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Sustainability across the Board

"Ensto is in the heart of the cleantech business"

The megatrends that influence the world economically and politically – and the strong impact coming from public opinion – are increasingly calling for sustainable development. This has led to the development of more sustainable businesses attaining market potential of some 200 billion Euros annually. These drivers of sustainability have also influenced the focus of Ensto Group's mission. The rationale is clear: Just looking at energy efficiency and judging the benefits against the price of energy provides a clear business case for sustainability. You rapidly see that investments in this field can have a remarkably strong impact in the abatement of greenhouse gases. With their short pay-off time, they make perfect business sense. These investments along with other initiatives have increased our top line from 170 million Euros in 2009, to 252 million Euros in 2011.

Ensto is in the heart of the cleantech business. We focus on building a better world by creating clean, energy efficient, recyclable, trusted and innovative products and solutions that are built to last and have a low impact on the environment. During 2010–11, the short-term focus at Ensto was to determine how we evaluate the sustainability of our products and business systems. We also focused on better measurements.

We made great improvements in installing heat recovery systems at our factories in Porvoo and Tallinn, and changed our galvanization and

painting processes to eliminate the risk of environmental contamination from chemical substances. We completed carbon footprint calculations of our own operations. Sustainability training was introduced and made available through intranet webcasts. We are very optimistic concerning our goals with the Ensto Operational Excellence program in the achievement of better occupational health, reduced need for production space and a clearer view of how we use our resources.

As for our product offering, we introduced LED-lighting systems that not only enhance energy efficiency, but can also be recycled. These systems function several times longer than other light sources. In a benchmarking against six competitors' top products, our heat recovery ventilation systems consumed 20 % less energy during the lifecycle of the products. We have also increased the use of recycled plastics in our raw materials both in Néfiach and Tallinn.

Our long term goal is to be the world's leading company in energy efficiency and distribution.

Timo Luukkainen CEO



Ensto in Brief

Ensto is a family business and an international cleantech company.

We specialize in developing, manufacturing and marketing electrical systems and supplies for the dependable and efficient distribution of electrical power as well as innovative electrical applications. Ensto is part of EM Group which is a Finnish family business. Our products, known under product brands Ensto, Novexia and Enervent are manufactured in

environmentally friendly, leave a minimum carbon footprint.

We are present in 20 countries

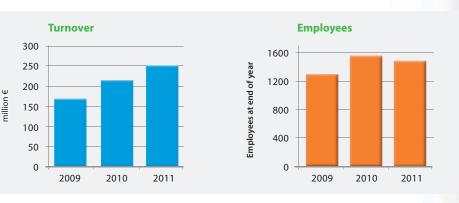
Ensto was established by Ensio Miettinen in 1958. During 2011 Ensto had 1500+ employees in twenty countries in Europe and Asia. Our turnover

was almost 17 % higher - from 2010 to 2011 it increased from just under 215 million to almost 252 million Euros. Ensto Networks, Ensto Industrial Solutions, and Ensto Ensto's headquarters are located in Porvoo, Finland.



seven countries. They are designed and planned for a long lifetime, to be energy efficient and to

than the year before has three key business units: Ensto Utility Building Technology.



"Our products are planned and designed to leave a minimum carbon footprint"





Our products, known under product brands Ensto, Novexia and Enervent are manufactured in seven countries. Ensto has three key business units: Ensto Utility Networks, Ensto Industrial Solutions, and Ensto Building Technology. Ensto's headquarters are located in Porvoo, Finland.

Sales & Production

Sales

Product development

Finland Porvoo, Espoo Nefiach, Villefranche-sur-Saône France

India

Italy Milan Poland Gdansk

Production

Estonia Keila, Tallinn Finland Porvoo, Mikkeli

Nefiach, Villefranche-sur-Saône, France

Bagnères-de-Bigorre

India New Delhi Italy Russia St. Petersburg Spain Figueras

Sales

Czech Republic Prague Keila, Tallinn Finland Porvoo, Mikkeli

Paris, Lyon, Nefiach, Villefranche-sur-Saône, France

Bagnères-de-Bigorre

Germany Karlsruhe **Great Britain** Chesterfield, Leeds

India New Delhi Milan Italy

Kazakhstan Almaty Latvia Riga Lithuania Vilnius Norway

Poland Katowice, Krakow, Lodz, Straszyn, Warsaw Russia St. Petersburg, Moscow, Vladivostok

Slovakia Batizovce Spain Figueras Stockholm Sweden Ukraine Kiev





What We Stand for

Our Values

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

Trust Capital

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

Excellence of Performance

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

Respect

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

Encouraging Creativity

We foster creativity at all times, in all our actions. We are open to new ideas and new ways of thinking and doing things.

Pia Hänninen

Director, Brand and Communications

Our Mission

We build a better society by improving energy efficiency and focusing on sustainable development. In order to accomplish this we have decided to be in the frontline of the electrical industry in producing clean, recyclable, trusted and innovative products, solutions and services. Our products are designed and manufactured for a long lifetime and a low lifecycle impact on the environment.

We are an international technology company of Finnish origin. As a family business, we build our business on people, trust and environmental values. Our customers' real needs lead us in finding the right solutions to add value to their business.

Ensto Saves Your Energy:

- We are experts on energy efficiency and here to guide you to save energy.
- We support sustainable energy and create innovative electrical solutions that save your money and ease your living.
- We carry out our daily duties as well as possible in order to make your day easier and simpler.
- Our products and services are reliable and last a long time helping you save your energy.
- We take responsibility for you and your well being as well as our planet.



Key Events and Milestones

February 2010:

New Ensto strategy, customer promise and visual identity was launched.

October 2010:

A new factory in Tallinn, Estonia doubles the production volume of thermoplastic enclosures. The geographic location enables short and flexible deliveries to Central Europe.

Acquisition of the French company NOVEXIA strengthens Ensto particularly in the area of smart grids and is perfectly in line with our strategic focus

EV charging pole



November 2010:

Ensto wins the annual *Save Energy!* -award for energy efficiency in Russia. The first prize was awarded to Ensto in the *"Energy efficient city"* -category.

December 2010:

Ensio Miettinen, the founder of Ensto, passes away at the age of 80. Ensio Miettinen was the CEO of Ensto Group 1958–1978 and a board member until 2008.

Ensto was awarded Supplier of the Year by Elektroskandia.



January 2011:

A new R & D office in Otaniemi, Espoo, Finland opens – next to Aalto University. This provides Ensto with direct access to forerunning knowhow.

February 2011:

Investment in customizing unit and stock in Germany, Karlsruhe. Enabling deliveries to key customers in Central Europe.

September 2011:

The Ensto owned Enervent sells its Pro business to Recair, a dutch manufacturer of ventilation units.

Production expansion of cold shrink products in Keila.

October 2011:

Ensto and JSC Lenenergo signed a cooperation agreement aimed at evolution of the distribution electric power grid complex in Russia.

November 2011:

Ensto becomes a member of the Europacable Accessory Committee that promotes sustainable products.





Atex enclosures for extreme conditions



Engaging Our Stakeholders

"We have a continuing sustainability dialogue with our key stakeholders"

We want to address our stakeholders more effectively to be able to interact with them as efficiently as possible and to build a sustainability dialog with them. For this purpose, we have identified our key stakeholders. They include: our personnel, customers, owners, consumers, media, suppliers, governments, our partner organisations and potential employees – including students.

For each of these groups, we have identified their expectations for Ensto. We have also identified the actions needed to meet these expectations. For a selected group of stakeholders we have even developed metrics and indicators for measuring how well we are meeting their expectations.

We hope this report provides a good platform for us to increase dialogue with our stakeholders and we look forward to receiving their feedback.

STAKEHOLDERS	EXPECTATIONS	ACTIONS	MEASUREMENTS
PERSONNEL	Permanent jobs, long-term careers, equal opportunities, open interaction, job security, training opportunities, motivating recognition of work contribution	Improving the quality of management, upholding of work ability, in-house job rotation, continuous training, promotion of wellbeing in the work community, motivating pay and performance based remuneration	Job satisfaction survey, performance and appraisal discussions, employment disputes, turnover, absenteeism, accidents, training statistics, retirement age, attraction as a workplace
CUSTOMERS	Good service and quality of products, compet- itive pricing, long-term customer relationships, expertise in the field of energy efficiency, local presence in market areas	Maintaining/improving the price/quality ratio, product and solution development as well as sales promotion programs in co-operation with customers, sustainability as the main criteria in product development, training programs	Brand Survey, Customer Satisfaction Survey, sales
OWNERS	Long-term value creation, responsible risk management and corporate governance based on Family Business values and ethical standards	Responsible risk management and good management of the code of conduct. Ensto acting as a trustable partner	Profitable growth
CONSUMERS	Environmentally friendly, energy efficient, reliable and stylish products/solutions, easy to buy	Long-lasting marketing and communication campaigns to improve the awareness of energy efficiency in households, offering customer training programs	Consumer Surveys, web analytics, sales
MEDIA	Open, relevant, reliable and timely communications	Press releases, articles, sustainability report, web, press conferences, press visits	Media follow-up
SUPPLIERS	Responsibility, liquidity, long-term business relationships	Conducting business in a reliable and responsible way, updated supplier policy, regular partner meetings	Number and quality of suppliers, concentration of purchases, terms of payment of invoices
AUTHORITIES	Compliance with laws and regulations, open dialogue, payment of taxes, employment	Payment of taxes, compliance with laws and regulations, promote the expertise in the field of energy efficiency	Amount of taxes paid, number of jobs, payroll
PARTNER ORGANIZATIONS	Open interaction and dialogue, promoting common interests, collaboration projects	Promote the expertise in the field of energy efficiency, participation in the sector's development and complying with common rules and policies as well as providing economical support	To be developed

Sustainability Strategy at Ensto

At Ensto, we built our sustainability strategy by gathering input and involving our own people from all departments and functions. Our corporate values and ethical principles acted as the foundation for our sustainability strategy. Our vision and mission were the guiding lights in this endeavour.

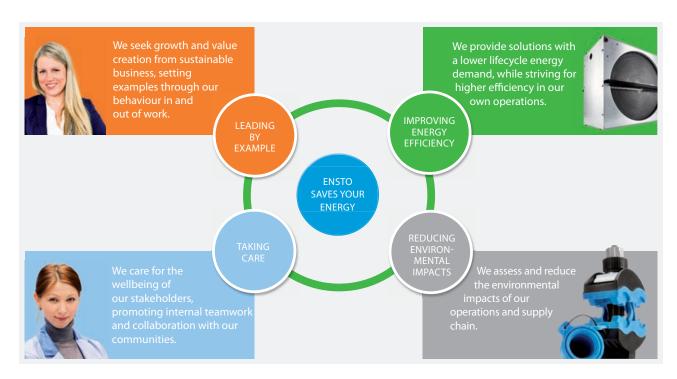
Four strategic themes

We held workshops involving staff from different functions to synthesize our common understanding of sustainability. The outcome of this creative process was condensed into four strategic themes that summarize our take on sustainability. These themes were then translated into specific actions, targeting the whole organisation.

Sustainability is about ethics

The first step in achieving our ambition to become a more sustainable business was accounting for what has already been done at Ensto. For us, creating and developing a more sustainable business has many financial and commercial incentives. Above all, it represents our ethical obligation as the active and leading actor that we want to be for many decades to come – in our industry as well as the community.

This first sustainability report is one visible result of these efforts. It is yet another testimony of our commitment to transparency and our conviction to honour the trust our stakeholders have demonstrated throughout our history.



"Sustainability at Ensto means taking action across the entire organization"

Leading by Example

"Generating growth and value from sustainability sets an example for the industry"

At Ensto, sustainability is about doing the right things. We want to set an example for a sustainable business through our own actions and thus lead the industry. Therefore we need to generate business growth and value from sustainability and to set an example through our behaviour in and out of work.

Ambitions translated into actions:

Integrate sustainability considerations into internal policies:

This ensures that all our operations are in line with our ambitions ranging from our contracts with suppliers all the way to our own management systems

• Disseminate information and implement training programs:

This builds our understanding and competence in how to put sustainability into practice

 Increase the development and sales effort of sustainable products:

This will help us grow our revenues from products and solutions that support an energy efficient, low-carbon future.

Read more below about how we have taken these actions forward:

development of our governance and management systems, our latest business development and acquisitions, updates we have made to Ensto's supplier and car leasing guidelines, the ways in which we are increasing the knowledge and capabilities of our staff in sustainability, the Ensto Operational Excellence program, our quality management system and certifications, and guidelines we have developed for product development.



Fernando Trolia-Slamic

Director, Corporate Planning

"Focusing on open dialogue, ethical standards and clear governance roles"

Governance at Ensto

Ensto's corporate governance policy outlines the rights, roles and responsibilities of the governing and management entities in Ensto Group. This concerns the owners, 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 of Ensto's value creation and respective risk tolerances to the governing bodies of Ensto Oy. The primary role of the Board of Ensto Oy is to ensure future success and operational preconditions for Ensto. In order to guarantee objectivity, no person from the operative management of Ensto shall be a member of the Board of Ensto Oy and at least two Board members shall be independent of the family.

The 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 organisation and audit requirements.

Ensto also applies a set of operating policies to uphold common high standards for operations. Communication is a key part of governance at Ensto highlighting the importance of effective management systems and open dialogue.



"Actions are always in line with our focus on energy efficiency and new demands for electricity distribution"

Sustainability drives our business developments and acquisitions

In 2010, Ensto acquired the French company **NOVEXIA SAS**, a manufacturer of low and medium voltage power grid devices, as well as their automation and remote control equipment. The acquisition is perfectly in line with Ensto's strategy of focusing on energy efficiency and new demands for electricity distribution. With this acquisition, Ensto strengthens its capabilities particularly in the area of smart grids. "NOVEXIA's long-term customer relationships will solidify Ensto's position in the grid construction market. Its product offering will complement Ensto's current product selection, especially in the area of network automation for smart grids. Smart grids enhance

energy efficiency in our environment, but set new demands to grid construction," says Timo Luukkainen, Ensto's CEO. This acquisition will provide opportunities in the French market for both underground cable and overhead line grid construction.

After acquiring **Enervent Oy** in 2009, Ensto has continued to successfully develop the business. So far, Enervent is the only Finnish company to have received the highest EU energy-efficiency classification, the A-certificate, for its heat recovery systems. Overall, the ventilation business in Finland has declined due to the recession, but Enervent has increased its market share during this period. The company is number one in Finland in new single family houses with a market share of roughly 30 percent.



"A common leadership culture will support our overall strategic agenda for the coming years"

Ensto Lead managerial training

Sustainability and especially environmental issues have been integrated into different training programs. The need for a common managerial training program was based on our Management Team's workshop discussion on the results of the employee satisfaction survey. We have been focusing on unifying our business processes in order to search for synergies and create a stronger and more unified group on both regional and global level. This same approach is taken in the development of managers: a common leadership culture by shared mindset of Ensto's strategy and values will support the overall strategic agenda of Ensto for the next coming years. Besides the common leadership

culture and the most recent knowledge of management/leadership our strategy, values and sustainability are discussed in the Ensto Lead training sessions.

Our training programme goes international

The first two groups of 15–20 persons have graduated from the Lead training program already and a third Ensto Lead training group is ongoing in Finland. Ensto Lead training will begin in France and Russia during the spring of 2012 (gathering all our Russian speaking leaders from Russia, Ukraine and Kazakhstan). Ensto Lead trainings in Estonian and in English are scheduled for autumn 2012.



"Our policy prohibits leasing vehicles with CO2-emission greater than 150 g/km"

Ensto's Social Supplier Policy

In 2011, Ensto began a process to update its supplier policy. This outlines and maintains the appropriate procedures to evaluate and select major suppliers and subcontractors on their ability to meet the requirements set forth by Ensto. The key elements to be evaluated include: respect for human rights, freedom of engagement, health and safety, equal opportunities, adequate compensation and business ethics. An updated policy will be published in 2012.

Promotion of low-emission vehicles

Ensto has recently updated its guideline for leased company vehicles. The updated guideline concerns all new leasing agreements signed globally. It aims to limit the CO₂-emissions of business travel. The policy prohibits the leasing of vehicles that have CO₂-emissions greater than 150 g/km. The policy incentivises employees to lease a vehicle with lower emissions. As this is a recent update, we do not yet have data to quantify the impacts of this new policy. However, we estimate that for new leasing agreements, most of the vehicles currently have CO₂-emissions smaller than 120 g/km. The guideline is reviewed each year.

"Green should be the standard"

Tomasz Bilinski Director, Operational Excellence

Ensto Operational Excellence

5s	Sort – Straighten – Shine – Standardize – Sustain Visual flow and organization of work places
SMED	Single Minute Exchange of Die • Shortening production set-up-times
8D	Quality method For working with claims Root cause analysis and action follow-up
ASSY	Efficient production methods through ReorganizationAssembly cells and layout
VSM	Value Sream Mapping Cutting lead-time in half Reducing a four-week delivery time to two weeks Cutting stocks by half

Efficient and well organised operations are essential for us to meet our customers' expectations. We work on enhancing manufacturing flexibility and logistics accuracy to meet future demands. The Ensto Operational Excellence (EOX) program was developed to promote lean manufacturing in our factories.

Focusing on the value added and on reducing waste

It started with 5S (Sort, Straighten, Shine, Standardize, and Sustain), as the foundation for excellence and this was accompanied by SMED (Single Minute Exchange of Die), Value Stream Mapping, Quality and other programs. The underlying theme is to focus on the value added and on reducing waste. This results in shorter lead times and increased sustainability, efficiency and flexibility for the benefit of our customers. Our goal is that "green" should not be thought of as different, but that it should be the standard, the natural and logical choice in a world of competing options.



"Ensto products are verified, tested and certified confirming regulatory and safety standards"

Our development programs will give us decisive competitive advantage

Our injection moulding plant in Tallinn has had the Lean Management program EOX in place since summer 2011. The aim is to cut lead times by half, even for the most complicated products produced, by applying the EOX methods. "Now, when a customer places a standard order we can supply it in five days. We're going to reduce that to two and-a-half days," says Peter Mõrd, the director of the plant. Mõrd says emerging countries' cheap labour is a competitive advantage, but their six-week delivery time to Europe works against them. "Currently," he says, "we offer the product in four weeks, but in the future we'll offer it in two. This gives us a huge advantage over competitors, especially when running low volumes for custom orders." Ultimately, development programs like these will allow Ensto to free up cash by cutting stocks in half, free up space on the factory floor and clients will get their products faster.

Quality is the backbone of all our operations

Ensto is all about providing safe, energy efficient quality products and services to our customers throughout the world. We are committed to meet the high quality requirements and expectations set by legislative bodies, authorities and our customers. This requires continual improvement of our processes, procedures and

performance, and setting challenging objectives. We maintain strict quality standards regarding the safety and supply of our products. We also apply quality and safety standards to all incoming materials throughout our operations.

On our way to integrated quality management system

To monitor compliance with internal and external requirements and boost continuous improvement, internal, second and third party audits and assessments are conducted on a regular basis. Our internal audit program is extend and goes from functional level to procedure level. We utilize efficiently cross functional competences in order to gain most of the audits. Ensto products are verified, tested and certified confirming regulatory and safety standards. Our main locations are ISO 9001:2008 and 14001:2004 certified. We continue extending the certifications and harmonizing our processes and procedures to leverage and enhance best practices towards the harmonized QHSE system.







"Sustainability is a leading criterion for our product development"

Our guidelines for product development

When sitting at the design board or testing at our labs, we apply four principles that guide our daily product development efforts:

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

- The types and amounts of materials used, emphasizing the clean origin and maximising 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
- High value on innovativeness of product development processes as well as the products and solutions themselves

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 throughout their entire lifecycle.

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 involving customers in the development of tailor-made solutions.

Intellectual property rights are systematically observed and re-assessed. 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.

Improving Energy Efficiency

Energy efficiency is at the core of what Ensto does – not only in the products and solutions that we provide but in the way we operate.

Improving energy efficiency is therefore a key theme in our endeavour to become a more sustainable business. We provide our customers solutions that have a low lifecycle energy demand helping them save energy. In addition, we make sure that we reduce the amount of total energy we use in our operations. Some of this can be achieved through reducing total energy consumption and some through using energy sources that are more effective in converting fuels and other inputs into energy.

Actions that help us meet our goals:

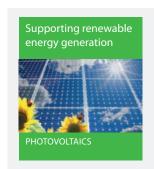
• Assess the lifecycle energy impacts of our key products: We get comprehensive understanding on the energy use of our products. This provides us a basis for improving energy efficiency in our R&D

- Reducing energy consumption in our operations: Adopting energy efficient technology and behaviour will help us achieve reductions
- Taking a closer look at our energy sources: Helps us explore possibilities to use renewable energy on our premises

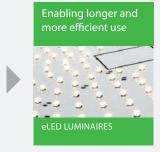
More about how we are pursuing these objectives: Improving the energy efficiency of our products, conducting lifecycle assessments and improving energy efficiency on our own premises.

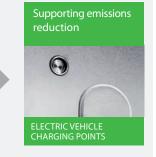
Energy efficiency of our solutions

In improving energy efficiency, energy use during the full lifecycle needs to be considered. Today, Ensto is able to offer solutions that target the entire value chain from energy generation all the way to the emissions caused during the end-use phase.











Case: Network development

Improving efficiency in transmission: Case India

In 2007, Ensto began operations in India by hiring a local representative. By autumn 2009, a sales office and manufacturing facility was opened in Manesar near New Delhi. The low voltage overhead line products were rolling off the assembly line by March 2010. Even before the National Solar Mission, India's government was committed to significant public expenditures for electrical network development – its target was to at least halve the excessive 30-plus percent loss rate from electricity transfer and distribution. (For comparison: Finland's losses are less than four percent.) Since 2010, a vast quantity of line building projects have begun according to India's R-APDRP program intended to stem electrical distribution losses.

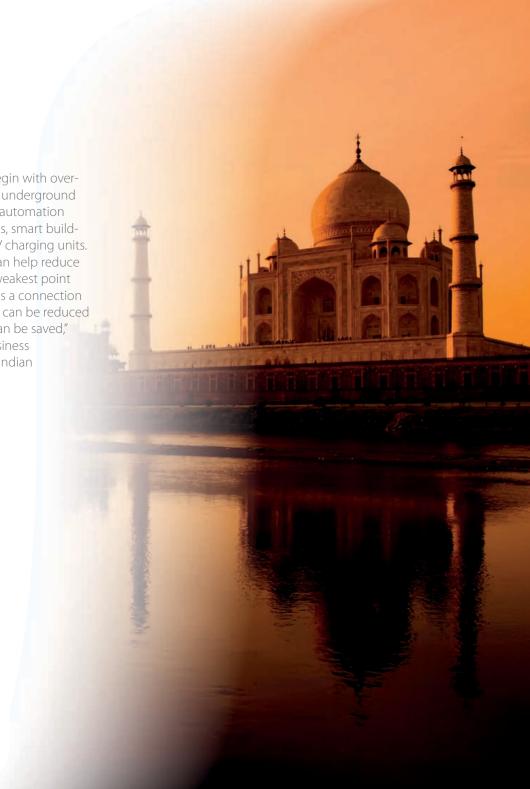
Indian officials trust Ensto

The products for the Indian market begin with overhead lines but include nowadays also underground products, power quality and network automation products as well as enclosing solutions, smart building technology products, and even EV charging units. Indian officials have faith that Ensto can help reduce transfer and distribution losses. "The weakest point in our (six-million kilometer) network is a connection joint. By using the Ensto connectors it can be reduced to minimum level and huge energy can be saved," Sanjay Gupta, General Manager of Business Development at Ensto India, told the Indian publication PowerWatch.

"The weakest point in our six-million kilometer network is a connection joint"

Sanjay Gupta

General Manager of Business Development at Ensto India



Case: eLED luminaires

Enabling longer and more efficient use: luminaires

Ensto's eLED product range is expanding continuously: the innovative designs and features make cost effective and maintenance-free eLED light perfect even for applications where LED lighting has not been used traditionally. The popularity of eLED lighting makes sense – it is ten times more energy efficient, which really shows in the energy bills and it has a longer lifecycle than the traditional incandescent bulb.

Case Kaarina, Finland: Increase the quality of life

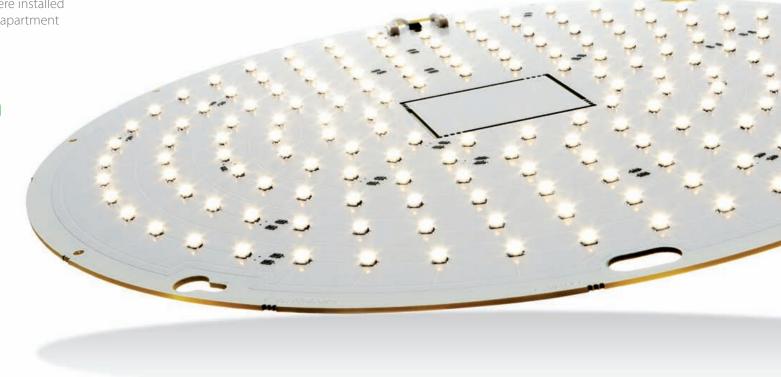
An example of savings potential comes from Kaarina, Finland. eLED luminaires, designed for new apartment buildings as well as for renovation sites, were installed in the staircases of the city-owned Orakas apartment

building. New 19 WeLED luminaires replaced the old 55 W incandescent luminaires in the building. No new light fittings were added. Following the installation, the illuminace in staircase was 3,5 fold of orginal, while electricity consumption is now a mere 35 % of what it was before. The estimated annual electricity consumption for the staircase dropped by two thirds from 990 kWh to 342 kWh. The Orakas apartment building was built in 1974 and it is a perfect example of how a simple change of the luminaires can improve the quality of life of the residents as well as cut energy consumption and save them money.

Rental housing company Rusko-Orakas Staircase lighting	BEFORE	AFTER
Lighting	9 incandescent bulbs, 55 W each	9 Ensto AVR320LED luminaires, 19 W each
Average illuminance in staircase lighting	100 %	350 %
Maximum power of staircase lighting	495 W	171 W
Estimated annual electricity consumption of staircase lighting	990 kWh	342 kWh

Compared to the initial situation, electricity consumption is 35 % and illuminance was 3,5 times original level. The total energy efficiency of lighting increases 10-fold.

"eLED lighting can cut electricity consumption by two thirds"



Case: EV charging points

Supporting emissions reduction: electric vehicle charging points

Case Moscow area: The first pilot for EV charging in Russia

Ensto has been selected as the major supplier of electric vehicle (EV) charging stations for the MOESK EV project in the Moscow area. The project is the first notable pilot for testing EV charging networks in Russia. MOESK is a specialized power distribution company providing electric power to the citizens of Moscow and its surrounding region. Together with Revolta, a Russian high technology company in the EV sector, the project aims to create and develop the EV infrastructure of MOESK's service territory. The project was created to explore the possibilities and practical application of electric transport, to develop and test technical solutions for charging infrastructure, and to design a business model for it. The testing infrastructure will consist of a charging network of 28 charging stations integrated into the existing power system, 8 electric vehicles and the necessary software solutions to manage and control the charging network. Ensto will provide 20 of the 28 stations being tested.

Designed to fit a variety of needs

The EV charging station offers an advanced solution for fast charging an electric vehicle against a fee. Our station is designed to suit different urban locales. The technology includes user identification, via either an RFID card or a mobile phone, and data link to external information systems over a GPRS connection. With a possible 3*32A (400V) power supply, it can charge a 40 kWh battery in around four hours.

By the end of 2011, Ensto had sold thousands products within the electric vehicle charging products portfolio. The EVT poles account for 90 % of these sales with the share of EVC steadily gaining a foothold. For 2012 we are expecting growth in the sale of both poles and charging points.

"Our station can charge a 40 kWh battery in around four hours"



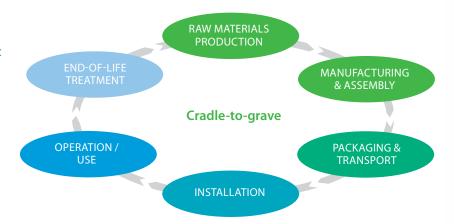
"20 % lower CO₂-emissions and electricity use"

Lifecycle assessments to support product development

In order to assess the energy savings potential of our products, we are conducting lifecycle assessments (LCA's) for selected key products. If we only focus on the impacts of energy use in manufacturing but ignore the rest of the lifecycle of the product, we might overlook things such as how the products can be disposed of. The result may be that sending these products to landfill causes worse environmental impacts, than the impacts avoided in applying a more energy efficient manufacturing process.

Identifying ways to reduce CO₂-emissions

So far, we have conducted assessments of two products from the Enervent Family air handlers and heat exchangers: Pingvin and LTR-6. The assessments focus on calculating the lifecycle carbon emissions



of the products and identifying ways in which CO₂-emissions could be reduced through R&D. The assessments consider the products lifecycle from the production of raw materials to the final disposal or recycling ("cradle-to-grave"). The ISO 14040 and ISO 14044 lifecycle assessment standards were used as a basis for the assessments.

Enervent Pingvin vs the competition

The use phase accounts for over 95 % of lifecycle emissions (assuming a 20-year use phase). After the

first year of use, the greenhouse gas emissions for Pingvin consist of equal thirds from manufacturing, electricity for the ground heat pump to replace lost heat and electricity for the air handling unit. When competing products were modelled using the same assumptions, the assessment showed that over the entire lifecycle of the products, Enervent Pingvin results in over 20 % lower emissions and electricity use than an average competitor product.



"We are aiming to reduce our energy consumption 9 % by 2016"

Improving energy efficiency on our own premises

We use lighting solutions with motion detectors as well as energy efficient light sources in our manufacturing and in our offices in Porvoo and Tallinn. Ventilation solutions with a high annual efficiency rate of heat recovery are replacing more inefficient devices. In addition, we have been conducting energy audits of our facilities in Finland since 2005. While these are not yet systematically applied to all our locations, we aim to conduct these every 5–7 years depending also on the changes that have occurred in the facilities.

Continuosly looking for ways to adopt more renewable energy

In the spring and summer of 2012 we will be conducting new energy audits in Porvoo and Mikkeli. With the help of the technology we have adopted, the results of the audits, and our exploration of possibilities to adopt more renewable energy in our facilities, we are aiming to reduce our energy consumption 9 % by 2016 compared to our energy use in 2009.





Reducing Environmental Impacts

Energy is a key factor determining the impacts of our operations on the environment, but it is not the only one. As an example, the selection of raw materials and the efficiency which we are able to apply in transforming them into products have impacts on the availability of natural resources such as precious metals and water. Our sourcing of raw materials and other inputs also requires transportation and the use of storage facilities. These operations result in, among others, emissions into the air. In order to understand how we can manage these impacts, we first need to assess our environmental impacts.

At Ensto we are committed to carrying out these specific actions:

• Scaling-up environmental impact assessments of our facilities: Piloting is a good way to start honing a sound methodology and to be able to prioritise. However, in the long term, we need to be aware of the impacts of all our operations, especially as our business grows

• Setting targets and implementing actions based on these assessments: While this may seem an obvious next step, we are committed to using the results of the assessments to plan our future actions

• Evaluate our supply chain's impacts, opportunities and trade-offs: We need to look beyond our own gates and make every effort to reduce the environmental impacts of the whole value chain

Read more about what we have done so far by calculating our carbon footprint, improving the recyclability of our products, eliminating hazardous materials from machine lubrication and painting, and boosting waste management.

"Measuring our environmental impacts is the key to becoming a more sustainable business"



"The scope of the calculation covered all 34 industrial sites, offices and warehouses located in 20 countries"

Calculating our carbon footprint

During 2011, we conducted the first exercise to assess our environmental performance following the methodology proposed by the Greenhouse Gas (GHG) Protocol developed jointly by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

A transparent model for monitoring our carbon footprint

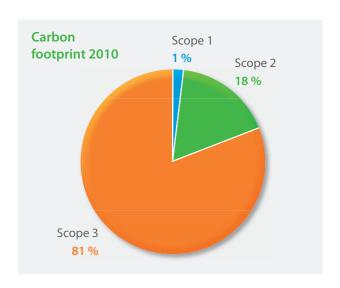
The scope of the calculation covered all 34 industrial sites, offices and warehouses located in 20 countries in 2010. The calculation considered the most relevant sources of direct and indirect emissions, such as fuel and electricity consumption (defined in the GHG Protocol as scope 1 and 2), extending also to other indirect (scope 3) emissions from water consumption, logistics, business travel, use of raw materials and waste disposal. The main goals of this effort were to calculate our company-wide carbon footprint for the baseline year of 2010 and to develop a transparent model for calculating and monitoring it on a regular basis. In fact, in early 2012 we have already collected data corresponding to the year 2011.

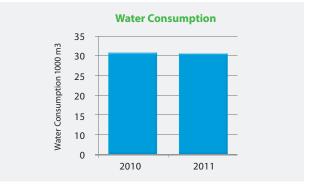
The largest share of our current carbon emissions result from indirect sources

In 2010, our total direct emissions were 1 000 tCO₂e. while indirect emissions from sourced energy (scope 2) added up to almost 11 000 tCO₂e. Other indirect emissions were 49 100 tCO₂e (scope 3). The results provided guidance on how to reduce our impacts and also support future lifecycle assessments (LCAs) of our products and solutions. The main conclusions of the study exposed that the largest share of our current carbon emissions result from indirect sources such as purchased electricity and the use of main raw materials.

Gaining exact knowledge of how to reduce our carbon emissions

We gained a better understanding of the real impacts of the emission factors associated to those items, triggering actions and discussions with strategic suppliers to improve our overall performance. The exercise demanded an exceptional amount of work from every department in the organization, but it was also a great learning opportunity to refine boundaries, to increase quality of collected data and to reduce collection efforts in the future.





"Improved design and innovative material selection reduces environmental impacts while securing top performance"

Recyclability of our products

Our new line of connectors in Ensto Utility Networks offers reduced environmental impacts and enhanced performance in many common applications. The SLIW 11.1 connector from the previous generation has a total mass of 54 grams and most of the materials are relatively easy to recycle: more than 90 % is either steel, aluminium, copper or recyclable plastics. The rest contains more complex substances such as some insulating petroleum-based grease. This composition makes it already quite environment friendly.

With the new generation we reduce packaging materials and waste by 50 %

The next generation of connectors – such the recently launched SLIW 50 – performs the same job with fewer components: roughly 10 % less materials and no insulating grease – only fully recyclable metals and plastics. We are also shipping the new connector in boxes of 120 pieces instead of boxes of 60, reducing packaging materials and waste by 50 %.

With an improved design and an innovative approach to selecting materials, we reduced the use of resources – and thus the impact on the environment – while securing the long-lasting performance of our solution to endure the same demanding operating conditions for our customers.

We only use biodegradable and non-toxic lubricants

Lubrication is vital to the safe and reliable operation of milling and metal cutting processes and the operation of equipment. Conventional lubricants are a mixture of mineral oil and additives, which may add up to 30 % 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.

Healthier fluids for both the environment and humans

Vegetable oil based soluble grinding fluid provides good results in all our machining applications. The fluids fill all environmental and performance requirements. Furthermore, grinding productivity and quality is improved with bio-based coolant technology. Environmental and health concerns are also important factors. Vegetable oil based soluble grinding fluids have eliminated dry skin and cracking that occurred with petroleum-based coolants. We don't have to worry about hazardous vapours either.



Reducing environmental impacts and costs at the same time

Since 1974, the Mikkeli plant has produced panel boards, and since the beginning of the 1990s, it has made metal enclosures for which Ensto is known all over the world. Currently, there are 140 employees who cut, form, weld, clean, paint, and assemble enclosures for clients like ABB, Metso, and Kone. Sheet metal arrives at Mikkeli in 3 x 1.5 meter sheets and it leaves as one of the plant's 100 000 enclosures produced each year. But when it comes to painting enclosures which will withstand extreme environmental conditions, it isn't as simple as spraying on paint. The presence of any grease or dirt leaves an enclosure subject to corrosion. And until two years ago, zinc phosphates were used to make sure the paint stuck and lasted.

For starters, zinc phosphate is bad for the environment and costly to dispose of. The Mikkeli plant consumed lots of electricity to keep the tank at exctly 45 degrees Celsius. The pipes through which the zinc ran also needed costly maintenance requiring monthly replacement. Although zinc was used in only one part of a six-step process, it contributed significantly to the cost of production. In summer 2010, the Mikkeli plant made the switch over to Oxsilan which is based on functionalized organio-silane polymers making paint stick and eliminating the risk of corrosion.

Extensive waste management

All our main industrial sites have extensive waste recycling processes and industrial waste management is under continuous development and monitoring. Our recycling program covers paper, cartons, plastics, metals and electronic waste. All facilities have methods to

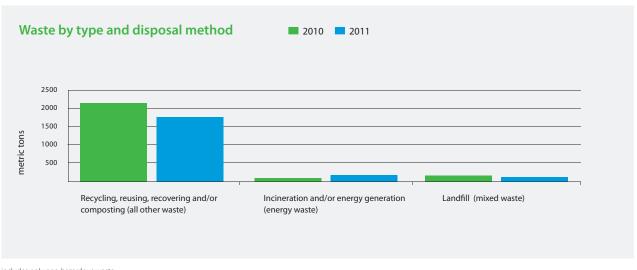
collect, sort and recycle materials. Hazardous substances are carefully collected and sent to certified disposal processing. We also carefully monitor our wastes and have set a target to eliminate waste sent to landfill in our operations.

Our own people show the way

In addition to industrial wastes, we have introduced a recycling station for employees in the Porvoo plant in Finland to collect and recycle household waste. This station is located in the vicinity of the office so that employees can conveniently deposit wastes on their way to and from work. The station is reducing our carbon emissions also through minimizing unnecessary traffic to more distant waste disposal stations.



"A recycling station near the office in Porvoo allows employees to recycle waste on the way to work"



includes only non-hazardous waste

Taking Care

As a family business we have always valued the dedication, motivation and spirit that Ensto people demonstrate in their daily work. It is our responsibility to make sure that their daily working places are safe, friendly and comfortable.

It is our duty to offer people a work environment where their contributions and participation is appreciated, rewarded and encouraged. Naturally we offer this to everyone based on equal grounds. Looking beyond our employees, we have responsibilities towards our customers, suppliers, partners and the communities in which we operate – for example encouraging local incentives. It's our duty to make sure that we take care of the multitude of impacts we have on many of our stakeholders.

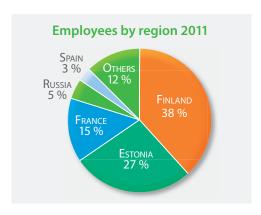
Taking care is a challenging task which we tackle with specific actions:

 Caring for the safety and wellbeing of our employees:
 We do not take this for granted and actively look for new ways to improve safety and wellbeing

- Structuring our community interactions and stakeholder engagement initiatives: This allows us to take a more systematic and convincing approach to our initiatives and making sure they also support our business development
- Integrating sustainability into goal-setting and incentives: We encourage and reward our employees for making sustainability part of day-to-day work.

Read more about how we are working with our different stakeholders by caring about employee satisfaction, measuring customer satisfaction, taking part in Global Dignity Day, cooperating with universities and research institutions, honouring long careers at Ensto and participating in networks and forums

		REAKDOW T TYPE, CO	N BY ONTRACT ANI	O REGION		
	Total	Female	Permanent	Blue Collar	Full-time	Leave of
	iotai	Male	Temporary	White Collar	Part-time	Absence
2010	1557	663	1402	907	1503	29
2010	1337	894	155	650	25	29
2011	1487	614	1424	821	1428	33
2011	140/	873	63	666	26	33





"Our development plan translates into concrete actions"

Employee satisfaction

Every second year we conduct a survey to gather our employees' views about working for Ensto. As a company, we are committed to identifying those practices that make Ensto a better place to work and ways in which we can improve employee satisfaction. The latest survey was conducted during the fall of 2010 and it received a response rate of 79 %. Based on the results, action plans were developed to tackle the identified areas of improvement. These action plans are monitored by the Human Capital Management department and Ensto's Management Group.

EMPLOYEE TURNOVER	2010	2011
NOVEXIA (France)	6 %	7 %
Ensto Industrie (France)	2 %	2 %
Russia	13 %	33 %
Estonia (Keila and Tallinn)	11 %	16 %
Finland (Porvoo and Mikkeli)*	12 %	13 %

^{*} Enervent is not included

Findings of the survey materialized into concrete actions

Our Management Group held a workshop to discuss the results of the survey and then communicated the agreed Ensto-level actions. Every manager then kept a workshop with the own team to develop conctrete actions for that team. Everything was then reported into the same system and resulted in the "From Results to Actions"-handbook. It is the responsibility of every team to execute the actions which that specific team agreed upon. The next survey is carried out in May 2012.

ACCIDENT FREQUENCY RATE	2010	2011
Novexia	36,4	19,4
Ensto Industrie (France)	24,8	12,1
Russia	0	0
Estonia (Keila and Tallinn)	8,9	8,37
Finland (Porvoo and Mikkeli)*	N/A*	24,16

^{*} Includes main manufacturing sites, Enervent is not included Accident Frequency Rate (AFR) = recordable accidents x 1 million / working hours



"55 % of our customers evaluated their relationship with Ensto as excellent or good"

Customer satisfaction

In order to find out how our customers value our products and company, we collect feedback on a regular basis. We also conduct targeted research on specific topics. For example, during the summer of 2011, we conducted surveys to map how potential and existing customers think about Ensto's brand. The study targeted potential and existing customers in Sweden, Germany and Norway, and received 1 200 responses. The results showed that almost all (92 %) recognized Ensto as a brand and respondents were very familiar with Ensto's products and services. 41 % evaluated Ensto's products and services as clearly better than the ones of its competitors. Altogether 55 % of the respondents evaluated their relationship with Ensto as excellent or good with less than 2 % rating Ensto as below average. These results communicate that Ensto's positioning in the markets studied is favourable.

The feedback from surveys guides us in how to meet the expectations of our customers'

Another survey was conducted in 2011 to measure the satisfaction of the customers of Ensto Utility Networks. This covered 12 different markets and received over 400 responses. 43 % of the respondents evaluated the personal relationship with Ensto excellent and 49 % good. Customers valued personal visits and the majority felt that Ensto had improved its service level in the previous two years (2009–2010).

The feedback received helps us to further develop our operations and make sure we continue to fulfill our customers' expectations.



Juha KäyräSales Director

"Ensto's corporate values are based on respect for human beings, trust capital, and innovations."

Timo Luukkainen

CEO

Global Dignity Day 2011

Ensto supports Global Dignity, an inspiration-based organisation which believes in the need for broad agreement and encourages dignity-centered leadership. Ensto sponsored Global Dignity Day 2011 in Finland on October 20. The event also took place on the same day in more than 50 other countries around the world.

An impressive group of speakers showed their interest in building a sustainable world

"Ensto's corporate values are based on respect for human beings, trust capital, and innovations. To build a sustainable world, companies like Ensto must help instill these values in the developing world," said Timo Luukkainen, Ensto Group CEO. Featured speakers in Finland included Archbishop Emeritus Desmond Tutu; Norway's Crown Prince Haakon; former President of Finland Martti Ahtisaari; Philosopher Pekka Himanen; and John Hope Bryant, founder, chairman and CEO of non-profit Operation HOPE and co-founder of Global Dignity.





"During the summer 2011, we employed 60 students in Finland"

Cooperation with educational institutions and students

Ensto collaborates with educational institutions and encourages young students in many ways. During the summer 2011, we employed 60 students in Finland. Ensto had summer trainees at production, logistics, customer service, R&D, communication and marketing functions. Through Aalto University's Interdisciplinary Summer Training Campaign two students were recruited to a product development project in Porvoo. Ensto is also constantly offering thesis worker positions and training periods for students finalizing their studies.

International relationships bring new knowledge and young talent to Ensto

In France, NOVEXIA has set up relationships with universities to bring new knowledge into the organisation. These universities include CRITT Polymer & Silicon, the Electrical Department of CEA (Commissariat à l'Energie Atomique) and Laboratoire AMPERE. In Estonia, we support the best students of the Faculty of Mechanical Engineering of the Tallinn University of Technology. With a grant, we allow them to absolve field training in our company and, if it possible, enable them to write their thesis on the basis of our operations.

Ekren BenerThesis worker/assistant

"A sign of work satisfaction is that many of our people have a long history of working for Ensto"

Honouring long careers at Ensto

In NOVEXIA, a special celebration is organized every year in for the remittance of the "MEDAILLES DU TRAVAIL". This means that every person who can count 20, 30, 35 or 40 working years receives a medal from his employer according to these four grades. From the silver grade medal (for 20 working years) to the gold grade one (for 40 working years), each recipient is congratulated by the management and receives a premium according to the number of years worked.

50 years at Ensto

August 28th 2011 was a special day in Ensto Norway. On this day, 50 years ago, 17 year old Steinar Antonsen started in Ensto. In the 50 years which have passed, Steinar has had roles as Warehouse Manager, Logistic Manager and Product Manager. Today Steinar is working as Sales Manager in Ensto Utility Networks. We give Steinar our warmest congratulations and are happy that he will continue in the Ensto team, even though he has the opportunity to retire!

Job rotation offers new opportunities

Jens Bergman started working for Ensto almost 10 years ago. "I started my Ensto journey in 2002. I worked as a Project Coordinator for Ensto Building Technology".

From 2004 onwards the corporate-wide ERP took all of my time. In 2009, I got the responsibility to manage the systems used in the reporting of sales and financial figures.

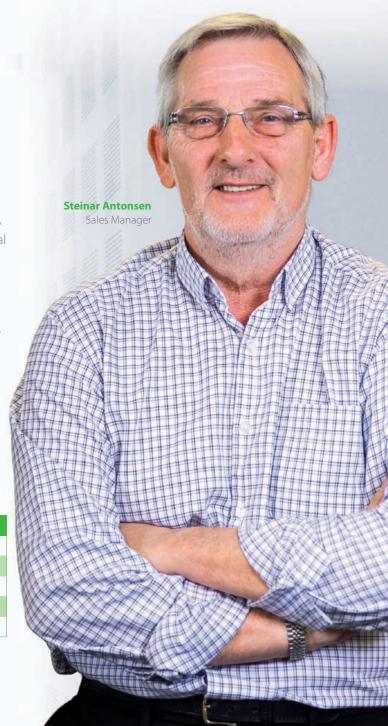
In 2011, I was sent to France to work as a controller in NOVEXIA. I have enjoyed my time in Ensto's dynamic and open atmosphere. I have been ready to improve myself by taking the challenges that I've been offered. I have also been genuinely encouraged by my superiors and co-workers."

When recruiting we prioritize internal recruitment. We want to promote job rotation and aim to keep valuable resources in the company.

Senior management in our main offices consists of almost entirely locally hired staff. We do not have a specific policy for this but we highly value local know-how and expertise.

THE PROPORTION OF LOCALLY HIRED SENIOR MANAGEMENT		
NOVEXIA (France)	90 %	
Ensto Industrie (France)	100 %	
Russia	100 %	
Estonia (Keila and Tallinn)	94 %	
Finland (Porvoo aand Mikkeli)	100 %	

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.



Active participation in networks and forums

Cleantech Finland – boosting Finland to the top of the Cleantech countries

Cleantech Finland is a network of Finnish companies run by FinPro. The aim is to boost Finland to the top of Cleantech countries. Cleantech Finland recently launched a new expert solutions service "SOLVED" that brings the services of companies and other experts to centre stage and aims to attract an even bigger Cleantech network.

Green Net Finland – bringing environmental experts together

Ensto is also part of another cleantech network, Green Net Finland. This brings together the expertise and resources of Finnish cleantech companies, scientific and educational institutions and public authorities focusing on environmental monitoring and energy efficiency in the urban environment.





















Europacable Accessory Committee – promoting sustainability in elcetricity networks

On the European level, Ensto was recently invited to become a member of the Europacable Accessory Committee, a newly founded group in Europacable association. The European suppliers of cable accessories promote sustainable and reliable high-quality products developed through their knowledge, experience and large R&D investments. They play an important role in enhancing reliability and long life time of electricity networks.





Reporting Principles

The Global Reporting Initiative's guidelines (G3) have been used in defining the content of this report. In the formulation of our sustainability strategy, we spent a lot of time and involved a lot of people in determining what sustainability issues are important for Ensto. This helped us determine materiality. The themes we have emphasised reflect the impacts that our business has, and the themes also concretise our values, mission and customer promise. As this is our first sustainability report, we are also testing how our stakeholders respond to these themes. The stories and examples

that we have included have been selected to interest a broad range of stakeholders. For those readers that are interested in how we report against the GRI framework, we have provided a separate section for core indicators and also the full GRI content index for reference purposes.

This is Ensto's first sustainability report and it covers all of Ensto's business units and locations. The stories, events and indicators cover the calendar years 2010– 2011. Data for acquired companies has been considered from the time of acquisition onwards unless otherwise stated.

Based on our own assessment, we declare this report to comply with GRI application level C. We plan to expand our reporting in the future to cover more broadly the content and indicators outlined in the GRI guidelines and want to also involve more of our stakeholders in the process to ensure we are meeting their expectations.

Sustainability Experts in Ensto



Marko Aarttila Chief Financial Officer



Pia Hänninen Director, Brand and Communications



Katrin Joala Director, Corporate Human Capital Management



Simo Lindvall Director, Quality and Technology



Fernando Trolia Slamic Director, Corporate Planning

If you have questions or comments regarding the report or other sustainability issues at Ensto, please feel free to contact us:

Mari Häyry Communications Manager, Sustainability Communications mari.hayry@ensto.com

GRI Content Index

INDICATOR	GRI CONTENT	REFERENCE PAGE	REPORTED
PROFILE DISCLO	SURES		
1	SRATEGY AND ANALYSIS		
1.1	CEO's statement	3	Fully
2	ORGANISATIONAL PROFILE		
2.1	Name of the organisation	4	Fully
2.2	Primary brands, products, and/or services	4	Fully
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries and joint ventures	4	Fully
2.4	Location of organisations headquarters	4	Fully
2.5	Number of countries where the organisation operates	4	Fully
2.6	Nature of ownership and legal form	4	Fully
2.7	Markets served	4	Fully
2.8	Scale of the reporting organisation	4	Fully
2.9	Significant changes during the reporting period regarding size, structure, or ownership	8	Fully
2.10	Awards received during the reporting period	8	Fully
3	REPORT PARAMETERS		
3.1-3.4	Report profile	41	Fully
3.5-3.8	Report scope and boundary	41	Fully
3.12	Table identifying the location of Standard Disclosures in the report	42-43	Fully
4	GOVERNANCE, COMMITMENTS AND ENGAGEMENT		
4.1-4.4	Governance	13	Fully
4.14-4.15	Stakeholder engagement	10	Fully

INDICATOR	GRI CONTENT	REFERENCE PAGE	REPORTED
ECONOMIC PER	FORMANCE INDICATORS		
ASPECT: ECONO	MIC PERFORMANCE		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	37	Fully
ENVIRONMENT	AL PERFORMANCE INDICATORS		
ASPECT: ENERGY			
EN3	Direct energy consumption by primary energy source	26	Fully
EN4	Indirect energy consumption by primary source	26	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	20–24	Fully
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	29	Partly
ASPECT: WATER			
EN8	Total water withdrawal by source	29	Partly
ASPECT: EMISSION	DNS, EFFLUENTS AND WASTE		
EN16	Total direct and indirect greenhouse gas emissions by weight	29	Fully
EN17	Other relevant indirect greenhouse gas emissions by weight	29	Fully
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	16, 28–30	Partly
EN22	Total weight of waste by type and disposal method	31	Fully
ASPECT: PRODU	CTS AND SERVICES		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	22, 24, 28–29	Fully
SOCIAL PERFOR	MANCE INDICATORS / LABOUR PRACTICES AND DECENT WORK		
ASPECT: EMPLO	/MENT		
LA1	Total workforce by employment type, employment contract, and region.	32–33	Fully
LA2	Total number and rate of employee turnover by age group, gender, and region.	32	Partly
SOCIAL PERFOR	MANCE INDICATORS / PRODUCT RESPONSIBILITY		
ASPECT: PRODU	CT AND SERVICE LABELING		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	34	Fully



Saves Your Energy

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