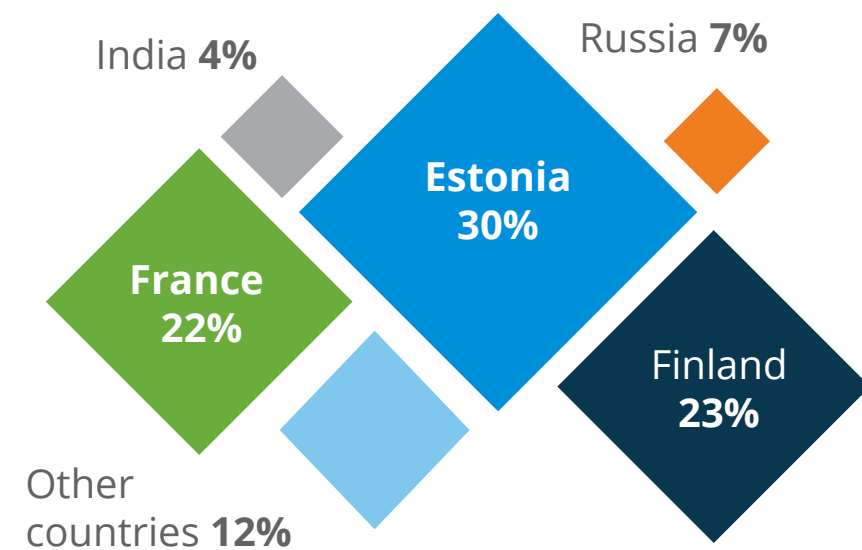
President and CEO, Ensto Group

Ensto in brief

WHO WE ARE

Ensto is an international, growth-oriented family company powered by people since 1958. Ensto Group, headquartered in Porvoo, Finland, is owned by Ensto Invest Oy. Ensto has production plants in seven countries: Finland, Estonia, France, Italy, Russia, India and Ireland.

PERSONNEL

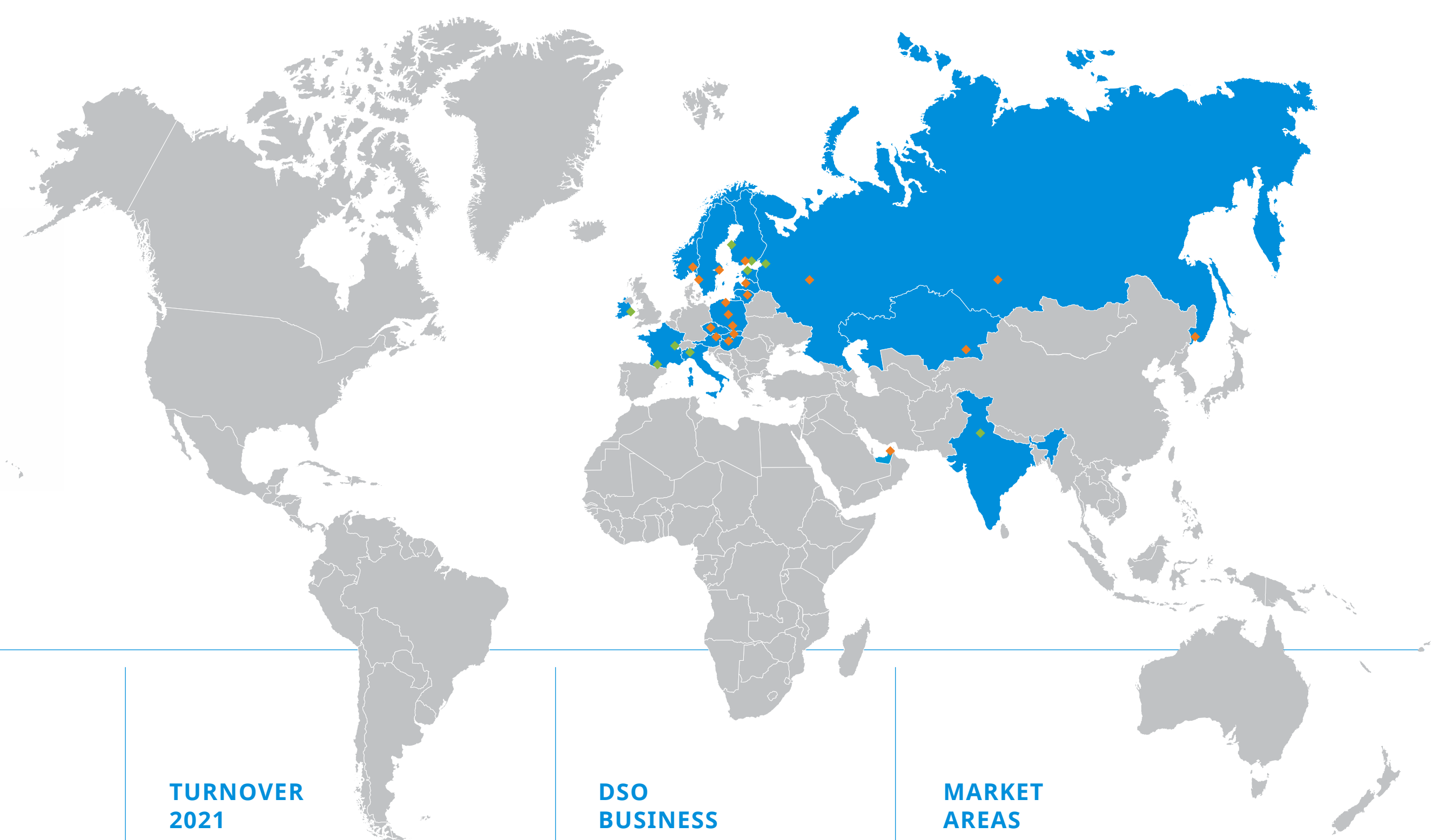


WHERE WE ARE

Sales offices **18**
 Production **7**
 R&D **6**



Selling to **90** countries



WHAT WE DO

Ensto is a leading expert for distribution system operators (DSOs), by offering innovative and reliable, long life-cycle overhead lines, underground networks, network automation and new smart technology products and solutions.

OUR VALUES

- Trust Capital
- Creativity
- Winning Together

[READ MORE >](#)

TURNOVER 2021

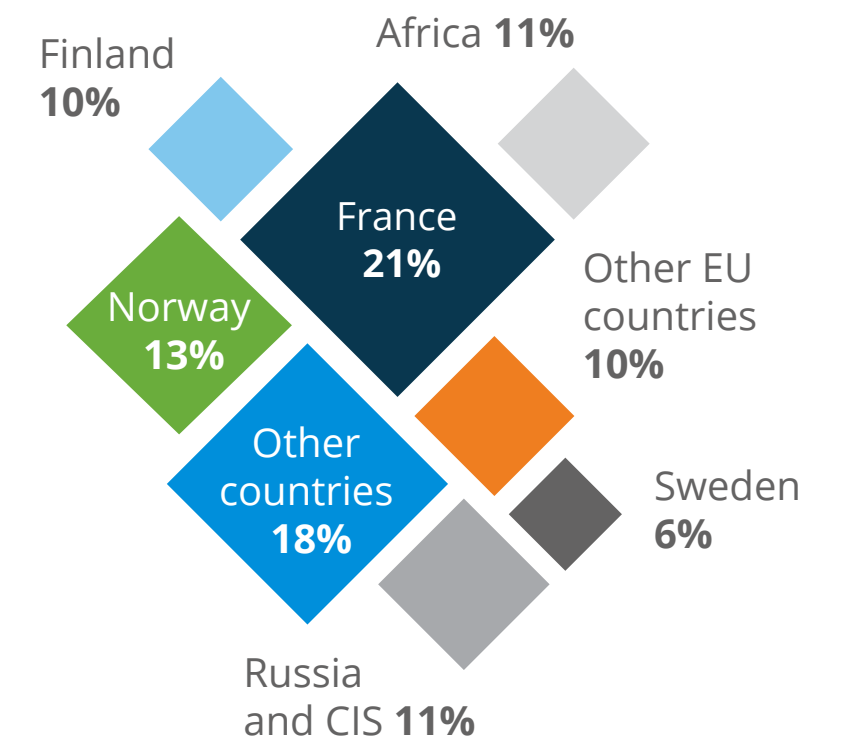


DSO BUSINESS

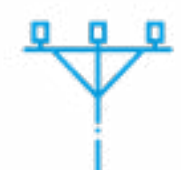


Strategic decision in 2021 to focus on DSO business and divest Ensto Building Systems business to Legrand Group

MARKET AREAS



*Ensto DSO business



Overhead Lines



Underground Networks



Network Automation



New Smart Technologies

Highlights from 2021

STRATEGY & COMMITMENT

E-learning arranged to engage suppliers in Ensto's Code of Conduct:

97%

of A-suppliers have accepted our **Supplier Code of Conduct***

Initiated work on **circular economy**, including current state analysis, trainings and participation in Technology Industries of Finland's circular economy road map



Signed FIBS Diversity charter



High ethical standards and sustainability became a key pillar of our new strategy



Ensto awarded with a **silver medal in EcoVadis sustainability rating** in 2021, placing us among the top

25%

performing companies worldwide.

18,5%

of R&D investments contributed to SDGs and a new measure was created (target: 50% by 2030)*

Ensto's first Sustainability **long term targets** set

50%

First emission reduction targets set and tied to short-term incentives: Ensto is committed to **reducing its Scope 1 and 2 CO₂ emissions by 50% by 2025**

Ensto Renley ISO 14001 **certification** process completed successfully



WAYS OF WORKING

Launched online wellbeing services **Auntie** and **Cuckoo** to support remote work in the prolonged pandemic

5th

Place for Ensto Finland in **Responsible Employer campaign** by Oikotie

Employee satisfaction improved, **net promoter score***

18

(10 in 2020)

*Ensto DSO business

Ensto uses **LIT Index** to measure the motivation of Ensto people. In 2021, the score was

77

(74 in 2020)

Job framework and salary gap projects were initiated. Latter was finalized and continues as a yearly process to bring systematic transparency to Ensto's salary system



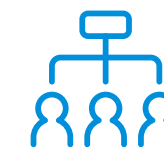
AREAS FOR IMPROVEMENT



We are on our way towards a zero-accident workplace. To get to the next level, we need to improve our communications and increase the number of safety findings and ISO 45001 certifications



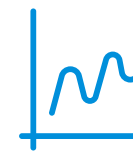
Group level energy efficiency target not reached



Focus on diversity to increase the share of women and other gender in senior positions



Innovation and collaboration will continue on new, sustainable materials



To close the salary gap we continue our systematic work with annual salary reviews and implement the Ensto job framework for all current and future Ensto people

Sustainability at Ensto

Sustainability is a key pillar of our strategy, and at Ensto we see it as a critical success factor in both the short and the long term. As part of our Finnish family company heritage, sustainability and ethical business conduct is embedded in our DNA. In addition, along with the third generation of the Miettinen family as Ensto's current owners, a new level of ambition has also emerged in terms of leading the company in a responsible way and in creating a positive handprint in society.

The business environment is changing at an unprecedented speed, and customer demand, as well as regulatory requirements for sustainability, are expanding. Ensto's senior leadership is committed to sustainability, and we have a strong reputation as a reliable partner providing durable high-quality solutions.

Despite this good starting point, we recognize the need to further build our competence and to better integrate sustainability across our operations and value chain. In the future, one of our aims is to better understand the CO₂ footprint of our value chain as a whole, and to prioritize circularity alongside usability in our product development. Our journey has also recently begun in terms of fully understanding and improving workplace diversity and inclusion at Ensto.



OUR SUSTAINABILITY STORY

At Ensto, we have the power to help reshape our world for the better. We provide electrical products and solutions for the critical infrastructure that drives the green transition, and promotes societal equality and development through electrification.

Sustainability lies at the heart of our strategy and is the driver of our journey forwards. Our mission is to help our valued customers to enhance the sustainability of their operations, by creating durable and innovative products and solutions that deliver a positive impact across their entire life cycle. Our ambition is to be at the forefront of sustainability within our industry.

To succeed, we know that greater well-being, diversity, and inclusion will empower our people to thrive. We will also continue to ensure that we live by the long-held principles of our family business: equality, transparency and high ethical standards throughout our value chain.

By creating smart solutions today, we can build more sustainable energy production and distribution tomorrow. At Ensto, we make life better with electricity. Sustainably.



Ensto's new strategy and updated sustainability themes

In 2021, we published our new strategy with five strategic themes. Sustainability became a key pillar in it, as High ethical standards and sustainability are in the core of everything. Due to this change, two new themes were added to our sustainability program: diversity and inclusion as a new social theme, and circular economy to broaden our environmental work.

A recent study has estimated that in the most equal work cultures, the innovation mindset is six times higher than in the less equal ones. Furthermore, only a work culture, where everyone can be their true selves, will attract a diverse workforce to drive the innovation. Diversity and inclusion are therefore strongly linked to both business ethics and success.

The circularity of materials and products is important for all industries to support the planned emission reductions and new business opportunities. To reduce our environmental footprint, increasingly greater emphasis is being put on waste recyclability, the introduction of new sustainable materials, circular product design and business models, amongst other variables.

To clarify communication about our sustainability, we have renewed the structure of Ensto's sustainability program. The new threefold structure consists of:

- ◆ our action on climate and circularity,
- ◆ providing a safe and inclusive workplace and
- ◆ ethics and compliance throughout our value chain.

In early 2022, we conducted a sustainability materiality analysis in collaboration with our key stakeholders. By engaging internal and external stakeholders in the process, we ensured that our work focuses on issues that are relevant in terms of stakeholder expectations, as well as on the social, environmental and economic impact of each issue. The analysis forms the basis of our 2022 sustainability reporting, which will be done in accordance with the Global Reporting Initiative's framework (GRI). The process and results of the analysis will be presented in our 2022 sustainability report.

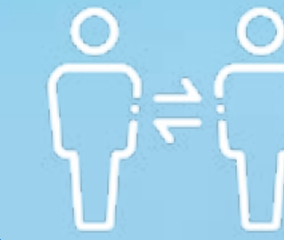
"At Ensto, we see the value of sustainability in the long run, and our strong family roots and values form a good basis for contributing to a more sustainable society."

Hannu Keinänen
President and CEO, Ensto Group

Ensto's strategic themes 2021-2025

Customer centricity

Our business is developed through strong customer relationships based on technological expertise and high-quality flexible service.



People first

We support our people to make full use of their talent. Together we reach for the highest performance in our operation, products and services.



Innovative solutions

We are dedicated to serve the changing needs of our customers by constantly developing new product and solution innovations, that meet or exceed the technical requirements, quality and specifications.



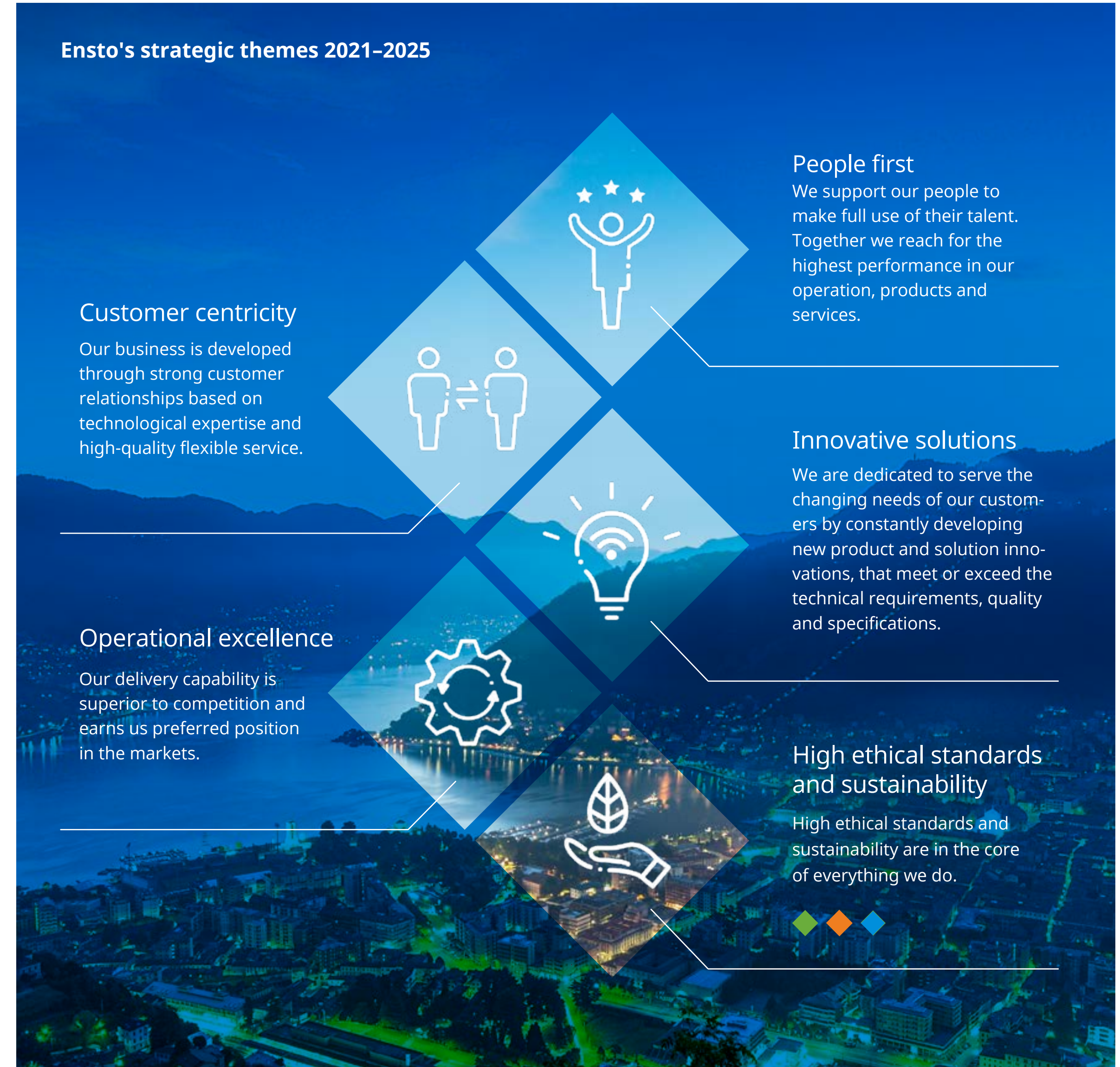
Operational excellence

Our delivery capability is superior to competition and earns us preferred position in the markets.



High ethical standards and sustainability

High ethical standards and sustainability are in the core of everything we do.



Our key sustainability commitments

ENHANCING

actions on climate and circularity

- ◆ 50% of our R&D investments contribute to SDGs by 2030
- ◆ We will reduce our scope 1 & 2 CO₂ emissions by 50% by 2025
- ◆ We will strive for circularity by reducing inventory scrap by 50% and increasing new materials in solutions by 2025

EMPOWERING

employees by providing a safe and inclusive workplace

- ◆ We will continuously work to reduce sick leaves and strive for zero accidents
- ◆ 1/3 of our senior positions will be held by women and other gender by 2025
- ◆ We aim for employee net promoter score >25 and LIT index >80% by 2025

ENSURING

high ethical standards and compliance across our value chain

- ◆ We will train 100% of employees in ethics and sustainability and all supervisors in diversity and inclusion by 2025
- ◆ 100% of our main suppliers have confirmed commitment to our Supplier Code of Conduct by 2025
- ◆ We will embed sustainability evaluation into the supplier qualification process by 2025

Sustainability Governance

Ensto's commitment to sustainability is embedded throughout our purpose, vision and strategy. Our strategy outlines our five strategic choices for growth and the importance that sustainability plays in them.

Strong leadership commitment for high ethical standards and sustainability

The high standard and guidelines for ethical and sustainable operations are set out and communicated via Ensto's [Employer Code of Conduct](#) and [Supplier Code of Conduct](#). We also have separate policies for [Health and Safety \(HS\)](#) and [Quality and Environmental \(QE\)](#) matters. In addition to our internal policies, our work is guided by the [principles](#) of United Nations Global Compact and by the legislation in each of our operating countries.

We follow carefully the requirements of the ISO 9001 and ISO 14001 standards. All our manufacturing sites are [certified](#) according to ISO 9001:2015 and 6/7 also certified according to ISO 14001:2015. The goal is to have all the sites ISO 14001 certified. Ensto's sustainability commitment and actions are evaluated internally through internal audits and management reviews. Externally Ensto's sustainability is evaluated as part of ISO 9001 and 14001 management systems' audits and audits carried out by our customers.

Governance body	Role
Board of Ensto	The Board's primary role is through its decisions, to ensure future success and operational preconditions for Ensto. The Board confirms, reviews, monitors and guides the strategy, including high ethical standards and sustainability. The Board reviews the company performance and development of the shareholder value. Overall accountability for the management and guidance of risks and opportunities. The Board supervises the development of the human capital management and confirms the incentive program for Ensto employees.
Group Management Team	The team ensures the execution of strategy, company performance, and conduct, including high ethical standards and sustainability. The team upholds a strong culture based on Ensto's ethical principles and values.
Businesses', countries' and functions' leadership	Leadership teams across the company implement strategy and sustainability actions into daily business towards commonly set targets. The teams report on progress and reaching the common sustainability goals.
Group sustainability function	This team supports our sustainability strategy to deliver on our goals. The team co-ordinates sustainability; executes and supports development projects and sustainability communications.
Sustainability Steering Team	This cross-functional team of experts supports the sustainability team and management on sustainability strategy. The team develops themes, targets, KPI's, development projects.



Stakeholder engagement

Ensto believes in engaging in transparent and open relationships with our stakeholders. We have a wide variety of different stakeholders that are, or who could be impacted by our activities. We have identified as our key stakeholders; employees, customers, suppliers, owners, local communities particularly around the manufacturing sites, and regulators.

We actively engage with our various stakeholder groups to ensure we comprehend their needs and expectations regarding our sustainability work. Our engagement methods include direct meetings and discussions, surveys, and long-term collaboration in various languages to ensure effective two-way communication, for example. We have set measurable objectives and defined processes for monitoring and reviewing their status.

In the first quarter of 2022, we conducted a materiality analysis in order to gather perspectives from internal and external stakeholders on the most relevant sustainability topics for Ensto, our current sustainability performance, and future expectations. The purpose of the analysis is to continuously develop sustainability work and communications, ensuring that the focus is on the most significant impacts. While the results of the analysis have been briefly noted in this 2021 report, they will be presented in greater detail in our 2022 sustainability report (published in Q2, 2023).

Key stakeholders, their expectations and set objectives

Stakeholder	Significance to Ensto	Interest of stakeholder group	Main activities
Employees	<ul style="list-style-type: none"> Competent and engaged employees enable satisfied customers and make a successful company Critical resource for business continuity and growth 	<ul style="list-style-type: none"> Healthy and safe work environment Career and individual development possibilities Fair recognition and reward On-time payments On time and clear communication on strategies, objectives, success and changes Reliable employer (work continuity) 	<ul style="list-style-type: none"> Employee experience survey ePulse survey iGrow, weGrow discussions Competence management Trainings Salary review
Customers	<ul style="list-style-type: none"> Critical for success in business User of the products and services Engagement opportunities and development 	<ul style="list-style-type: none"> High-quality products, solutions and services Competitive pricing Easy and fast to install products Superior delivery capability and customer service Business ethics and anti-corruption Engagement opportunities and experience 	<ul style="list-style-type: none"> Develop customer relationship through meetings, trainings, fairs and visits Customer experience survey Technical support Communication
Owners & Top Management	<ul style="list-style-type: none"> Sets the business framework, culture and direction Invest the money in organization 	<ul style="list-style-type: none"> Financial performance Growth oriented Business strategy realization Governance stability and sustainability Risk management Excellent global reputation 	<ul style="list-style-type: none"> Responsible risk management Implementation of Ensto Code of Conduct Implementation of Ensto strategy Monitoring and reporting
Suppliers	<ul style="list-style-type: none"> Enabler in customer satisfaction via quality, pricing and delivery capability Sustainable supply chain management 	<ul style="list-style-type: none"> Procurement practices Develop lasting relationships Pricing principles Open, fair and mutually beneficial partnership Clear demand and open communication on supplier selection 	<ul style="list-style-type: none"> Supplier relationship management Implementation of Supplier Code of Conduct Risk suppliers' identification and auditing
Local communities, civil society	<ul style="list-style-type: none"> Promotes social responsibility Impact on reputation 	<ul style="list-style-type: none"> Ethical behavior being trusted and responsible corporate citizen Economic investments for local welfare Community programs and events for social development Cooperation with schools, universities and local communities 	<ul style="list-style-type: none"> Active dialogue Sponsoring Activity in social media, press releases
Regulators and decision makers	<ul style="list-style-type: none"> Impact on reputation and doing business Evaluates the compliance 	<ul style="list-style-type: none"> Compliance with laws and regulations Environmental management and compliance Safety management and compliance 	<ul style="list-style-type: none"> Reporting and informing according to requirements

Terms and Definitions:

eNPS
Employee Net Promoter Score

LIT index
The Lit Index is used to describe the passion and motivation levels of employees, i.e. how "on fire" or excited we are at work.

iGrow discussion
One-on-one development discussion between superior and subordinate

LTIF
Lost time injury frequency

cNPS
Customer Net Promoter Score

OTD
On Time Delivery

DA
Delivery Accuracy

Quality yield
Shows the percentage of good quality products (product yield) and quality components (supplier yield) from the total

Sponsoring and memberships

The main goal of our sponsoring is to engage in concrete actions and to be an active and responsible actor in building a better future. Our sponsorship policy emphasizes cooperation with young people. This reflects our values of responsibility, human-centricity, innovativeness, and collaboration.

We cooperate with different entities and projects where the main weight is placed on creativity, as well as on societal and environmental matters. Considerable emphasis is placed on supporting both children and youths' physical exercise and well-being in communities where Ensto has its plants. Through our sponsoring, we support local children's sports clubs and provide activities for disabled and disadvantaged children. We also support the technological innovation of young people by supporting and organizing events, as well as cooperating with educational institutions in our industry.

Enhancing the industry's sustainability

Ensto is involved in several industry and other associations that are aimed at promoting sustainable development. We see these associations also as a great way to learn more about the relevant sustainability issues facing our industry and the determination to be involved in seeking solutions together.

Ensto key memberships and roles in them

Ensto is a signatory of the United Nations Global Compact, a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support the goals of the United Nations. Ensto is committed to the ten fundamental principles of the initiative, which aim to foster fair and sustainable business policies and practices.

[The World Energy Council](#) (WEC) is a global network of over 3000 member organizations in approximately 90 countries with a mission to promote the sustainable supply and use of energy. Our role in the organization is to cooperate and support the progress of the energy transition.

[The Climate Leadership Coalition](#) (CLC) is the largest non-profit climate business network in Europe. Our role in this network is to share and learn best practices to help accelerate the green transition and work together to make policy proposals for governments.

[Finnish Business & Society](#) (FIBS) is a non-profit, independent corporate responsibility network in Finland, whose goal is to advance economically, socially and ecologically responsible business in Finland. Our role is networking and sharing best practices and learning from others.

[Inklusiiv](#) is a non-profit, registered association that creates and shares knowledge about diversity, equity and inclusion and drives societal change in Finland. The association is the organizer of Women in Tech Finland. We have a premium membership in the organization, and we support women's empowerment in the technology area in cooperation with the organization. Currently, we are working together with our recruitment process to make it more inclusive.

[Nollis](#) forum is a Finnish Zero Accident Forum for the networking of workplaces that aims to continuously improve occupational safety and well-being and to disseminate good practice. Forum supports us on our way towards achieving a zero-accident workplace.



PARA DRESSAGE RIDER JESSICA KERTTUNEN AIMS HIGH

Para dressage rider Jessica Kerttunen is one of the young athletes sponsored by Ensto. In 2021, Kerttunen participated in the Tokyo Paralympic Games, and her goal is to compete in the 2022 World Championships in Denmark. With Ensto's support, this young sportswoman is able to continue training even amid the challenging conditions created by the ongoing coronavirus pandemic.

[READ MORE >](#)

FIGHTING COVID-19 IN INDIA

Ensto has expanded its factory and warehouse in Gurgaon, New Delhi, to meet the increased demand for its products across the Indian and Asian markets. The new premises were taken into use at the beginning of June 2021.

Rather than celebrating the opening of the new premises, Ensto decided to donate over INR 1.1 million to PM CARES Fund to fight against COVID-19 in India. PM CARES Fund is the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund in India, which enhances quality treatment and research to help mitigate the negative impact of the coronavirus.

SUPPORTING UN WOMEN TO DEVELOP GIRLS' TECHNOLOGICAL SKILLS IN AFRICA

On the International Day of the Girl, we celebrated the rights of girls and highlighted the obstacles, discrimination, and violence they face. In 2021, Ensto supported UN Women to help girls in Africa be trained in programming, other IT skills, and critical work-life skills such as leadership.

[READ MORE >](#)



DAY OF THE GIRL 11.10.

**A GIRLS'
PLACE IS AS A
TECHNOLOGY
EXPERT**

Our company helps to provide girls in Africa with coding and digital skills.



Sustainable Development Goals at Ensto

The United Nation's Sustainable Development Goals (SDGs), a worldwide action plan to end poverty, aims to protect the planet and ensure that all people enjoy peace and prosperity.

Ensto is committed to conducting business supporting the goals and underlying targets. At Ensto we have identified seven Sustainable Development Goals that our business, solutions and people primarily contribute to.

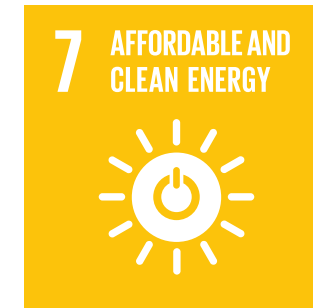
In 2021, we took part in the SDG Ambition Accelerator program. The goal of the program is to support participating companies of the UN Global Compact to assess current performance, identify risk areas and discover new business opportunities while achieving the SDGs. The program supported Ensto in setting ambitious emission reduction targets and planning a science-based roadmap in line with the 1.5°C pathway.

Ensto's SDGs and our contribution



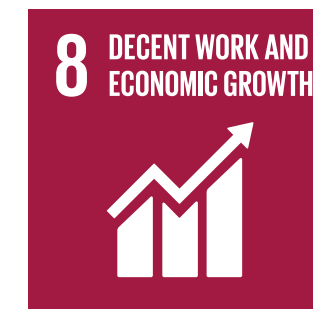
Gender equality

We are committed to increasing gender diversity throughout all levels of our company by developing metrics, knowledge, competences and processes.



Affordable and clean energy

We offer innovative and reliable, long life-cycle overhead lines, underground networks, network automation and new smart technology products and solutions for electricity distribution networks. We develop solutions for wind electricity production and develop micro-grid technology which enable integration of renewable energy sources to rural communities.



Decent work and economic growth

Our business has a positive economic impact on communities through employment and taxes. We take care of our employees by developing a healthy and safe working environment. We manage human and labor rights risks in our own operations and in our supply chain. We work closely with our suppliers to increase quality and environmental awareness.



Industry, innovation and infrastructure

Our own R&D, manufacturing and laboratories give us the expertise to continually innovate and serve our customers on an individual level. We work with our partners to research and develop new technologies.



Responsible consumption and production

We constantly try to minimize our waste generation and increase the recycling rate. We design our products taking material efficiency into account. We aim for high quality and to produce robust products with a long lifespan.



Climate action

We aim to decrease our own energy consumption and lower our indirect emissions (e.g., from logistics). We aim to increase the environmental knowledge and competence of our own employees. We see that electricity, especially smart electricity solutions, plays important role when fossil fuels are replaced by renewable, carbon free electricity. Electricity is an enabler of modern life, modern societies, energy efficiency and carbon emission reduction.



Peace, justice and strong institutions

We are committed to responsible business practices and refrain from all forms of bribery, fraud, or corruption. This is described in our Code of Conduct, our key policy: and an essential part of our strategy.

◆ ENHANCING actions on climate and circularity

Ensto builds critical societal infrastructure that helps drive the green transition. We develop durable and innovative products and solutions that advance the UN Sustainable Development Goals. We are dedicated to improving resource efficiency and reducing greenhouse gas emissions across our value chain.



Ensto is committed to continuously developing our sustainability and reporting about it. We have been publishing sustainability reports since 2010, and all the previous reports are available on our [website](#).

◆ Enhancing actions on climate and circularity

Strategic aim	Target	2021 results	Future plans
Embed sustainability in our product creation	<ul style="list-style-type: none"> 50% of the R&D investments contribute to Sustainable Development Goals (SDGs) (by 2030) 	<ul style="list-style-type: none"> SDG measures reported for the first time: 18.5% of R&D investments contribute to SDGs* 	<ul style="list-style-type: none"> Continue investing in solutions that contribute to SDG's and seek new business models based on smart technologies and new innovative materials
Waste nothing Embed circularity in our business activities Introduce innovative materials	<ul style="list-style-type: none"> Reduce inventory scrap by 50% (2025) Increase new materials in solutions 	<ul style="list-style-type: none"> Inventory scrapping target not reached as scrap increased by 17.6%**; but further analyses made and resources dedicated to improve performance. Waste to landfill decreased by 16%, hazardous waste by 7%, energy waste by 2% and recycling rate improved by 16%*** Strategic work initiated on circular economy, including current state analysis, trainings and participation in Technology Industries of Finland's circular economy road map Testing SF6 free products and lead free materials 	<ul style="list-style-type: none"> Co-operation with Lappeenranta University to improve circular economy Co-operation with Aalto University to find new innovative materials
Reduce GHG emissions Engage our key suppliers	<ul style="list-style-type: none"> 50% reduction of scope 1 & 2 CO₂ emissions (by 2025) 100% renewable energy (by 2030) Improve energy efficiency by 7% (2030) All factories ISO 14001 certified (by 2025) 	<ul style="list-style-type: none"> Scope 1 & 2 CO₂ reduction set as Ensto's strategic target and tied to short-term incentives Scope 1 & 2 CO₂ calculations completed and first emission reduction targets set 12% of energy from renewable sources*** Energy efficiency target not reached, total energy consumption increased by 6%*** and relative energy efficiency not comparable due to organizational changes. Ensto Renley ISO 14001 certification process and audit completed successfully 	<ul style="list-style-type: none"> Scope 3 CO₂ calculations and targets setting to reduce supply chain emissions Switching to renewable electricity in two of our biggest factories in Keila and Porvoo in 2022 Continue efforts on energy efficiency ISO 14001 certification for India and all new manufacturing company acquisitions

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Technologies and solutions to enhance the green transition

The fight against climate change demands large-scale industrial solutions to enhance the green transition needed. Ensto's technology enables the development of infrastructure for renewables and helps overcome the challenges caused by climate change and decentralized power generation. An example of Ensto's contribution to decentralized power generation is our DEIE control cabinet which enables the interface between electricity producers and national grid utilities.

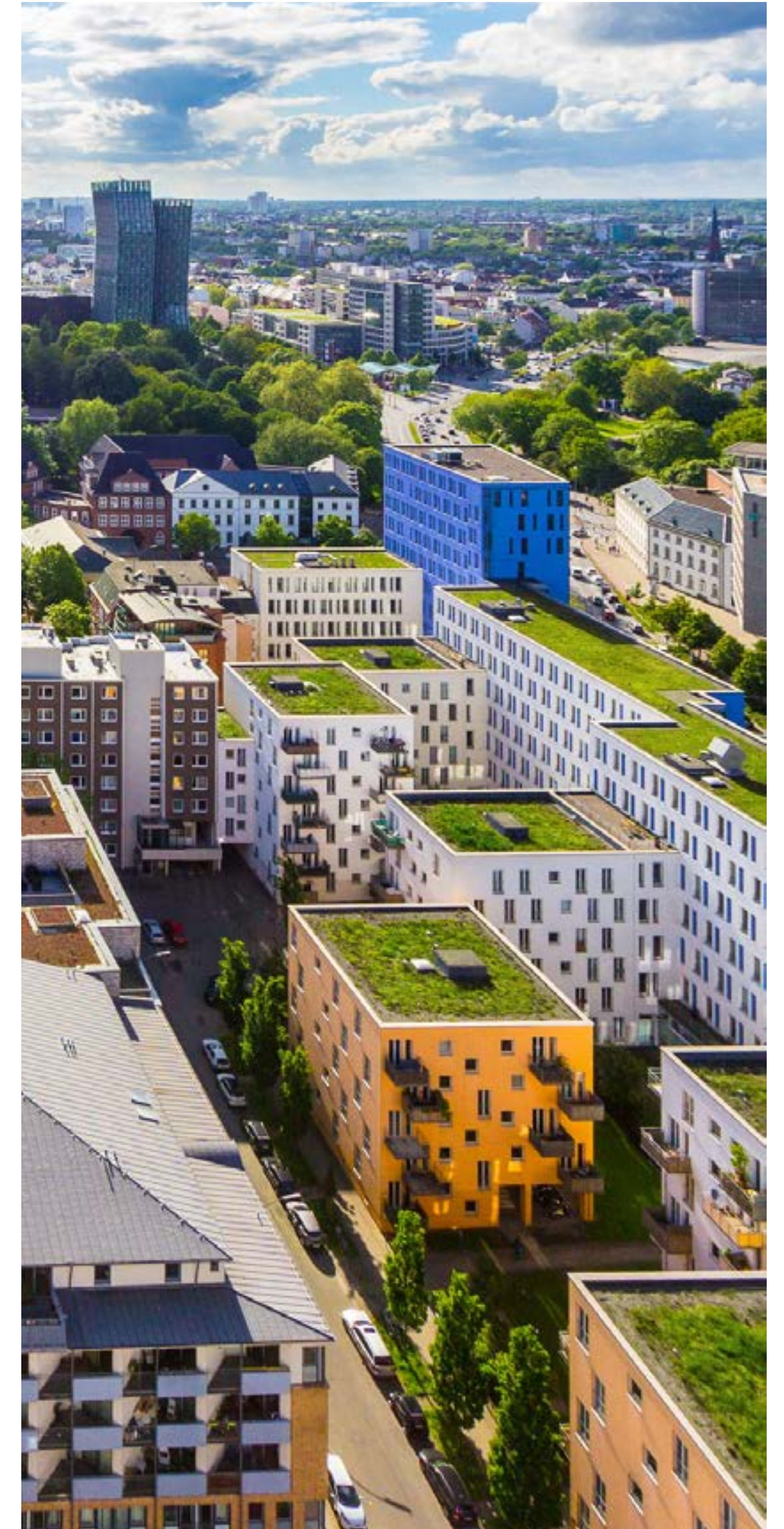
The environmental footprint of the manufacturing industry is high, due to the large consumption of energy and emissions caused by the production of raw materials. In this context, circularity has become an important focus area in Ensto's innovation and R&D, and we are actively seeking ways to increase the use of bio and recyclable materials in our components.

One of the main factors of the high environmental burden of the materials used in our products are substances such as lead and SF6 that emit harmful greenhouse gases into the atmosphere. Replacing these materials is a high priority for us and for our industry as a whole, in order to meet the growing regulatory requirements and customer

 ESTONIA



In **Estonia**, Ensto Ensek's 187 silicone barrels were gifted for re-use to a non-profit organization EES-Ringlus for storing and transporting batteries for recycling. Barrels are great containers as they help to avoid leakages.



demand for climate-friendly solutions. Despite the challenges, we see great potential in enhancing our positive handprint in society by providing products and solutions that reduce our client's emissions.

Circular economy

Enhancing circularity in Ensto's manufacturing plants

Circular economy was included as a new sustainability theme and strategic focus area at Ensto in 2021. The focus during the first year was on evaluating the current state of circularity in our manufacturing plants, and the risks and opportunities it entails. To build our competence, trainings on circular economy were arranged with our partner specializing in this field of expertise.

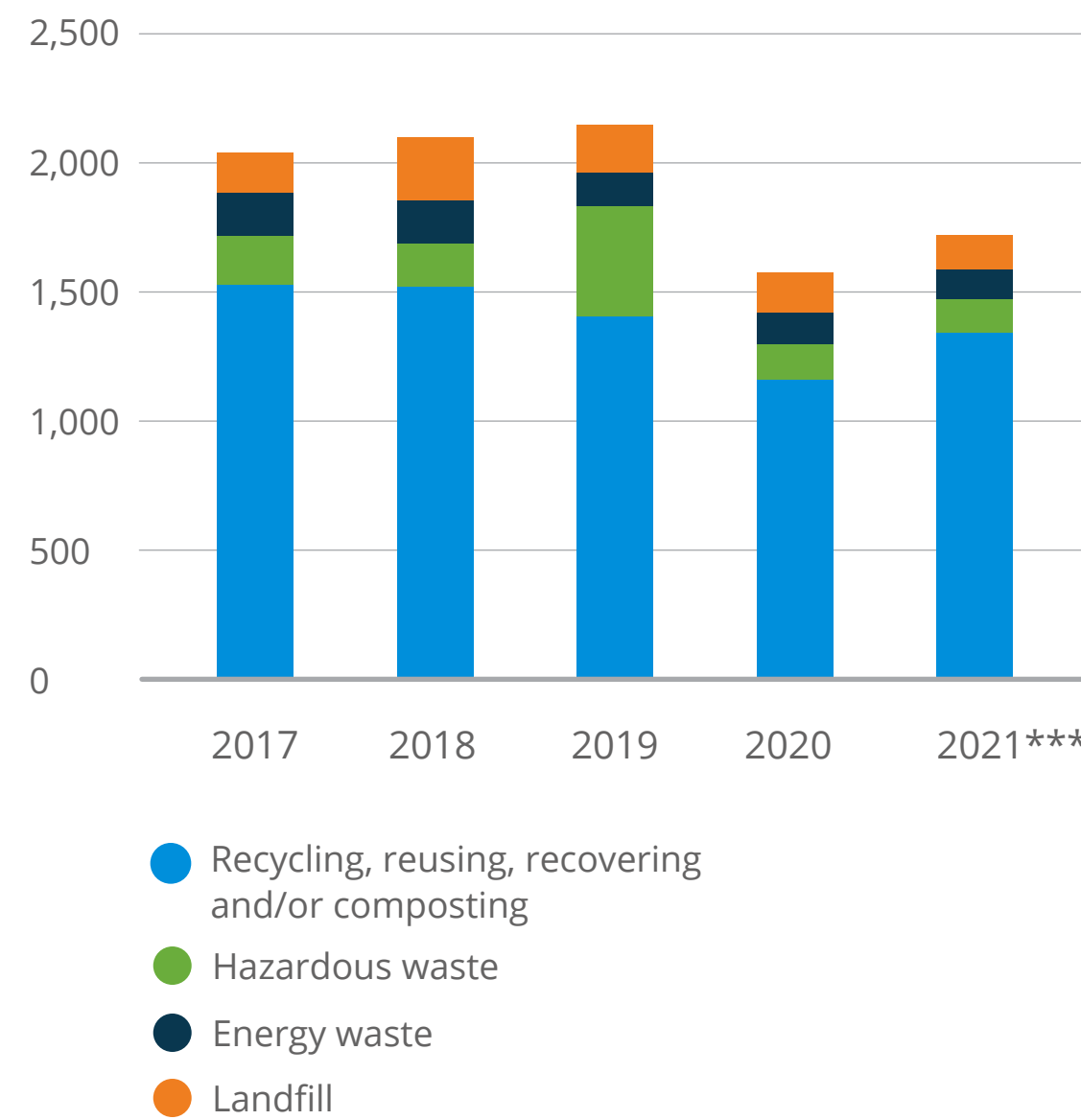
In 2021, we were also actively involved in creating the circular economy roadmap for our industry, led by Technology Industries of Finland. In the next phase we will start developing our strategic opportunities identified in the circular economy analysis. We are cooperating with Lappeenranta University to plan the next steps of our circularity journey as part of a study course on sustainable business.

Following our strategic aim of embedding sustainability in our product creation, we have set a target to reach 50% of our R&D investments contributing to SDGs by 2030. In 2021, SDG related investments totaled 18.5%*. The target supports an increase in the use of new materials in our solutions and challenges us to think more about the social aspects in addition to the environmental aspects related to our products. Currently the 18.5% investments represent mainly SDG's: (7) affordable and clean energy, (9) industry, infrastructure and innovation and (12) responsible consumption and production.

We see the reduction of inventory scrapping as an important factor to reduce our environmental performance.

Last year, we did not achieve our inventory scrapping target, ending up with a 17.6%** increase by the end of the year. A significant part of this cost comes from innovative and demanding cold shrink production. In 2021, we allocated additional resources and recruited a quality engineer whose main focus has been set to improve efficiency by decreasing the scrap rate in cold shrink production. Improved data gathering and detailed scrap analyzes were made in November and the process improvement possibilities were mapped to achieve the reduction target for the following year.

Waste management in Ensto's manufacturing plants, tonnes



*Ensto DSO business

**Ensto DSO business and Ensto Building Systems business both 12-month data

***Ensto DSO business 12-month data and Ensto Building Systems business 10-month data



SUSTAINABLE DEVELOPMENT IS A COMMON DENOMINATOR FOR KESKO AND ENSTO

At Ensto, sustainability is embedded in R&D and while we focus on these matters in our own operations, we also aim to reduce clients and end-users' emissions.



Kesko is a Finnish listed company that operates in the grocery trade, building and technical trade, and car trade. In the technical trade, Kesko is a large client for Ensto. For both companies it is not only important to share similar values: responsible business conduct is also a requirement for cooperation.

Since Kesko does not have its own production, it is essential to make sure that it represents sustainable suppliers and products. Kesko's Sourcing and Sustainability Director **Antti Auvinen** explains that when Kesko looks for suppliers, it pays attention to responsible supply chains and products' longevity, as well as to the sustainability and recyclability of materials.

Furthermore, Auvinen has identified that in the competition, innovative companies thrive as they continuously examine novel solutions and materials. Ensto's products that Kesko purchases include plastic, for example. Recycled plastic is an underused material, even though its distinctive color does not make a difference if the product usage does not require a certain color, notes Auvinen. Ensto has also recognized the importance of environmental products, and now we have ongoing projects that aim to increase the use of sustainable materials. Both companies' common target is that new, innovative, and more sustainable materials will take a higher market share in the future.



In circular product design both the customer and the environment win

Reducing waste to a minimum by reusing existing materials and products as long as possible is the essence of circular economy. Being a part of the critical infrastructure of society, Ensto's products are of high quality, and they survive decades in harsh environmental conditions. Most of the materials used in our products are also recyclable. With circular product design, we can further extend the life cycle of our products and increase the use of recycled materials in them.

In the future, emphasis will increasingly be put on new business models like services. A great example of this evolving business area is the refurbishment of overhead load-break switches (LBS) produced by Ensto in Bagnères-de-Bigorre, France. The LBS called Auguste is the only one on the market with the safe advantage of an embedded voltage transformer, and it is used by customers such as Enedis, which manages most of the public electricity distribution network of continental France, and Electricity Supply Board, the main electrical utility in Ireland. Through refurbishment, LBS Auguste's normal 25-year lifespan can be extended by another 20 years.

In 2021, we also piloted a stay wire anchor made of 100% recycled plastic on the Norwegian market. The solution developed by Greenpipe will be offered to our clients as a complete package including the stay wire anchors and stay links.

Seeking ways to reduce waste

At Ensto, our aim is to reduce waste and promote circularity in our manufacturing plants. In recent years, we have increased the shear, or recycling, reusing, recovering and composting part in our overall waste generation and have been able to reduce the landfill and energy waste part by a small amount. Overall, waste generation has decreased well across the years.



FINLAND



Ensto **Finland** has signed Energy Performance Agreement to reduce energy consumption by 10% by 2025 compared to 2015. We have already achieved reduction of 30%.

We are continuously seeking ways to reduce waste generated in our manufacturing plants and also for our customers. Packaging represents a large amount of materials used in Ensto's operations. To reduce the environmental impact of our packaging, we use as many recyclable materials as possible, such as brown corrugated board. We also use less printing colors in our packaging, and the filling materials inside the packaging, are environmentally friendly. In 2022, we will sign a Green Deal and highlight what we commit to reduce in terms of plastic in our packaging.

Innovation and new materials for replacing harmful substances

Innovations in creating materials to replace harmful substances used in our products is an important part of our work related to circularity. We are actively participating in developing lead and SF6 free products with our suppliers and scientific institutions. One of the materials under testing is unleaded-brass, which is being developed to use in brass screws. For SF6, our product development is testing less harmful, alternative mixture of gases for the load break switches.

In addition to material innovations, we are researching and prototyping technologies that help distribution system operators (DSOs) reduce their CO₂ emissions. Smart sensors and IOT provide accurate fault information from their network so that focused repair actions can be done without manual investigation. The sensors can also predict service needs before more serious damage can take place in the network.

Emission reduction

Energy efficiency and renewable electricity are key to cutting direct CO₂ emissions

Our approach to quality and environmental matters is outlined in Ensto’s Quality and Environmental Policy, renewed in 2021. Ensto’s environmental management system is built to comply with the ISO 14001 standard requirements. In 2021, the certification process of our manufacturing site in Ensto Renley, Ireland, was finalized.

At Ensto, we are committed to reducing our Scope 1 and 2 CO₂ emissions by 50% by 2025, but our target is to reduce Scope 2 emissions by 50% already in 2022. Electricity plays a leading role in our direct CO₂ emissions. Therefore, energy efficiency and the use of renewable energy sources are the most impactful ways to reduce our own carbon footprint. For energy efficiency, we have agreed to use the relative measures (MWh/pcs, MWh/turnover), but year 2021 is not comparable due to the organizational changes. In order to follow our progress on reaching the target, we report our Scope 1 and 2 emissions starting from 2021. Our emission reduction targets have also been connected to Ensto’s remuneration system via employees’ short-term incentive packages.

As an example of our energy efficiency efforts in 2021, a smart energy control system was installed at our solar power plant in Porvoo factory to store energy. The smart energy control system brings flexibility to energy control and eases the optimizing of energy generation and consumption. Our goal is that in 2022, two of our largest factories, Porvoo and Keila, will start using electricity generated

SCOPES OF GREENHOUSE GAS EMISSIONS



SCOPE 1

Fuel for heating, fuel for generator to produce electricity, fuel for company owned cars



SCOPE 2

Electricity, district heating



SCOPE 3

Currently collecting data to make calculations, includes e.g. raw materials, logistics, waste, water, business travels, commuting

from 100% renewable energy sources and solar panels for own renewable electricity production will be installed at our factories in France.

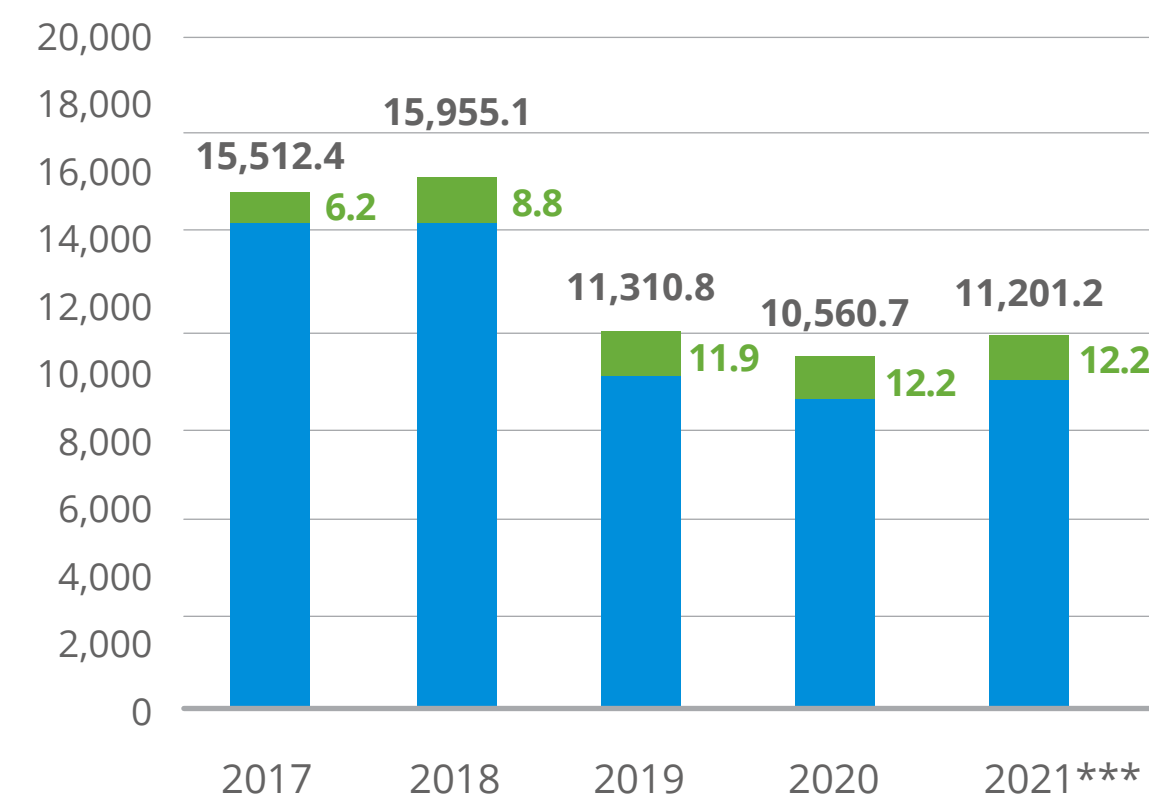
However, we were not able to achieve our energy efficiency target in 2021 and ended up with total electricity consumption increasing by 6%***. The consumption increased slightly in most of the sites, but the major cause is the production in Keila. In 2021, we expanded our cold shrink production in Keila and bought two new injection molding machines. In 2022, we will expand production even more.

Engaging suppliers to reduce emissions in the value chain

With energy efficiency and by using renewable energy sources, we can significantly reduce the CO₂ emissions of our manufacturing plants. However, based on our pre-evaluations, the largest sources of CO₂ emissions in our supply chain are expected to be raw materials. It is therefore important to drive sustainability improvements together with our suppliers. To form a better understanding of our Scope 3 emissions, in 2022 we will start gathering data on raw materials and transport. Our goal is to fully report on our Scope 3 emissions by 2023.

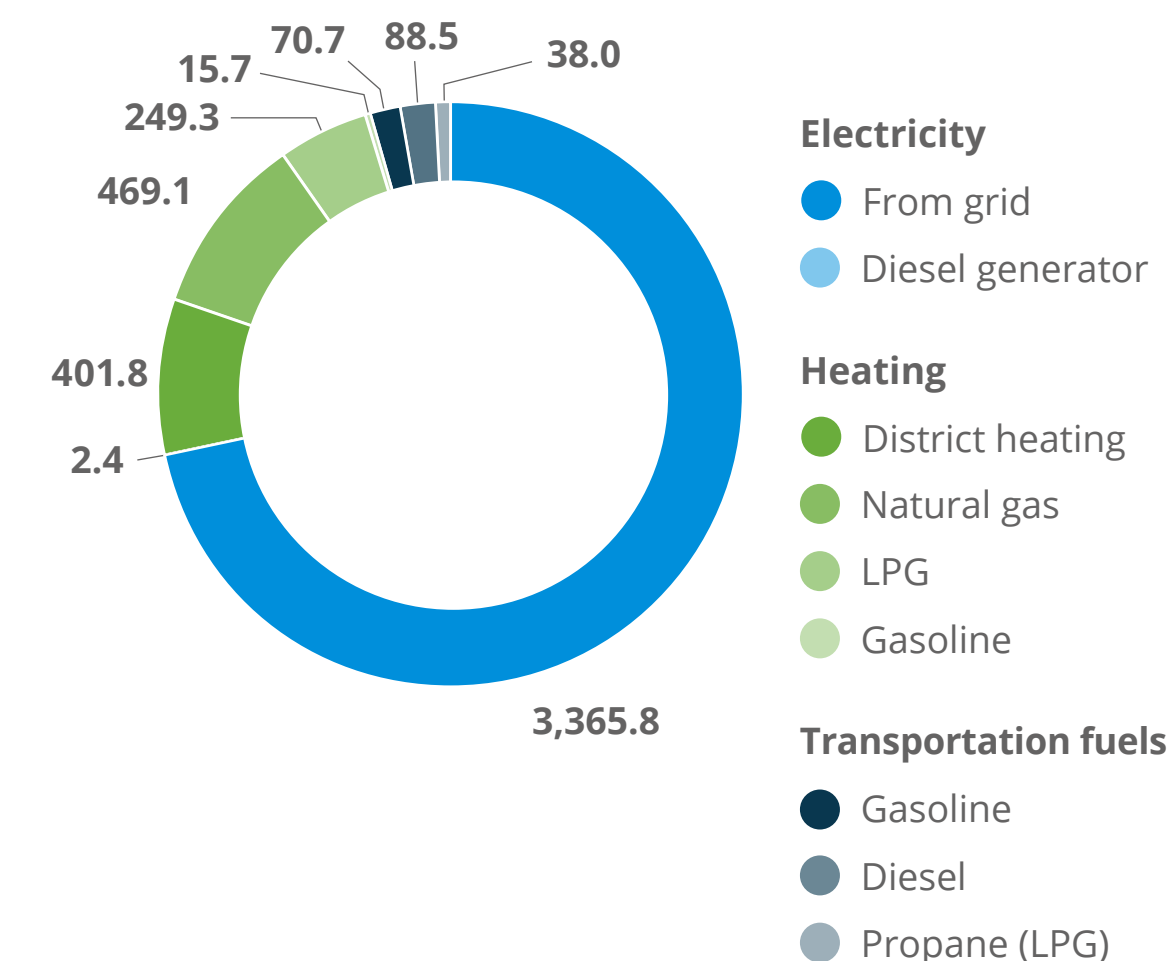
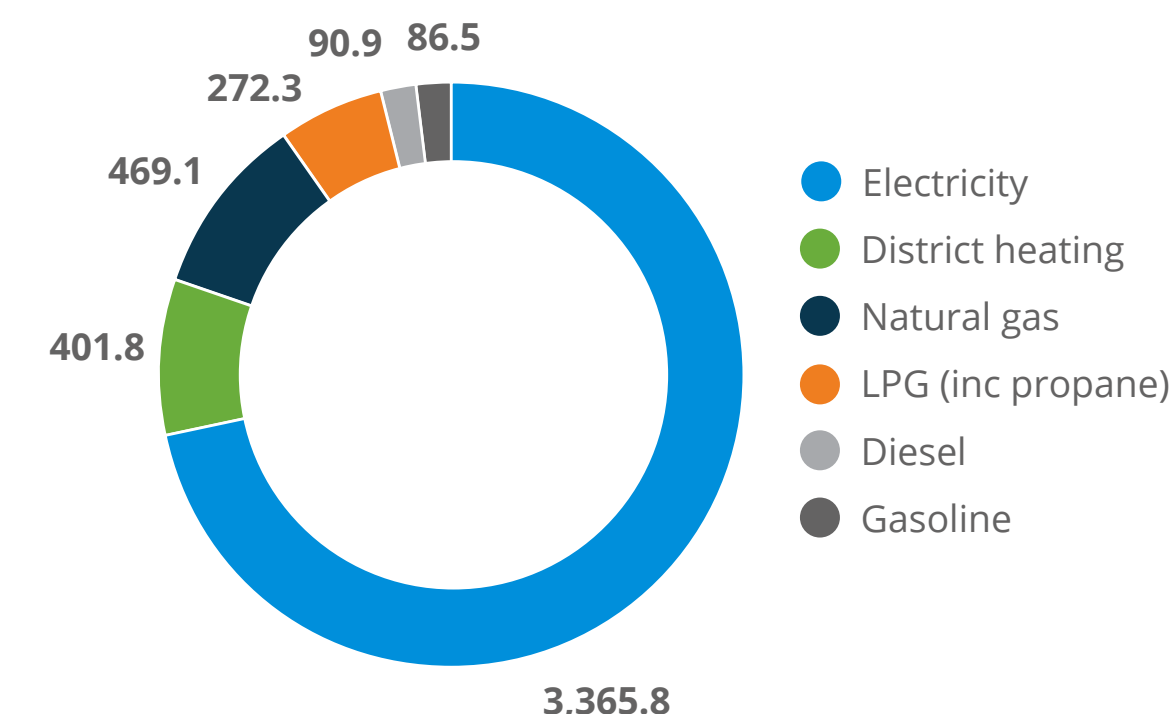
Electricity use, MWh

Use of electricity in Ensto factories in years 2017-2021



- Electricity from not renewable sources
- Electricity from renewable sources
- X % share of renewables from total

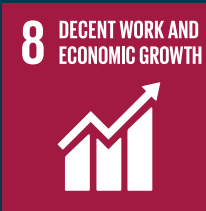
CO₂ emissions from energy usage in 2021, tCO₂e***



*** Ensto DSO business 12-month data and Ensto Building Systems business 10-month data

EMPOWERING
employees by providing
a safe and inclusive
working place

Ensto aims to provide a workplace where people feel safe, respected and fulfilled, enabling them to boost their wellbeing and perform at their best. Our target is to achieve a zero-accident workplace and we aim to build a culture where diversity is seen as a key asset. We continuously develop our already highly-valued employee competence.



38%

of employees **women and other gender***

36.7%

reduction of average sick leave days per person***

Average age of employees was

44.1

years*

*Ensto DSO business

***Ensto DSO business 12-month data and Ensto Building Systems business 10-month data



Ensto is committed to continuously developing our sustainability and reporting about it. We have been publishing sustainability reports since 2010, and all the previous reports are available on our [website](#).

◆ Empowering employees by providing a safe and inclusive working place

Strategic aim	Target	2021 results	Future plans
<p>Zero accident workplace</p> <p>Happy and healthy Ensto people</p>	<ul style="list-style-type: none"> Zero accidents Lost-time injury frequency <5 (2025) Reduced sick leave Increased number of safety findings All factories ISO 45001 certified (by 2030) High employee satisfaction, employee net promoter score target >25, LIT index target >80% (by 2025) iGrow participation target 100% (yearly) 	<ul style="list-style-type: none"> Average sick leave days per person reduced by 36.7%*** Employee satisfaction improved: net promoter score 18* (10 in 2020), LIT index 77* (74 in 2020) and iGrow participation 86%* (63% in 2020) Launched online well-being services Auntie and Cuckoo to support remote work during the ongoing pandemic Developed a flexible hybrid working model Occupational accidents with sick leave increased, partly due to major organizational changes and rearrangement of work No ISO 45001 certifications for manufacturing plants yet 	<ul style="list-style-type: none"> Creating an international Health, Safety & Environment working group and a group target to improve co-operation between our manufacturing sites Defining Ensto's minimum requirements for safety management at manufacturing plants Continuous development of Ensto's health and safety management system towards zero accidents and happy people
<p>Strengthen our culture, in which all differences and opinions are valued</p> <p>Build diversity</p>	<ul style="list-style-type: none"> Improve gender diversity A third of senior positions held by women and other gender (2025) 	<ul style="list-style-type: none"> Signed FIBS Diversity Charter First targets set for diversity and inclusion Competence development of key people in diversity and inclusion 38% of employees and 17% of senior positions women and other gender* Job framework project finalized, to be continued as a yearly process to bring systematic transparency to Ensto's salary system 	<ul style="list-style-type: none"> Continuing competence development of supervisors in diversity and inclusion Developing measurements of diversity and inclusion Developing our recruitment process to be more inclusive Setting a target for psychological safety

*Ensto DSO business

***Ensto DSO business 12-month data and Ensto Building Systems business 10-month data

Diversity and inclusion as key factors in sustainable growth

Our business is built on people, and we see our employees as the greatest asset of our company. Health, safety and the well-being of our employees is important not only from an ethical point of view, but also enables us to create and deliver value to our clients.

In addition to our own employees, our business and products have health and safety related impacts elsewhere in our value chain. Product safety and safe installation work are a high priority for us. In addition, operating in a multitude of locations allows us to also pay close attention to the working conditions at our suppliers' end.

As part of Ensto's new strategy, diversity and inclusion have been identified as important factors in sustainable growth, alongside health and safety. We see a diverse and inclusive workplace as a strength that helps us to attract a talented workforce to further drive innovation and business success. Our aim is to strengthen our culture in which everyone can be themselves and all differences and opinions are valued.

Safe working environment

Management of health and safety issues is a high priority

At Ensto, we are committed to continuously improving our health and safety management. We follow our internal policies and comply with related legislation, regulations, and other applicable requirements. Our approach to managing health and safety is to proactively prepare for different risk scenarios, rather than react to them.

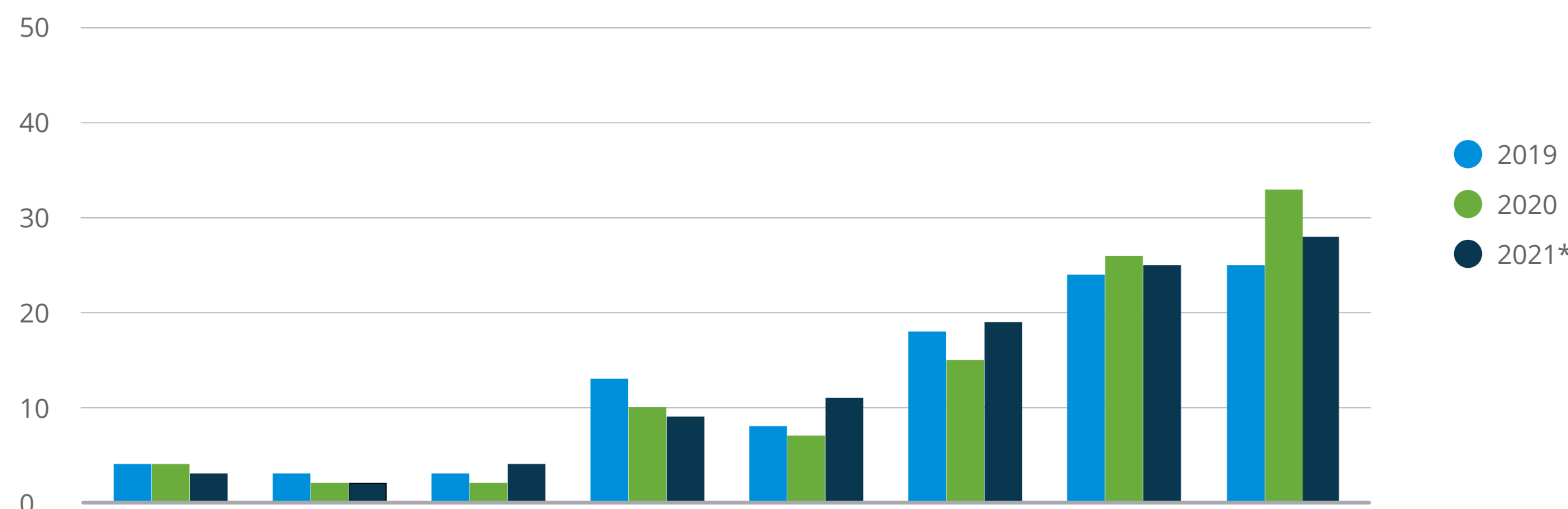
To reach our goal of becoming an accident-free workplace, we are continuously developing our safety procedures through internal and external audits, risk mappings

IRELAND



On 31.12.2021 Ensto Renley in Ireland achieved 1,594 working days without accidents.

Distribution of Ensto employees in the Lit index, %





PARTNERING WITH OIKOTIE TO DEVELOP A MORE RESPONSIBLE WORKING LIFE

Oikotie wants to provide more responsible work experiences for all employees in Finland.



In 2020, Oikotie’s Responsible Employer -campaign saw daylight and in 2021, Ensto participated for the first time. Ensto is committed to six campaign principles: Non-discrimination, Work-life balance and well-being, Contributing in supervision, Meaning of work and development, Remuneration in accordance with demands of the position, and Good applicant experience.

As Ensto’s strategic focus is on sustainability, there are already many responsibility initiatives to communicate. Therefore, Ensto is a partner of the campaign which means that its responsibility stories can serve as an example for other employers, explains Oikotie’s Partner Manager **Hanna Auvinen**. Ensto and other responsible employers share best practices and Oikotie assists participants in making

further progress through, for example, trainings. This kind of nationwide development community has a positive impact on society, and it improves not only responsibility but also transparency, Auvinen concludes.

Every spring, Oikotie studies employers’ responsibility practices through Finland’s largest Responsible Employer study. The study provides employers with valuable insights on both successes and development aspects. In 2021, Ensto ranked the 5th most responsible employer in the category of large employers. This implies that Ensto’s employees rank their employer highly concerning the realization of the six campaign principles. These results show that Ensto is one of Finland’s leading companies in terms of responsibility.

and regular health and safety trainings, for example. Ensto invests in the work competences of its employees in various ways. We offer high-quality occupational healthcare and our employees have access to an electronic pass for sports. In a number of our factories, we have also piloted a scheme whereby we offer our employees an electrical bike to use during the workday.

Ensto has built up the health and safety management system for the manufacturing sites based on ISO 45001 requirements, and all of our manufacturing sites are certified according to ISO9001 and most of them according to ISO14001. Our goal is to have all our manufacturing sites certified according to the ISO 45001:2018 occupational health and safety management standard.

Ensto’s iGROW discussions are an important means not only for individual development plans, but also for measuring our employee’s well-being and hearing their views. The discussions are held at least once a year with all employees. We follow our employees’ satisfaction of Ensto as a workplace through the Net Promoter Score (eNPS). There has been a remarkable growth in our score across the last two consecutive years, and our eNPS in 2021 was 18* (10 in 2020 and -10 in 2019).

Downward trend in sickness absence

In 2021, like in 2020, keeping our employees safe throughout the ongoing COVID-19 pandemic remained a priority. Thanks to the careful following of precautionary guidelines

Key health figures

	2019	2020	2021***
Average sick leave days per person per year	8.6	7.9	5.0
Sick leave per person % change	-19.62%	-8.14%	-36.70%
Number of sick leave days	11361	9673	5114
% change number of sick leave days previous year	-25.78%	-14.85%	-47.13%

Key safety figures (LTIF)

	2019	2020	2021**
LTIF1	9.4	9.1	11.5
LTIF4	6.9	8.7	10
Number of accidents (with sickleave)	22	16	23

*Ensto DSO business

**Ensto DSO business and Ensto Building Systems business both 12-month data

***Ensto DSO business 12-month data and Ensto Building Systems business 10-month data

LTIF = lost time incident frequency per million working hours – this describes the number of accidents at work, which have caused sick leave

LTIF1 = accidents at work which caused 1 or more days sick leave = Medium

LTIF4 = accidents at work which caused 4 or more days sick leave = AFR = Serious

by our employees, the average sick leave days per person remained low, at 5.0*** (7.9). The average sick leave days per person per year were reduced by 36.7%*** compared to the previous year.

In 2021, 23** accidents requiring sick leave occurred at work, setting the rate of all occupational accidents (LTIF1) at 11.5**. The rate of serious accidents with four or more sick leave days (LTIF4) was 10. In 2021, 23 accidents requiring sick leave occurred at work, setting the rate of all occupational accidents (LTIF1) at 11.5. The rate of serious accidents with four or more sick leave days (LTIF4) was 10. The number of occupational accidents with sick leave increased from the previous year, partly due to organizational changes in 2021. Divesting Ensto Building Systems business led to adjustments and re-arrangement of work in our manufacturing sites, which may have led to an increased number of accidents.

Our target is to increase the number of safety findings at our manufacturing sites. Due to the COVID-19 restrictions, it was not possible to conduct as many safety walks at our plants as needed to reach our target. To improve our health and safety performance, we are preparing group wide targets and measurements for safety findings at our manufacturing sites starting in 2022.

Supporting remote work in the prolonged pandemic

In addition to the various precautionary actions carried out daily in our facilities, we continued to promote remote work where possible. As a way to support the well-being of our people working remotely, we launched online services focusing on mental health and exercise breaks.

In 2021, Ensto Finland piloted the Auntie online well-being service. The goal is to offer low-threshold and preventative help for anyone struggling with stress, overachieving, lost motivation, or self-leadership issues. Starting from

FRANCE



Working out together is a great way to improve team spirit, and to do charity work! In **France**, 26 employees from Ensto Novexia took part in The Pink Walk, a charity hike, to support the fight against breast cancer.

2022, Auntie is available for all of our employees globally. We have also taken into use the Cuckoo break exercise app which encourages people to do micro exercise breaks during the workday to help get energized and boost performance.

In 2021, we also launched a project called Office Work Productivity to help improve our employee satisfaction. Our aim is to focus on core work tasks and eliminate time losses in our everyday work. We are aiming to produce positive changes in working methods, better working processes and tools, enhanced empowerment of our people with better attention to reduce time losses, and continuous improvement in the office work. All this leads to more efficient office work, which in turn contributes to better employee satisfaction and profitable growth. By the end of the year, over 60% of Ensto's employees in Finland had taken part in the project. In 2022, the implementation in Finland will continue, and an Ensto-wide plan is being prepared.



The Pink Walk participants from Ensto Novexia

**Ensto DSO business and Ensto Building Systems business both 12-month data

***Ensto DSO business 12-month data and Ensto Building Systems business 10-month data

Diversity and inclusion

Setting targets and planning future actions

Diversity was set as Ensto's new sustainability priority and strategic focus area in 2021, and the focus during the year was on defining the ambition level and preliminary targets around this theme. We aim to develop Ensto's diversity and inclusion by focusing on gender diversity especially in senior level positions, improving the gender gap in salaries, and by growing our overall know-how on matters relating to diversity and inclusion. In addition to gender related targets, we also aim to set other targets and development areas to further build diversity and inclusion throughout our operations.

INDIA



Diversity work concerns all our facilities, but in some countries, there is a need for extra arrangements

when it comes to female and other gender employees' recruitment. Some of our efforts have paid off in the beginning of 2022, as we have been able to recruit the first female employees in Ensto India.

Recruitment and onboarding of new employees are important from an organizational culture building point of view. We are currently developing our recruitment process to ensure that inclusivity is included early on in Ensto's employee journey.

Job framework brings transparency and equality to our salary system

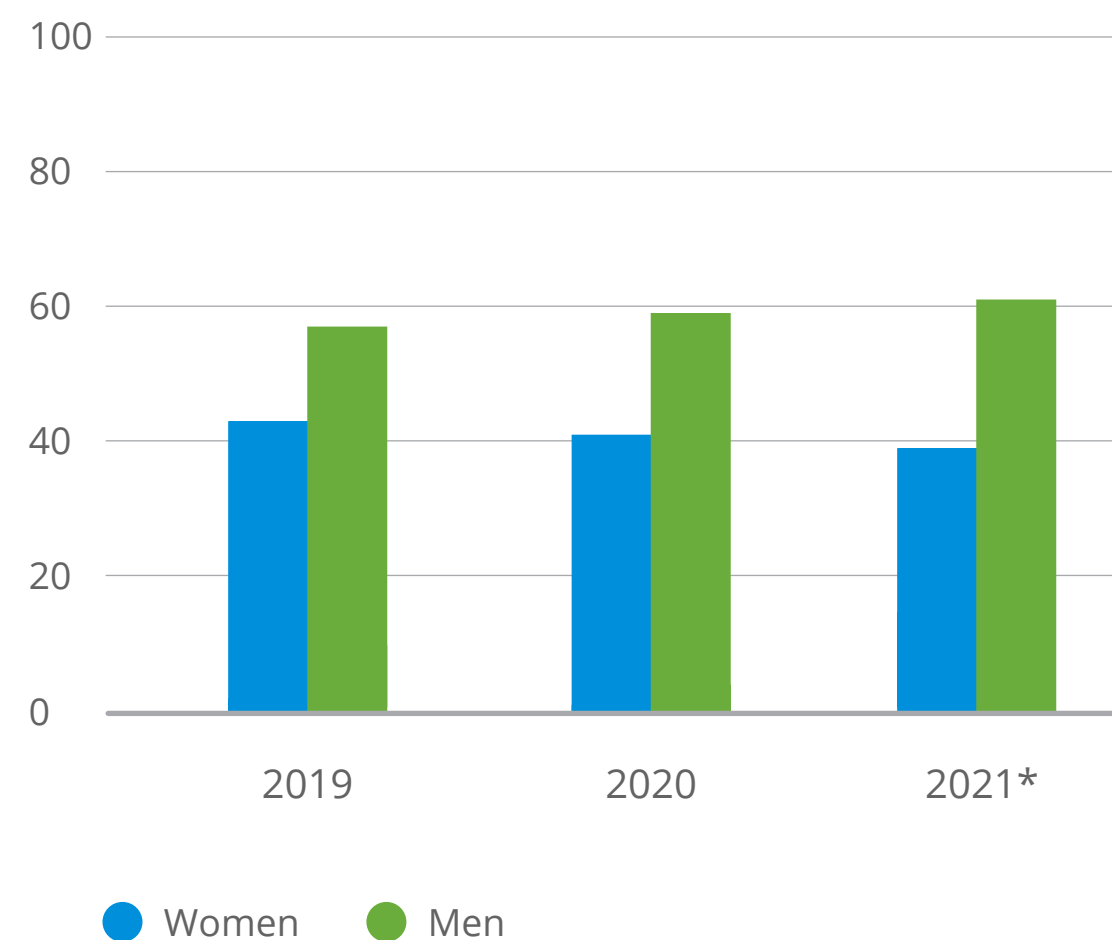
Our target is to have equal pay for all genders. In 2021, we created a globally consistent and transparent job framework for the different roles and their requirements within the company. The Job Framework makes salaries comparable in all countries and helps in bridging the salary gap between men and women. The average salary of women improved by 2% during 2021 due to the Job Framework project. In 2022, Ensto's superiors will be trained in more detail to utilize the Framework throughout the salary review processes.

Widening the network for advancing diversity and inclusion in the society

Diversity has been an important value for Ensto even before it was raised as an official sustainability focus area. In 2012, Ensto's Chairwoman of the Board, along with four other technology professionals, founded Women in Tech Finland. The network is coordinated by Technology Industries of Finland, and it aims to encourage and support women, and promote the values of diversity, equity and inclusion in technology. We are also a member of the Inklusiiv network, a non-profit association that shares knowledge on advancing diversity, equality and inclusion among organizations.

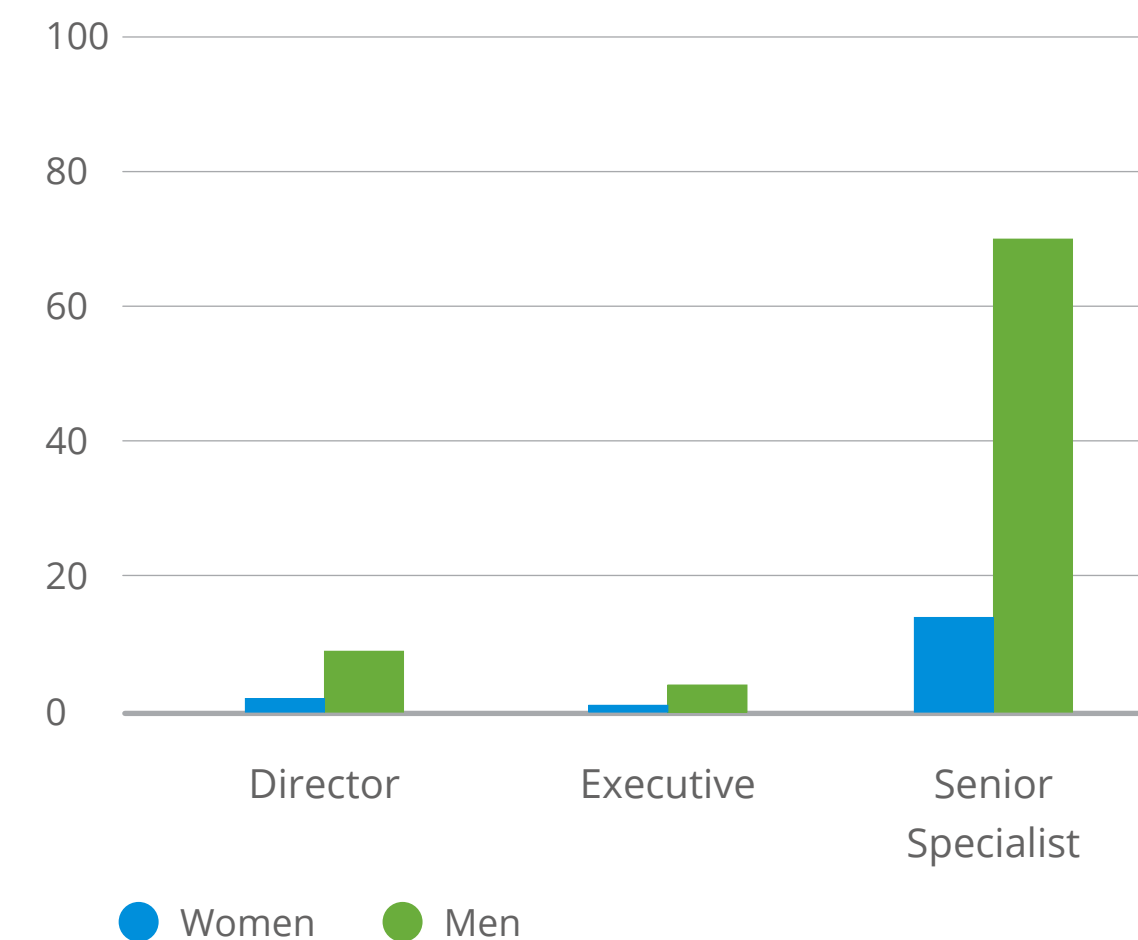
To further demonstrate our commitment to fostering diversity and equal opportunities of our people, we signed an EU-level diversity and inclusion charter in November 2021. The charter is led by FIBS, Finland's leading corporate sustainability network, and it has over 100 signatory companies in Finland and over 12,000 signatories throughout Europe.

Share of male and female employees

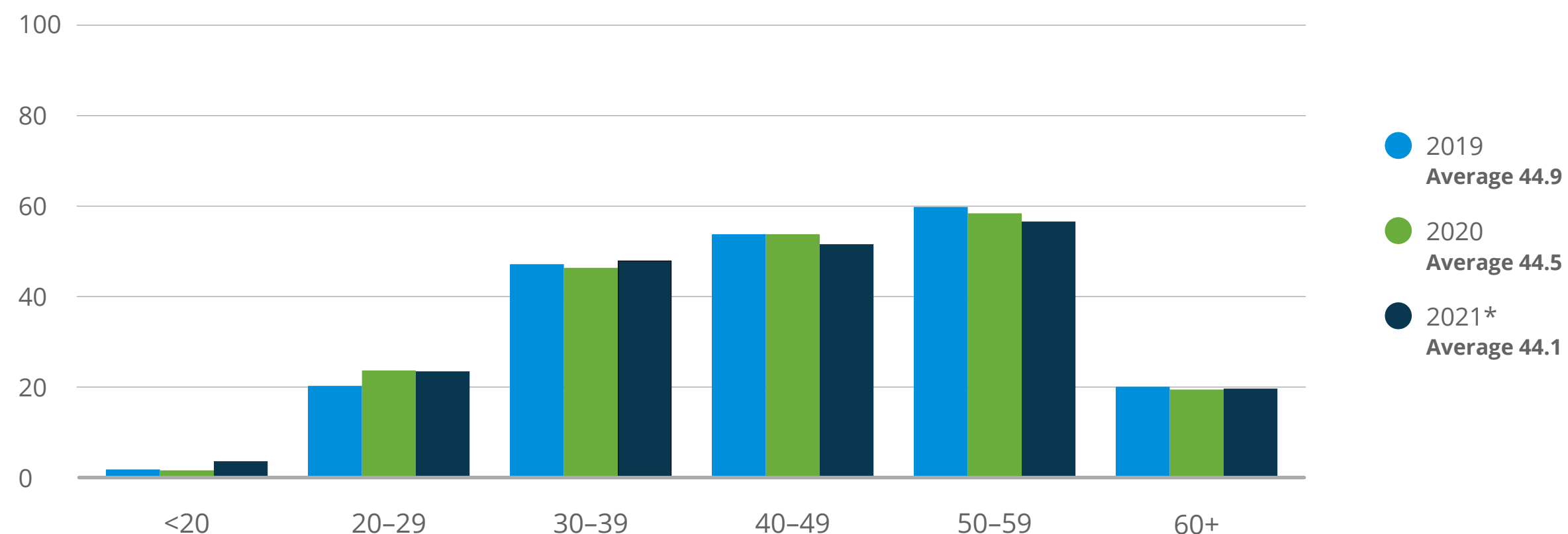


Gender and senior positions

Measuring started in 2022, data from January 2022*



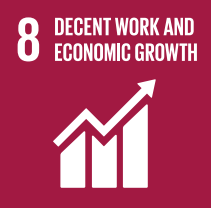
Share of employees by age, years



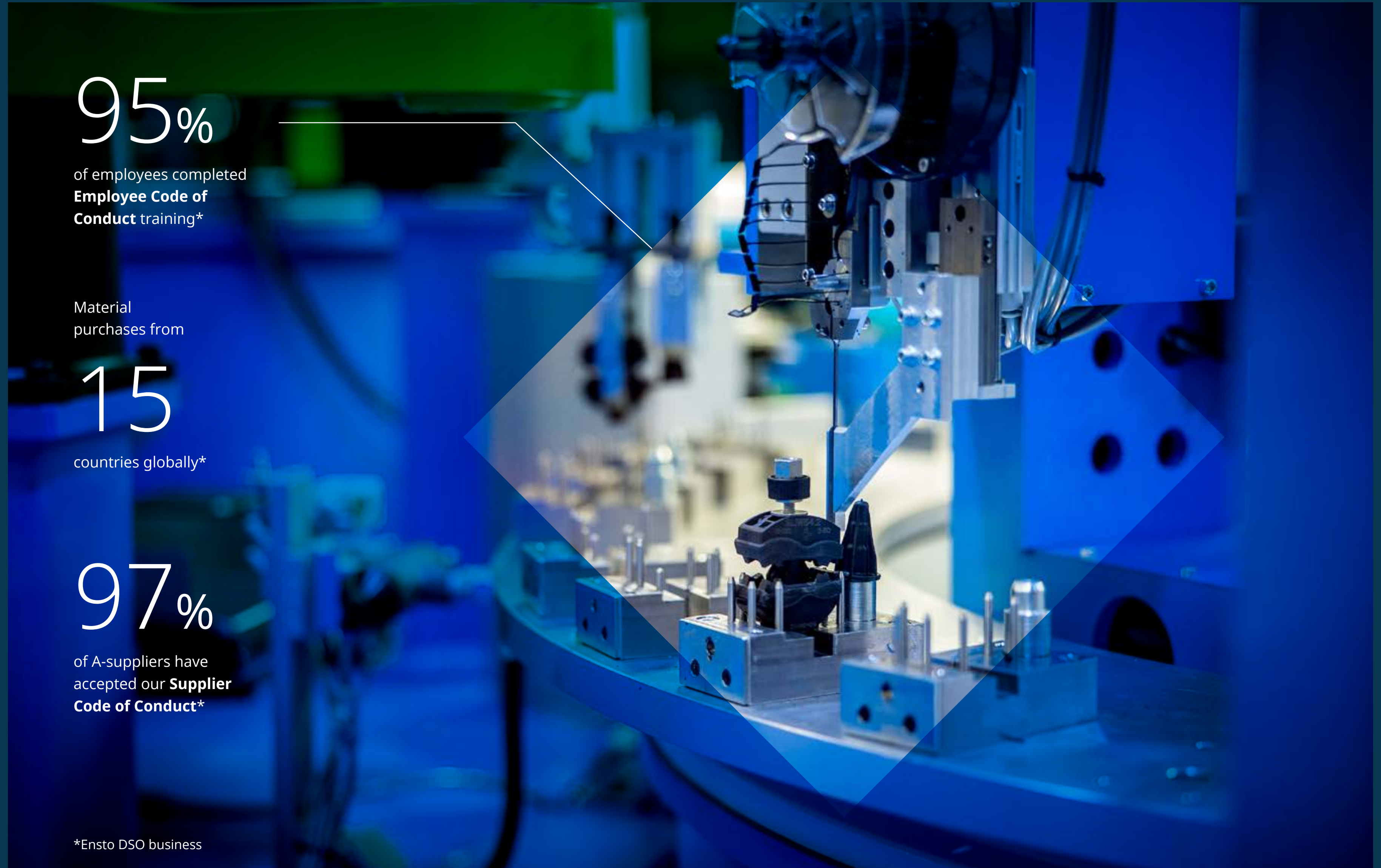
*Ensto DSO business

◆ **ENSURING**
high ethical standards
and compliance across
our value chain

Ensto is committed to upholding ethical behavior and respect for human and labor rights and aims to set an example throughout the industry. Our goal is to further integrate sustainability and ethics into our own operations and across the supply chain. We are taking concrete actions to ensure we deliver industry leading standards of ethical, supplier and material compliance, as well as customer privacy and cybersecurity.



Ensto is committed to continuously developing our sustainability and reporting about it. We have been publishing sustainability reports since 2010, and all the previous reports are available on our [website](#).



95%

of employees completed
**Employee Code of
Conduct** training*

Material
purchases from

15

countries globally*

97%

of A-suppliers have
accepted our **Supplier
Code of Conduct***

*Ensto DSO business

◆ Ensuring high ethical standards and compliance across our value chain

Strategic aim	Target	2021 results	Future plans
Grow Ensto people's ethical and sustainability competences	<ul style="list-style-type: none"> E-learning on Employee Code of Conduct completed by 100% of employees E-learning on Health and Safety policy and Quality and Environmental policy completed by 100% of employees 	<ul style="list-style-type: none"> 95% of employees completed Employee Code of Conduct training* Quality and Environmental policy e-learning completed by 86% of employees* Health and Safety policy e-learning completed by 85% of employees* Preparation of the Sustainability Basic training Two reported cases via the internal whistleblowing channel, solved according to process 	<ul style="list-style-type: none"> Annual refresh of Code of Conduct, 2022 theme being anti-corruption Sustainability Basic training in 2022 Continuing active communications on reporting channels, including anonymous SpeakUp line
Engage our key suppliers	<ul style="list-style-type: none"> Supplier trainings completed Supplier evaluations conducted 	<ul style="list-style-type: none"> E-learning arranged to engage suppliers in Ensto's Supplier Code of Conduct 97% of A-suppliers have accepted our Supplier Code of Conduct* 3 follow-up supplier sustainability audits in China 	<ul style="list-style-type: none"> Continuing to roll out our Supplier Code of Conduct to reach 100% commitment Embedding sustainability evaluation into supplier qualification process Conducting supplier sustainability audits in risk countries (in 2022 in India)

*Ensto DSO business

Ethics and compliance throughout value chain

As a Finnish family-owned company with strong values, sustainability and our ethical conduct of business is embedded in our DNA. We continuously strive to strengthen our competence and seek new ways to improve our business to further benefit not only our company, but society as a whole.

Ensto has production facilities in seven countries, and we purchase materials from 15 countries globally. The value chain of our products is long, and it stretches our social and environmental impacts beyond our direct operations. We value human and labor rights, equality, healthy and safe working conditions, and expect our suppliers and partners to respect the same values and policies when engaging in business activities with us. We are committed to our Code of Conduct and do not accept corruption or bribery in any form. We are committed to building sustainability competence internally and within our partner network and integrating sustainability into our daily operations.

Developing processes and policies for managing ethical competence

Ensto's Code of Conduct ("Code") is the key policy that sets the ethical standards that guide our everyday work and decision-making. The Code applies to everyone working for Ensto, and we require all our employees to complete a Code of Conduct e-learning course on our Ensto Academy training platform. At the end of 2021, 95% of our employees had completed the course. To ensure 100% participation, the e-learning course is included in our new employee onboarding, and every year one specific Code topic is highlighted and additional training on the topic is provided. In 2021, we had in focus the topic We Speak up. We also introduced the EU Directive on the protection of persons who report breaches of Union law and how this is secured in Ensto.

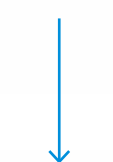
Ensto uses an anonymous platform called SpeakUp for reporting unethical activities, violations and concerns. The

platform is hosted by a third party, and all violations are reported to the Ensto Management Team and Chair of the Board of Directors. Along with promoting the anonymous channel, we also developed our internal process in 2021 to enable easier reporting on concerns about ethics-related matters also directly to a trusted person. Through our internal trusted person process, two cases were reported in 2021. Both of them related to bullying at work and were successfully resolved.

SPEAKUP CHANNEL



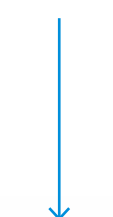
1. Discuss with person(s) involved



- If this:
- is not possible
 - you do not feel comfortable



2. Discuss the issue with your superior, SpeakUp coordinator or local / global HR person



- If you:
- don't feel comfortable in doing so
 - want to report anonymously
 - the raised concern has not been solved



3. Report your concerns through SpeakUp line, which is open 24/7

THE ENSTO CODE OF CONDUCT



We all play a key role in putting this code into practice



We comply with the laws and regulations



We respect human and labor rights



We truly care for our peoples



We treat each other with respect



We strive for high quality



We take care of the environment



We respect privacy



We do business fairly and openly



We avoid conflicts of interest



We do not accept or give bribery or improper gifts



We speak up

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Ensto's [Health and Safety \(HS\)](#) and [Quality and Environmental \(QE\)](#) policies were renewed in 2021. To ensure effective communication and understanding of the renewed policies, we arranged mandatory e-learning courses for all Ensto personnel. The e-learning is mandatory for all new employees. In 2021, we also prepared materials for a mandatory online basic training on sustainability for our office employees to be organized in 2022. Similar training will be arranged for our production employees in the next phase.

Engaging with suppliers through Code of Conduct e-learnings

We set strict requirements for our business partners to uphold high standards for responsible business practices. Ensto's Supplier Code of Conduct defines the minimum sustainability and ethics requirements for our suppliers. We expect our suppliers to implement these requirements across their own supply chains, and compliance to our Code is an integral part of our supplier selection criteria. Our group-level target is that 100% of our category A suppliers (where we spend more than EUR 200,000 annually) accept our Code through an E-procurement portal, E-Academy training program or by signing Ensto's contract.

In 2021, we arranged e-learnings on the Supplier Code of Conduct to engage our suppliers and to increase the

number of suppliers to accept the Code. The e-learnings focused on explaining Ensto's values and our expectations for suppliers in more detail. As a result of the e-learnings, the coverage of our Code of Conduct compliant suppliers reached 97%* by the end of 2021. Ensto's external stakeholders, including suppliers, can report any misconduct, illegal or unethical behavior they detect through the same [SpeakUp channel](#) in use for our employees.

Emphasis put on developing due diligence processes in our supply chain

We monitor compliance to the Code in risk countries through regular sustainability audits. The audits are conducted by external sustainability certification companies with extensive local expertise.

In 2021, three follow-up audits were conducted in China to ensure that corrective actions in respect to earlier findings had been planned and implemented. In India, preparations to conduct audits were started, and a person responsible for monitoring the quality of local suppliers, including in sustainability matters, was appointed. In 2022, we will conduct an internal audit at our Indian facilities, to make sure they are ready to set an example to our local partners in sustainable and ethical business practices.

The prolonged coronavirus pandemic has raised the need for developing the tools for remote supplier audits, as the traditional onsite visits have been curtailed. In 2021, considerable emphasis was put into improving the digital tools we use for managing our supplier chains. Digital tools support our supplier auditing, but due to their shortcomings onsite visits remain the main means for auditing the sustainability practices of our suppliers.



Continuous collaboration with our **stakeholders** is important to us. In 2021, three follow-up audits were conducted in China to ensure that corrective actions in respect to earlier findings had been planned and implemented.

*Ensto DSO business

ENSTO SUPPLIER CODE OF CONDUCT TOPICS



Our suppliers comply with the laws and regulations



Our suppliers secure healthy and safety working conditions



Our suppliers respect human rights



Our suppliers respect labor rights



Our suppliers do not accept child labor



Our suppliers strive for high quality and sustainable operation



Our suppliers respect privacy

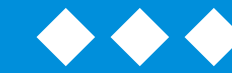


Our suppliers do not accept or give bribes or improper gifts



Our suppliers do business fairly

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SUSTAINABILITY AUDITS SUPPORT SUPPLIERS IN IMPROVING THEIR BUSINESS PRACTICES

Ensto conducts sustainability audits on its suppliers located in risk countries to ensure compliance to our Code of Conduct. Audits are also a way to engage our suppliers and to communicate our expectations regarding sustainable and ethical business conduct.



One of the audited companies is Cixi Jiayu Elevator Components Co., Ltd., a Chinese hardware manufacturer and one of Ensto's key suppliers of overhead line parts, heating panels and brackets. Cixi's Sales Manager **Floyd Kang** sees the audits as a great opportunity to review the company's advantages and shortcomings in sustainability, and to plan corrective actions where needed.

The audits include interviewing selected workers, reviewing documentation and conducting on-site observations. A fair representation of workers is interviewed, and interviews are conducted in an area where the interviewees feel comfortable. The

level of a supplier's sustainability is evaluated from many different angles, including social, environmental and governance perspectives.

At Ensto, we want to ensure sustainable and ethical business conduct beyond our direct partnerships. Therefore, we also involve the suppliers of the audited companies in the process. Floyd Kang explains that following Ensto's example, the company conducts yearly audits on its own suppliers through interviews, documentation and other methods. As part of Cixi's sustainability audit, key sub-contractors of the company were also audited by Ensto.

UNGC index

Ensto has been a signatory to the United Nations Global Compact since 2013, and we are committed to its principles regarding human rights, environment, labour and anti-corruption. We promote sustainable development in all our daily business activities and operations. We demonstrate this by committing to the ten principles of the UN Global Compact initiative.

The following table shows how we have connected the UN Global Compact principles to Ensto's Employee Code of Conduct and Supplier Code of Conduct and policies.



Supporting the UN Global Compact

Principles	Covered in
Human rights	
Principle 1 Business should support and respect the protection of internationally proclaimed human rights.	Ensto Code of Conduct, Supplier Code of Conduct
Principle 2 Make sure not to be complicit in human rights abuses.	Ensto Code of Conduct, Supplier Code of Conduct
Labor standards	
Principle 3 Business should uphold the freedom of association and the effective recognition	Ensto Code of Conduct, Supplier Code of Conduct, Health and Safety Policy
Principle 4 The elimination of all forms of forced and compulsory labor	Ensto Code of Conduct, Supplier Code of Conduct
Principle 5 The effective abolition of child labor	Ensto Code of Conduct, Supplier Code of Conduct
Principle 6 Elimination of discrimination in respect of employment and occupation	Ensto Code of Conduct, Supplier Code of Conduct, Health and Safety Policy
Environment	
Principle 7 Businesses should support a precautionary approach to environmental challenges	Ensto Code of Conduct, Supplier Code of Conduct, Quality and Environmental Policy, Environmental management system
Principle 8 Undertake initiatives to promote greater environmental responsibility	Ensto Code of Conduct, Supplier Code of Conduct, Quality and Environmental Policy, Environmental management system
Principle 9 Encourage the development and diffusion of environmentally friendly technologies	Quality and Environmental Policy, Ensto Group R&D Guidelines
Anti-corruption	
Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery	Ensto Code of Conduct, Supplier Code of Conduct

GRI index

Statement of use Ensto Group has reported the information cited in this GRI content index for the period 01.01.2021-31.12.2021 with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

GRI standard	Disclosure	Location	Reported fully/partly	Comments
GRI 2: General Disclosures 2021				
	2-1 Organizational details	Ensto in Brief	fully	
	2-2 Entities included in the organization's sustainability reporting	Ensto in Brief; About this report	partly	All production sites listed in Ensto in Brief section. Explained the scope of data in About this report.
	2-3 Reporting period, frequency and contact point	About this report	fully	
	2-4 Restatements of information	GRI index	fully	No restatements made from previous reporting period.
	2-5 External assurance	About this report	partly	Reported how the highest governance body and senior executives are involved.
	2-6 Activities, value chain and other business relationships	Ensto in Brief; Message from the President and the CEO; Ensuring: Ethics and compliance throughout value chain; About this report	partly	Reported about our market presence, number of supplier countries and supply chain management.
	2-7 Employees	Ensto in Brief; Empowering: Diversity and inclusion	partly	Reported all employees as of the end of reporting period. Not reported separately permanent, temporary, non-guaranteed hours, full-time, part-time employees. Includes also workers who are not employees from Estonia and Finland.
	2-9 Governance structure and composition	Sustainability Governance	partly	Highest governance body composition not described.
	2-11 Chair of the highest governance body	GRI index	fully	The chair and all Ensto's highest governance body members are non-executive to avoid conflicts of interest.
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance; Ensto's new strategy and updated sustainability themes	partly	Reported highest governance body responsibilities' connection to sustainability.
	2-14 Role of the highest governance body in sustainability reporting	About this report	partly	Process not described.
	2-16 Communication of critical concerns	Ensuring: Developing processes and policies for managing ethical competence	fully	
	2-22 Statement on sustainable development strategy	Message from the President and the CEO	fully	
	2-23 Policy commitments	Ensuring: Developing processes and policies for managing ethical competence; Ensuring: Engaging with suppliers through Code of Conduct e-learnings; Ensuring: Emphasis put on developing due diligence processes in our supply chain; UNGC index	partly	Provided links to the policies, reported ways of communicating about the policies and the percentage of employees and suppliers committed to policies.
	2-24 Embedding policy commitments	Sustainability Governance; Ensuring: Developing processes and policies for managing ethical competence; Ensuring: Engaging with suppliers through Code of Conduct e-learnings; Ensuring: Emphasis put on developing due diligence processes in our supply chain	fully	

GRI standard	Disclosure	Location	Reported fully/partly	Comments
	2-25 Processes to remediate negative impacts	Ensuring: Developing processes and policies for managing ethical competence; Ensuring: Engaging with suppliers through Code of Conduct e-learnings;	partly	Reported about the grievance mechanism.
	2-26 Mechanisms for seeking advice and raising concerns	Ensuring: Developing processes and policies for managing ethical competence; Ensuring: Emphasis put on developing due diligence processes in our supply chain	fully	
	2-28 Membership associations	Sponsoring and memberships	fully	
	2-29 Approach to stakeholder engagement	Stakeholder engagement	fully	
GRI 205: Anti-corruption 2016				
	205-2 Communication and training about anti-corruption policies and procedures	Ensuring: Developing processes and policies for managing ethical competence; Ensuring: Engaging with suppliers through Code of conduct e-learnings	partly	Anti-corruption is a part of our Code of conduct. In the report, the percentage of total employees passed the training and A-suppliers that have accepted our Supplier Code of Conduct are presented.
GRI 302: Energy 2016				
	302-1 Energy consumption within the organization	Enhancing: Emission reduction; Enhancing: Graph Electricity use	partly	Reported electricity consumption related data.
GRI 305: Emissions 2016				
	305-1 Direct (Scope 1) GHG emissions	Enhancing: Emission reduction	partly	Reported direct (Scope 1) GHG emissions in metric tons of CO2 equivalent.
	305-2 Energy indirect (Scope 2) GHG emissions	Enhancing: Emission reduction	partly	Reported indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.
GRI 306: Waste 2020				
	306-3 Waste generated	Enhancing: Seeking ways to reduce waste; Enhancing: Graph Waste management in Ensto's manufacturing plants; About this report	fully	
	306-4 Waste diverted from disposal	Enhancing: Seeking ways to reduce waste; Enhancing: Graph Waste management in Ensto's manufacturing plants	partly	Not breakdown in detail level.
	306-5 Waste directed to disposal	Enhancing: Seeking ways to reduce waste; Enhancing: Graph Waste management in Ensto's manufacturing plants	partly	Not breakdown in detail level.
GRI 403: Occupational Health and Safety 2018				
	403-1 Occupational health and safety management system	Empowering: Table with 2021 results; Empowering: Safe working environment	fully	
	403-2 Hazard identification, risk assessment, and incident investigation	Empowering: Safe working environment; GRI index	partly	In Ensto the process to report work-related hazards is Health, Safety and Environmental War Room (HSE WR). All employees are instructed how to make the cards, today we are using digital cards instead of paper ones and it is easy to fill them in anywhere you are. In addition, HSE walks are conducted by responsible persons. All cards are regularly looked over at Pareto meetings, where 4-step-projects are opened to investigate work-related incidents and prevent their recurrence. In addition, regular 5S audits control the using of personal protective equipment and chemical safety, and findings are recorded in audit form.
	403-5 Worker training on occupational health and safety	Ensuring: Developing processes and policies for managing ethical competence	fully	
	403-6 Promotion of worker health	Empowering: Safe working environment	partly	Reported about health promotion services Auntie and Cuckoo.

GRI standard	Disclosure	Location	Reported fully/partly	Comments
	403-9 Work-related injuries	Empowering; Table Key safety figures (LTIF); GRI index	partly	Reported number of accidents (with sickleave), LTIF1 and LTIF4 figures. No fatal work-related injuries happened. Data covers both employees and not employees.
GRI 404: Training and Education 2016				
	404-2 Programs for upgrading employee skills and transition assistance programs	Ensuring; Developing processes and policies for managing ethical competence	partly	Reported % of employees that passed the Health and Safety policy training, Quality and Environmental policy training, and Employee Code of Conduct training.
	404-3 Percentage of employees receiving regular performance and career development reviews	Empowering; Table with 2021 results; Empowering; Safe working environment; Management of health and safety issues is a high priority	partly	Reported only percentage of total employees.
GRI 405: Diversity and Equal Opportunity 2016				
	405-1 Diversity of governance bodies and employees	Empowering; Diversity and inclusion (Graphs); GRI index	partly	Ensto Management Team: https://www.ensto.com/electricity-distribution-networks/about-us/management-team/ Board of Directors: https://www.ensto.com/electricity-distribution-networks/about-us/board/
GRI 406: Non-discrimination 2016				
	406-1 Incidents of discrimination and corrective actions taken	Ensuring; Developing processes and policies for managing ethical competence	partly	Reported the number of cases.
GRI 408: Child Labor 2016				
	408-1 Operations and suppliers at significant risk for incidents of child labor	Ensuring; Engaging with suppliers through Code of Conduct e-learnings; Ensuring; Visual Ensto Supplier Code of Conduct topics	partly	Forbidding the use of child labor is a part of our Supplier Code of Conduct.
GRI 409: Forced or Compulsory Labor 2016				
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ensuring; Engaging with suppliers through Code of Conduct e-learnings; Ensuring; Visual Ensto Supplier Code of Conduct topics	partly	Respecting the labor rights is a part of our Supplier Code of Conduct.

About this report

Ensto's Sustainability Report 2021 discusses the key sustainability challenges and opportunities we face and explains the many ways in which we are responding to them. Ensto has been publishing sustainability reports since 2010 and is committed to continuously improving its sustainability performance and communications.

To further increase comparability and transparency of our practices and to prepare for upcoming regulatory requirements on sustainability reporting, Ensto's 2021 Sustainability Report is prepared in reference to the Global Reporting Initiative's (GRI) Sustainability Reporting Standards.

Ensto's reporting period is the calendar year, 1 January to 31 December 2021, and we publish the report annually. As Ensto is not a listed company and does not report its financial performance, this report focuses mainly on social and environmental aspects of our operations. The report is based on internal data and has been cross-checked internally. The report is reviewed and approved by Ensto Management Team and Chair of the Board of Directors. This report has not been assured by an external party.

In this report, numerical data about safety (number of accidents, LTIF1, LTIF4) and environmental figures (waste management, electricity consumption, CO₂ emissions) cover all Ensto's production facilities, except our small unit in Italy. The rest of the data, including people and sick leaves, covers all Ensto's production facilities, functions and sales offices worldwide.

In November 2021, Ensto Building Systems business was divested to Legrand. Due to the organizational change, there are three different data scopes in this report. The exact reporting scope has been clarified in connection with each indicator, taking into consideration data accuracy, comparability and availability, and marked with the following asterisks:

*Ensto DSO business

**Ensto DSO business and Ensto Building Systems business both 12-month data

***Ensto DSO business 12-month data and Ensto Building Systems business 10-month data



In case of questions regarding our sustainability report or its content, please contact us by email at ensto@ensto.com.



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