

# Corporate Responsibility Report 2012/13

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## 2012/13 Highlights

Below is a summary of some highlights specific to our 2012/13 corporate responsibility performance. You will find more information on these topics throughout the chapters of this report.

### Performance

- Increased scope of compliance programme towards distributors
- On our way to reaching our overall CO<sub>2</sub> reduction target set in 2010/11
- Approved three new Access to Healthcare projects
- Maintained 100% of raw material suppliers registered in supply chain responsibility programme
- Set more ambitious target for reducing overall Lost Time Injuries (LTI) rate, and reached it
- Slightly increased number of women in top management
- On our way to reaching phthalate reduction target

### Recognitions awarded<sup>1</sup>

- Accepted into the new United Nations Global Compact Stock Index (GC 100)
- Accepted once again into the Dow Jones Sustainability Index and FTSE4Good Index
- Listed as one of 2013 World's Most Ethical Companies by the Ethisphere Institute for second year in a row
- Listed as one of the 2013 Global 100 Most Sustainable Corporations by Corporate Knights Inc.



1. A comprehensive list of recognitions is available on [coloplast.com](http://coloplast.com)

## A word from our management

Dear reader,

At Coloplast, we develop products and services that make life easier for people with very personal and private medical conditions. We produce and distribute our products around the world, employing more than 8,500 people. This is an industry where we have established ourselves as a market leader. In this report you will read about how we conduct business in a respectful and responsible way, reflecting our values and our commitment to sustainable growth.

### Why we do business

Our ostomy, continence, urology and wound & skin care products enable consumers to look after themselves and increase their mobility, productivity and consequently their quality of life. This empowers our consumers and reduces the burden on the healthcare system and society as a whole.

We are witnessing a demographical development that sees the world's population growing, and getting older. This will increase pressure on healthcare systems and could limit the access to innovative treatment. We are committed to developing products that are part of the solution to today's healthcare challenges.

Our consumers live with conditions that today are amongst the last remaining medical taboos, and we are committed to developing products that reduce or remove the stigma associated with their condition. We will not accept that our consumers should be further burdened by stigma, embarrassment and social isolation – so

we are also committed to addressing the lack of understanding across society.

### How we do business in a sustainable way

We have been in business for more than fifty years, and plan on being around for a lot longer. To do this, we act with respect and responsibly in order to make sure our operations are sustainable.

For example, responsibility to us means having a zero tolerance approach on bribery and corruption when interacting with external partners such as healthcare professionals. Our attention to the Coloplast Code of Conduct ensures we maintain a good reputation in the market and mitigate risks associated with heavy fines.

Another example is our responsibility toward the environment and our people. Occupational health and safety, reduction of raw materials and CO<sub>2</sub> emissions are highly prioritized in our global operations.

Furthermore, through our Access to Healthcare partnership programme we have made a commitment to build sustainable healthcare in emerging markets.

The work reflected in this report makes good business sense for Coloplast, and allows us to continue fulfilling our mission in a sustainable way.

### Executive management

Lars Rasmussen - President, CEO

Lene Skole - Executive Vice President, CFO

## Company profile

Our business includes Ostomy Care, Urology Care, Continence Care and Wound & Skin Care. We market and sell our products globally, and in most markets local healthcare authorities provide reimbursement for our products. Coloplast supplies products to hospitals and institutions as well as wholesalers and retailers.

We operate globally with sales subsidiaries in more than thirty countries and production in Denmark, Hungary, the US, China and France. We employ more than 8,500 people.

### Our four business areas

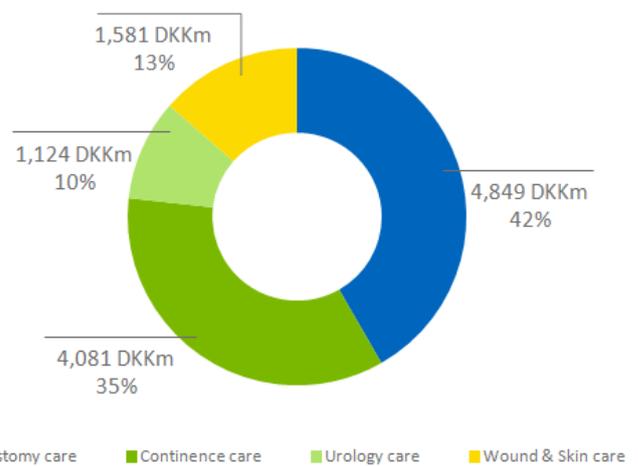
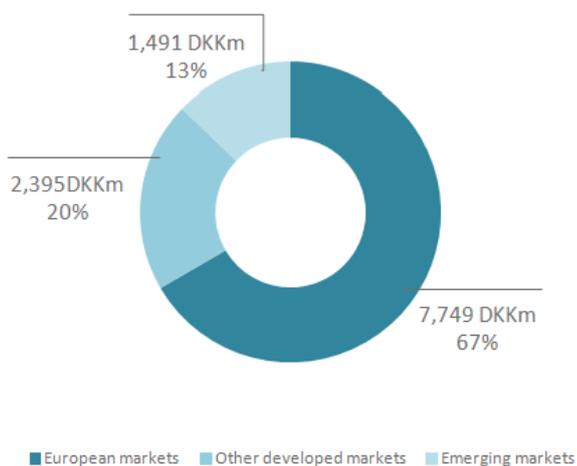
Ostomy Care products are for people whose intestinal outlet has been rerouted through the abdominal wall. Examples of disease areas are colorectal cancer, bladder cancer and inflammatory bowel disease.

Continence Care is about helping people manage their bladder and bowel conditions. Examples of disease areas are spinal cord injuries, Spina Bifida and Multiple Sclerosis.

Urology Care is the treatment of medical issues related to the urinary system, the male reproductive system and the female pelvic health. Examples of disease areas are urinary incontinence, pelvic organ prolapse, erectile dysfunction and enlarged prostate.

Wound & Skin Care is the treatment of difficult-to-heal wounds, while skin care products are used for prevention and treatment of damaged or at-risk skin. Examples of disease areas are leg ulcers, diabetic foot ulcers, and pressure ulcers.

### In the financial year 2012/13, total sales were DKK 11,635 million



## Corporate governance

Coloplast A/S is a listed Danish company. Our shareholders attending our annual general meetings are the supreme governing body of our company.

Our two-tier management structure consists of a Board of Directors and an Executive Management. The Board of Directors consists of six members elected by the shareholders and three members elected by our employees.

Shareholders can attend general meetings and ask questions to board members. Four of the six members elected at the Annual General Meeting held in 2012 are independent of Coloplast. There is no duality of membership between the Board of Directors and the Executive Management and no board member is a former member of the Executive Management. We have an Audit Committee consisting of three board members. The Audit Committee monitors financial reporting, audits and internal controls.

### Openness and transparency

Coloplast communicates openly about corporate governance. We provide a wide range of communications, including Annual Reports, quarterly reports, meetings with investors and equity analysts, capital markets days, conference calls, etc. Coloplast has two share classes – 18 million class A shares (ten votes per share) and 202 million class B shares (one vote per share). Our class B shares are listed on NASDAQ OMX in Copenhagen, while the class A shares remain non-negotiable instruments. More details about the distribution of shareholders on the two classes can be found in the Coloplast Annual Report.

### Remuneration

Members of the board receive a fixed annual fee. The chairman and deputy chairman of the Board of Directors receive a supplementary fee, but board members do not receive incentive pay. Both the fixed fee and the supplementary fee are approved by the shareholders and disclosed in the Annual Report.

The Executive Management receives both fixed and variable remuneration. The variable remuneration consists of an annual bonus subject to achievement of certain targets. The bonus proportion may vary among the members of Executive Management, but is subject to a maximum 25% of the annual remuneration. Another element of the variable pay to the Executive Management is made up of share options with a value, at the time of the grant, equal to a maximum of 40% of the Executive Management's remuneration. The options ensure that the incentive of the Executive Management correlates with the creation of shareholder value. Both the fixed and the variable remuneration of the Executive Management, including options, are disclosed in the Annual Report.

Our website [coloplast.com](http://coloplast.com) > corporate governance includes more information about corporate governance. This report constitutes the statutory report cf. Danish Financial Statements Act, section 99a, and is published yearly together with the Coloplast Annual Report.

## Governance and organization of corporate responsibility

Our corporate responsibility governance is anchored within the Executive Management and Board of Directors. The Executive Management make most decisions within the field, typically after consultation with senior management of key line and staff functions. In some cases, the Board of Directors makes the final decision. Our Audit Committee is responsible for overseeing compliance with our Code of Conduct.

We prefer that corporate responsibility activities are driven and executed by the relevant business units. The business units with formal responsibility for the content in this report are Corporate Compliance, Corporate Quality and Environment, Corporate Procurement, Human Resources, and Public Affairs.

A relatively small Corporate Responsibility unit is responsible for coordinating this work and for communicating with stakeholders. The Corporate Responsibility unit is managed by a Corporate Responsibility Manager under the People & Communications department. This allows for efficient dialogue with internal and external stakeholders.

### Corporate Responsibility Ambassadors

We believe awareness of our Corporate Responsibility accomplishments can have a positive impact on our brand reputation in some markets. Therefore, in 2011 we created an internal engagement programme through a global network of over thirty Corporate Responsibility Ambassadors. The Ambassadors are Coloplast employees who help create awareness of Corporate Responsibility initiatives locally, and act as a point of contact with the Danish Headquarters.

### Corporate Responsibility anchoring in Coloplast strategy

The mission, vision and values are the guiding principles of what we do at Coloplast. Our corporate strategy and the related business area strategies set the direction for profitable growth. The Agenda lists the most important projects for Coloplast in the near term.

Mission, vision, values

Corporate strategy

Business area strategies

Agenda

### Our mission

Making life easier for people with intimate healthcare needs

### Our vision

Setting the global standard for listening and responding

### Our values

Closeness... to better understand  
 Passion... to make a difference  
 Respect and responsibility... to guides us

Corporate responsibility reflects our mission, vision and values and supports Coloplast's leadership position and the broader responsibility that comes with it – responsibility to the environment, to society, to our customers, to our employees, to our shareholders, and integrity in all we do. It is a key foundation for the corporate and business area strategies and the Agenda.

## Progress and challenges summary

Topic	Our ambition	How we measure our progress	Current status	Quantitative target
Code of Conduct and compliance	To ensure all our employees and business partners have significant awareness and knowledge of our Code of Conduct rules, and to secure monitoring procedures.	- % of white-collar employees trained in our Code of Conduct	94%	100%
		- Number of legal action cases for anti-competitive behaviour	0	0
		- Amount of significant fines for noncompliance with laws and regulations	0	0
Climate and environment	To minimise the overall strain on the environment caused by our activities by focusing on the entire life cycle of our products.	- % of absolute decrease in CO <sub>2</sub> emissions from energy use from our production and facilities <sup>1</sup> (accumulated from baseline 2009/10)	7%	10% by 2013/14
		- % of absolute increase of production waste <sup>2</sup> (accumulated from baseline 2009/10)	6%	No specific target
		- % of waste reduction per product produced (accumulated from baseline 2009/10)	16%	No specific target
		- % of recycling coverage	26%	No specific target
		- % of goods transported by air	4.5%	1.5% by 2013/14
Access to healthcare	To build partnerships that improve conditions for intimate healthcare stakeholders in emerging markets.	- Estimated number of end users and healthcare professionals affected by our Access to Healthcare projects (accumulated)	4,500	No specific target
		- Access to Healthcare project funds approved (accumulated)	DKK 13.7 million	DKK 50 million
Supply chain responsibility	To significantly improve standards with our suppliers or find alternative suppliers.	- % of raw material suppliers covered by supply chain responsibility programme	100%	100%
		- Number of suppliers with improved risk profile because of significant improvements (accumulated)	23	No specific target
		- Number of contracts terminated because of non-compliance (accumulated)	8	No specific target
Health and safety	To offer healthy and safe working conditions.	- Injury and accidents, all employees (LTI frequency <sup>3</sup> )	4.8	5.0 or less
		- Injury and accidents, blue-collar employees (LTI frequency)	6.4	7.0 or less
		- % of workplaces with 'very high' level of repetitive work	0.5%	0%
Diversity and leadership	To offer equal opportunities in our company to all employees.	- % of female managers (all positions at or above Manager level)	40%	No specific target
		- % of female top managers (Vice Presidents, Senior Vice Presidents and Executive Management)	13%	22% by end of 2017
Products you can trust	To remain compliant with international and local regulations, and set new standards for sustainable product composition.	- % of phthalate-free alternatives to products containing classified phthalates	98%	100%
		- % of reduction in the consumption (by weight) of phthalates compared to the revenue of our Continence Care business unit	19%	30% by 2013/14
		- % of urine bags we sell that are phthalate-free	42%	50% by 2013/14

1. Scope 1 & 2 according to Greenhouse Gas Protocol.

2. Based on weighted amounts from the production sites (excluding Salart), distribution centres and corporate headquarters (includes only sales subsidiaries in the UK, US and DK). Data has been revised since last year, as our distribution centre in Hamburg has been added to the report.

3. Lost Time Injuries – measured as the number of injuries resulting in absence from work of more than eight hours per one million working hours from the production sites (excluding Sarlat), distribution centres and corporate headquarters (includes only sales subsidiaries in the UK, US and DK).

## Code of Conduct and compliance

### Our ambition

To ensure all our employees and business partners have significant awareness and knowledge of our Code of Conduct rules, and to secure monitoring procedures.

How we measure progress	2009/10	2010/11	2011/12	2012/13	Quantitative target
% of white-collar employees trained in our Code of Conduct	22%	23%	95%	94%	100%
Number of legal action cases for anti-competitive behaviour	0	0	0	0	0
Amount of significant fines for noncompliance with laws and regulations	0	0	0	0	0

Business cultures vary around the world and in some countries practices that we consider corrupt may be common. In matters of compliance, we have a zero tolerance approach. As a principle, we prefer to say no to business rather than conduct bad business. To support this principle, we use our well-established Code of Conduct and compliance setup. We abide by national and international laws as well as specific requirements for our industry. Today, these documents and procedures cover most of the major categories of corporate conduct, and we are always working to extend our coverage.

### Performance highlights in 2012/13

- **Ensured completion of Code of Conduct e-learning test by 94% of all white-collar employees.** Since making a mandatory e-learning test of our Code of Conduct two years ago, we have achieved extensive coverage globally. We continue working towards our target to reach 100% training coverage.
- **Conducted risk assessments of distributors within scope.** This year we have started expanding our monitoring to include distributors. So far we have assessed 92 distributors in 29 countries for all risk profiles.

- **Began conducting due diligence investigation of high risk distributors.** Based on the results of the risk assessments we began conducting due diligence investigations on high risk distributors, with the help of an external partner. This investigation includes for example open source screening, and discrete inquiries in the local area.
- **Took actions based on due diligence investigation results.** We take strict actions to ensure distributors are compliant with the law. For example, in Emerging Markets, including China, we saw a general lack of knowledge. Therefore, we extended the scope of our Code of Conduct e-learning test and included the Code on all contracts of distributors in these locations.
- **Expanded topics covered in Code of Conduct in Emerging Markets.** As a precautionary approach, we have now included in our Code of Conduct fair competition, data protection, human rights and labour rights, and environmental standards.

- **Strengthened our compliance organizational structure.** We have established a corporate compliance function within the legal department, and added two additional resources including a compliance officer in China.

## About what we do

### Global training on the Code of Conduct

We interact with healthcare professionals in many different ways (e.g., product development, training and education). Interactions also take place on advisory boards where hundreds of nurses in over 20 countries give us feedback on performance and provide new product ideas. During these interactions, questions may arise on what exactly is appropriate conduct on issues like giving gifts, arranging hospitality during congresses, etc. Coloplast employees are required to stick to the Code of Conduct. We have placed special focus on training and communication of the rules to all employees, achieving massive coverage in the last two years.

Our mandatory Code of Conduct e-learning course has been made available in 15 languages and rolled out to more than 35 countries. We have also placed focus on face-to-face training sessions in selected countries. Today we require that all new white-collar employees take the test shortly after entering the company. As a principle, we believe all policies and codes of conduct should reflect what our employees face on a daily basis, without legal jargon. We ensured this when developing the Code of Conduct e-learning test by conducting interviews with key employees globally. The end result was a course consisting of real dilemmas our people face, with strong local ownership.

### Expanding our reach to distribution channels

After conducting a compliance setup evaluation in 2011/12, we were pleased with our overall performance, and highlighted areas of improvement. These included the need for

heightened attention on our global distributors in particular. Since then, we have dedicated resources to conducting risk assessments, due diligence and action plans – with distributors considered ‘high risk’ in focus. This is an ongoing process and we will focus on the way we recruit and onboard new distributors.

### Whistleblower hotline

Three years ago we established a global whistleblower hotline enabling employees and others to report breaches of our Code of Conduct. Since then, we have received a total of 36 cases, 34 of which have been within the scope of the hotline, i.e. relating to the topics and subjects that may be reported via the hotline. All relevant cases are investigated and followed up with strict actions.

### Responsible advocacy

With development towards an aging global population ahead, healthcare systems around the world will have no choice but to become more efficient and cost effective. We advocate for this shift to support patient safety and uniform regulations. We work in partnership with many stakeholders to influence decisions that affect our industry, healthcare professionals and the rights of users.

We conduct advocacy both directly as a company and in coordination with external partners, including Eucomed, the medical device industry association in Europe. Our public affairs work is guided by a Public Affairs Code of Conduct. The Code emphasizes respect for transparency and integrity in our stakeholder relations. Our Public Affairs team has been registered with the European Commission’s Register of Interest Representatives since 2009, and is part of the recently founded Transparency Register.

## Climate and environment

### Our ambition

To minimise the overall strain on the environment caused by our activities by focusing on the entire life cycle of our products.

How we measure progress	2009/10	2010/11	2011/12	2012/13	Quantitative target
Absolute reduction of CO <sub>2</sub> emissions from energy use from our production and facilities <sup>1</sup> (indexed relative to 2009/10 baseline)	100	97	94	93	89 by end 2013/14 <sup>2</sup>
Total amount of production waste <sup>3</sup> (indexed relative to 2009/10 baseline)	100	111	101	106	No specific target
Waste per product produced (indexed relative to 2009/10 baseline)	100	102	90	84	No specific target
% of recycling coverage	18%	24%	24%	26%	No specific target
% of goods transported by air <sup>4</sup>	2.4%	2.5%	3.7%	4.5%	1.5% by 2013/14

1. Scope 1 & 2 according to Greenhouse Gas Protocol.

2. Corresponds to 10% absolute reduction target with baseline March 2010.

3. Based on weighted amounts from the production sites (excluding Sarlat), distribution centres and corporate headquarters (includes only sales subsidiaries in the UK, US and DK).

4. Not including deliveries of finished goods to costumers from Coloplast distribution centres and wholesalers. Measured as "transport work" in tonkm (weight x distance).

Improving environmental performance is important in today's market where resource scarcity and climate change are on the rise, global regulations and legislations are increasing, and customers are requesting more information on actions during tender processes. We do our part by focusing on global environmental issues such as reducing CO<sub>2</sub> emissions and overall climate impact of our production – and on more sector-specific issues, such as managing our waste and the use of raw materials. In Coloplast we take into account that green investments on facilities and equipment are long term commitments with a longer payback time.

### Performance highlights in 2012/13

- **New system to approximate carbon footprint of raw materials.** This year we successfully implemented a new system which allows us to pin point environmental 'hot spots' in our raw material use. We did this by categorizing 6,000 raw materials into 70 categories, measuring global usage, and

conducting Life Cycle Assessments to reveal total environmental footprint.

- **On our way to reaching our CO<sub>2</sub> reduction target from energy use.** In 2011/12 we set a target to achieve a 10% absolute reduction of CO<sub>2</sub> emissions from energy by 2013/14, with March 2010 as the end of the baseline year. We are on our way, with a strong pipeline of projects and a 2012/13 reduction of 1.6%, despite a growth in production by 12%.
- **Not on track with our air transport ambitions.** Despite setting an ambitious target for air transport reduction, we have seen a further increase this year, currently at 4.5%. The target is to reduce the amount of products we transport by air down to 1.5% by 2013/14.
- **Reduced amount of waste generated per product.** Even though we have seen an increase in total amount of production waste due to growth, we have decreased the

amount of waste per product by 16% within the last four years.

- **Increased recycling coverage of production waste.** While focusing on waste reduction, we also take steps to recycle the waste we generate. We have increased recycling coverage from 18% in 2009/2010 to 26% in 2012/13.

## About what we do

The life cycle of every product tells an environmental story. This story begins when raw materials are first extracted, continuing through the production and distribution phase, and ending after use, when they are disposed of. Life Cycle Assessments are like road maps that outline the environmental impact of the product. We conduct these assessments very early on in the development process when there's a lot of room for changes to be made. These changes can help minimise the use of energy required in production, and improve recycling capabilities and waste management systems later on. We can also adapt the type of raw material, or minimize the amount needed.

### Raw materials

The biggest environmental impact of the products we make comes from the use of raw materials. They include for example crude oil, aluminium, silver, and paper which is used for making plastic, adhesives, and packaging. Our strategy is to avoid raw materials that are particularly strenuous on the environment, and continuously reduce our overall usage.

### Production and distribution

In this phase of the life cycle we focus on energy efficiency and reducing production waste. In 2011/12 we set a target to achieve a 10% absolute reduction of CO<sub>2</sub> emissions from energy (scope 1 & 2) by 2013/14, with March 2010 as the end of the baseline year. To achieve this target we have implemented more than 50 projects to optimise our processes so they're more energy efficient, and we have a strong pipeline for the next year. We have invested around 2 to 2.5 million Euros in these projects with an expected payback time of less than two years. Projects that result in a significant environmental improvement and have a payback time of up to five years will be considered.

Examples of energy efficiency projects implemented:

Denmark, Mørdrup – cooling system optimization; estimated savings of 100 tonnes CO<sub>2</sub>/year, payback time is less than six months.

Hungary, Nyirbator – revolutionary new cooling system setup, the first of its kind in Europe; estimated savings of 400 tonnes CO<sub>2</sub>/ year, payback time is two years.

US, Minneapolis – gas boiler optimizations; estimated savings of 60 tonnes CO<sub>2</sub>/ year, payback time is four years.

We are also committed to reducing waste in our production. Reducing resource consumption far outweighs the benefits of any recycling or waste treatment technologies. Therefore, our main focus is to optimize our processes in a way that reduces the amount of raw materials used and waste created. We try to put any scrap back into production wherever possible.

The amount of waste generated per product has decreased by 16% since 2009/10. We also work together with waste handling companies to identify the optimal way of recycling whatever waste we generate.

Transportation is another integral part of our operations – and an area where we can make a big impact. That is why in 2010/11 we set an ambitious reduction target for how we transport our products – going from 2.5% of air transport to a maximum of 1.5% by 2013/14. We estimated that by reaching this target we will save a significant amount of money while achieving an estimated CO<sub>2</sub> equivalent reduction of approximately 4,000 tonnes.

This year we see we are not there yet, as our average annual air transport has actually increased. We still believe we will be able to make positive reductions in the coming years through improvements on our overall supply chain and distribution management. When looking at this past year we can already see a positive trend toward the end of the fiscal year.

### Disposal

The product life cycle ends when a user disposes of the product. Because our products are usually contaminated after use, we do not recommend recycling them due to the risk of infection. We have designed most of our products' packaging so that it can be recycled.

When certain plastic materials are incinerated, e.g. PVC and PVdC, they can cause a negative environmental impact. These plastic materials are commonly used in medical devices. In Coloplast we recognise the environmental concern, and prioritise other substances.

We have an official PVC/PVdC policy which states we will not use PVC/PVdC in any new products, apart from cases where there are no available alternative to the unique physical properties of PVC/PVdC. As an example we use a very thin layer of PVdC in the foil used in our ostomy bags to block odour. We closely follow developments in polymer research and remain constantly in search of new materials for our products that are technically and medically sound, cost effective and environmentally responsible.

### Expanding production

We have been making products for more than fifty years, and focusing on environmental improvements for more than a decade. These efforts have evolved and expanded to our nine production sites globally, as has the demand for production expansion. So this year we began an expansion of our production site in Nyírbátor, Hungary, with sustainable environmental considerations from the start. When first deciding on a model for where to expand, sustainability was one of seven decision criteria, equally weighted along with e.g., cost and potential risks.

### Standards

Our environmental management system is based on the internationally acknowledged ISO14001 environmental certification scheme. Today, eight out of nine production sites and our corporate headquarters have been certified to the ISO 14001 standard.

## Access to Healthcare

### Our ambition

To build partnerships that improve conditions for intimate healthcare stakeholders in emerging markets.

How we measure progress	2009/10	2010/11	2011/12	2012/13	Quantitative target
Estimated number of users and healthcare professionals affected by our Access to Healthcare projects (accumulated)	-	-	3,500 <sup>1</sup>	4,500	No specific target
Access to Healthcare project funds approved (accumulated)	DKK 6.8 million	DKK 8.4 million	DKK 12.6 million	DKK 13.7 million	DKK 50 million

1. First year this data has been collected.

In many developing countries, people with intimate healthcare needs lack access to appropriate care and technology. Through Access to Healthcare, Coloplast's corporate partnership programme, we work together with patients, health care practitioners and other stakeholders on the ground. We do this in selected markets to share our 50+ years of experience in managing chronic health conditions. Through Access to Healthcare, Coloplast has been sharing resources and knowledge with our global partners since 2008 (see examples below). For a full list of our partners and projects, please visit [coloplast.com](http://coloplast.com).

### Performance highlights in 2012/13

- **Began improving care standards for patients with urological disorders in Brazil.** Access to Healthcare supported the efforts of the Brazilian Society of Urology to update and improve their national guidelines for urology care. We also partnered with a set of experienced and respected nurses to identify best practices in helping patients with urological disorders navigate their pathway from hospital to rehabilitation centre to home.
- **Delivered new ostomy and wound care training in China.** Together with the Chinese Ministry of Health, we have delivered training for both ostomy and wound care to healthcare practitioners in China's inland provinces, training that we believe will provide improved

awareness of and care for patients with an ostomy or chronic wounds.

- **Began building a new ostomy patient organization in Mexico.** Working closely with one of our earlier Access to Healthcare ostomy and wound care nursing partners, we are building the first national ostomy patient association in Mexico. This will help people living with an ostomy build awareness of their needs with national healthcare policy makers, and ensure their voice is heard in decisions regarding treatment and reimbursement.

### About what we do

Access to Healthcare projects seek to make a real difference on the ground in the communities where they take place. We work with project partners to develop impact measures and deliverables that we believe will help users and healthcare professionals, as well as educate other stakeholders in the importance of providing quality intimate healthcare in a local setting. We keep a close and sustained dialogue with our partners throughout the duration of the project, and we seek afterwards to build on deliverables or lessons learned that can ensure the project's lasting impact.

Through Access to Healthcare, we work with our partners to advance three broad objectives:

- Train practitioners and raise standards of care.
- Organise end users and provide them with a voice.
- Advocate for better care and access to technology with healthcare policy decision makers.

Coloplast also benefits from Access to Healthcare through the relationships and frameworks that we build with our partners. So far, the programme has approved 14 projects, amounting to a total of DKK 13.7 million, in South Africa, Mexico, India, China, Argentina and Brazil. We also support global learning platforms, such as an e-learning platform for physicians and educators who work with spinal cord injured persons. For a full list of our Access to Healthcare partnerships refer to [coloplast.com](http://coloplast.com).

## Supply chain responsibility

### Our ambition

To significantly improve standards with our suppliers or find alternative suppliers.

How we measure progress	2009/10	2010/11	2011/12	2012/13	Quantitative target
% of raw material suppliers registered in supply chain responsibility programme	98%	99%	100%	100%	100%
Number of suppliers with improved risk profile because of significant improvements (accumulated)	19	20	22	23	No specific target
Number of contracts terminated because of non-compliance (accumulated)	7	7	8	8	No specific target

External stakeholders are increasingly asking us to consider how far our control goes regarding human rights issues. Today this control extends from our own operations to our suppliers. As we procure from suppliers in many different countries with varying risk profiles, dialogue and compliance checks are important elements to risk mitigation. Any non-compliance to human rights, even in the supply chain, creates a risk to our global operations as well as our reputation, so we actively monitor who we chose to do business with.

### Performance highlights in 2012/13

- Maintained 100% of raw material suppliers in supply chain responsibility programme.** Although our concern for human rights extends throughout our procurement activities, a few years ago we began standardizing a monitoring and compliance programme for our raw material suppliers. For the last two years we have maintained 100% of these suppliers registered in the programme.
- No contracts terminated.** We have not had to terminate any contracts this year due to failure to comply with human rights and environmental standards.

### About what we do

Today we have successfully standardized the monitoring and compliance programme for our raw material suppliers – reaching 100% coverage in 2011/12. This is called the supply chain responsibility programme and it includes maintaining sustained dialogue, monitoring for compliance and helping suppliers improve local conditions when they are willing.

#### Sustained dialogue

The process of the supply chain responsibility programme starts by ensuring a supplier is aware of our standards. Through close and sustained dialogue, we guarantee a known mutual understanding. We use tools to facilitate this dialogue, such as a brochure that informs what is expected and how we check for compliance. Standards on human rights, labour rights, environmental impact, occupational health and safety as well as business ethics are included. This information is also available in the final contract with the supplier.

#### Monitoring for compliance

We then select a number of suppliers for site visits or social audits where we review their standards. This part of the process usually takes place with the local Coloplast management team where the

supplier operates from. At times the Corporate Decision Board is contacted to review a case which has a particularly high risk profile. The Decision Board reviews the case according to local regulations, the United Nations Global Compact Principles, and considers factors such as the nature of the relationship with the supplier and history of cooperation.

Coloplast then agrees on any necessary improvements, and an action plan is drafted for the changes to be undertaken before the next visit. Our programme does not include giving out financial support to help suppliers implement changes. We help on a consulting basis where our local teams share cost efficient best practices that comply with local regulations. We do this since it is often the case that suppliers are unaware of how to implement improvements. Usually, the suppliers respond positively and implement the action plan discussed. However, in a few cases we may have to terminate the cooperation.

From the start of the programme until the end of the 2012/13 fiscal year, we have reclassified a total of 23 current suppliers to a lower risk category after they made improvements to their social, environmental and business ethical standards. We have had to stop cooperating with a total of 8 suppliers.

#### **Procuring right from the start**

We are now working on improving our supplier assessments during the very early stages of product development, within the Innovation Value Stream (IVS) when materials are first being considered. During the IVS of a new product we look into several suppliers and then narrow down our choice according to quality, cost as well as human rights issues.

## Health and safety

### Our ambition

To offer healthy and safe working conditions.

How we measure progress	2009/10	2010/11	2011/12	2012/13	Quantitative target
Injury and accidents, all employees (LTI frequency) <sup>1</sup>	5.2	7.2	3.7	4.8	5.0 or less
Injury and accidents, all blue-collar employees (LTI frequency)	6.6	9.5	5.3	6.4	7.0 or less
% of workplaces with 'very high' level of repetitive work	6.5%	2.2%	1.5%	0.5%	0%

1. Lost Time Injuries – measured as the number of injuries resulting in absence from work of more than eight hours per one million working hours from the production sites (excluding Sarlat), distribution centres and corporate headquarters (includes only sales subsidiaries in the UK, US and DK).

Providing a safe and healthy work environment is of the utmost importance to us. Our operations are relatively low hazardous compared to other industries, and injuries obtained in the workplace have never reached fatality. Still, we find it important to continuously monitor and improve.

### Performance highlights in 2012/13

- **Set a more ambitious target for Lost Time Injuries (LTI frequency rate).** In the beginning of the year we decided to set a more ambitious target of 5.0 or less for LTI frequency rates in our sites globally for all employees. Our original target had been set at 7.0 or less.
- **Reached Lost Time Injuries (LTI frequency rate) targets.** LTI frequency for all employees in 2012/13 was 4.8, within our target range of 5.0 or less. LTI frequency for blue-collar employees only was 6.4, also within our target range of 7.0 or less.
- **Increased enforcement of safety behaviour.** Although we are pleased to have remained within our new target range for both LTI categories, we saw a slight increase from 2011/12. We are now implementing steps to reverse this trend, such as increasing enforcement of safety behaviour.

- **Decreased number of 'very high' Repetitive Work stations.** A very small percentage of our work stations today require a 'very high' amount of repetitive work which can be strenuous on the body. This year we have once again reduced the number of such work stations from 1.5% in 2011/12 to 0.5% in 2012/13. This decrease stemmed primarily from an improvement in one of our catheter production lines.
- **Two more OHSAS 18001 occupational health and safety certifications.**
- **Expanded reach of our Coloplast Life health programme.** In 2012/13 Coloplast Life continued to run actively in Denmark with initiatives throughout the year. This year we introduced Coloplast Life to our global production and distribution sites so they can take part in the initiatives they find relevant.

### About what we do

#### Occupational injuries

To reduce occupational injuries we measure Lost Time Injuries (LTI frequency) rates. We also put special focus on all minor and 'near-miss accidents' which helps us to quickly identify and solve problems early on in order to minimise

future risks. In the past, we have seen a significant drop in our global injury rates.

However, in 2010/11 LTI frequency increased mainly due to unsafe behaviour when moving around at one of our production sites. Since then, our production site management has increased their focus on safety and implemented a number of actions to get back on track. This includes for example sharing best practices between sites, putting special focus on specific sites where LTI frequency is above target, enforcing safety behaviour, and increasing focus on safety specifications before new machine orders are finalized. Our special attention to this challenge contributed to us exceeding our LTI target in 2011/12, and we are now back on track.

### **Repetitive work**

We also focus on providing an ergonomically correct workplace layout whenever manual labour is required in production. One way we do this is by reducing repetitive work. This is when employees spend a lot of time doing the same repetitive movements at work stations – which can be strenuous on the body. In 2008 we developed our own innovative system for measuring this type of work, which enabled significant improvements and accurate tracking of progress. Since then, we have more than halved the amount of stations considered to require ‘high’ and ‘very high’ repetitive work. When these stations are unavoidable, we make sure employees spend a limited amount of time on them by rotating them to stations with lower repetitive work levels.

### **Coloplast Life**

Through a programme started in 2012 called Coloplast Life we provide a variety of initiatives to make healthy choices as easy as possible for our employees. That may involve bringing the typical office meeting outdoors through our “Walk & Talk” paths, or joining one of our running/walking clubs after work. Coloplast Life also focuses on education (e.g., nutrition classes and free health exams). We have also made a 24-hour stress hotline available. Our activities this year include a stepcount event, employee health profiles, Movement Week, Sporty Friday and elastic band training during work hours. This programme has been active mainly in Denmark.

### **Standards**

We use the international Occupational Health and Safety management system, OHSAS 18001, as a tool to make sure our sites adhere to the same rules globally and continuously improve their performance. Today, this management system covers 92% of our employees in our production, distribution centres and headquarters, including two sales subsidiaries in the UK and US.

## Diversity and leadership

### Our ambition

To offer equal opportunities in our company to all employees.

How we measure progress	2009/10	2010/11	2011/12	2012/13	Quantitative target
% of female managers (all positions at or above Manager level)	38%	37%	40%	40%	No specific target
% of female top managers (Vice Presidents, Senior Vice Presidents and Executive Management)	16%	12%	11%	13%	22% by end of 2017

We base our diversity work on the principle that it is a pre-requisite for success when competing at a global level, that we treat all our employees with respect and dignity and that we will not tolerate discrimination or harassment of any kind. Coloplast believes in respecting and fostering diversity, and is actively following the external debate. Over the past three years we have taken steps to ensure equal opportunities for our employees, irrespective of gender, age, nationality, etc. As a principle, we want our employee's career development to be performance based, without the hindrance of culturally related obstacles.

### Performance highlights in 2012/13

- **Slight increase in percentage of women in top management.** During the 2012/13 fiscal year the percentage of women in top management increased to 13%. The percentage of women in our overall management group remained consistent at 40%.
- **Conducted gender assessment of leadership performance.** This year we conducted an internal global leadership survey, with the purpose of assessing individual leadership quality, followed by relevant and structured development activities. The survey showed a very solid leadership performance in all business units. To get a better understanding of similarities and differences between female and male

managers, we have begun assessing the leadership survey results, and will continue to follow up regularly.

- **Continued increasing transparency of talent through People Review and PDP.** We continue to reinforce talent transparency through detailed employee evaluations and development tools including the People Review and Personal Development plan (PDP).
- **Increased transparency of recruitment process.** We have placed focus on recruitment for managerial positions with the ambition that the final pool of candidates for these roles is broad and diverse.
- **Close monitoring on the development of women, and non-Danes.** We continue to see a limited number of women and non-Danes in management positions. Therefore, today when women and non-Dane employees who report to executive management are categorized as high performers under the People Review process, our Human Resources department and top management keep a close eye on their career development and possible next move.

## About what we do

### Increased focus on gender diversity

The underrepresentation of women in top management has been under review in Denmark over the past few years. As a result in 2007, the Danish government introduced the voluntary code of conduct 'The Charter for More Women in Management'. The charter encouraged companies to commit to increasing the number of women in managerial positions and allowed the companies a choice of method in doing so. In Coloplast we believe this pragmatic approach to gender diversity works well, so our CEO, Lars Rasmussen, signed the Charter.

We then identified where the need for more sustained efforts was located. When reviewing our global people data we were pleased with the high percentage of women in our overall management group (40% in 2011/12), and agreed to focus on top management (11% in 2011/12 – a 5% point drop from 2009/10).

The next step taken was to formally agree on the target to double the number of women in top management within five years – this includes Vice

President, Senior Vice President and Executive Management. We want to go from a baseline of 11% in 2011/12 to 22% by the end of 2017.

The initiatives described above under the 2012/13 performance highlights reflect our desire to gain more knowledge of our own organization's culture so we can identify and deal with any culturally related obstacles. We continue striving to ensure talent is made fully transparent across the organization and that career development of both our men and women is based on the employee's professional competencies.

## Products you can trust

### Our ambition

To remain compliant with international and local regulations and set new standards for safe product composition.

How we measure progress	2009/10	2010/11	2011/12	2012/13	Quantitative target
% of phthalate-free alternatives to products containing phthalates	80%	90%	98%	98%	100%
% of reduction in the consumption (by weight) of phthalates compared to the revenue of our Continence Care business units	-	-	11%	19%	30% by 2013/14
% of urine bags we sell that are phthalate-free	-	-	41%	42%	50% by 2013/14

We take great care of our products to ensure they are safe and trustworthy. In general, Coloplast's strict product safety criteria meet the requirements of customers and authorities throughout the world. We follow international regulations and standards, as well as local legislation when applicable. Product safety and compliance procedures are linked to our risk management process.

In addition to this, we see awareness and regulations of the types of chemicals which companies use in their products continuing to increase. In Coloplast we find it important to be extremely attentive to the changes in science and technology, and are actively scouting for better ingredients all the time. We have been openly reporting in this area for more than five years.

### Performance highlights in 2012/13

- **On our way to reaching our phthalate reduction targets.** So far we have reduced our consumption (by weight) of phthalates by 19% compared to the revenue of our Continence Care business unit. We will continue to monitor progress and openly communicate both accomplishments as well as challenges.

- **Continue offering phthalate-free alternatives.** Today, 98% of our products containing phthalates have a phthalate-free alternative. In any case, we will not use phthalates in any new products. A complete list of our products, with and without phthalates, can be found on coloplast.com.
- **Stayed on track with animal testing.** In 2012/13 we conducted 900 animal tests. Of these 832 were rodents and 68 were other animals<sup>1</sup>. Last year we audited all our suppliers and based on the findings, we decided to consolidate to one supplier. We did this both because of the observations noted, and to have a larger influence on animal welfare standards in one organization.

### About what we do

#### On the lookout for new options

We know precisely which chemicals are in our products. By closely monitoring new research and regulations, we stay ahead of changes. As alternatives emerge, we consider whether to incorporate them into our products.

<sup>1</sup> 'Rodents' includes rats, mice and guinea pigs. 'Other' includes rabbits and dogs.

Three of the ingredients currently under watch are phthalates, PVC (discussed in the Climate and Environment section) and parabenes. Parabenes are currently used in a very limited number of Coloplast Skin Care products.

#### **A precautionary approach**

Phthalates are commonly used to make PVC plastics more flexible and durable. In the medical device industry, phthalates are used to soften e.g., catheters and urine bags. Although our products are safe, we recognise that there are concerns about the use of phthalates. Therefore, we have adopted a precautionary approach and are working to limit the use of phthalates in our products. This is an area where Coloplast leads by example.

#### **An additional commercial advantage**

Our efforts to reduce phthalates may also give us an additional commercial advantage when bidding on tenders. Tenders increasingly include phthalate-free alternatives as a qualifying criterion.

#### **Animal testing**

Animal testing is a standard method for documenting the safety of medical devices. In some cases it is necessary, so we can not completely avoid it. We do however try to reduce it as much as possible. As stated in our Animal Testing Policy we will work to replace animal testing with cell cultures and chemical analyses instead whenever possible. Lastly, when animal testing is required, we will use methods which minimise potential distress for the animals. Last year we audited our animal test suppliers, and found them compliant to our Animal Testing Policy.

## Data tables

	Unit	2012/13	2011/12	2010/11	2009/10
<b>Certifications<sup>1</sup></b>					
Production and distribution sites (total)	Number	13 <sup>2</sup>	14	15	14
ISO 9001 / ISO 13485 <sup>3</sup>	Number	13	14	15	14
ISO 14001 <sup>4</sup>	Number	8	9	10	10
OHSAS 18001 <sup>5</sup>	Number	10	9	10	10

1) Coloplast currently has nine production sites including the corporate headquarters (Thisted, Mørdrup, Humlebæk, Tatabánya, Nyirbator, Zhuhai, Mankato, West River Road, Sarlat) and four distribution sites (Hamburg, Marietta, Champlan and Tata). 2) Since our last CR Report from November 2012, the production site in Espergærde has been closed. 3) Our goal (which we have reached) is that all nine production sites and all four distribution sites are certified to ISO 9001 and ISO 13845.4) None of the distribution sites will be certified due to their low environmental impact. 5) Two more of our production sites in the USA were certified to OHSAS 18001.

### Product quality and safety

Site visits <sup>1</sup>	Days	102	60	57	82
Non-phthalate products <sup>2</sup>	%	98	98	90	80
Animal testing <sup>3</sup>	Number	900	921 <sup>4</sup>	217	919
... of which rodents	Number	832	773	202	821
... of which other animals	Number	68	148	15	98

1) Total duration in days of quality or environment, health and safety visits by the authorities worldwide for all Coloplast locations. The increase in the days this year is mainly due to re-certification to ISO9001/ISO13485 and new regulations in Brazil, that caused the Brazilian health authorities to make their own inspections. General growth in Coloplast and new regulations for audit in China is also contributing factors. 2) Alternatives available to Coloplast products containing phthalates. 3) Number of animals used for testing. 'Rodents' are mice, rats and guinea pigs. 'Other' animals are rabbits and dogs. 4) This year, we have also included animal tests from research projects amounting to 10 rats and 27 rabbits.

### Occupational health and safety

LA7 LA12\*

Injuries and accidents, all employees <sup>1</sup>	LTI freq.	4.8	3.7	7.2	5.2
...of which in European markets <sup>2</sup>	LTI freq.	6.0	4.7	-	-
...of which in Other developed markets <sup>3</sup>	LTI freq.	1.0	0.0	-	-
...of which in the Emerging markets <sup>4</sup>	LTI freq.	2.9	2.0	-	-
Target, all employees	LTI freq.	5.0	7.0	7.0	7.0
Injuries and accidents, production workers <sup>5</sup>	LTI freq.	6.4	5.3	9.5	6.6
...of which in European markets	LTI freq.	7.8	6.9	-	-
...of which in Other developed markets	LTI freq.	2.7	0.0	-	-
...of which in the Emerging markets	LTI freq.	3.2	2.2	-	-
Target, production workers	LTI freq.	7.0	7.0	7.0	10.0

### Repetitive work<sup>6</sup>

...No/low (including US sites)	% (%)	38.2 (38.9)	34.3	35.6	36.3
...Medium (including US sites)	% (%)	30.9 (28.0)	33.1	31.2	29.0
...High (including US sites)	% (%)	30.4 (31.0)	31.2	31.0	28.1
...Very high (including US sites)	% (%)	0.5 (2.1)	1.5	2.2	6.5

### Employee engagement survey<sup>7</sup>

...Response rate	Index	-	92	-	92
...Engagement index	Index	-	72	-	79
...Values index	Index	-	81	-	74
...Well-being index	Index	-	76	-	71
Personal Development Plans <sup>8</sup>	Index	81	80	80	73

1) Measured as the number of injuries resulting in absence from work of more than eight hours per one million working hours from the production sites (excluding Sarlat), distribution centres and corporate headquarters (includes only sales subsidiaries in the UK, US and DK). 2) Corporate headquarters (Humlebæk), production (Nyirbator, Tatabánya, Mørdrup, & Thisted), distribution centres (Tata, Hamburg, Peterborough), subsidiaries in Denmark and United Kingdom (Humlebæk & Peterborough). 3) Production (West River Road & Mankato), warehouse (Marietta), subsidiaries in USA (West River Road) 4) Production (Zhuhai). 5) As above, but covers production (blue-collar) workers only. 6) Percentage of workplaces in Coloplast production in Denmark, Hungary and China according to the degree of repetitive work. As an addition to our reporting, this year we began measuring repetitive work at our US sites as well. All figures are annual averages based on quarterly figures. No/low – no or low degree of repetitive work. Medium – repetitive work with 0-2 aggregating factors, High – repetitive work with 3-4 aggregating factors. Very high – repetitive work with 5 or more aggregating factors. 7) Note that we conduct this survey biannually. 8) Calculation is based on white-collars only. Personal development plans for blue-collars are run locally and in local systems.

\*GRI performance indicators referenced in data below: LA7 – Rates of injury and lost days by region and by gender; LA12 – Percentage of employees receiving regular performance and career development reviews.

## Data tables

	Unit	2012/13	2011/12	2010/11	2009/10
<b>Labour practices</b> <span style="background-color: #0056b3; color: white; padding: 2px;">LA1</span> <span style="background-color: #0056b3; color: white; padding: 2px;">LA13</span> *					
Employees (headcount)	Number	8925 <sup>1</sup>	8,126 <sup>1</sup>	7,519	7,421
....blue-collar	Number	4.094	3,709	3,492	3,376
....white-collar	Number	4.831	4,417	4,027	4,045
<b>Regions<sup>2</sup></b>					
European markets <sup>3</sup> (of which females)	Number (%)	5869 (64)	5347 (62)	-	-
Other developed markets <sup>4</sup> (of which females)	Number (%)	814 (48)	784 (48)	-	-
Emerging markets <sup>5</sup> (of which females)	Number (%)	2242 (72)	1995 (72)	-	-
<b>Contract type</b>					
Total part time + fixed term contract (of which female)	Number (%)	24 (71)	21 (76)	-	-
female)	Number (%)	335 (79)	309 (79)	-	-
Total full time + fixed term contract (of which female)	Number (%)	229 (60)	136 (57)	-	-
Total full time + permanent term contract (of which female)	Number (%)	8337 (64)	7660 (62)	-	-
<b>Gender total</b>					
Female employees	%	67	63	65	63
Female managers <sup>6</sup>	%	40	40	37	38
Female top managers <sup>7</sup>	%	13	11	12	16
<b>Age distribution<sup>8</sup></b>					
...employees aged < 30 (of which females)	%(%)	27 (71)	27 (70)	-	-
...employees aged 30-50 (of which females)	%(%)	60 (66)	58 (64)	-	-
...employees aged > 50 (of which females)	%(%)	13 (66)	15 (67)	-	-
...managers aged < 30 (of which females)	%(%)	5 (44)	4 (42)	-	-
...managers aged 30-50 (of which females)	%(%)	81 (40)	79 (40)	-	-
...managers aged > 50 (of which females)	%(%)	14 (39)	17 (35)	-	-
...top managers aged < 30 (of which females)	%(%)	0 (0)	0 (0)	-	-
...top managers aged 30-50 (of which females)	%(%)	75 (8)	77 (6)	-	-
...top managers aged > 50 (of which females)	%(%)	25 (25)	23 (27)	-	-
<b>Age distribution total</b>					
...employees aged < 30	%	25	25	30	30
...employees aged 30-50	%	62	60	57	57
...employees aged > 50	%	13	16	13	13

1) Reported data is based on 8,925 active employees (includes all full time and part time contracts). The total workforce includes 326 employees who are currently on leave. 2) Global data for all employees was not accessible prior to 2012 (until 2012 we had been covering 84% in our reporting). Hence there is no comparison to previous years on the new splits, which we have started making after we got access to all global data. 3) UK, Germany, France, the Nordics, Benelux, Austria, Switzerland, Italy, Spain plus production in Denmark and Hungary. 4) USA, Canada, Japan and Australia plus production in USA. 5) Including countries not listed in the other categories for all remaining markets in Americas, Asia, Africa, Europe and Oceania plus production in China. 6) Managers include all positions at or above Manager level. 7) Top management includes Executive Management, Senior Vice Presidents, and Vice President positions. 8) Age figures not divided by gender and level before 11/12.

## Supply chain responsibility

HR2 \*

Raw material suppliers covered by supply chain responsibility programme <sup>1</sup>	%	100	100	99	98
Suppliers with improved risk profile because of significant improvements <sup>2</sup>	Number	1	2	1	10
... accumulated	Number	23	22	20	19
Contracts terminated <sup>3</sup>	Number	0	1	0	3
...accumulated	Number	8	8	7	7

1) Percentage of raw materials suppliers fully covered by the Supply Chain Responsibility procedure. Covers the entire Coloplast organisation. 2) Number of suppliers whose risk profile has been downgraded by the internal decision-making body from 'Consult Decision Board' to high, or high to medium, or medium to low following documented improvements in their social, environmental or business ethical standards as a consequence of Coloplast's involvement. 3) Number of contracts terminated following concerns about the supplier's social, environmental or business ethical standards.

\*GRI performance indicators referenced in data below: LA 1 – Total workforce by employment type, employment contract, and region, broken down by gender; LA13 – Composition of governance bodies and breakdown of employees per employee category according to gender, and age group; HR2 – Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.

## Data tables

	Unit	2012/13	2011/12	2010/11	2009/10	
<b>CO<sub>2</sub> emissions<sup>1</sup></b>						
		EN3	EN4	EN5	EN16	EN17*
Scope 1 <sup>2</sup> / direct energy	mWh	45,803	47,300	54,049	51,305	
	GJ	164,892	170,279	194,576	184,697	
	Tonnes CO <sub>2e</sub>	9,161	9,505	10,856	10,332	
...of which natural gas	mWh	45,803	47,296	54,045	51,305	
	GJ	164,892	170,267	194,561	184,697	
	Tonnes CO <sub>2e</sub>	9,161	9,459	10,809	10,261	
...of which coal or fuel distilled from crude oil	mWh	0	3	4	0	
	GJ	0	12	15	0	
	Tonnes CO <sub>2e</sub>	0	1	1	0	
...of which produced or sold	mWh	0	0	0	0	
	GJ	0	0	0	0	
	Tonnes CO <sub>2e</sub>	0	0	0	0	
...of which VOCs <sup>3</sup>	Tonnes CO <sub>2e</sub>	40	45	45	71	
Scope 2 / indirect energy	mWh	81,601	82,419	85,055	89,173	
	GJ	297,764	296,710	306,197	321,023	
	Tonnes CO <sub>2e</sub>	44,835	45,428	45,865	47,961	
...of which electricity	mWh	80,602	81,534	84,023	88,182	
	GJ	290,167	293,524	302,482	317,455	
	Tonnes CO <sub>2e</sub>	44,826	45,420	45,856	47,952	
...of which district heating and cooling	mWh	999	890	1,032	991	
	GJ	3,596	3,204	3,715	3,568	
	Tonnes CO <sub>2e</sub>	9	8	9	9	
...of which steam	mWh	0	0	0	0	
	GJ	0	0	0	0	
	Tonnes CO <sub>2e</sub>	0	0	0	0	
Scope 1 + 2 / total emissions, direct and indirect	Tonnes CO <sub>2e</sub>	54,036	54,933	58,293	56,721	
...per number of units produced <sup>4</sup>	Index	79	90	96	107	
...per EBIT <sup>5</sup>	Index	25	28	39	49	
Scope 3 <sup>6</sup> / other relevant indirect emissions	Tonnes CO <sub>2e</sub>	145,900	129,700	128,900	-	
...of which transportation of goods <sup>7</sup>	Tonnes CO <sub>2e</sub>	19,600	17,800	16,600	-	
...of which business air travels <sup>8</sup>	Tonnes CO <sub>2e</sub>	12,900	15,200	15,800	14,900	
...of which leased company cars <sup>9</sup>	Tonnes CO <sub>2e</sub>	8,300	7,900	7,700	7,800	
...of which OEM Manufacturing <sup>10</sup>	Tonnes CO <sub>2e</sub>	5,900	6,400	6,600	7,100	
.. of which sales offices and subsidiaries <sup>11</sup>	Tonnes CO <sub>2e</sub>	2,800	2,800	2,800	2,800	
.. of which fluorinated hydrocarbons in products <sup>12</sup>	Tonnes CO <sub>2e</sub>	9,900	6,400	3,400	700	
...of which raw materials in products <sup>13</sup>	Tonnes CO <sub>2e</sub>	86,500	71,200	76,000	-	

1) We follow the Greenhouse Gas Protocol Scope 1, 2 and 3. Scope 1 and 2 measurements are based on consumption in all production sites (excluding Sarlat), distribution centres and corporate headquarters (includes only sales subsidiaries in the UK, US and DK). 2) Total sum of mWh and GJ includes all except VOC's. Total sum of CO<sub>2e</sub> includes VOC's. 3) Direct evaporation of Volatile Organic Compounds (VOCs) reported as CO<sub>2</sub> equivalents – primarily alcohol used for cleaning processes. 4) Grams CO<sub>2</sub> emitted per produced unit converted to index values (2006/2007=100). This figure has changed since last year, as a proportion of our production was left out. 5) g CO<sub>2</sub> emitted per EBIT converted to index values (2006/2007=100). 6) Empty data fields indicate that data has not been obtained. Since last year the following subjects have been included: raw materials used in production. 7) Based on CO<sub>2</sub> emission reports from transport companies. Not including deliveries from Coloplast distribution centres and wholesalers to customers and users. 8) Based on CO<sub>2</sub> emission reports from airlines and travel agents. 9) Based on consumption data from leasing companies. 10) OEM = sub-suppliers of Coloplast products. The estimate is based on model data (internal model). 11) Estimate based on model data (Danish Energy Management Scheme). 12) HFC134a gases used as propellants in spray cans (GWP20). 13) Based on Life Cycle Assessments of all raw materials, categorised into 70 sub categories.

\*GRI performance indicators referenced in data below: EN3 – Direct energy consumption by primary energy source; EN4 – Indirect energy consumption by primary source; EN5 – Energy saved due to conservation and efficiency improvements; EN16 – Total direct and indirect greenhouse gas emissions by weight; EN17 – Other relevant indirect greenhouse gas emissions by weight.

## Data tables

	Unit	2012/13	2011/12	2010/11	2009/10
<b>Waste</b> <span style="background-color: #0056b3; color: white; padding: 2px;">EN22</span> *					
Waste <sup>1</sup>	Tonnes	9,529	9,145	10,018	9,032
...of which oil / chemicals <sup>2</sup>	Tonnes	506	485	456	404
...of which landfill	Tonnes	1,433	1,487	1,678	1,450
...of which incineration	Tonnes	5,157	4,941	5,502	5,536
...of which recycling <sup>3</sup>	Tonnes	2,433	2,232	2,382	1,661
...per units produced	Tonnes	79	85	96	94
...recycling coverage <sup>4</sup>	%	26	24	24	18

1) Based on weighted amounts from the production sites (excluding Sarlat), distribution centres and corporate headquarters (includes only sales subsidiaries in the UK, US and DK). 2) Sent to special waste treatment plants. Includes all hazardous substances. 3) Waste recycled by external waste handling companies. Not including waste reused directly in our production. 4) Recycling coverage of total waste generation. Not including waste reused directly in our production.

<b>Water</b> <span style="background-color: #0056b3; color: white; padding: 2px;">EN8</span> <span style="background-color: #0056b3; color: white; padding: 2px;">EN9</span> <span style="background-color: #0056b3; color: white; padding: 2px;">EN23</span> *					
Water use <sup>1</sup>	Tonnes	299,378	274,205	277,328	223,038
...of which municipal water	Tonnes	100	100	100	100
Water sources significantly affected	Tonnes	0	0	0	0
Spills (significant / insignificant)	Tonnes	0/0	0/0	0/0	0/0

1) All water use is delivered and treated by local municipalities. According to the best of our knowledge we do not receive water from significantly affected water sources. Based on amounts from the production sites (excluding Sarlat), distribution centres and corporate headquarters (includes only sales subsidiaries in the UK, US and DK).

<b>Code of Conduct compliance</b> <span style="background-color: #0056b3; color: white; padding: 2px;">SO2</span> <span style="background-color: #0056b3; color: white; padding: 2px;">SO3</span> <span style="background-color: #0056b3; color: white; padding: 2px;">SO7</span> <span style="background-color: #0056b3; color: white; padding: 2px;">SO8</span> *					
White-collar employees trained in Code of Conduct	%	94	95 <sup>1</sup>	23	22
Legal action for anti-competitive behaviour	Number	0	0	0	0
Significant fines for non-compliance with laws and regulations	EUR	0	0	0	0

### Business units analysed for organisational risks related to corruption

...business units in total <sup>3</sup>	Number	54	54	-	-
...of which analysed	%	0	84	-	-

### Whistleblower hotline

...number of cases submitted	Number	19	12	5	-
...of which within scope <sup>4</sup>	Number	19	11	4	-

1) This year, the e-learning course was mandatory for all white-collar employees and we have made a big effort to ensure that people complete the course. Outstanding number is due to the fact that the course is sent to a batch of new employees during reporting period. 2) In 2009, Coloplast was fined for violating Italian competition law. An Italian appeals court decided to lower the fine to 364,000 EUR in February 2009. This judgment is final. 3) Includes all subsidiaries and all headquarter departments individually. 4) Case is within scope of topics and subjects that may be reported via the hotline. It does not mean that the cases are necessarily substantiated.

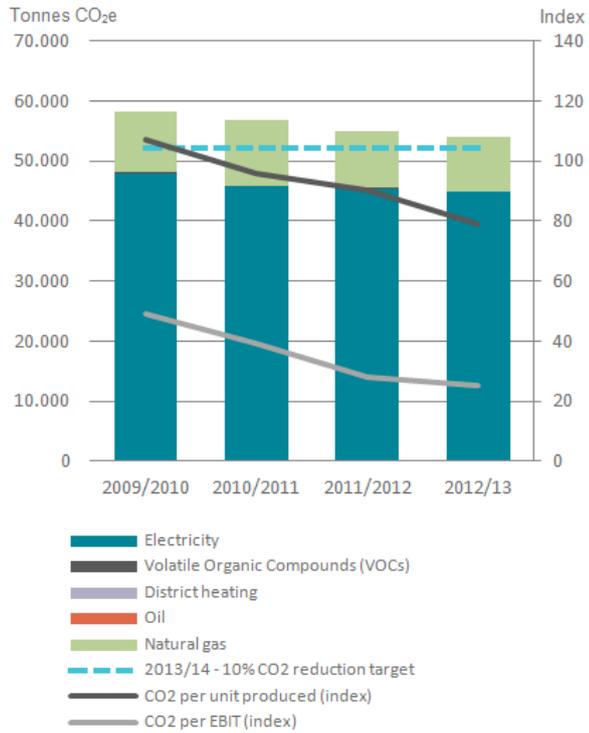
<b>Society</b> <span style="background-color: #0056b3; color: white; padding: 2px;">EC1</span> *					
Project funds approved (accumulated) <sup>1</sup>	DKK	13,676,000	12,576,000	8,375,094	6,768,000

1) Accumulated sum of project funds approved by Access to Healthcare. Please note that there is usually a period of at least six months between the approval of a project and the initial payment of funds.

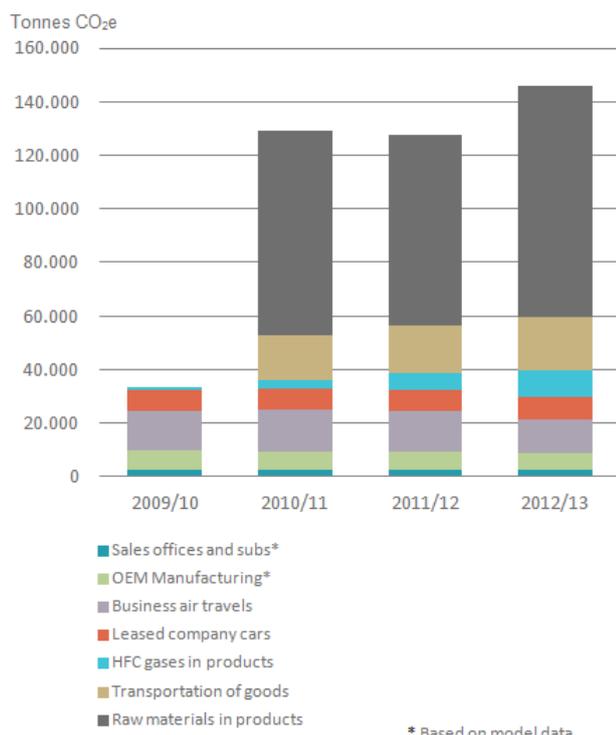
\*GRI performance indicators referenced in data below: EN22 – Total weight of waste by type and disposal method; EN8 – Total water withdrawal by source; EN9 – Water sources significantly affected by withdrawal of water; EN23 – Total number and volume of significant spills; SO2 – Percentage and total number of business units analyzed for risks related to corruption; SO3 – Percentage of employees trained in organization's anti-corruption policies and procedures; SO7 – Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes; SO8 – Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations; EC1 – Donations and other community investments.

## Data graphs

### CO<sub>2</sub> emissions - Scope 1 and 2

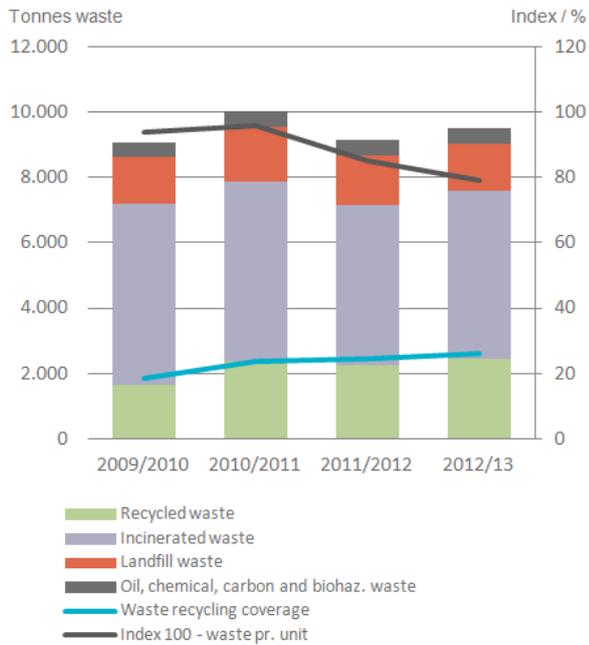


### CO<sub>2</sub> emissions - Scope 3

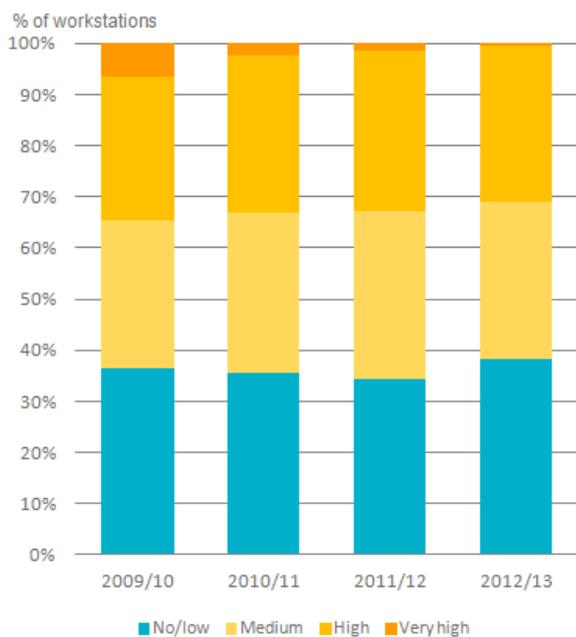


## Data graphs

### Production waste

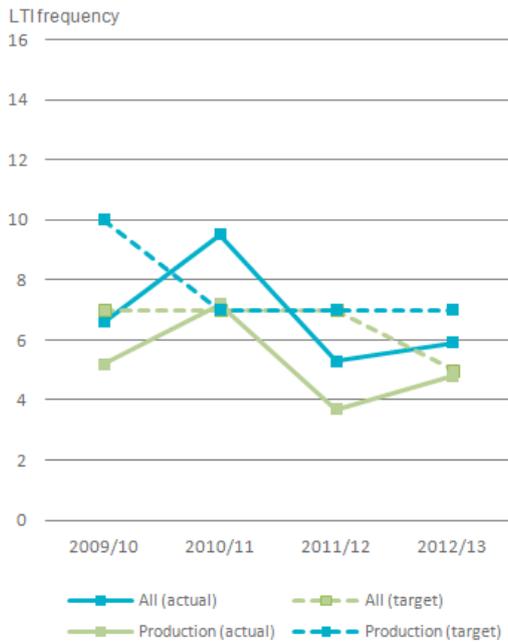


### Repetitive work

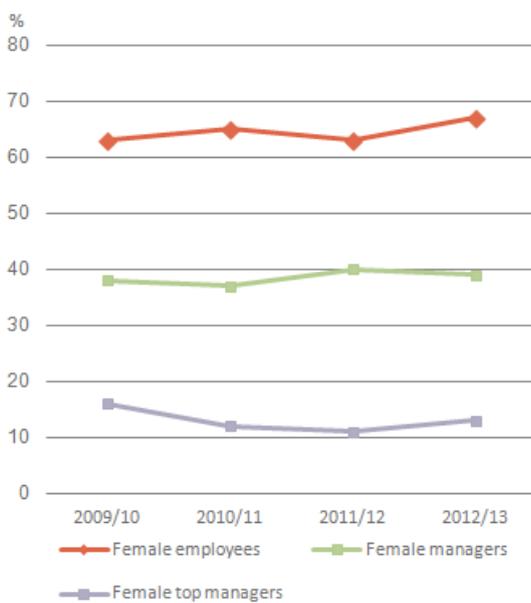


## Data graphs

### Safety

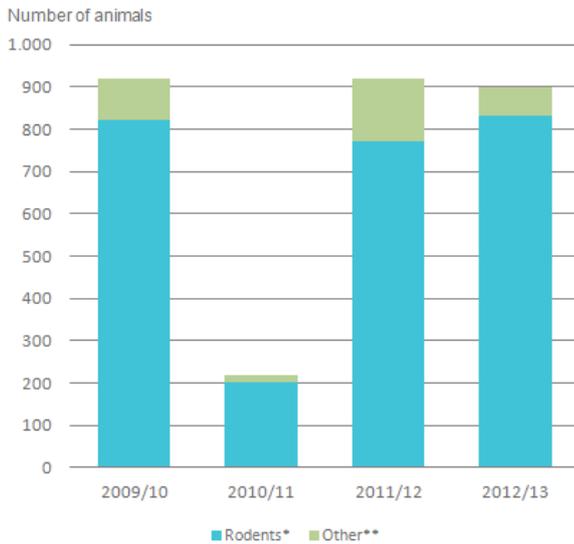


### Gender diversity



## Data graphs

### Animal testing



\* 'Rodents' includes rats, mice and guinea pigs  
 \*\* 'Other' includes rabbits and dogs

### Phthalate-free alternatives



## About this report

This Corporate Responsibility Report covers the financial year 2012/13, from 1 October 2012 to 30 September 2013. Our Corporate Responsibility Report goes to press once a year.

In some cases, we have gathered new data from earlier financial years or managed to calculate historical data more fully than in the previous report. This means that in some cases data from previous financial years may have been slightly altered. In order to continue improving our reporting, there may be times when we restructure our data for a more precise representation. In all such cases, a note to that effect is provided in the text or in footnotes.

### UN Global Compact

In 2002, we made a formal commitment to make the ten principles of the UN Global Compact part of our business strategies and day-to-day operations. These principles cover basic human rights, labour, environmental and anti-corruption policies. In 2011, we were recognised as an Advanced Level Reporter for our efforts to be a top performer, while adopting and reporting on a range of best practices. To continue this tradition, this report functions as our annual Communication on Progress to the UN Global Compact.

*“As a signatory member, we are committed to the UN Global Compact’s ten principles on human and labour rights, environment and anti-corruption. It’s not just the right thing to do – it simply makes good business sense.”*

Lene Skole, Executive Vice President and CFO

### Reporting principles

This report is a presentation of our achievements in the field of corporate responsibility, but also of the challenges we face. We present the most important issues – the ones with a positive impact on Coloplast’s reputation as well as the more challenging issues.

This report constitutes the statutory report of cf. Danish Financial Statements Act, section 99a, and is prepared in accordance with the G3.1 guidelines of the Global Reporting Initiative, an independent institution that provides a standard

framework for sustainability reporting across companies and industries. We provide a G3.1 index to this report’s contents at the end of the report.

The aim is to present complex issues in a simple language, while including the data needed for specialist use. For example, we explain most issues using graphs, but also include data with methodological information in the data summary sheet.

### Materiality

The topics covered by the Corporate Responsibility Report include all issues material to Coloplast as well as issues requested by our key stakeholders. The stakeholder groups and material topics were selected based on input from an internal group of employees working with corporate responsibility issues, from Coloplast A/S, our subsidiaries and with input from our external stakeholders.

Only topics relevant to Coloplast were included, regardless of whether or not a relevant GRI indicator currently exists for the topic in question. The report represents a holistic view of corporate responsibility at Coloplast, in relation to a more global perspective. Together with our own ambitions, targets and challenges, we have also included more general trends on the healthcare industry, changes in key demographic groups worldwide, and more. These trends are based on our internal speculation of external events.

### Stakeholder engagement

Coloplast’s main stakeholders include: Owners / shareholders, users, healthcare professionals, employees, business partners, the environment and society in general. This selection was initially done through discussions with internal stakeholders and a survey of global employees.

In terms of corporate responsibility, we communicate closely with healthcare professionals, users and our business partners in many ways. For example, we work with advisory boards by engaging in biannual focus group meetings. We also make it easy for healthcare

professionals to submit complaints to us on an on-going basis in writing or on our website.

Furthermore, we conduct annual satisfaction surveys which target users in over ten countries. Topics often raised by our stakeholders include quality and safety concerns or the availability of phthalate-free products. We use our knowledge and expertise in a way that benefits society as a whole; therefore, we communicate with our Access to Healthcare project partners on a quarterly basis to keep updated on progress and challenges in local communities.

Issues regarding the environment are communicated in a few different ways. For example, our subsidiaries frequently send us questionnaires about our environmental progress and policies as requested by customers. Our annual Corporate Responsibility Report is one of the biggest sources of information regarding our environmental performance. We also produce and distribute marketing material when relevant.

Another key stakeholder group is our employees – we communicate with them on a daily basis through our intranet “Connect”. Furthermore, at our headquarters, employees attend information meetings four to six times a year which are broadcasted globally within the company.

In addition, we have expanded our internal stakeholder engagement significantly through the Corporate Responsibility Ambassador network. These internal employees have been carefully selected, typically from top management positions, and trained in detail on our corporate responsibility work – they then train local employees. The Ambassadors have been instrumental in global data collection projects, which include both surveys and interviews on various corporate responsibility issues. The network is also now increasing engagement with external stakeholders by taking up dialogue with

customers on topics such as code of conduct, product safety and reduction of CO<sub>2</sub> emissions.

### Scope

Unless otherwise noted, the data and reporting includes the entire Coloplast organisation, i.e. production sites, distribution centres, administration, sales and representative offices. Third parties such as distributors are not included in the reporting, except for the Code of Conduct and Compliance chapter where we have started expanding our programmes to distribution channels as well. Suppliers are included only with regard to the specific reporting on our supply chain responsibly programme.

### Data collection

Quality, environmental and health and safety data is collected by Corporate Quality and Environment, typically as part of our ISO or OHSAS certifications. HR data was collected by HR Operations, Corporate Procurement, Corporate Finance.

The People & Communications department has also contributed significantly to the content of this report. A separate data collection system has been established in order to systematise comments, indicate data responsibility and store documentation for the report. All data refer to financial years.

### Certifications

Coloplast is certified to a number of international standards that require us to monitor our performance and continuously improve on environmental and occupational health and safety standards. These standards cover production and distribution sites, but not our sales subsidiaries. For more detailed information on individual certifications, please see the data table in this report.

## Global Reporting Initiative

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## Statement GRI Application Level Check

GRI hereby states that **Coloplast A/S** has presented its report "Corporate Responsibility Report 2012/13" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 30 October 2013



Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 22 September 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

The Coloplast story begins back in 1954. Elise Sørensen is a nurse. Her sister Thora has just had an ostomy operation and is afraid to go out in public, fearing that her stoma might leak. Listening to her sister's problems, Elise conceives the idea of the world's first adhesive ostomy bag. Based on Elise's idea, Aage Louis-Hansen created the ostomy bag. A bag that does not leak, giving Thora – and thousands of people like her – the chance to return to their normal life.

A simple solution with great significance.

Today, our business includes ostomy care, urology and continence care and wound and skin care. But our way of doing business still follows Elise's and Aage's example: we listen, we learn and we respond with products and services that make life easier for people with intimate healthcare needs.

Ostomy Care  
Urology & Continence Care  
Wound & Skin Care

Coloplast develops products and services that make life easier for people with very personal and private medical conditions. Working closely with the people who use our products, we create solutions that are sensitive to their special needs. We call this intimate healthcare. Our business includes ostomy care, urology and continence care and wound and skin care. We operate globally and employ more than 8,500 people.

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