

# Corporate Responsibility Report 2013/14

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## 2013/14 Highlights

Below is a summary of some highlights specific to Coloplast's 2013/14 corporate responsibility performance. You will find more information on these topics throughout the chapters of this report.

### Performance

- New Global Distributor Code of Conduct (see page 9)
- CO<sub>2</sub> reduction target from energy use not fully met, but with good progress (see page 12)
- Approved 4 new Access to Healthcare projects (see page 15)
- 100% of raw material suppliers registered in supply chain responsibility programme (see page 16)
- Reached new target for LTI frequency rate at 6.0 for blue-collar employees (see page 18)
- 12% women in top management (see page 20)
- High level of engagement from employees (see page 20)
- New target to reduce absolute consumption of phthalates by 40% before 2014 (see page 22)



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

## CEO Statement

### We actively promote good business practices

As a company, Coloplast is growing in all regions and all business areas. This year, 1,700 new people joined us.

When I have the chance to speak to our new colleagues at our on-boarding meetings, I always highlight that no business is better than bad business. What does that mean?

#### We challenge bad business practices

It means that we have the responsibility to challenge questionable and unsustainable business practices. For example, we have a systematic approach to fighting corrupt practices and have trained more than 4,000 employees in our Code of Conduct.

However, our understanding of our responsibility goes beyond just avoiding illegal business. We actively promote good business practices, because it makes a difference to our stakeholders. A few highlights:

- We focus on developing our people, which has resulted in a high level of engagement.
- We have advocated for a ban on phthalates in medical devices for a number of years. This year, we have set a new ambitious target to reduce our absolute usage of phthalates by 40% before October, 2017.
- We do our part to address global climate change, and have reduced our absolute greenhouse gas emissions from production by 7% since 2010. Our original target was based on an assumption of an annual growth rate in production at 6%. However, our production has grown 33% more than expected with an annual growth rate at 8%. We therefore consider our absolute reduction an accomplishment.

#### We focus on quality of life

When I look at healthcare systems around the globe, they face a number of challenges, for example how to pay for and deliver care to ever-larger aging populations.

At Coloplast, we are committed to helping address these challenges. We develop and we design products that remove the stigma and taboo sometimes linked to chronic conditions, and we empower end users with products and services that allow them to act as informed and independent consumers instead of patients.

Furthermore, we seek to increase standards of care by promoting dialogue with healthcare professionals and key stakeholders around short-term health care costs versus long-term societal value.

In addition, we work to promote access to healthcare in parts of the world where it is not always available. In developing countries, we have facilitated the training of over 5,000 healthcare professionals and the development of guidelines for care within ostomy, continence and wound care.

We believe our contributions reduce the burden on healthcare systems and society as a whole, and we help people return to their former lives, careers, passions, friends and families as quickly as possible. We do this because we believe it is part of our responsibility to contribute to people's quality of life.

This report discusses our many efforts related to our corporate responsibility. And, with this report, we reconfirm our commitment to the UN Global Compact principles.

#### Lars Rasmussen

President and CEO of Coloplast A/S

## Company profile

Our business includes Ostomy Care, Urology Care, Continence Care and Wound & Skin Care. Coloplast markets and sells 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.

Coloplast employs more than 9,000 people and operates globally with sales subsidiaries in more than thirty countries and production in Denmark, Hungary, the US, China and France.

### Our four business areas

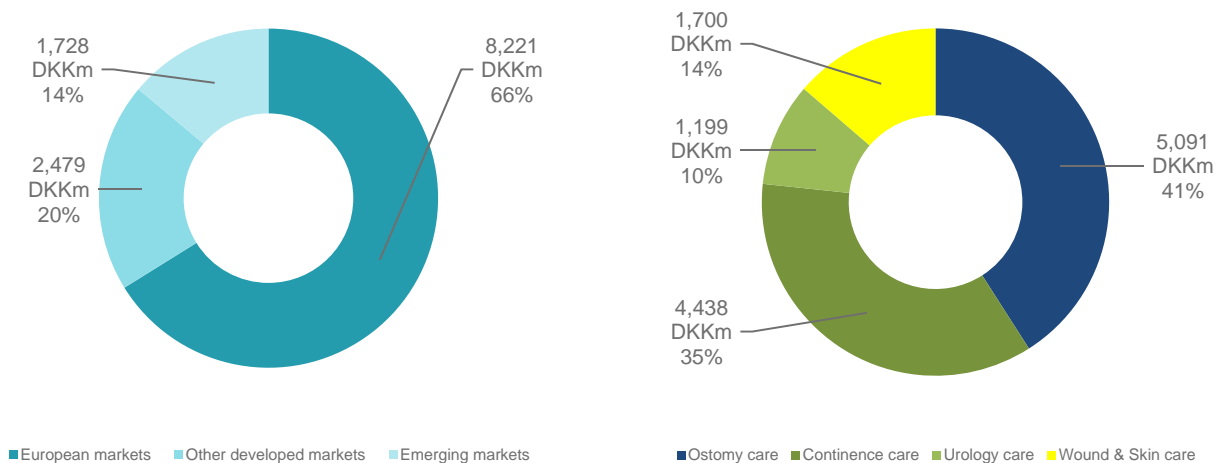
Ostomy Care products are for people whose intestinal outlet has been rerouted through the abdominal wall. Examples of disease areas are colorectal cancer, bladder cancer and inflammatory bowel disease.

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 2013/14, total sales were DKK 12,428 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 2013 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. Coloplast has 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. Coloplast provides 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 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.

## Governance and organization of corporate responsibility

Coloplast's corporate responsibility is anchored within the Executive Management and Board of Directors. Executive Management makes most policy decisions within the field, typically after consultation with senior management of key line and staff functions. The Audit Committee is responsible for overseeing compliance with our Code of Conduct.

Coloplast prefers 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.

The Corporate Responsibility Manager also oversees 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 Corporate. This allows for efficient dialogue with internal and external stakeholders.

### Corporate Responsibility anchoring in Coloplast strategy

Respect and responsibility is a guiding principle at Coloplast and at the heart of the Coloplast culture. Corporate responsibility reflects Coloplast's mission, vision and values and supports Coloplast's leadership position and the broader responsibility that comes with it – responsibility to our end users, to healthcare professionals, to our employees, to business partners, to society, to the environment, and to our shareholders.

#### Mission

Making life easier for people with intimate healthcare needs

#### Vision

Setting the global standard for listening and responding

#### Values

Closeness... to better understand

Passion... to make a difference

Respect and responsibility... to guide us

## Progress and challenges summary

Topic	Our responsibility	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, and to secure monitoring procedures for compliance.	- % of white-collar employees trained in our Code of Conduct	93%	→ 100%
		- Number of legal action cases for anti-competitive behaviour	0	→ 0
		- Amount of significant fines for noncompliance with laws and regulations	0	→ 0
Environment and climate	To minimise the overall strain on the environment caused by our activities by focusing on the entire life cycle of our products.	- % of absolute reduction of CO2 emissions on energy use from our production and facilities <sup>1</sup> (indexed relative to the period April 2010 – March 2011)	7%	→ 10% by 2013/14
		- % of reduction of CO2 emissions per product on energy use from our production and facilities <sup>1</sup> (indexed relative to the period April 2010 – March 2011)	26%	→ 20% by 2013/14 <sup>2</sup>
		- % of absolute increase of production waste <sup>3</sup> (indexed relative to the period April 2010 – March 2011)	13%	→ No specific target
		- % of waste reduction per product produced (indexed relative to the period April 2010 – March 2011)	10%	→ No specific target
		- % of recycling coverage	27%	→ No specific target
		- % of goods transported by air	2.8%	→ 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)	5,500	→ No specific target
		- Project funds approved (accumulated)	DKK 16.2 million	→ DKK 50 million
Supply Chain Responsibility	To 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)	26	→ No specific target
		- Number of contracts terminated because of non-compliance (accumulated)	9	→ No specific target
Health and safety	To offer healthy and safe working conditions.	- Occupational injuries, all employees (LTI frequency <sup>4</sup> )	4.9	→ 5.0 or less
		- Occupational injuries, all blue-collar (LTI frequency)	5.7	→ 6.0 or less
		- % of workplaces with very high level of repetitive work	1.7%	→ No specific target
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)	12%	→ 22% by end of 2017
Product safety	To remain compliant with international and local regulations and set new standards for safe 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	25%	→ 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) The quantitative target for relative reductions is derived from the absolute reduction target.

3) Based on weighted amounts from the production sites, distribution centres and corporate headquarters (as well as subsidiaries in the US and DK).

4) Lost Time Injuries – measured as the number of injuries resulting in absence from work of more than eight hours per one million working hours.



## Code of Conduct and compliance

### Our responsibility

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

Progress	2010/11	2011/12	2012/13	2013/14	Quantitative target
% of white-collar employees trained in our Code of Conduct	23%	95%	94%	93%	100%
Number of legal actions for anti-competitive behaviour	0	0	0	0	0
Amount of significant fines for noncompliance with laws and regulations	0	0	0	0	0

### Performance highlights in 2013/14

- A new Global Distributor Code of Conduct.** Coloplast has implemented a new set of rules and guidelines for distributors that sets forth expectations in a distributor relationship.
- New process for handling distributors.** Coloplast has implemented a new process to conduct due-diligence and on-board distributors.
- Took actions based on due diligence investigation results.** Based on due diligence reports received this fiscal year, Coloplast did not have any 'high-risk' incidents. However, in a few cases, Coloplast worked with distributors to raise awareness of working within Coloplast's Global Distributor Code of Conduct.
- New global compliance training concept.** Coloplast has developed a face-to-face training module for our global on-boarding programme.

### Our approach

Business cultures vary around the world. In navigating such different business cultures, Coloplast uses our well established Code of Conduct and compliance setup. Coloplast abides by national and international laws as well as specific requirements for our industry.

#### Global training on the Code of Conduct

Coloplast employees (including executives, officers, directors and managers) are required to follow the Code of Conduct in deciding what is appropriate conduct regarding issues like anti-corruption, interaction with healthcare professionals and conflicts of interest. Coloplast has focused on training and communication of the Code of Conduct to all white-collar employees.

To ensure compliance with the Coloplast Code of Conduct, Coloplast has mandated an e-learning course on the Code of Conduct available in 15 languages. This course has been rolled out to more than 35 countries. In selected countries, face-to-face training sessions supplement the e-learning course.

In general, Coloplast believes that all policies and codes of conduct should reflect what our

employees face on a daily basis, without legal jargon. To ensure this, Coloplast strives to get input from employees globally. This way, our courses and training consists of the real dilemmas our people face, with strong local ownership.

### **Distributor handling**

Coloplast has dedicated resources to conduct risk assessments, due diligence and formulate action plans for compliance. This is an ongoing process where Coloplast's focus in the recent fiscal year has been on the way distributors are handled.

Coloplast has implemented a new Global Distributor Code of Conduct, which sets forth Coloplast's expectations to a distributor. It includes the UN Global Compact's ten fundamental principles within areas of human rights, labour rights, environment and anti-corruption, which Coloplast endorses and works systematically to observe and promote.

### **Whistleblower hotline**

Four years ago, Coloplast established a global whistleblower hotline enabling employees and others to report breaches of our Code of Conduct. Since then, Coloplast has received a total of 43

cases, 41 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 appropriate actions.

### **Responsible advocacy**

Coloplast works in partnership with many different external stakeholders to influence decisions that affect our industry, healthcare professionals and the rights of users.

Coloplast conducts advocacy both directly as a company and in coordination with external partners, including industry associations. 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 Transparency Register.

## Environment and climate

### Our responsibility

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

Progress	2010/11	2011/12	2012/13	2013/14	Quantitative target
Absolute reduction of CO <sub>2</sub> emissions from energy use from our production and facilities <sup>1</sup> (indexed relative to the period April 2010 – March 2011)	98	96	94	93	89 or below by end 2013/14 <sup>2</sup>
Relative reduction of CO <sub>2</sub> emissions from energy use from our production and facilities <sup>1</sup> (indexed relative to the period April 2010 – March 2011)	95	92	79	74	80 or below by end 2013/14 <sup>3</sup>
Total amount of production waste <sup>4</sup> (indexed relative to the period April 2010 – March 2011)	105	97	104	113	No specific target
Waste per product produced (indexed relative to the period April 2010 – March 2011)	101	94	87	90	No specific target
% of recycling coverage	24%	23%	24%	27%	No specific target
% of goods transported by air <sup>5</sup>	2.5%	3.7%	4.5%	2.8%	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. The quantitative target for relative reductions is derived from the absolute reduction target.

4. Based on weighted amounts from the production sites, distribution centres and corporate headquarters (as well as sales subsidiaries in the US and DK).

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

### Performance highlights in 2013/14

- CO<sub>2</sub> reduction target from energy use.** Coloplast's absolute greenhouse gas emission reduction target was 10% before 2013/14. Coloplast also tracks a relative reduction target, emissions per product. Our relative target was 20% before 2013/14. Coloplast reduced absolute emissions by 7%, and relative emissions by 26%. Although the absolute target was not fully met, Coloplast considers the relative emissions result to be an accomplishment. The reason for missing the absolute target was a higher growth rate

in production than originally expected. Read more on the following page.

- Air transportation-target.** Coloplast has not reached its 2013/14-target to reduce the amount of goods transported by air to 1.5%. Read more on the following page.
- A simple idea with a great impact.** By removing HFC-propellants from Coloplast products, Coloplast was able lower its total greenhouse gas emissions with 5%.

- **Increased recycling coverage of production waste.** Since last year, Coloplast increased the recycling coverage from 24% to 27%.

## Our approach

As a manufacturer of medical devices with global operations, Coloplast has the ability – and responsibility – to do our part in addressing global environmental challenges related to climate change, resource scarcity and the use of hazardous substances.

The primary method that Coloplast uses to address environmental challenges is the incorporation of ecodesign-principles when developing products. This means:

- Utilising raw materials with lower environmental impact
- Improving waste management systems and recycling
- Minimising the use of energy required in production

Life cycle assessments therefore guide Coloplast's environmental efforts, covering everything from raw materials to waste management, energy consumption, disposal, and transportation of goods.

### Raw materials

The use of raw materials constitutes Coloplast's biggest environmental impact. For example, approximately 47% of Coloplast's total greenhouse gas emissions stem from raw materials. Coloplast's strategy is to continuously reduce the overall usage of raw materials and to avoid raw materials that are particularly harmful to the environment.

### Waste management

Reducing the amount of raw materials has even more benefit than recycling or waste treatment technologies. Coloplast therefore optimizes processes in a way that reduces the amount of raw materials and waste.

The amount of waste generated per product has decreased by 10% since the period April 2010 – March 2011. In addition to efforts at Coloplast

production sites, Coloplast also works together with waste handling companies to identify the optimal way of recycling waste. For example, by selecting a new waste handler for a Danish production site according to environmental performance criteria, recycling was increased by an estimated 50% without changes to production processes.

### Energy consumption

Energy consumption in production accounts for approximately 26% of Coloplast's total greenhouse gas emissions. Coloplast therefore works to increase energy efficiency in production.

In 2011/12 Coloplast set an ambitious target to achieve a 10% absolute reduction of greenhouse gas emissions from energy used in production by 2013/14 compared to the period April 2010 – March 2011. This fiscal year concludes the target period. With a reduction of 7% Coloplast did not fully reach the target.

The absolute target was based on an assumption of an annual growth rate in production at 6%, when in fact production has grown 33% more than expected, and had an annual growth rate at 8%. Because of the higher growth rate, Coloplast allocated additional resources to energy efficiency projects. Coloplast invested more than 15 million DKK in more than 100 energy efficiency projects during this period.

Therefore, whereas the original target would have resulted in a 20% reduction in greenhouse gas emissions per product, Coloplast has in fact achieved a 26% reduction per product. Coloplast considers this relative reduction outcome to be an accomplishment.

To encourage more environmentally responsible production, Coloplast allows investments that result in a significant environmental improvement to have a return on investment of up to five years – twice as long as regular investments. For more information about current projects, please visit [Coloplast.com](http://Coloplast.com).

Coloplast is currently working to set a new target for greenhouse gas reduction from energy consumption. This will be communicated on the corporate website and social media outlets when ready.

## Disposal

Because many of Coloplast's products are usually contaminated with human waste after use, they must be disposed of properly due to risk of infection. This means that Coloplast's products often are incinerated or sent to a landfill after disposal. However, most of our product packaging is designed so that it can be recycled.

When chlorinated plastic materials are incinerated, e.g. PVC and PVdC, their emissions are harmful to the environment. These plastic materials are commonly used in medical devices due to their unique technical properties. Coloplast recognises this environmental concern and only uses PVC or PVdC in new products when their technical properties are strictly necessary for product performance. For more information, please see our official PVC/PVdC policy on Coloplast.com.

## Transportation of goods

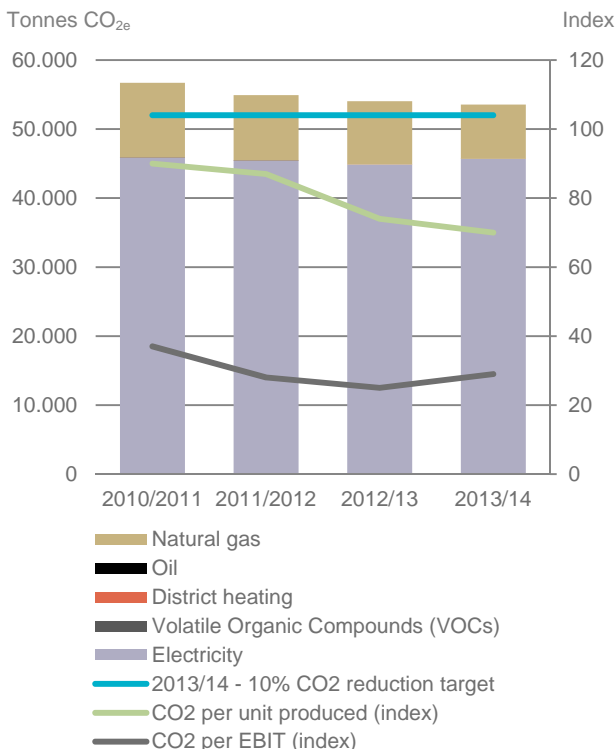
In total, transportation of goods only accounts for approximately 7% of Coloplast's greenhouse gas emissions. However, significant reductions in greenhouse gas emissions can be reached simply by substituting air transportation with sea and ground transportation. For example, shipping goods via air transportation emits up to 200 times more greenhouse gases on a given distance compared to shipping goods by sea.

Therefore, Coloplast in 2010/11 set a reduction target for how products are transported – from 2.5% of air transport to a maximum of 1.5% by 2013/14. An increase in the number of product launches has made fulfilling the target challenging. Nonetheless, Coloplast has successfully set-up a systematic approach to substitute the transportation of our portfolio of mature products away from air transportation, and Coloplast will continue to substitute air transportation with sea and ground transportation whenever possible.

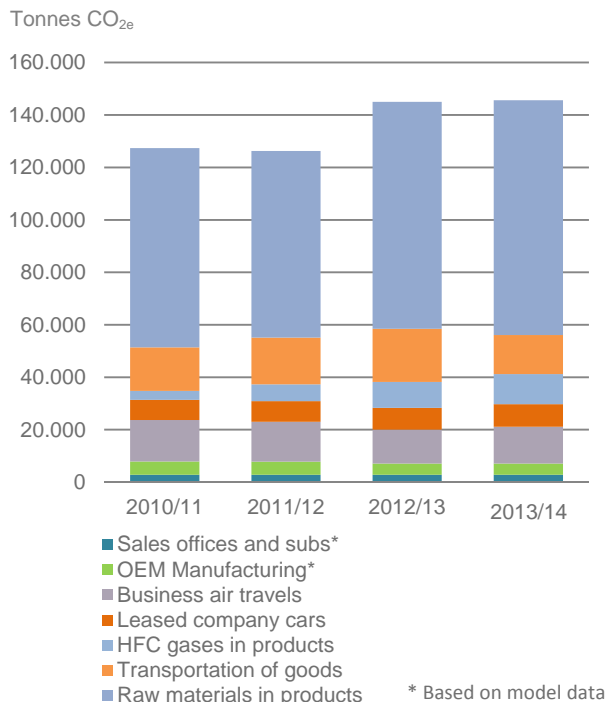
## Standards

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

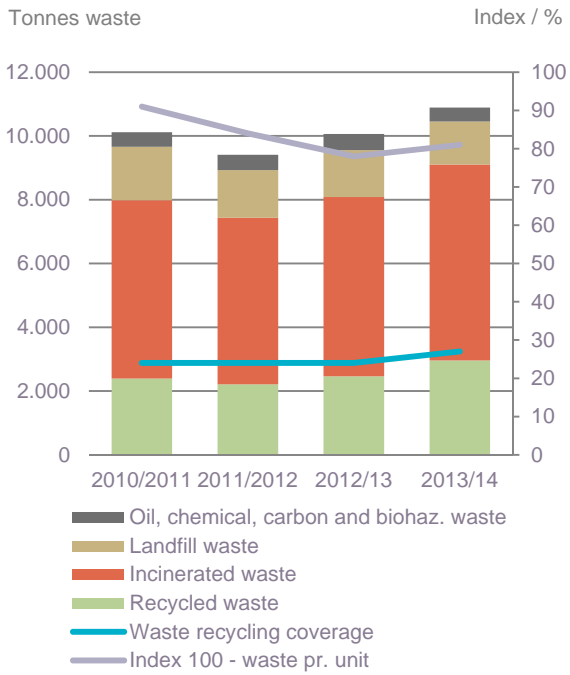
## CO<sub>2</sub> emissions - Scope 1 and 2



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



## Production waste



## Access to Healthcare

### Our responsibility

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

Progress	2010/10	2011/12	2012/13	2013/14	Quantitative target
Estimated number of healthcare professionals affected by our Access to Healthcare projects (accumulated)	-	3,500 <sup>1</sup>	4,500	5,500	No specific target
Access to Healthcare project funds approved (accumulated)	DKK 8.4 million	DKK 12.6 million	DKK 13.7 million	DKK 16.2 million	DKK 50 million

1. First year this data has been collected.

### Performance highlights in 2013/14

- E-learning about Spinal Cord Injuries.** Access to Healthcare has supported the development of ElearnSCI.org, a free online educational resource for healthcare professionals working with Spinal Cord Injury (SCI) management. The tool helps both practitioners and users by providing knowledge and training in SCI management. Since its launch, the website has had nearly 60,000 visits from 161 countries and will be translated into Russian, Mandarin, Spanish and Portuguese.
- Project in China.** Access to Healthcare has supported large-scale capacity building in diabetic wound treatment. Together with our local partners, the Chinese Tissue Repair Society and the World Diabetes Foundation, more than 60 workshops have been conducted in 15 hospitals across China.

### Our approach

Access to Healthcare is Coloplast's partnership program for emerging markets. It was established in 2007, and has to date supported 22 healthcare projects in six developing countries.

The overall aim is to improve conditions for people who need healthcare in the areas of ostomy, continence and wound care.

Close and sustainable dialogue with local partners is pivotal to the success of an Access to Healthcare project, and projects are created in collaboration with local stakeholders.

Through Access to Healthcare, Coloplast brings together practitioners, users, NGOs, and other public and private partners to:

- 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.

Access to Healthcare projects also support the long-term growth of Coloplast emerging markets as they bring Coloplast closer to consumers, and help Coloplast gain new or deeper insights about stakeholders – healthcare practitioners, civil society and policy makers.

For a full list of Access to Healthcare partners and projects, please visit [coloplast.com](http://coloplast.com).

## Supply chain responsibility

### Our responsibility

To improve standards with our suppliers or find alternative suppliers.

Progress	2010/11	2011/12	2012/13	2013/14	Quantitative target
% of raw material suppliers registered in supply chain responsibility programme	99%	100%	100%	100%	100%
Number of suppliers with improved risk profile because of significant improvements (accumulated)	20	22	23	26	No specific target
Number of contracts terminated because of non-compliance (accumulated)	7	8	8	9	No specific target

### Performance highlights in 2013/14

- Maintained 100% of raw material suppliers in supply chain responsibility programme.** For the last three years, Coloplast has maintained 100% of these suppliers registered in the programme. This fiscal year, Coloplast has performed 12 social audits to follow-up on supplier compliance with Coloplast standards.
- One contract terminated.** Coloplast terminated one contract with a supplier due to failure to comply with Coloplast's standards.

### Our approach

Coloplast actively monitors and audits existing raw material suppliers and screens new ones for compliance with human rights, labour rights, environmental, and occupational health and safety issues as well as corruption.

Through a supply chain responsibility programme, Coloplast has successfully standardised monitoring and compliance for raw material suppliers – reaching 100% coverage in 2011/12. This programme includes maintaining sustained dialogue, monitoring for compliance and helping

suppliers improve local conditions when they are willing and is supervised by a Decision Board made up of senior representatives from Global Operations, Corporate Procurement, Corporate Quality and Environment and Public Affairs.

#### Sustained dialogue

In high-risk countries, external partners audit any potential supplier on human rights, labour rights, environmental and occupational health and safety issues as well as corruption. Depending on the level of any non-compliance found, the Decision Board considers whether or not to do business with the supplier or help to improve the supplier's standards.

For new suppliers, Coloplast explains our expectations and how compliance is checked. Standards on human rights, labour rights, environmental impact, occupational health and safety as well as corruption are included. This information is also included in the final contract with the supplier.

#### Monitoring for compliance

Coloplast selects a number of existing suppliers throughout the year for site visits or social audits and reviews their compliance. This process usually takes place with the Coloplast procurement team in the markets where the



supplier operates. If a case has a high-risk profile, the Decision Board reviews it 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.

If an issue is identified, Coloplast and the supplier then agree on any necessary improvements, which forms the basis for an action plan and provides the means for sustained dialogue.

### **Improving local conditions**

In cases where suppliers may be unsure of how to implement improvements, local Coloplast teams provide advice regarding cost efficient best practices that comply with local regulations. Suppliers usually respond positively and

implement recommendations. However, when necessary, Coloplast has terminated cooperation. Coloplast does not provide financial support to help suppliers implement changes.

From the start of the programme until the end of the 2013/14 fiscal year, Coloplast has reclassified a total of 26 current suppliers to a lower risk category after making Coloplast-requested improvements. Coloplast has had to terminate cooperation with a total of 9 suppliers.

## Health and safety

### Our responsibility

To offer healthy and safe working conditions.

Progress	2010/11	2011/12	2012/13	2013/14	Quantitative target
Occupational injuries, all employees (LTI frequency) <sup>1</sup>	7.2	3.7	4.8	4.9	5.0 or less
Occupational injuries, all blue-collar employees (LTI frequency)	9.5	5.3	6.4	5.7	6.0 or less
% of workplaces with 'very high' level of repetitive work	2.2%	1.5%	2.1% <sup>2</sup>	1.7%	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, distribution centres and corporate headquarters (includes only sales subsidiaries in the UK, US and DK).

2. Since 2012/13, Coloplast's US sites has been included in reported data.

### Performance highlights in 2013/14

- **Reached new target for occupational injuries.** In the beginning of the year, Coloplast lowered its target for LTI frequency rates in production (blue-collar) from 7.0 to 6.0 or less. The new target was reached within the current fiscal year.
- **New tool to improve safety culture.** A measurement tool from the Danish National Research Center for the Working Environment was implemented in Coloplast's Danish production sites to monitor safety culture and map areas for improvement. This tool will be made available to all production sites globally in the coming fiscal year.
- **Expanded reach of health programme.** In 2013/14 Coloplast Life started activities in Hungary, Poland, the United Kingdom and the United States. Read more on the following page.

### Our approach

Providing a safe and healthy work environment for employees is a priority for Coloplast. In general,

operations work in Coloplast is relatively low-risk compared to other industries, and Coloplast has never had a fatal workplace injury.

#### Occupational injuries

In order to track and reduce occupational injuries, Coloplast measures Lost Time Injuries (LTI) frequency rates from the production sites, distribution centres and corporate headquarters (includes only sales subsidiaries in the UK, US and DK). Coloplast is currently working to include remaining subsidiaries.

In addition, special attention is given to all minor and 'near-miss accidents' to help identify and solve problems early and minimise future risks.

Other initiatives to reduce occupational injuries include 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.

#### Repetitive work

Coloplast emphasises an ergonomically correct workplace layout whenever manual labour is required in production. Therefore, Coloplast

systematically works to reduce repetitive work. In 2008, Coloplast developed a system for measuring this type of work, which enabled improvements and accurate tracking of progress. Since then, Coloplast has more than halved the amount of stations considered to require 'high' and 'very high' repetitive work. When these stations are unavoidable, Coloplast ensures employees spend a limited amount of time on them by rotating them to stations with lower repetitive work levels.

### Coloplast Life

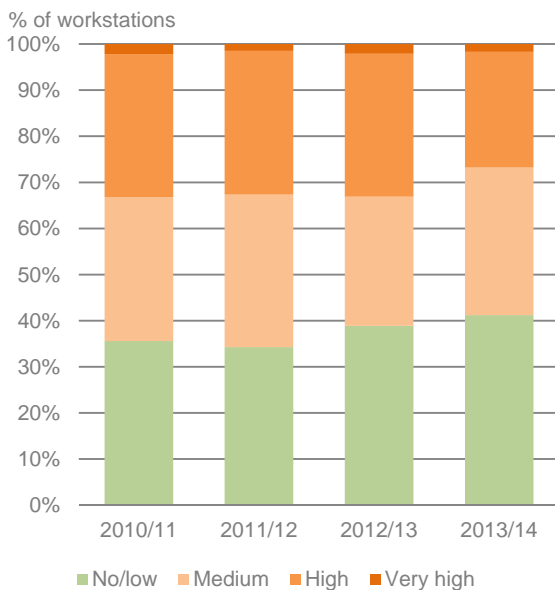
Through the Coloplast Life programme, Coloplast provides different options to make healthy choices as easy as possible for employees. For example, this could be bringing the typical office meeting outdoors to "Walk & Talk" paths, or joining a running club after work. Other activities this year included a step count event, "Get Moving Week", elastic band training during work hours, and a bicycle-race to raise awareness about diabetes. Coloplast Life also focuses on education (e.g., nutrition classes and free health exams), and in addition, Coloplast works to manage stress on a local basis. For example, Coloplast has established a stress policy and offers a 24-hour stress hotline in Denmark.

Coloplast Life previously has been active mainly in Denmark, but this year expanded with different health activities to Hungary, Poland, the United Kingdom and the United States.

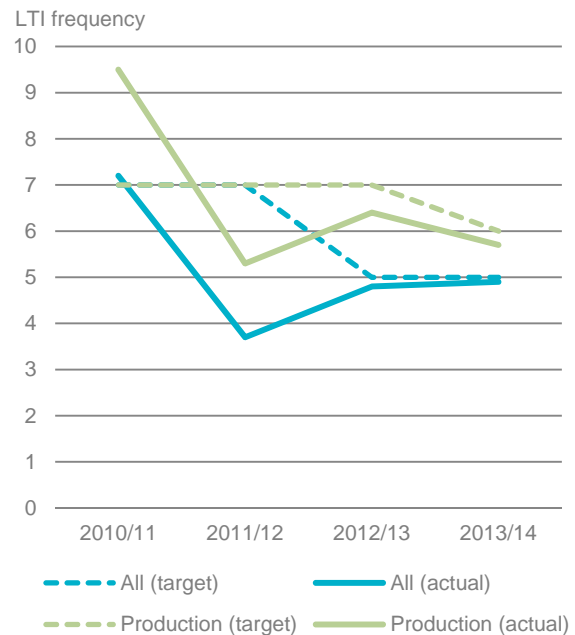
### Standards

Coloplast uses the international Occupational Health and Safety management system, OHSAS 18001, as a tool to ensure that sites adhere to the same rules globally and continuously improve their performance. Today, this management system covers 93% of Coloplast employees in production, distribution centres and headquarters, as well as our sales subsidiaries in DK and the US.

### Repetitive work



### Safety



## Diversity and leadership

### Our responsibility

To offer equal opportunities in our company to all employees.

Progress	2010/11	2011/12	2012/13	2013/14	Quantitative target
% of female managers (all positions at or above Manager level)	37%	40%	40%	40%	No specific target
% of female top managers (Vice Presidents, Senior Vice Presidents and Executive Management)	12%	11%	13%	12%	22% by end of 2017

### Performance highlights in 2013/14

- Percentage of women in top management.**  
 The percentage of women in our overall management group remained consistent at 40%. At the end of the 2013/14 fiscal year the percentage of women in top management was 12%.
- High level of engagement and development.** Coloplast achieved an overall level of engagement of 74 and our global response rate was 93% - that is in top quartile. This is a strong indication that Coloplast has high levels of engagement. Coloplast employees feel extra motivated by reputation, daily work, and personal development.

### Our approach

For Coloplast, mutual respect among our employees is central to our values, and Coloplast does not tolerate discrimination or harassment of any kind. Coloplast wants every employee's career development to be performance based, without the hindrance of culturally related barriers.

#### Fair and transparent

Coloplast emphasises fairness and transparency when reviewing employee's performance and potential. To ensure this, Coloplast annually conducts a People Review and completes Performance Development Plans (PDP) for all

white-collar employees globally, and selected blue-collar employees.

During the People Review process, managers take time to reflect on their employees' past performance and future potential. As part of this process, they gather feedback from internal and external colleagues the employee has worked with, and then discuss each employee's performance and development with the local management team. This process ensures that the employee's performance is not only evaluated by the manager alone, but also by the insights and specific examples from other colleagues and peers.

The PDP is an annual dialogue between the employee and the manager about performance, competencies and results, employee aspirations and work/life balance. The result is a development plan for the individual employee, which is followed up by the manager throughout the year until the next People Review and PDP cycle.

#### Gender diversity

Coloplast believes that diversity is a pre-requisite for success when competing at a global level. The People Review- and PDP-processes reflect Coloplast's commitment and obligation to ensure equal opportunities for employees, irrespective of gender, age, nationality, etc.

Coloplast has committed to a specific target for women in top management in accordance with

Danish law. Despite a slight drop in the percentage of women in top management over the past reporting year, Coloplast has kept our original target of increasing the percentage of women in top management from 11% in 2011/12 to 22% by the end of 2017. Top management is classified as Vice President, Senior Vice President and Executive Management.

The Board of Directors endeavours to increase the number of shareholder-elected women to one third of the shareholder-elected Board members, corresponding to two members, within three years. The resulting changes should take place by way of ordinary rotation among Board members.

### Gender diversity



## Product safety

### Our responsibility

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

Progress	2010/11	2011/12	2012/13	2013/14	Quantitative target
% of phthalate <sup>1</sup> -free alternatives to products containing phthalates	90%	98%	98%	98%	100%
% of reduction in the consumption (by weight) of phthalates compared to the revenue of our Continence Care business units	-	11%	19%	25%	30% by 2013/14
% of urine bags sold that are phthalate-free	-	41%	42%	42%	50% by 2013/14

1. Phthalates are defined as esters of ortho-phthalic acid.

### Performance highlights in 2013/14

- **Close to target.** Coloplast did not meet its target of reduced phthalate consumption this fiscal year. This is mainly due the choice to switch focus to phthalate reduction on a larger scale and revise the reduction target (see next).
- **New reduction-target.** Coloplast has set a new and more ambitious target to reduce the absolute consumption of phthalates by 40% before October 2017.
- **New target for phthalate-free urine bags.** Although Coloplast did not reach the target to have 50% of urine bags sold to be phthalate-free, Coloplast has revised the target to ensure that 75% of all urine-bags sold are phthalate-free by October 2017. Combined with the target for absolute phthalate reduction, this target is considered realistic.
- **Animal testing.** This year, Coloplast conducted testing on 755 animals, of which 679 were mice and guinea pigs, and 76 were rabbits.

### Our approach

Safe products are crucial to Coloplast's mission to make life easier for people with intimate healthcare needs. Coloplast is mindful of the materials and substances used in our products, and Coloplast follows international regulations and standards, as well as local legislation, when applicable.

Coloplast monitors changes in science and technology, and actively scouts for better alternative substances to incorporate into products if needed.

#### Substances currently under watch

Three substances currently under watch by Coloplast are phthalates, PVC (discussed in the Climate and Environment section) and parabenes.

Phthalates are commonly used to make PVC plastics more flexible and durable. In the medical device industry, phthalates are used to soften products like catheters and urine bags. Although Coloplast products are safe to use, Coloplast recognises that there are concerns about the use of phthalates. Coloplast has therefore adopted a precautionary approach and limits the use of

phthalates in products. This is an area where Coloplast leads by example. For more information, please see our official phthalates policy on Coloplast.com.

Parabenes, a preservative, are currently used in a limited number of Coloplast products, primarily within the Skin Care range, and Coloplast is actively working to substitute them with alternatives.

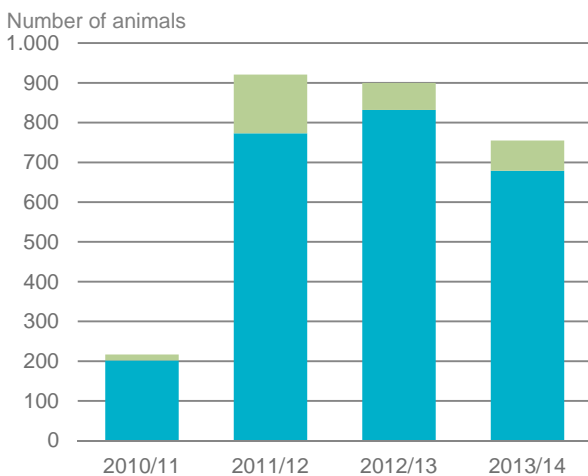
In this context, Coloplast welcomes the increased awareness and regulation of these types of materials and substances, which many companies use in their products.

### Animal testing

Animal testing is a standard method for documenting the safety of medical devices. By

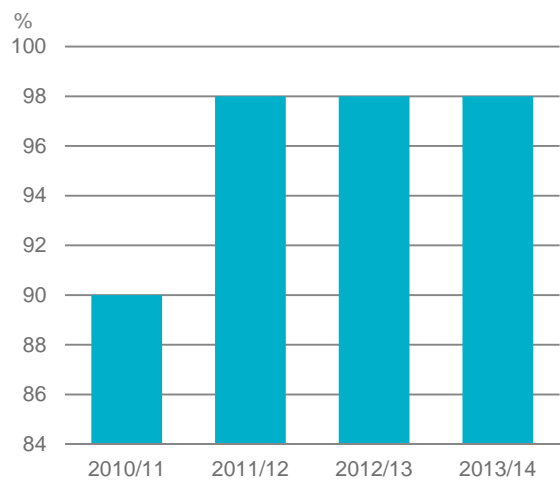
having a precise account of the composition of Coloplast products, animal testing can sometimes be avoided. However, in some cases animal testing is necessary due to legal requirements and safety assessments. Coloplast has audited animal test suppliers in compliance with our Animal Testing Policy. For more information on Coloplast's approach to animal testing, please read our Animal Testing Policy available on coloplast.com.

### Animal testing



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

### Phthalate-free alternatives



■ Phthalate-free alternatives to products containing classified phthalates

## Data tables

	Unit	2013/14	2012/13	2011/12	2010/11
<b>Certifications<sup>1</sup></b>					
Production and distribution sites (total)	Number	13	13	14	15
ISO 9001 / ISO 13485 <sup>2</sup>	Number	13	13	14	15
ISO 14001 <sup>3</sup>	Number	8	8	9	10
OHSAS 18001	Number	10	10	9	10

1) Coloplast currently has nine production sites including the corporate headquarters (Thisted, Mørdrup, Humlebæk, Tatabánya, Nyírbator, Zhuhai, Mankato, West River Road, Sarlat) and four distribution sites (Hamburg, Marietta, Champlan and Tata). 2) Coloplast's goal (which Coloplast's has reached) is that all nine production sites and all four distribution sites are certified to ISO 9001 and ISO 13485. 3) None of the distribution sites will be certified due to their low environmental impact.

<b>Product quality and safety</b>					
Site visits <sup>1</sup>	Days	59	102 <sup>2</sup>	60	57
Non-phthalate products <sup>3</sup>	%	98	98	98	90
Animal testing <sup>4</sup>	Number	755	900	413 <sup>5</sup>	217
... of which rodents	Number	679	832	773	202
... of which other animals	Number	76	68	148	15

1) Total duration in days of quality or environment, health and safety visits by the authorities worldwide for all Coloplast locations. 2) 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. 3) Alternatives available to Coloplast products containing phthalates. 4) Number of animals used for testing. 'Rodents' are mice, rats and guinea pigs. 'Other' animals are rabbits and dogs.

<b>Occupational health and safety</b>					
Injuries and accidents, all employees <sup>1</sup>	LTI freq.	4.9	4.8	3.7	7.2
...of which in European markets <sup>2</sup>	LTI freq.	5.1	6.0	4.7	-
...of which in Other developed markets <sup>3</sup>	LTI freq.	4.4	1.0	0.0	-
...of which in the Emerging markets <sup>4</sup>	LTI freq.	4.1	2.9	2.0	-
Target, all employees	LTI freq.	5.0	5.0	7.0	7.0
Injuries and accidents, production workers <sup>5</sup>	LTI freq.	5.7	5.9	5.3	9.5
...of which in European markets	LTI freq.	6.1	7.2	6.9	-
...of which in Other developed markets	LTI freq.	7.3	2.7	0.0	-
...of which in the Emerging markets	LTI freq.	4.0	3.2	2.2	-
Target, production workers	LTI freq.	6.0	7.0	7.0	7.0
<b>Repetitive work<sup>6</sup></b>					
...No/low	%	41.2	38.9	34.3	35.6
...Medium	%	32.0	28.0	33.1	31.2
...High	%	25.1	31.0	31.2	31.0
...Very high	%	1.7	2.1	1.5	2.2
<b>Employee engagement survey<sup>7</sup></b>					
...Response rate	Index	93	-	92	-
...Engagement index	Index	74	-	72	-
...Values index	Index	81	-	81	-
...Well-being index	Index	78	-	76	-
Personal Development Plans <sup>8</sup>	Index	- <sup>9</sup>	81	82	80

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, distribution centres and corporate headquarters (includes only sales subsidiaries in the UK, US and DK). 2) Corporate headquarters (Humlebæk), production (Nyírbator, Tatabánya, Mørdrup, Thisted, Sarlat), distribution centres (Tata, Hamburg, Peterborough), subsidiaries in Denmark and United Kingdom (Humlebæk & Peterborough). 3) Production (West River Road & Mankato), distribution centres (Marietta & California), subsidiary in the US (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. Since 2012/13 Coloplast's US sites have been included in the reported data. 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 Coloplast conducts this survey biannually. 8) Calculation is based on white-collars only. Personal development plans for blue-collars are run locally and in local systems. 9) This year, Coloplast has implemented a new performance management system to support the Performance Development Plans of white collars globally. The transition from Lotus Notes to SuccessFactors has been over a period of months, starting in November 2013 to April/May 2014. Therefore, to give the exact value on a specific date would not truly reflect the correct performance as the transition happened over 6 months. Therefore, in the interests of accuracy, Coloplast has not provided the value for 2013-14, but will do so from 2014-15.



	Unit	2013/14	2012/13	2011/12	2010/11
<b>Labour practices</b>					
Employees (headcount)	Number	9,250 <sup>1</sup>	8,925	8,126	7,519
...blue-collar	Number	4,168	4,094	3,709	3,492
...white-collar	Number	5,082	4,831	4,417	4,027
<b>Regions<sup>2</sup></b>					
European markets <sup>3</sup> (of which females)	Number (%)	5,952 (64)	5,869 (64)	5,347 (62)	-
Other developed markets <sup>4</sup> (of which females)	Number (%)	839 (50)	814 (48)	784 (48)	-
Emerging markets <sup>5</sup> (of which females)	Number (%)	2,459 (69)	2,242 (72)	1,995 (72)	-
<b>Contract type</b>					
Total part time + fixed term contract (of which female)	Number (%)	23 (70)	24 (71)	21 (76)	-
Total part time + permanent term contract (of which female)	Number (%)	328 (77)	335 (79)	309 (79)	-
Total full time + fixed term contract (of which female)	Number (%)	202 (53)	229 (60)	136 (57)	-
Total full time + permanent term contract (of which female)	Number (%)	8,697 (63)	8,337 (64)	7,660 (62)	-
<b>Gender total</b>					
Female employees	%	64	67	63	65
Female managers <sup>6</sup>	%	40	40	40	37
Female top managers <sup>7</sup>	%	12	13	11	12
<b>Age distribution<sup>8</sup></b>					
...employees aged < 30 (of which females)	%(%)	27 (68)	27 (71)	27 (70)	-
...employees aged 30-50 (of which females)	%(%)	59 (67)	60 (66)	58 (64)	-
...employees aged > 50 (of which females)	%(%)	14 (68)	13 (66)	15 (67)	-
...managers aged < 30 (of which females)	%(%)	4 (51)	5 (44)	4 (42)	-
...managers aged 30-50 (of which females)	%(%)	82 (40)	81 (40)	79 (40)	-
...managers aged > 50 (of which females)	%(%)	14 (35)	14 (39)	17 (35)	-
...top managers aged < 30 (of which females)	%(%)	0 (0)	0 (0)	0 (0)	-
...top managers aged 30-50 (of which females)	%(%)	72 (14)	75 (8)	77 (6)	-
...top managers aged > 50 (of which females)	%(%)	28 (7)	25 (25)	23 (27)	-
<b>Age distribution total</b>					
...employees aged < 30	%	24	25	25	30
...employees aged 30-50	%	62	62	60	57
...employees aged > 50	%	14	13	16	13

1) Reported data is based on 9,250 active employees (includes all full time and part time contracts). The total workforce includes 390 employees who are currently on leave. 2) Global data for all employees was not accessible prior to 2012 (until 2012, our report have covered 84%). 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

Raw material suppliers covered by supply chain responsibility

programme <sup>1</sup>	%	100	100	100	99
Suppliers with improved risk profile because of significant improvements <sup>2</sup>	Number	3	1	2	1
... accumulated	Number	26	23	22	20
Contracts terminated <sup>3</sup>	Number	1	0	1	0
...accumulated	Number	9	8	8	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.

	Unit	2013/14	2012/13	2011/12	2010/11
<b>Code of Conduct compliance</b>					
White-collar employees trained in Code of Conduct	%	93	94	95 <sup>1</sup>	23
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
<b>Business units analysed for organisational risks related to corruption</b>					
...business units in total <sup>2</sup>	Number	54	54	54	-
...of which analysed	%	0	0	84	-
<b>Whistleblower hotline</b>					
...number of cases submitted	Number	4	19	12	5
...of which within scope <sup>3</sup>	Number	4	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 was only recently sent to a batch of new employees. 2) Includes all subsidiaries and all headquarter departments individually. 3) 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.

### Society

Project funds approved (accumulated) <sup>1</sup>	DKKmillion	16.2	13.7	12.6	8.4
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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.

### Waste

Waste <sup>1</sup>	Tonnes	10,891	10,059	9,411	10,110
...of which oil / chemicals <sup>2</sup>	Tonnes	440	505	485	456
...of which landfill	Tonnes	1,348	1,473	1,487	1,678
...of which incineration	Tonnes	6,143	5,621	5,226	5,588
...of which recycling <sup>3</sup>	Tonnes	2,960	2,461	2,213	2,395
...per units produced <sup>4</sup>	Index	81	78	84	91
...recycling coverage <sup>5</sup>	%	27	25	24	24

1) Based on weighted amounts from the production sites, distribution centres and corporate headquarters (includes only sales subsidiaries in the US and DK). This year, the site in Sarlat has been included in the reported data for four years reported. 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) Waste per unit produced converted to index values (2006/2007=100). 5) Recycling coverage of total waste generation. Not including waste reused directly in our production.

### Water

Water use <sup>1</sup>	Tonnes	250,911	299,378	274,205	277,328
...of which municipal water	%	100	100	100	100
Water sources significantly affected	Number	0	0	0	0
Spills (significant / insignificant)	Number	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, distribution centres and corporate headquarters (includes only sales subsidiaries in the UK, US, and DK)

	Unit	2013/14	2012/13	2011/12	2010/11
<b>CO<sub>2</sub> emissions<sup>1</sup></b>					
Scope 1 <sup>2</sup> / direct energy	mWh	39,356	45,803	47,300	52,269
	GJ	141,682	164,891	170,279	188,168
	Tonnes CO <sub>2e</sub>	7,901	9,201	9,505	10,499
...of which natural gas	mWh	39,356	45,803	47,296	52,265
	GJ	141,682	164,891	170,267	188,154
	Tonnes CO <sub>2e</sub>	7,871	9,161	9,459	10,453
...of which coal or fuel distilled from crude oil	mWh	0	0	3	4
	GJ	0	0	12	15
	Tonnes CO <sub>2e</sub>	0	0	1	1
...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>	30	40	45	45
<b>Scope 2 / indirect energy</b>	mWh	83,121	81,641	82,419	85,055
	GJ	299,236	293,908	296,710	306,197
	Tonnes CO <sub>2e</sub>	45,671	44,851	45,428	45,865
...of which electricity	mWh	82,304	80,642	81,534	84,023
	GJ	296,294	290,311	293,524	302,482
	Tonnes CO <sub>2e</sub>	45,664	44,842	45,420	45,856
...of which district heating and cooling	mWh	817	999	890	1,032
	GJ	2,941	3,596	3,204	3,715
	Tonnes CO <sub>2e</sub>	7	9	8	9
...of which steam	mWh	0	0	0	0
	GJ	0	0	0	0
	Tonnes CO <sub>2e</sub>	0	0	0	0
<b>Scope 1 + 2 / total emissions, direct and indirect</b>	Tonnes CO <sub>2e</sub>	53,572	54,052	54,933	58,293
...per number of units produced <sup>4</sup>	Index	70	74	87	90
...per EBIT <sup>5</sup>	Index	29	25	28	37
<b>Scope 3 / other relevant indirect emissions</b>	Tonnes CO <sub>2e</sub>	145,600	145,000	111,100	127,400
...of which transportation of goods <sup>6</sup>	Tonnes CO <sub>2e</sub>	14,900	20,300	17,800	16,600
...of which business air travels <sup>7</sup>	Tonnes CO <sub>2e</sub>	14,000	12,900	15,200	15,800
...of which leased company cars <sup>8</sup>	Tonnes CO <sub>2e</sub>	8,600	8,300	7,900	7,700
...of which OEM Manufacturing <sup>9</sup>	Tonnes CO <sub>2e</sub>	4,300	4,300	5,000	5,100
.. of which sales offices and subsidiaries <sup>10</sup>	Tonnes CO <sub>2e</sub>	2,800	2,800	2,800	2,800
.. of which fluorinated hydrocarbons in products <sup>11</sup>	Tonnes CO <sub>2e</sub>	11,500	9,900	6,400	3,400
...of which raw materials in products <sup>12</sup>	Tonnes CO <sub>2e</sub>	89,500	86,500	71,200	76,000

1) Coloplast complies with the Greenhouse Gas Protocol Scope 1, 2 and 3. Scope 1 and 2 measurements are based on consumption in all production sites, distribution centres and corporate headquarters (including 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) Based on CO<sub>2</sub> emission reports from transport companies. Not including deliveries from Coloplast distribution centres and wholesalers to customers and users. 7) Based on CO<sub>2</sub> emission reports from airlines and travel agents. 8) Based on consumption data from leasing companies. 9) OEM = sub-suppliers of Coloplast products. The estimate is based on model data (internal model). 10) Estimate based on model data (Danish Energy Management Scheme). 11) HFC134a gases used as propellants in spray cans (GWP20). 12) Based on Life Cycle Assessments of all raw materials, categorised into 70 sub categories.

## About this report

This report constitutes the statutory report of Danish Financial Statements Act, section 99a, and is published annually together with the Coloplast Annual Report. It covers the financial year 2013/14, from 1 October 2013 to 30 September 2014.

### UN Global Compact

In 2002, Coloplast made a formal commitment to make the ten principles of the UN Global Compact part of the business strategy and day-to-day operations. These principles cover basic human rights, labour, environmental and anti-corruption policies. To continue this tradition, this report functions as Coloplast's annual Communication on Progress to the UN Global Compact. Find information on progress on the following pages:

- Principle 1 Page 4, 9-10, 16-21, 24-26
- Principle 2 Page 4, 9-10, 16-21, 24-26
- Principle 3 Page 4, 9-10, 16-23, 24-26
- Principle 4 Page 4, 9-10, 16-23, 24-26
- Principle 5 Page 4, 9-10, 16-23, 24-26
- Principle 6 Page 4, 9-10, 16-23, 24-26
- Principle 7 Page 4, 11-14, 26-27
- Principle 8 Page 4, 11-14, 22-23, 24, 26-27
- Principle 9 Page 4, 11-14, 22-23, 24, 26-27
- Principle 10 Page 4, 9-10, 16-17, 25-26

### Reporting principles

This report 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. A G3.1 index to this report's contents are provided at the end of the report.

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

### Scope

This report is intended to be used by owners/shareholders and analysts, and is a presentation of Coloplast activities in the field of

corporate responsibility, as well as the challenges Coloplast faces. Unless otherwise noted, the data and reporting include 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 Coloplast has started expanding the programme to distribution channels as well. Suppliers are included only with regard to the specific reporting on our supply chain responsibly programme.

### Materiality

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

Only topics relevant to Coloplast and its stakeholders were included, regardless of whether or not a relevant GRI indicator currently exists for the topic in question. Together with Coloplast's own ambitions, targets and challenges, this report also includes general trends on the healthcare industry, changes in key demographic groups worldwide, and more. These trends are based on Coloplast's own assessments of external events.

### Stakeholder engagement

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

No special type of engagement with stakeholders were undertaken for this specific report's purpose. However, this report reflects Coloplast ongoing dialogue with its stakeholders through different channels:

- **Owners / shareholders.** An Investor Relations Unit facilitates dialogue with owners / shareholders on a regular basis. For more information, please visit [coloplast.com/investor\\_relations](http://coloplast.com/investor_relations)
- **Users.** Coloplast conducts annual satisfaction surveys, which target users in over ten countries. Furthermore, Coloplast engages with users through our dialogue programme, Coloplast Care, which aims to help users by providing needed guidance and support. Coloplast Care is currently active in more than 19 countries. A key topic raised by users is product safety, read more on page 22.
- **Healthcare professionals.** Coloplast works with healthcare professionals on advisory boards by engaging in semi-annual focus group meetings. At the same time, Coloplast also makes it easy for healthcare professionals to submit complaints on the corporate website.
- **Society.** Coloplast works with relevant societal organisations through the Access to Healthcare partnership-programme, and maintains a sustained dialogue through regular updates on healthcare progress and challenges in local communities. Coloplast also engages external stakeholders through our public affairs work, where Coloplast seeks to maintain high standards of professionalism and transparency.
- **Environment.** Issues regarding the environment are communicated through multiple channels, including, for example, material for sales reps and on Coloplast.com. The annual Corporate Responsibility Report is

one of the most comprehensive sources of information regarding our environmental performance. Coloplast is also a member of the Carbon Disclosure Project.

- **Employees.** Coloplast communicates to employees on a daily basis through the Coloplast intranet “Connect”, and holds information meetings four to six times a year that are broadcasted globally within the company. In addition, Coloplast conducts global engagement surveys bi-annually.

#### Data collection

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

In some cases, new data has been gathered from earlier fiscal years, which can result in updates to figures in previous reports. In order to continue improving our reporting, there may be times when data has been restructured for a more precise representation. In all such cases, a note to that effect is provided in the text or in footnotes.

#### 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 and corporate headquarters (as well as sales subsidiaries in the US and DK). For more detailed information on individual certifications, please see the data table in this report.

## Global Reporting Initiative

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### Governance, Commitments, Engagement

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- 4.8 (Fully) Page 8; Code of Conduct page 9 -10; Environment page 11 – 14; Human Rights page 16 – 17, 20 - 21
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- 2.10 (Fully) Coloplast.com > About Coloplast > Recognitions and awards

### Management approach disclosures

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## Statement GRI Application Level Check

GRI hereby states that **Coloplast A/S** has presented its report "Corporate Responsibility Report 2013/14" 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, 28 October 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir  
Director Services  
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 16 October 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

The Coloplast story began back in 1954. Elise Sørensen is a nurse. Her sister Thora has just had an ostomy operation and is afraid to go out, fearing that her stoma might leak in public. Listening to her sister's problems, Elise creates the world's first adhesive 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 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 9,000 people.

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Company registration (CVR) No. 69 74 99 17