

Corporate Responsibility Report

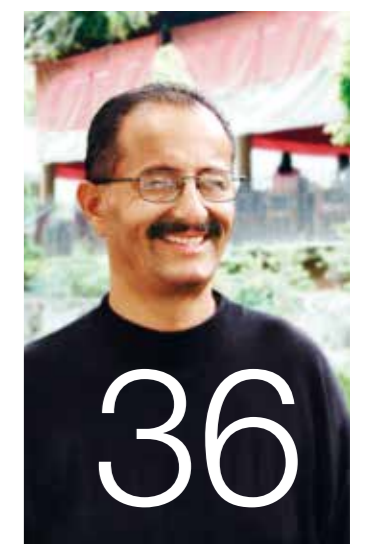
2011/12



We want to become one of the best performing med-tech companies in the world. With strong growth ambitions comes even greater responsibility.

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A word from our management

Demands on the healthcare industry are increasing, together with the number of elderly people worldwide. This will bring new challenges, but also new growth opportunities. As markets develop and our company grows, we'll have to make choices everyday – corporate responsibility guides those choices.

To understand where we're going, we must remember where we came from. The Coloplast story is one of commitment and passion. It started over fifty years ago when a dedicated nurse decided she would change her sister's quality of life, which had declined dramatically following an ostomy operation. It was then that nurse Elise Sørensen created the world's first ostomy bag. Coloplast has been translating ideas into products and services that make life easier for people with very personal and private medical conditions ever since.

Our original values of respect and responsibility have guided us through the years as we transformed into one of the best performing medical device companies in the world. Today we employ around 8,000 people and are represented in 55 countries – and we want to grow even more. This ambition compliments the increasing number of elderly people around the world, as well as the expanding healthcare coverage for populations in emerging markets.

Looking forward, we're committed to staying among the best, while investing in further growth over the next 3-5 years. With these investments we aim to maintain and strengthen our position as market leader in Europe, strengthen growth in developed markets outside Europe, as well as provide greater expansion into new emerging markets such as China and Brazil.

We believe our corporate responsibility and growth ambitions go hand in hand. For example, we want to produce more products in order to support the growing need of end users around the world. But just because we'll increase our production, doesn't mean our environmental footprint has to.

We're very mindful of the raw materials we use, the amount of waste we produce, and our overall resource consumption. Therefore, we've made ambitious commitments to reduce our CO₂ emissions, even as we grow.

This integration of responsibility and growth is also reflected in our stance on business ethics. For example, we know that to sell more we'll have to interact with more customers every day in varying business cultures. In some countries, practices we consider corrupt may be common. At Coloplast, we don't consider this a dilemma. Our strong commitment to our global Code of Conduct and solid compliance setup will ensure the partnerships we have with healthcare professionals around the world continue to be driven by one thing – a mission to make life easier for people with intimate healthcare needs.

This report encompasses everything we do within corporate responsibility. In other words, it describes who we are, where we're going and how we'll make the choices that will get us there.

Executive management

Lars Rasmussen - President, CEO

Lene Skole - Executive Vice President, CFO

“To us, the words responsibility and growth go hand in hand – this just makes good business sense.”

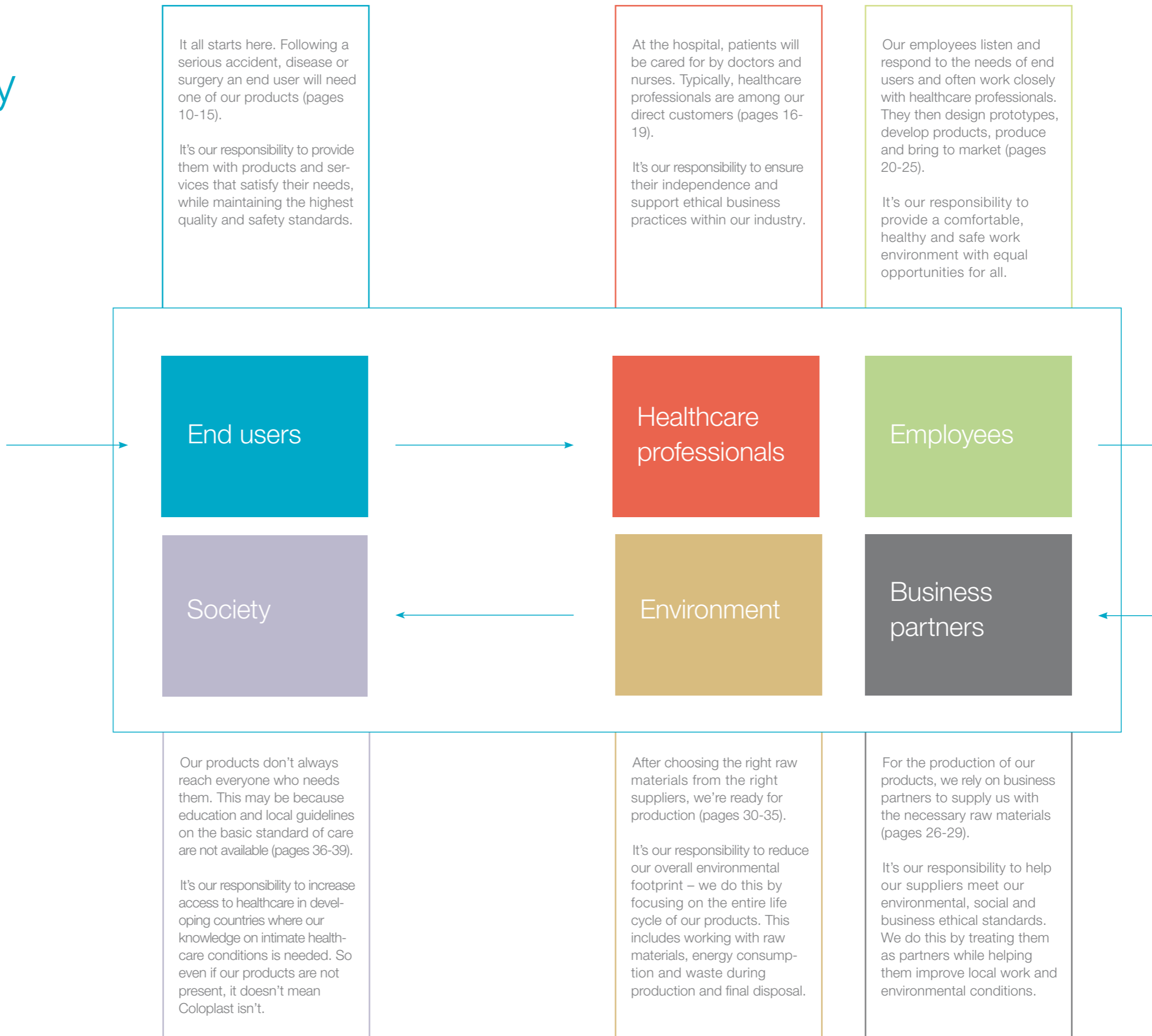
Lars Rasmussen, President, CEO

Lene Skole, Executive Vice President, CFO



Corporate Responsibility at Coloplast

Our corporate responsibility work focuses on six stakeholder groups which are directly impacted by our business. Let's follow the story of a Coloplast product and see what impact we have on each of these stakeholders, as well as what responsibility means to us.



Scan the QR Code to watch our brief video on the dilemmas we face.

Progress and challenges

We measure corporate responsibility, address challenges and set goals.

Stakeholder	Our ambitions	How we measure our progress	Current status	Quantitative target
End users	To make their lives easier by providing personalised services along with safe and trustworthy products.	· % 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	11%	→ 30% by 2013/14
		· % of urine bags we sell that are phthalate-free	41%	→ 50% by 2013/14
		· % of our production covered by ISO 9001/ISO 13485	100%	→ 100%
Healthcare professionals	To ensure all our employees have significant awareness and knowledge of our Code of Conduct rules and to increase monitoring.	· % of white-collar employees trained in our Code of Conduct	95%	→ 100%
		· Number of legal action cases for anti-competitive behaviour	0	→ 0
		· Amount of significant fines for non-compliance with laws and regulations	0	→ 0
Employees	To have satisfied employees who feel they have equal opportunities in our company, and to reach our specific targets for health and safety.	· Injury and accidents, all employees (LTI frequency ¹)	3.7	→ 7.0 or less
		· % of workplaces with very high level of repetitive work	1.5%	→ No specific target
		· % 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)	11%	→ 22% by end of 2017
Business partners	To significantly improve standards with our suppliers or find others that will.	· % of raw material suppliers covered by supply chain responsibility programme	100%	→ 100%
		· Number of suppliers with improved risk profile because of significant improvements (accumulated)	22	→ No specific target
		· Number of contracts terminated because of non-compliance (accumulated)	8	→ No specific target
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 reduction of CO ₂ emissions on energy use from our production and facilities (scope 1 & 2 ²)	3%	→ 10% by 2013/14
		· Total amount of production waste ³	9,145 tonnes	→ No specific target
		· % of recycling coverage	24%	→ No specific target
Society	To raise the standard of care in emerging markets.	· Estimated number of end users and healthcare professionals affected by our Access to Healthcare projects (accumulated)	3,500	→ No specific target
		· Project funds approved (accumulated)	DKK 12.6 million	→ DKK 50 million

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.
 2. According to Greenhouse Gas Protocol.
 3. Based on weighted amounts from the production sites, warehouse and corporate headquarters (not including sales and subsidiaries). Data has been revised since last year, as our distribution centre in Hamburg has been added to the report.

A competitive advantage

We've been working on our corporate responsibility efforts for more than ten years now, and reporting in detail about it for three. Of course we face challenges, but we address them with high priority and try to learn from the mistakes we make. Recently, we've received quite a bit of positive external recognition for our good work – we see this as a competitive advantage.

For example, after reviewing nominations from companies in more than 100 countries and 36 industries, The Ethisphere Institute named Coloplast one of the world's 100 most ethical companies.

Another example is from Storebrand, a leading Nordic provider of life insurance and pensions. In 2011, they named Coloplast the most sustainable company in the healthcare sector. This year, we've been accepted into Storebrand's new sustainability fund – Storebrand Trippel Smart and SPP Global Topp 100. This means they consider us one of the most sustainable companies in the world¹.

Coloplast also continues to feature prominently in a number of sustainable investment indices. This includes the Dow Jones Sustainability Index which analyses companies in every conceivable parameter of their economic, environmental and social performance. This year over 1,500 companies were assessed, but only seven from the medical device sector were featured – Coloplast being one of them. We've also been featured in the FTSE4Good Index Series which follows a similar assessment process. This index series was made by FTSE Group, a global index company created by the London Stock Exchange Group.

Corporate Responsibility Ambassadors spread the word

We're confident we can openly share our good work in the area of corporate responsibility with customers. However, as a global corporation it can be difficult to make sure the results of our efforts reach not only customers, but also our employees around the world. This year we launched the Corporate Responsibility Ambassador programme in an effort to increase our transparency on these important messages.

Through this programme we are educating sales representatives globally on our environmental and social efforts. In turn, they are equipped with the tools which may help differentiate Coloplast from competitors. This way, we don't just wait for customers to ask about our corporate responsibility work – we proactively discuss these issues with them.



1. Analyses are done on a sector by sector basis and scores between the sectors are not immediately comparable.

Living our mission

We have one mission – to make life easier for people with intimate healthcare needs. We call them the end users, and they are the core of our responsibility. It's our obligation to provide them with safe and trustworthy products. But we also help break taboos, co-create together, and offer personalised care services.

A growing demographic group

The number of elderly people in the world is growing. Moreover, through advances in technology, people today live longer than ever before – but typically with a healthcare condition which requires the use of medical devices. This means our market is likely to grow in the coming years, and so will the need for corporations in the healthcare industry to act responsibly.

Design DNA

Most of our customers have had a serious accident or have a serious disease. This may be, for example, a severe spinal cord injury, or colon cancer. Our products help them regain full and meaningful lives. From the end users we've learned that people who live with intimate healthcare conditions care very much about three things: discretion, security and convenience. To accommodate this, we follow a consistent Design DNA in order to deliver products that work, are easy to use and don't necessarily look like medical devices. This way, we make sure the user experience comes first, and focus on delivering the right solutions.

Breaking taboos

We see it as our responsibility to help remove the problems and stigma that many of our end users live with every day. We're currently working to break down taboos associated with bowel management issues. Some bowel problems, e.g. chronic constipation, can be extremely uncomfortable, often causing embarrassment, leading to

loss of independence and self-confidence. Far too many people still don't know where to find basic information about these conditions or the treatment options that can help them – simply because bowel issues are still a big taboo.

This year the Bowel Independence Partnership was created in the UK. Through this partnership we work together with patient organisations, healthcare professionals and journalists to engage the media and urge journalists to write about bowel issues. More access to information on healthcare options can be hugely beneficial for people's quality of life and those around them.



Peristeen®

Bowel independence

Peristeen helps people empty their bowels through anal irrigation. This reduces not only the risk of severe constipation by preventing the build-up of stool, but also the risk of having a bowel accident, which can be both painful and embarrassing. People who need this type of treatment typically have a spinal cord injury or multiple sclerosis.

Information on treatment options for these conditions is very limited. In response to this, the Bowel Independence Partnership was formed in the UK. The objective is to target communication channels and urge the media to speak up. To help journalists understand the physical and mental challenges of people with bowel issues, a media event was held which featured presentations both from leading medical experts and other healthcare professionals, who work with patients every day.

We're on a quest to break down the barriers of communication held together by strict taboos and improve the lives of thousands of people around the globe. Ultimately, responsibility is about choice – and we choose to help make life easier for people with intimate healthcare conditions.

Together every step of the way

The first year can be dramatic for many end users. For people living with a stoma for example, their surgery may initially come as a surprise. Most get only a short time with a specialist nurse before leaving the hospital. In some cases, the fears and questions of how to live with a stoma are left un-addressed and the end users ill-prepared for their new lives.

We feel that it's our responsibility to provide personal services to end users, in addition to safe and comfortable products. Our Coloplast® Care programme for example, walks people through the entire first year of their new condition by:

- Connecting with them and forming a lifetime bond
- Advising with the right information at the right time
- Responding with frequent phone calls, emotional support, and monthly newsletters
- Enabling them to live the easiest life possible.

End user-driven innovation

Coloplast is the proud sponsor of the independent, global online community innovationbyyou.com. By creating a safe, welcoming, and creative environment for end users to meet and exchange advice and ideas, innovationbyyou.com is enabling members to take an active part in improving life with a stoma, or continence issues.

A strong sense of community and team-spirit, together with specialised VIP rooms, provides a flow of ideas for developing better products.

This year, we'll see the launch of the very first innovationbyyou.com branded product – the Ostomy Arch™, an accessory which has been co-created by the community. The product addresses the issue of pancaking, a typical problem people with a stoma face where the ostomy bag gets stuck to the stomach skin due to gasses which form a vacuum-like effect.

LEADING BY EXAMPLE



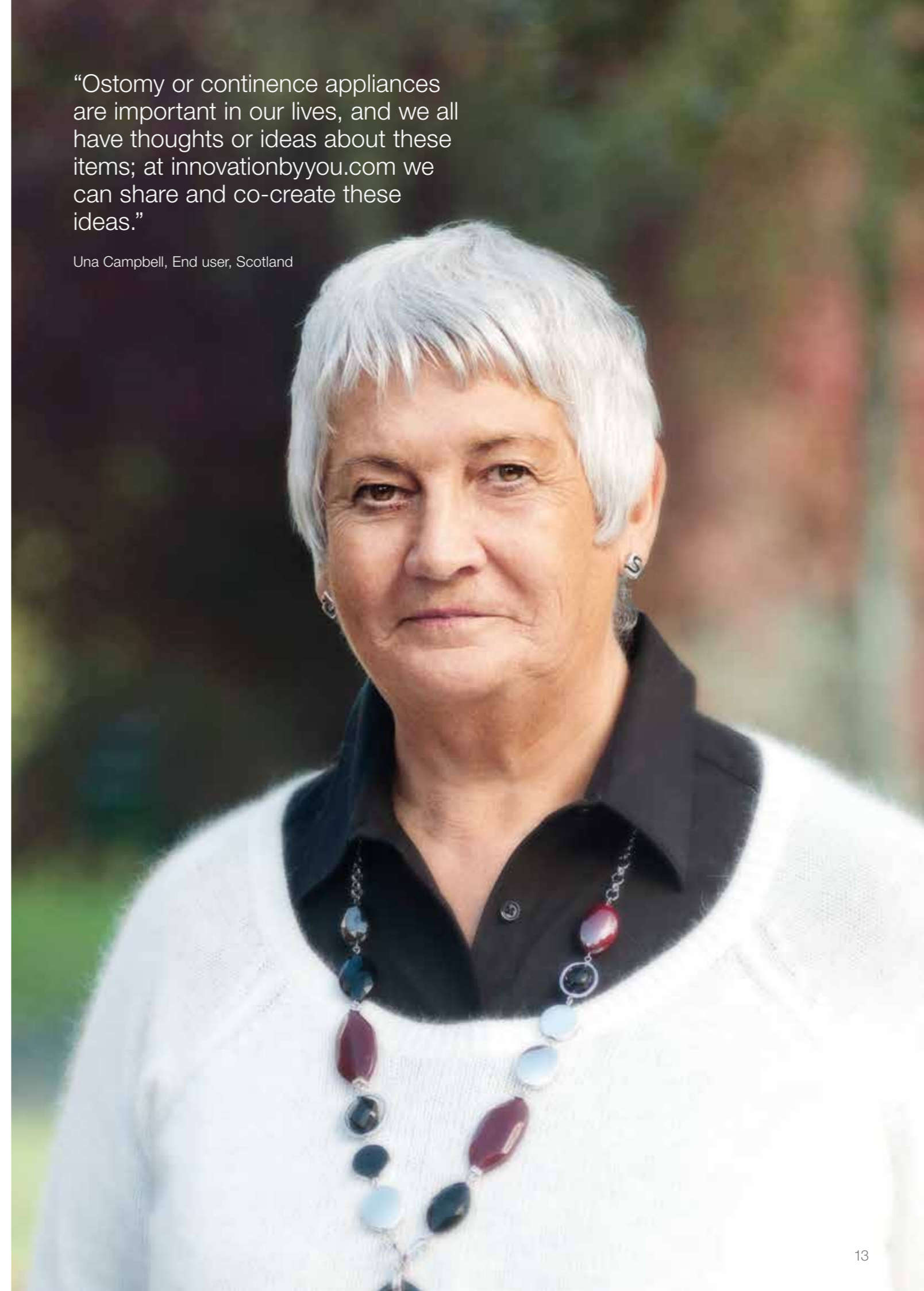
"What Coloplast is doing is quite unique. Through innovationbyyou.com, Coloplast has the ability to mobilise users to develop new products themselves and to modify existing ones, helped of course by Coloplast's own developers."

Eric von Hippel

Professor of technological innovation at the MIT Sloan School of Management, United States

"Ostomy or continence appliances are important in our lives, and we all have thoughts or ideas about these items; at innovationbyyou.com we can share and co-create these ideas."

Una Campbell, End user, Scotland



Products you can trust

Awareness and regulations of the types of chemicals which companies use in their products continues to increase. While we work to provide services and improve the social experiences of our end users, a more fundamental responsibility is of course to provide safe products. At 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.

On the lookout for new options

We're already ahead by knowing 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. Three of the ingredients currently under watch are phthalates, PVC (discussed in the environment section of this report) and parabenes. Parabenes are currently used in a very limited number of Coloplast Skin Care products.

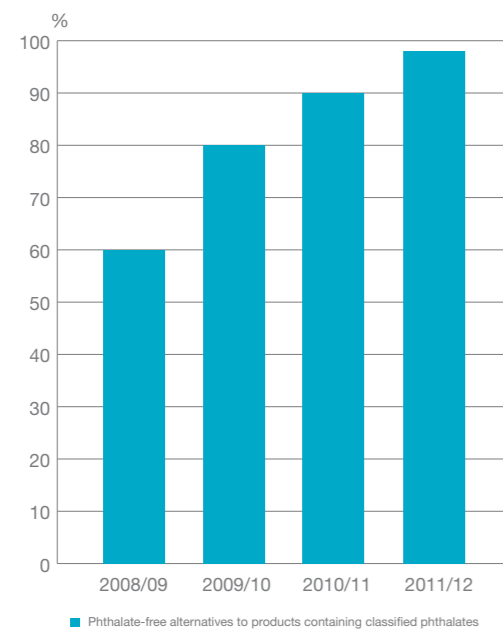
A precautionary approach

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've 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. Today, 98% of our products containing phthalates have a phthalate-free alternative.

So far we've reduced our consumption (by weight) of phthalates by 11% compared to the revenue of our continence care business unit. We will continue to monitor our progress and openly communicate both our accomplishments as well as challenges. 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.

PHthalate-FREE ALTERNATIVES



Putting animal testing to the test

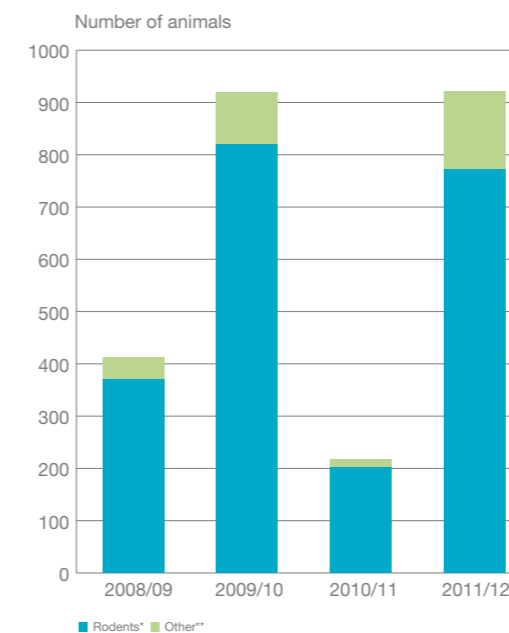
Animal testing is a standard method for documenting the safety of medical devices. In some cases it's necessary, so we can't completely avoid it. We do however try to reduce it as much as possible. As stated in our new Animal Testing Policy we will work to replace animal testing and instead test with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

We've also taken our monitoring in this area a step further this year by putting our animal test suppliers to the test. After auditing our four suppliers around the globe, we found their performance to be on track with our Animal Testing Policy.

In 2011/12 we conducted 921 animal tests. Of these 773 were rodents and 148 were other animals¹. This increase stems primarily from an increase in product launches, modifications of existing products and legal requirements in the new countries we're now operating in. For example, we've launched new products within continence care, and modified some of the materials used in our surgical products, which generally face higher safety requirements.

¹ This year, we've also included the number of animal tests from our research projects involving a total of 10 rats and 27 rabbits.

ANIMAL TESTING



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

A responsible and worthwhile relationship

Isolated acts of corruption and excessive hospitality risks giving the relationship between the medical device industry and healthcare professionals a bad reputation. This is a shame because we see our work with healthcare professionals as the key to making life easier for people with intimate healthcare needs. At Coloplast, we remain strongly committed to our global Code of Conduct – that way, we can ensure this partnership continues.

Our market is growing steadily due to an aging population. We also see emerging markets expanding at a fast pace – with their healthcare systems following closely behind. It's more important than ever that we're present globally. But business cultures vary around the world and in some countries practices that we consider corrupt may be common. A strong Code of Conduct and compliance setup will help us ensure all our employees around the world follow the same rules.

Our people know the rules

We interact with healthcare professionals in many different ways. They help us develop new products, and conduct research – and we help them with their training and education. Interactions also take place on our advisory boards where hundreds of nurses in over 22 countries give us feedback on our performance and provide new product ideas. This way, we learn how they work with our products and are able to provide better solutions.

During interactions like these, questions may arise on what exactly is appropriate conduct. That's why we've placed special focus on training and communication of the rules so there is never any doubt.

This year, we're particularly proud of the massive coverage we've been able to achieve with our compliance training. Our mandatory Code of Conduct e-learning course for example has been made available in 15 languages in over 35 countries – and nearly 95% of our white-collar employees

have now completed it. We've also completed a great deal of face-to-face training in selected countries.

One of the great benefits of the e-learning course is that employees are able to personally relate to it. This is because in the development of the course we conducted interviews with key employees around the world. This process allowed us to incorporate real dilemmas our people face, as well as create local ownership of the course.

Today we can say with confidence that our people are well trained, and ready for the growth opportunities as well as the challenges that lie ahead.

Whistleblower hotline

About two years ago we established a global whistleblower hotline enabling employees and others to report breaches of our Code of Conduct and, in some countries, other related issues. Since then, we've received a total of 17 cases, 15 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.

From code to compliance

In 2011/12 we evaluated our entire compliance setup based on the guidance provided by the UK Bribery Act. We saw that we were doing quite well, but there were still areas we needed to strengthen further. Below are a few examples of how we'll work to continuously improve.

We've heightened our attention on our distributors – they are the ones who help us get our products to our customers and end users when we can't be there. The first step is to conduct risk assessments of our distributors around the world. Next, we complete routine background checks. This is an ongoing project which will take up much of our time in the coming year.

Additionally, we've conducted compliance reviews of current practices and procedures of selected sales subsidiaries, focusing so far on emerging market countries. We've also strengthened our compliance organisation outside of corporate headquarters.

A visible commitment

This year, Coloplast obtained the "Ethical Business Logo" by Eucomed, the medical device industry association in Europe. The logo is based on a self-certification that we adhere to the high ethical standards embodied by the Eucomed Code of Ethical Business Practice and that we have an effective compliance programme in place.



HIGH ETHICAL BUSINESS STANDARDS



"I first came in contact with Coloplast about eight years ago. Since then I've moved to three different hospitals, but have never encountered a company with such high ethical standards. To the best of my knowledge, Coloplast sales representatives operate in a manner that will never associate with corruption, fraud or bribery. At times, they've even advised hospitals against overstocking of products – something I've never seen other companies do."

Mrs. Makabedi Makhetha
CEO of South Rand Hospital, South Africa

Responsible advocacy

With significant changes in the demographic makeup of the global population ahead, healthcare systems around the world will have no choice but to become more efficient and cost effective. It's up to us to 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 end users. Today we see our work in this area as more important than ever.

For example, the European Union is set to revise its regulations on medical devices this coming year. In this process, we'll advocate for a ban on the use of classified phthalates. Another example is the inconsistency of how doctors across Europe report product errors – here we'll advocate for a centralised reporting body so that patterns are immediately spotted and dealt with.

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, which emphasises our respect for transparent decision-making processes as well as our focus on respect 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.

TRANSPARENCY IS KEY



"In terms of advocacy work, it can be difficult at times in complex markets to know exactly with who and how to make contact with policy makers. Coloplast's transparent approach ultimately serves patients and healthcare professionals best since it enables safe participation in symposiums, training events and more – with absolutely no room for foul play. I personally think it's also quite fantastic that Coloplast proactively takes up dialogue with authorities about honesty and transparency."

Jess Møller Knudsen

Key Account Manager at the Danish Foreign Ministry, Denmark

"Reputation matters when choosing who to work with – how a company cares for the environment and deals with corruption for example is part of the decision."

Dr. Hans Slootman,
Heliomare Rehabilitation Center, Netherlands



Pilots of growth

Who are the key drivers of our growth ambitions and overall mission? Our employees. Their talents make it all possible. In order to care for our expanding customer base, we must also care about our people. So we work to provide a healthy and safe work environment with equal opportunities for all.

Equal opportunities

When we look at the environment our business currently operates in, we see new and maturing markets racing to the top. We know the emerging economies around the globe create a more complex reality, but also unique opportunities for diverse talents to surface. At Coloplast, we believe that respecting and fostering diversity is a natural pre-requisite for success when competing at a global level.

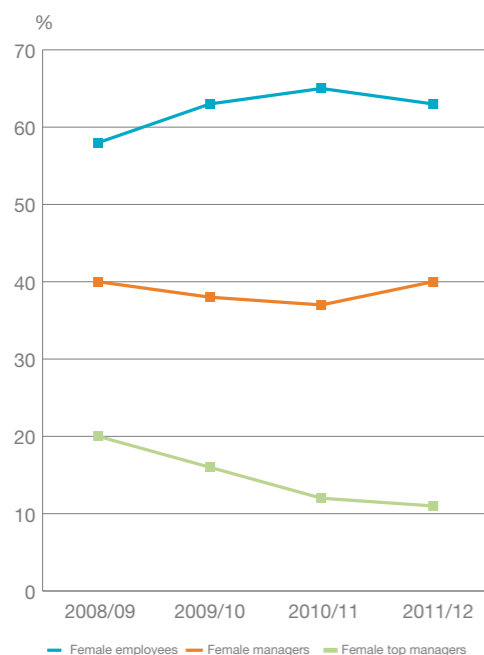
Although we're proud to say that 40% of our managers are women, we still recognise a need for sustained efforts to increase diversity in management. For example, we've seen a decrease in the number of women in top management¹ positions. This group consists of very few people, so the shift in diversity is significantly affected by small changes. We're committed to doubling the number of women in top management within five years. Our overall goal is to provide equal oppor-

tunities and a solid platform for growth, irrespective of gender, age, nationality etc. Below are some of the highlights of our work in this area:

- Concrete target to double the number of women in top management within five years. We want to go from 11% in 2011/12 to 22% by the end of 2017
- Detailed employee evaluation and development tools – People Review and Personal Development Plan (PDP), with the goal of enhancing transparency and objectivity on performance to more easily identify talent
- Increased transparency of our recruitment process, including when recruited to managerial level. Our goal here is to have a final pool of candidates for all senior jobs which is broad and diverse
- Our CEO is a signatory to the Danish Charter for More Women in Management.

1. Top management includes Executive Management, Senior Vice President and Vice President positions.

GENDER DIVERSITY



Leading to win

Great leaders help to shape and inspire us. They are instrumental in identifying talent and delivering a strong workforce. We've developed a set of Leadership Principles to make sure all our leaders globally are equipped to take on these important responsibilities. We do this by helping every individual reach their full personal potential with plenty of feedback. Among these principles is setting high ambitions, challenging your team, and providing honest feedback.

Our target is to train more than 800 managers worldwide on our Leadership Principles by the end of 2012. We're well on our way, with over 600 already trained.

Looking forward, we want to sustain our strong focus on leadership and nourish a culture where managers put the Leadership Principles into practice in their day-to-day work. By demonstrating great leadership we ensure the growth of our people and business goes hand in hand.

Engaged and ready to grow

Our ambitions cannot be achieved without an engaged workforce. This year, we saw a very high level of engagement in our People Survey scores (72 out of 100) with a global response rate of 92%. Along with engagement, our employees also feel a great sense of meaning, pride, and commitment in their daily work, among other things. Our employees strongly believe that we're acting responsibly.

Another highlight of the global survey is that we rate our leaders very well, including their professional skills and how they set clear targets and direction. When benchmarking our scores to national engagement levels, we were very pleased to see that we surpassed the standard in all our key markets.

SPREADING GLOBAL LEADERSHIP



"I have a few different roles in Coloplast. As a CR Ambassador, I make sure my local sales reps know and understand our work in this area. As an HR Manager, I teach my colleagues how to adopt the Leadership Principles. This year, I trained managers in Mexico, Argentina and Brazil – in all countries, it was very well received. And finally, as a female manager, I'm extra aware of the opportunities for women. Of course we can always do better, but I see these as plentiful at Coloplast, as it is always the best person who gets the job."

Elena Cuadrado Gómez
HR Manager and CR Ambassador, Spain

Lowest injury rate ever

Growing companies can face safety challenges when demands to speed up production are present. With our growth ambitions in mind, we work hard to avoid this. Unfortunately, accidents do occur, but with good reporting we can address safety challenges early on. We measure not only Lost Time Injuries¹ (LTI) frequency rates, but also all minor and ‘near-miss accidents’ which helps us to quickly solve specific problems and minimise future risks.

In the past, we’ve seen our injury rates drop significantly – by over 50% in four years. However, last year this number increased mainly due to unsafe employee behavior when moving around one of our production sites. Since then, our production site managers across the globe have stepped up their focus on safety, with Denmark performing particularly well. Our special attention to this challenge has contributed to us actually exceeding our LTI target – this year’s rate being the lowest we’ve ever seen at 3.7.

A unique approach to reducing repetitive work

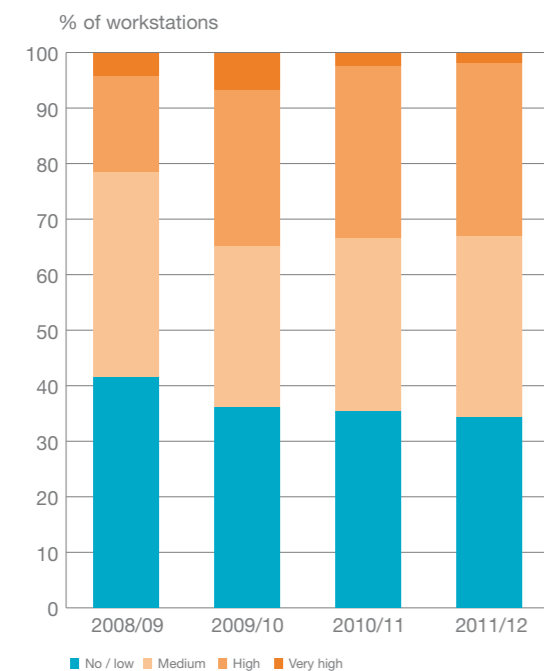
A typical production process relies mostly on manual labour during the initial stages of product development. Later on, machines are adapted and processes become more automatic. A potential challenge when fast growth is on the agenda is

the shortened time between these stages. In our own production, we’ve decided to focus on providing an ergonomically correct workplace layout whenever manual labour is required.

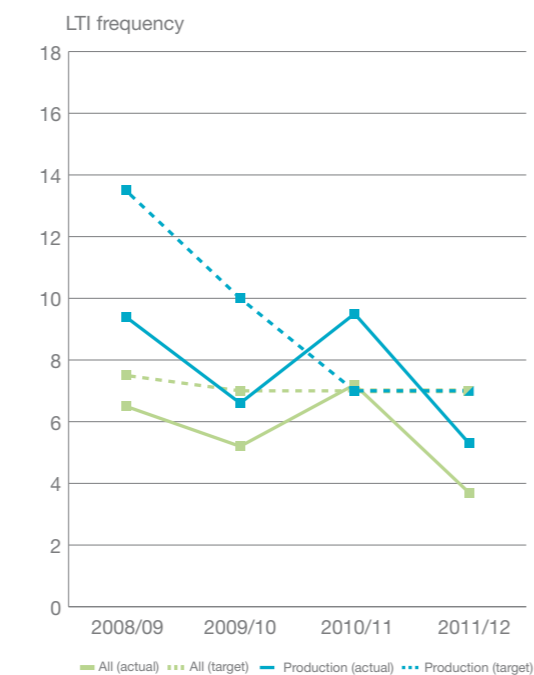
We do this by reducing repetitive work. This is when employees spend a lot of time doing the same repetitive movements at work stations – which can be strenuous on the body. We’ve developed our own innovative system for measuring repetitive work, which enables us to improve our workplaces and to track our progress. Again this year we’ve minimised the number of work stations with ‘very high’ strenuous work level (dark orange) from 4.0% to 1.5% between 2008 and 2012.

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.

REPETITIVE WORK



SAFETY



LTI frequency rates do not include sales office and subsidiaries.

“I used to feel soreness in my body but now we rotate every two hours. My work today is much easier, and more effective.”

Chen Zhaozhao, Operator in Product Quality, China





SenSura® Mio

Solving a problem before it arises

SenSura Mio is one of our ostomy care appliances. These are used by people living with a stoma. Because of colorectal or bladder cancer for example, a stoma is created by an operation, which brings the end of the intestine to an opening on the abdominal wall. Bodily wastes are then excreted and collected into the ostomy appliance which is attached to the area around the stoma.

We currently produce SenSura Mio, as well as other ostomy care appliances in Denmark. Safety is a high priority and we work to reduce any injury that may cause time lost from work. Taking it a step further, we also closely monitor all minor or 'near-miss accidents' to prevent possible problems in the future.

This year for example, one of our employees reached over a pallet to read a label. When she stepped off the pallet, she slightly twisted her foot. Even though this was a very minor accident that the employee herself considered a slip-up, we still conducted a full Root Cause Analysis. After carefully analysing the case, we implemented a solution so that all labels can now be read without the need to step on any pallets.

A global platform for health and safety

Overlapping work cultures and regulations makes securing a proper work environment for every employee a challenge. So 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 standard covers 92% of our employees including our production, warehouses and headquarters. We've prepared two more of our remaining production sites to be certified in the coming financial year.

Coloplast Life

The attention to the benefits of a healthy lifestyle in society stands in direct contrast to the amount of unhealthy options all around us. This can result in poor health and in some cases obesity. Through Coloplast Life we provide a variety of initiatives to make the healthy choice as easy as possible. That may involve bringing the typical office meeting outdoors through our "Walk & Talk" path, or joining one of our running/walking clubs after work.

Coloplast Life also focuses on education. For example, nutrition classes teach us both how to maintain and lose weight, depending on individual goals. Free health exams make people aware of their blood pressure, cholesterol, body mass index and more. As an added ease for the mind, a 24-hour stress hotline is always available.

So far, this programme has been implemented in our headquarters and production facilities in Denmark. Being a global company, we're mindful of how to introduce it to other countries, where exercise and food traditions vary greatly. We're therefore currently tailoring this to fit different cultures.

THINKING OUTSIDE THE BOX



"Research tells us that healthy people have greater job satisfaction and are more productive both in their personal and professional lives. Unfortunately, many of us don't get enough exercise because of busy work schedules. A 'Walk & Talk' is one of many ways our employees can incorporate fitness into their day-to-day work. By grabbing a bit of fresh air, you can easily reach 2,500 steps out of the recommended daily target of 10,000."

Lone Stubberup Nielsen

Director of EHS Development, Denmark

Responsibility without borders

We rely on suppliers from all over the world to make our products. No matter what, we don't compromise when it comes to our environmental and social standards. Instead, we choose to work together with our business partners and help them improve local conditions.

Over the last two decades, many western companies have transferred their production to developing countries. In recent years, Coloplast has also moved production and we now procure from suppliers in many different countries. But, just because the location of the production sites changes, it doesn't mean that our standards should.

Supply chain responsibility programme

With the supply chain responsibility programme, we extend our standards onto our suppliers and closely monitor the risks of non-compliance. This way, we know that our business partners are being cautious about their environmental impact and providing healthy and safe working conditions for their employees. In 2012, all of our raw material suppliers were covered by the supply chain responsibility programme.

Ensuring that suppliers are aware of our standards is the first step. For this, we've made a brochure to inform what's expected and how we check their compliance. This covers human rights, labour rights, environmental issues, occupational health and safety as well as business ethics. Through close and sustained dialogue, we make sure that there is a known mutual understanding between us and our suppliers – that way we avoid the risk of mistakes.

We then select a number of suppliers for site visits or social audits where we review their standards. Then we agree on any necessary improvements, and draft an action plan for the changes to be undertaken before our next visit.

Dialogue is always our preferred choice when improvements have to be made. Usually, the suppliers respond positively and implement the action plan discussed. However, in a few cases we may have to terminate the cooperation.

So far, we've reclassified a total of 22 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 eight suppliers due to environmental, social or ethical issues.



Improving local conditions

In 2007, we were approached by a supplier in China, who wanted to do business with us. As a standard procedure, we checked to see if they could meet our standards. Unfortunately, we found significant problems, so we decided not to do business with them at that stage. The supplier asked for recommendations and guidance on how to make improvements to health and safety standards at the site, as well as improvements to their employees' benefits.

Three years later, a revision of a supplier contract gave the company an opportunity to approach Coloplast again. Through inspections of their site, we concluded that they had indeed taken the guidance from Coloplast seriously. Since 2007, all operations had been moved to a new production site with better health and safety standards, and the company now offered the necessary employee benefits. This was not only good news for their employees, but also for us, since they offer high quality products at a competitive rate. In the end the company was approved by our Decision Board as a 'medium risk' supplier and we decided to work with them.

The Decision Board

The Decision Board is made up of senior representatives from our Global Operations, Corporate Procurement, Corporate Quality and Environment and Corporate Responsibility. Together, they assess the willingness and progress of improvements of all at-risk suppliers and make final decisions about their risk profile.

A WIN-WIN FOR ALL



"Some of the suppliers approaching Coloplast don't have the necessary experience or knowledge of how to manage their social responsibility – sometimes their own employees aren't even aware of their rights. We've been helping suppliers address these issues. Many have told us our collaboration has ultimately helped them attract more global company contracts. In the end we make life easier for them and their employees, but we also gain good business opportunities and a greater availability of products."

Jacky Zhou
Procurement Specialist, China



Biatain® Ag

Finding better solutions together

Biatain Ag is one of our wound care dressings. People with diabetes for example may develop skin ulcers, which can cause severe emotional and physical discomfort.

We purchase the materials for this product from a supplier in the UK and others within western Europe. Through our supply chain responsibility programme, we ensure every supplier we work with around the world follows the same minimal standards of care towards their employees and the environment.

We also take into consideration the product's overall environmental impact and try to find better solutions. For example, silver (Ag) breaks down bacteria extremely well; however, it's very energy intensive to mine. By working with one of our suppliers we're now able to separate and recycle the silver from our leftover production waste.

More with less

Our eyes are set on growth. But this doesn't mean our strain on the environment has to. We want to produce more, sell more – while reducing our CO₂ emissions and strain on the ecosystems. Saving energy and resources also means saving money. This is where responsibility meets good business sense.

Government and international organisations play an essential role in reducing ecosystem strains. However, the private sector can no longer wait for them to lead the way. Today we see more and more businesses, universities and NGOs voluntarily committing to reducing the global climate impact related to human activities and the strain on the ecosystems.

At Coloplast, we do our part by focusing on global issues such as reducing the CO₂ 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.

The life cycle

The life of every product tells an environmental story. This story begins when raw materials are first extracted, continuing through the production

phase, and ending after use, when they are disposed of. Life Cycle Assessments are like road maps that outline where in the life of a product an environmental impact occurs. We conduct these assessments very early on in the development process. This is when a product is still an abstract idea, so there's a lot of room for changes to be made. These changes can help minimise the use of energy and raw materials, as well as improve recycling capabilities and waste management systems later on.

In this chapter, we'll walk you through the life cycle of a Coloplast product, and share some of our accomplishments as well as the challenges we face in each of these three phases.



Raw materials

The biggest environmental impact of the products we make comes from the use of raw materials. Many of our products are made from plastic, which requires extraction of crude oil for production. We also use small amounts of silver in some of our wound care products, and aluminium in some of our packaging. Such raw materials impact the environment because the mining process is energy intensive.

Because of this, we assess the choice of raw materials very carefully. When other options aren't available, we work to reduce the amount of material used as much as possible. Our smaller, more discrete urine bag SpeediBag™ Compact, for example, requires much less plastic and has merely one tenth of the environmental impact of a conventional urine bag¹. This way, we give the end users what they want while reducing our strain on the ecosystem.

1. Based on the 2009 internal Life Cycle Assessment comparison between our SpeediBag Compact and one of our older generation conventional PVC urine bags, Cysto-Care.



SpeediCath® Upgrade

150 soft drink cans

SpeediCath is one of our ready-to-use coated catheters offering safe and simple catheterisation. These are used by people who cannot urinate voluntarily, typically because of damage in the nerve supply to the bladder. This damage may be caused by a spinal cord injury, enlarged prostate, or Spina Bifida, for example.

After gathering feedback from nurses and end users earlier this year, we noticed the need for an upgrade. This allowed us to improve the ease of use for both the nurses and the end users. It also provided a good opportunity to review the amount of raw materials used and overall environmental impact of the product. We were able to lower the amount of aluminium in the packaging of the new SpeediCath Upgrade by 50%. This change amounts to a total savings of approximately 150 soft drink cans over the course of a year for each user.

With over 45,000 end users currently using SpeediCath, we estimate a big environmental improvement from the product upgrade.



Production

After selecting the right raw materials, we're ready to make our products. In this phase of the life cycle we focus on energy efficiency and reducing production waste.

In 2011/12, we achieved an absolute CO₂ reduction of 3% on energy use from our production facilities, warehouses and headquarters¹. We've set a target to achieve an even higher 10% absolute reduction of CO₂ emissions on energy (scope 1 & 2²) by 2013/14, with March 2010 as the end of the baseline year.

We'll do this by implementing nearly 50 projects to optimise our processes so they're more energy efficient. At our facilities in Hungary, for example, we've reduced the pressure level and ultimately the power consumption by 15-20% when feeding production lines with compressed air. This project alone reduces our CO₂ emissions by almost 200 tonnes per year, and it came at nearly no extra cost. In China, we've replaced over 2,000 fluorescent light fixtures to more energy efficient LEDs – reducing emissions by nearly 400 tonnes of CO₂ per year.

From air to sea

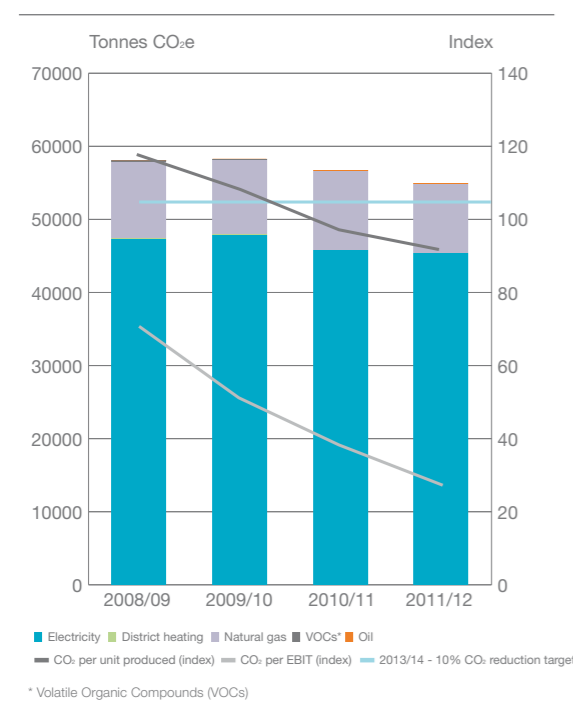
Transportation is an integral part of our overall operations – and an area where we can make a big impact if we make smart choices. For example, the total climate impact from air transports can be up to 200 times higher than sea transports. That's why in 2010/11 we set an ambitious reduction target for how we transport our products – going from 2.5% of air transport³ to a maximum of 1.5% by 2013/14. This is a choice we make – it's our responsibility and it just makes good business sense. By making these changes we'll save money while achieving an estimated CO₂ equivalent reduction of approximately 4,000 tonnes.

Why the increase in scope 3 emissions⁴

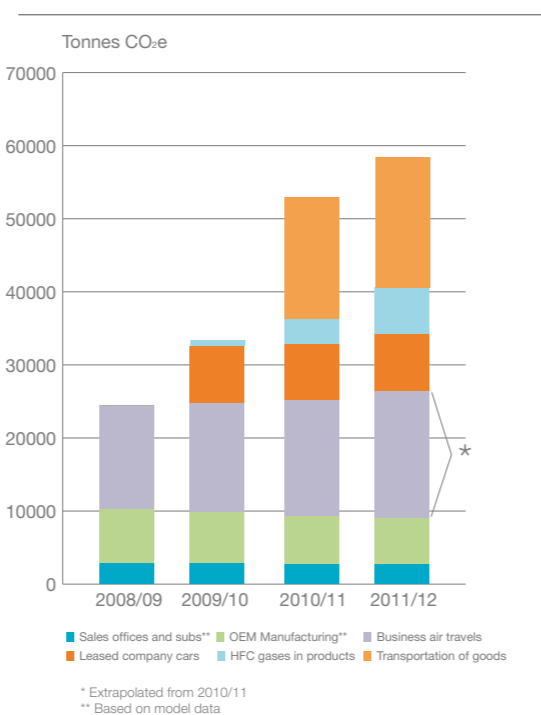
We've only just started collecting data on the transportation of goods for the last two years. In addition, we've seen a small increase in HFC gases due to greater product sales containing this type of propellant.

1. The CO₂ emissions reduction from 2009/10 to 2010/11 (scope 1 and 2) was reported as 7% in last year's report because we included emissions from company cars under scope 1. However, this year, company cars are being reported as scope 3 emissions, as they are owned by leasing companies outside of Coloplast. When applying this new calculation method to last year's figures, the reduction from 2009/10 to 2010/11 is 3%.
 2. According to Greenhouse Gas Protocol.
 3. Not including deliveries of finished goods to costumers from Coloplast warehouses and wholesalers. Measured as "transport work" in tonkm (weight x distance).
 4. According to the Greenhouse Gas Protocol, scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company.

CO₂ EMISSIONS - SCOPE 1 AND 2



CO₂ EMISSIONS - SCOPE 3



Understanding our challenges

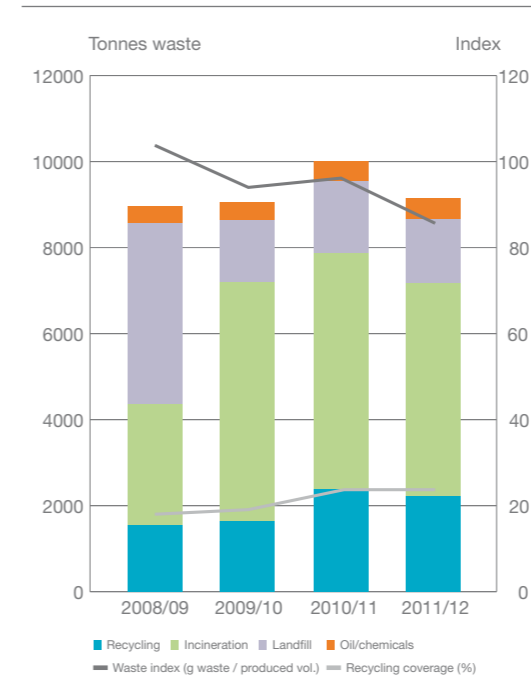
Every day we must strive to make smart choices that have a positive impact on both our business and the climate. Although we're proud of our accomplishments and ambitious targets in this area, we do run into challenges from time to time. A few years ago, for example, our transfer of production from Denmark to China and Hungary resulted in an increase of absolute greenhouse gas emissions. Fortunately, we were able to reverse this trend and have been back on track ever since.

Waste as a raw material

On a global scale, waste generation accounts for a relatively high contribution to environmental impacts and CO₂ emissions. As developing countries experience economic growth and achieve higher standards of living, we see waste generation increasing worldwide. Another global trend in this sector is that waste is actually becoming a new source of raw materials in many industries.

There's a global consensus that reducing resource consumption far outweighs the benefits of any recycling or waste treatment technologies. So one of the ways we manage our waste during production is by optimising our processes in a way that reduces the amount of raw materials used and waste created. We try to put any surplus scrap from the waste we do generate back into production wherever possible. Otherwise, we work together with waste handling companies to identify the optimal way of recycling that waste. The amount of production waste we recycle has increased from 18% in 2009/10 to 24% this year.

WASTE GENERATION



Environment

Raw materials

Production

Disposal

Disposal

After the end user has used our product, it's disposed of. Because our products are usually contaminated after use, we do not recommend recycling them due to the risk of infection and the mixture of materials. So they're mainly sent to landfills, or for incineration, which we recommend, specifically if the incineration method includes energy recovery. The cardboard packaging on the other hand 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. At Coloplast, we recognise the environmental concern, and prioritise other substances.

Still, in some cases a replacement is not possible. Our ostomy bags, for example, currently require a very thin layer of PVdC which allows for the odour barrier needed. We have an official PVC policy in which we state that 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.

RESEARCH POINTS OUT COLOPLAST AS INSPIRATION



“Coloplast’s strategy in regards to “green” transportation appears very serious and very operational. They are one of relatively few companies in Denmark which have chosen to include transportation in their climate reporting and targets. Their actions will result in a significant reduction of greenhouse gasses – something even more impressive when considering that it will require no additional costs for them. As a business case it stands as an inspiration to both Danish and international companies.”

Lars Dagnæs

Senior Consultant at FORCE Technology Institute, Denmark



Increasing access to healthcare

Intimate healthcare conditions can be emotionally and physically daunting for any person. With poorly trained healthcare professionals and low access to proper care, these problems become much worse. In cases where healthcare systems are not advanced enough to support basic standards of care, we work to develop and implement local projects which help increase access to healthcare.

We call it the Access to Healthcare programme.

This is a corporate partnership which has been sharing resources and knowledge with stakeholders in developing countries since 2008. We partner with end users, healthcare professionals and other stakeholders at ground level in developing countries to share our 50+ years of experience in managing chronic health conditions. We see it as a corporate partnership since Coloplast also benefits through the relationships and frameworks that we build with our local partners.

Access to Healthcare brings together practitioners, end 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; and
- Advocate for better care and access to technology with healthcare policy decision makers.

We work with our partners to build sustainable healthcare. We don't just train practitioners; we seek to work with them to build new standards of care that will outlast any one event. We take a holistic approach to our projects and seek to address underlying systemic issues that may hinder access to healthcare for those with intimate healthcare needs.

ACCESS TO HEALTHCARE PROJECTS TIMELINE



Improving local conditions

So far, the programme has approved 11 projects plus seven new projects in 2012/13, amounting to a total of DKK 12.6 million. These projects take place in South Africa, Mexico, India, China, Argentina and Brazil. We also support global learning platforms, such as a recent e-learning course for physicians and educators who work with spinal cord injured persons.

We recognise that measuring impact can be a challenge, and we accept that not all outcomes can be quantified, so we work continuously with partners to assess how our projects make a difference on the ground. We keep a close and sustained dialogue with them throughout the duration of our Access to Healthcare projects, and we seek afterwards to build on deliverables or lessons learned that can ensure the project's lasting impact.

So far, Access to Healthcare projects have touched more than 3,500 end users and health-care professionals, and we work to follow-up with partners to see how they have changed their standards of care or, in the case of end users, how they may experience an improved quality of life. An even more concrete example is Mexican end user, Juan José (case story below).

For more information on the Access to Healthcare programme, please visit coloplast.com.

A BETTER OPPORTUNITY FOR CARE



“After a really bad stomach pain, I found myself in a hospital surrounded by doctors and nurses who said I needed surgery. The next day, I woke up with an ileostomy. At first, I didn't know how to manage my new ileostomy, and neither did anyone around me. I spent over a month in the hospital without proper care. But then came Lupita Lobo, or an angel, as I'd like to call her. Lupita is a well trained nurse with AMCICHAC, the Mexican organisation that has been working with the Coloplast's Access to Healthcare project. With her skilled guidance I was finally able to leave the hospital and live a normal life.”

Juan José
End user, Mexico

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. When it comes to corporate governance, we believe openness and transparency is key.

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 2011 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. In 2010, we established 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, shareholders and equity analysts, capital markets days, conference calls, etc.

Coloplast has two share classes – 3.6 million class A shares (ten votes per share) and 41.4 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 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 benchmarks. 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 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 includes more information about corporate governance.

This report constitutes the statutory report of Danish Financial Statements Act, section 99a. The CR Report is an integrated part of the Management's Report in the annual report 2011/12.

Governance and organisation of corporate responsibility

At Coloplast, we believe that corporate responsibility should be driven by the people who will make it happen in practice.

A relatively small Corporate Responsibility unit is responsible for setting relevant policies, coordinating our work and communicating with stakeholders. Most of the data presented in this report is collected and implemented by Corporate Quality and Environment; local quality, environment, health and safety managers; Corporate Procurement; Global Marketing and our sales subsidiaries.

The Corporate Responsibility unit is managed by Jeppe Kromann Haarsted, Head of Corporate Responsibility and Compliance Officer of the People & Communications department. This allows for efficient dialogue with internal and external stakeholders. Local compliance officers are also located in selected countries.

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

Corporate Responsibility Ambassadors

This year, we're particularly proud to have created a global network of over thirty Ambassadors to represent corporate responsibility locally. We believe this is important as these are the people who are on the ground communicating with employees and customers on a day-to-day basis. They are essential in making sure the messages of our good work and our challenges are communicated on a global scale.

Strategy and anchoring

The mission, vision and values are the guiding principles of everything we do at Coloplast. Our mission is to make life easier for people with intimate healthcare needs. We lead the way by bringing the best ideas first and fast to market.

On a more operational level, our corporate strategy and the related business area strategies focus on profitable growth. Here, the Agenda constitutes the most important projects at Coloplast in the near term.



Corporate responsibility is the realisation of the Coloplast value 'respect and responsibility'. It links directly to the guiding principles of our company.

Corporate responsibility is also a key element of 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.

Our standards

We employ around 8,000 people worldwide, with production sites in Hungary, China, France, the US and Denmark and subsidiaries in more than 30 countries. To act as one company and ensure correct reporting, we need clear global standards.

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. Last year, 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.

"For ten years we have been committed to the UN Global Compact. I'm proud that we're now an Advanced Level Reporter – looking forward, we'll continue to embrace the guiding principles"
Lene Skole, Executive Vice President and CFO

Global Code of Conduct

Our business ethical guidelines are described in our corporate Code of Conduct. It guides our interactions with healthcare professionals and covers issues such as gifts, donations, corruption, fraud and conflict of interest. All white-collar employees worldwide must pass a mandatory e-learning course on the Code of Conduct.

Global Reporting Initiative

Our reporting 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 on pages 46-47.

Certifications

Coloplast is certified to a number of international standards that require us to monitor our performance and continuously improve on environmental, health and safety standards. The standards cover production and distribution sites, but not our sales subsidiaries. For more detailed info on the individual certifications, go to www.coloplast.com.

Area	Certification	Production facilities and HQ (Total: 10)	Distribution facilities (Total: 4)	Coverage
Quality Management	ISO 9001 and ISO 13485	10	4	100% of sites
Environment	ISO 14001	9	Not relevant	90% of production sites
Occupational health and safety	OHSAS 18001	7 ¹	2	90% of employees ²

1. Two more of our production sites in the US are prepared for certification to OHSAS 18001 in the coming financial year.
2. Not including employees of subsidiaries and sales offices, with the exception of our Danish subsidiary which is integrated with our Danish headquarters.

Data summary table

Certifications ¹	Unit	2008/09	2009/10	2010/11	2011/12
Production and distribution sites (total)	Number	15	14	15	14
ISO 9001 / ISO 13485 ²	Number	15	14	15	14
ISO 14001 ³	Number	9	10	10	9
OHSAS 18001 ⁴	Number	9	10	10	9

1) Coloplast currently has ten production sites including the corporate headquarters (Thisted, Mørdrup, Espergærde, Humlebæk, Tatabánya, Nyírbator, Zhuhai, Mankato, West River Road, Sarlat) and four distribution sites (Hamburg, Marietta, Champlan and Tata). Since our last CR Report from November 2011, the production site in Kvistgaard has been closed. 2) Our goal (which we have reached) is that all ten production sites and all four distribution sites are certified to ISO 9001 and ISO 13845. 3) None of the distribution sites will be certified due to their low environmental impact. 4) In the coming financial year two more of our production sites in the USA are scheduled for certification to OHSAS 18001.

Labour practices	Unit	2008/09	2009/10	2010/11	2011/12
Employees (headcount)	Number	-	7,421	7,519	8,126 ¹
... blue-collar	Number	-	3,376	3,492	3,709
... white-collar	Number	-	4,045	4,027	4,417
Regions ²					
... European markets ³ (of which females)	Number (%)	-	-	-	5,347 (62)
... Other developed markets ⁴ (of which females)	Number (%)	-	-	-	784 (48)
... Emerging markets ⁵ (of which females)	Number (%)	-	-	-	1,995 (72)
Contract type					
... Part time + fixed term contract (of which female)	Number (%)	-	-	-	21 (76)
... Part time + permanent term contract (of which female)	Number (%)	-	-	-	309 (79)
... Full time + fixed term contract (of which female)	Number (%)	-	-	-	136 (57)
... Full time + permanent term contract (of which female)	Number (%)	-	-	-	7,660 (62)
Gender					
... Female employees	%	58	63	65	63
... Female managers ⁶	%	40	38	37	40
... Female top managers ⁷	%	20	16	12	11
Age distribution ⁸					
... employees aged < 30 (of which females)	% (%)	-	-	-	27 (70)
... employees aged 30-50 (of which females)	% (%)	-	-	-	58 (64)
... employees aged > 50 (of which females)	% (%)	-	-	-	15 (67)
... managers aged < 30 (of which females)	% (%)	-	-	-	4 (42)
... managers aged 30-50 (of which females)	% (%)	-	-	-	79 (40)
... managers aged > 50 (of which females)	% (%)	-	-	-	17 (35)
... top managers aged < 30 (of which females)	% (%)	-	-	-	0 (0)
... top managers aged 30-50 (of which females)	% (%)	-	-	-	77 (6)
... top managers aged > 50 (of which females)	% (%)	-	-	-	23 (27)
Age distribution total					
... employees aged < 30	%	22	30	30	25
... employees aged 30-50	%	62	57	57	60
... employees aged > 50	%	16	13	13	16

1) Reported data is based on 8,126 active employees. The total workforce includes 289 employees who are currently on leave. 2) Global data for all employees was not accessible prior to 2012 (until 2012 we had been covering 94% 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) US, Canada, Japan and Australia including production in US. 5) Including countries not listed in the other categories for all remaining markets in Americas, Asia, Africa, Europe and Oceania including 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.

Occupational health and safety	Unit	2008/09	2009/10	2010/11	2011/12
Injuries and accidents, all employees ¹	LTI frequency	6.5	5.2	7.2	3.7
... of which in European markets ²	LTI frequency	-	-	-	4.7
... of which in Other developed markets ³	LTI frequency	-	-	-	0.0
... of which in the Emerging markets ⁴	LTI frequency	-	-	-	2.0
Target, all employees	LTI frequency	7.5	7.0	7.0	7.0
Injuries and accidents, production workers ⁵	LTI frequency	9.4	6.6	9.5	5.3
... of which in European markets	LTI frequency	-	-	-	6.9
... of which in Other developed markets	LTI frequency	-	-	-	0.0
... of which in the Emerging markets	LTI frequency	-	-	-	2.2
Target production workers	LTI frequency	13.5	10.0	7.0	7.0
Illness rate ⁶					
... White-collar ⁷	%	-	-	-	1.9
... Blue-collar ⁸	%	-	-	-	3.2
Repetitive work ⁹					
... No / low	%	41.7	36.3	35.6	34.3
... Medium	%	37.0	29.0	31.2	33.1
... High	%	17.3	28.1	31.0	31.2
... Very high	%	4.0	6.5	2.2	1.5
Employee engagement survey ¹⁰					
... Response rate	Index	88	92	-	92
... Engagement index	Index	75	79	-	72
... Values index	Index	72	74	-	81
... Well-being index	Index	68	71	-	76
Personal Development Plans ¹¹	Index	77	73	80	80
Training hours ¹²	Number	-	-	-	35.5

1) Measured as the number of injuries resulting in absence from work of more than eight hours per one million working hours. Covers all employees at Coloplast locations, not including sales offices and subsidiaries. 2) Corporate headquarters (Humlebæk), production (Nyírbator, Tatabánya, Mørdrup, Thisted, Espergærde), warehouses (Tatabánya, 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) Data was not accessible prior to 2012. Illness rate calculated as total number of reported illness days divided by potential work days. 7) Local legislation makes it difficult to compare illness rates across countries and the reported illness rate should be considered an indication. Covers 71% of white-collar. 8) Data covers 97% of blue-collar. 9) Percentage of workplaces in Coloplast production in Denmark, Tatabánya, Hungary, Nyírbator, Hungary and Zhuhai, China according to the degree of repetitive work. 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. 10) Note that comparison to 2010 is not one to one: In 2012 we implemented a new engagement survey with stronger questions and a new supplier. As a consequence, engagement and value indexes are calculated from different questions, but on an overall level, we still consider it relevant to compare the indices. 11) Calculation is based on white-collar only. Personal development plans for blue-collar are run locally and in local systems. 12) Data was not accessible prior to 2012. Reported for blue-collar only. Calculated as total number of reported training hours per total number of blue-collar.

Code of Conduct compliance	Unit	2008/09	2009/10	2010/11	2011/12
White-collar employees trained in Code of Conduct	%	13	22	23	95 ¹
Legal action for anti-competitive behaviour	Number	1	0	0	0
Significant fines for non-compliance with laws and regulations	EUR	364,000 ²	0	0	0
Business units analyzed for organizational risks related to corruption					
... business units in total ³	Number	-	-	-	54
... of which analysed	%	-	-	-	84
Whistleblower hotline					
... number of cases submitted	Number	-	-	5	12
... of which within scope ⁴	Number	-	-	4	11

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 mainly due to the fact that the course was only recently sent to a batch of new employees. 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 the scope of topics and subjects that may be reported via the hotline. It does not mean that the cases are necessarily substantiated.

... continued

Environment - CO ₂ emissions ¹	Unit	2008/09	2009/10	2010/11	2011/12
Scope 1 ² / Direct energy	mWh/	51,520/	51,305/	54,049/	47,300/
	GJ/	185,473/	184,697/	194,576/	170,279/
	Tonnes CO ₂ e	10,530	10,332	10,856	9,505
... of which natural gas	mWh/	51,520/	51,305/	54,045/	47,296/
	GJ/	185,473/	184,697/	194,561/	170,267/
	Tonnes CO ₂ e	10,304	10,261	10,809	9,459
... of which coal or fuel distilled from crude oil	mWh/	0/	0/	4/	3/
	GJ/	0/	0/	15/	12/
	Tonnes CO ₂ e	0	0	1	1
... of which produced or sold	mWh/	0/	0/	0/	0/
	GJ/	0/	0/	0/	0/
	Tonnes CO ₂ e	0	0	0	0
... of which VOCs ³	Tonnes CO ₂ e	226	71	45	45
Scope 2 ⁴ / Indirect energy	mWh/	89,526/	89,173/	85,055/	82,419/
	GJ/	322,295/	321,023/	306,197/	296,710/
	Tonnes CO ₂ e	47,544	47,961	45,865	45,428
... of which electricity	mWh/	87,882/	88,182/	84,023/	81,534/
	GJ/	316,376/	317,455/	302,482/	293,524/
	Tonnes CO ₂ e	47,304	47,952	45,856	45,420
... of which district heating and cooling	mWh/	1,644/	991/	1,032/	885/
	GJ/	5,918/	3,568/	3,715/	3,186/
	Tonnes CO ₂ e	240	9	9	8
... of which steam	mWh/	0/	0/	0/	0/
	GJ/	0/	0/	0/	0/
	Tonnes CO ₂ e	0	0	0	0
Scope 1 + 2 / Total Emission, direct and indirect	Tonnes CO ₂ e	58,074	58,293	56,721	54,933
... per number of units produced ⁵	Index	118	107	96	90
... per EBIT ⁶	Index	70	49	39	28
Scope 3 ⁷ / Other relevant Indirect emissions		24,400	33,300	52,900	58,500
... of which transportation of goods ⁸	Tonnes CO ₂ e	-	-	16,600	17,800
... of which business air travels ⁹	Tonnes CO ₂ e	14,100	14,900	15,800	17,300 ¹⁰
... of which leased company cars ¹¹	Tonnes CO ₂ e	-	7,800	7,700	7,900
... of which OEM Manufacturing ¹²	Tonnes CO ₂ e	7,500	7,100	6,600	6,300
... of which sales offices and subsidiaries ¹³	Tonnes CO ₂ e	2,800	2,800	2,800	2,800
... of which fluorinated hydrocarbons in products ¹⁴	Tonnes CO ₂ e	0	700	3,400	6,400

1) We've revised our reporting method on our emissions. In previous years, we included some emissions pertaining to Scope 3 in our total emissions. Now we have made a more clear distinction between Scope 1, 2 and 3 according to the Greenhouse Gas Protocol. 2) Greenhouse Gas Protocol Scope 1 and Scope 2 emissions. Total sum of mWh and GJ includes all except VOC's. Total sum of CO₂e includes VOC's. 3) Direct evaporation of Volatile Organic Compounds (VOCs) reported as CO₂ equivalents – primarily alcohol used for cleaning processes. 4) Greenhouse Gas Protocol Scope 1 and Scope 2 emissions. 5) g CO₂ emitted per produced unit converted to index values (2006/07=100). This figure has changed since last year, as a proportion of our production was left out. 6) g CO₂ emitted per EBIT converted to index values (2006/07=100). 7) Greenhouse Gas Protocol Scope 3 emissions according to Coloplast's Scope 3 greenhouse gas boundary definition. Empty data fields indicate that data has not been obtained. Since last year the following subjects have been included: leased company cars (Scope 1 last year), sub-suppliers of Coloplast products, and fluorinated hydrocarbons in products. 8) Based on CO₂ emission reports from transport companies. Not including deliveries from Coloplast warehouses to customers and end users. 9) Based on CO₂ emission reports from airlines and travel agents. Based on 82% or total spend on air travels – extrapolated to 100%. 10) Extrapolated from 2010/11 due to lack of supplier information. 11) Based on consumption data from leasing companies. Covers 95% our fleet - extrapolated to 100%. 12) OEM = sub-suppliers of Coloplast products. The estimate is based on model data (internal model). 13) Estimate based on model data (Danish Energy Management Scheme). 14) HFC gases used as propellants in spray cans (GWP20).

Environment - Waste and water	Unit	2008/09	2009/10	2010/11	2011/12
Waste ¹	Tonnes	8,969	9,032	10,018	9,145
...of which oil / chemicals ²	Tonnes	387	404	456	485
...of which landfill	Tonnes	4,227	1,450	1,678	1,487
...of which incineration	Tonnes	2,795	5,536	5,502	4,941
...of which recycling ³	Tonnes	1,560	1,661	2,382	2,232
...per units produced	Index	103	94	96	85
...recycling coverage ⁴	%	17	18	24	24
Water					
Water use ⁵	m ³	243,948	223,038	277,328	274,205
...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) Based on weighted amounts from the production sites, warehouse and corporate headquarters (not including sales and subsidiaries). Data has been revised since last year, as our distribution centre in Hamburg has been added to the report. 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. 5) All water use is delivered and treated by local municipalities. According to the best our knowledge we do not receive water from significantly affected water sources.

Product quality and safety	Unit	2008/09	2009/10	2010/11	2011/12
Site visits ¹	Days	59	82	57	60
Non-phthalate products ²	%	60	80	90	98
Animal testing ³	Number	413	919	217	921 ⁴
... of which rodents	Number	372	821	202	773
... of which other animals	Number	41	98	15	148

1) Total duration in days of quality or environment, health and safety visits by the authorities worldwide for all Coloplast locations. 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, pigs, dogs and sheep. 4) This year, we have also included animal tests from research projects amounting to 10 rats and 27 rabbits.

Society	Unit	2008/09	2009/10	2010/11	2011/12
Project funds approved (accumulated) ¹	DKK	1,458,000	6,768,000	8,375,094	12,576,000

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.

Supply chain responsibility	Unit	2008/09	2009/10	2010/11	2011/12
Raw material suppliers covered by supply chain responsibility programme ¹	%	98	98	99	100
Suppliers with improved risk profile because of significant improvements ²	Number	1	10	1	2
... accumulated	Number	9	19	20	22
Contracts terminated ³	Number	0	3	0	1
... accumulated	Number	4	7	7	8

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 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.

Global Reporting Initiative (GRI) and Global Compact index

We've chosen to follow the guidelines of the Global Reporting Initiative (GRI) in our corporate responsibility reporting.

The GRI is a global, multi-stakeholder initiative which sets guidelines for corporate responsibility reporting worldwide. The numbers below refer to the relevant GRI indicators applicable to our corporate responsibility efforts. For each, we indicate where

to find the information (in this report or in our annual report 2011/12). We have been accredited a "B" application level according to the latest G3.1 standards, checked by the GRI.

Strategy and analysis

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- 1.2 Page Annual report pp. 14

Organisational profile

- 2.1 Page 50
- 2.2 Page 50, Annual report pp. 4-7
- 2.3 Page 50, coloplast.com > About Coloplast > Our company > Corporate structure
- 2.4 Back page
- 2.5 Page 50, coloplast.com > About Coloplast > Contact us
- 2.6 Page 40-41
- 2.7 Page 50, Annual report pp. 7-8
- 2.8 Page 43, 50, Annual report pp. 8-9
- 2.9 Annual report pp. 11
- 2.10 Page 9

Report parameters

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- 3.4 Page 40
- 3.5 - 3.11 Page 48-49
- 3.12 Page 46-47
- 3.13 Not applicable

Governance, Commitments, Engagement

- 4.1 - 4.7 Page 40-41, Annual report, coloplast.com > About Coloplast > Investor relations
- 4.8 Page 41, back page
- 4.9 - 4.11 Page 40-41, Annual report pp. 14-17, coloplast.com > About Coloplast > Investor relations > Corporate governance
- 4.12 Page 36
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- Principle 6 Page 10-15, 20-25, 36-39, 41
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- Principle 8 Page 26-29, 30-35, 39, 41
- Principle 9 Page 26-29, 30-35, 39, 41
- Principle 10 Page 10-15, 39, 41



Statement GRI Application Level Check

GRI hereby states that **Coloplast A/S** has presented its report "Corporate Responsibility Report 2011/12" 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.

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

Amsterdam, 25 October 2012

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

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 19 October 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

About this report

Since 2010, the Coloplast Corporate Responsibility Report has been published on the same day as our annual report. Coloplast has also been publishing progress reports as part of the UN Global Compact initiative since 2004.

This Corporate Responsibility Report covers the financial year 2011/12, from 1 October 2011 to 30 September 2012. 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. We've also recently improved our internal data system allowing for improved reporting. This is particularly relevant in the areas of labour practices (e.g., composition of governance bodies and breakdown of employees into different categories). In all such cases, a note to that effect is provided in the text or in footnotes.

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. Whenever possible, we use standardised methods of measuring that are easy to compare with the reporting of other companies or between years of reporting.

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. This year, we've also included several testimonials from people outside of Coloplast – we find this brings extra validity to our work.

Materiality

The six overall 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 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've also included more general trends on the healthcare industry, changes in key demographic groups worldwide, and more.

This report also features a more detailed breakdown of our labour practices, compliance training coverage, a timeline of our Access to Healthcare projects, among other issues. Another new component this year is the incorporation of external testimonials which are present throughout the report. We feel it is important to portray the general opinions of doctors, nurses, end users and other stakeholders which are directly impacted by our business.

Stakeholder engagement

Coloplast's main stakeholders include: Owners / shareholders, end 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, end 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 end 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 distribute marketing handouts as needed.

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. This year, we've 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 starting to increase engagement with external stakeholders by taking up dialogues with customers on topics such as code of conduct, product safety and reduction of CO₂ 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. Suppliers are included only with regard to the specific reporting on business partners.

Data collection

Quality, environmental and health and safety data was 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 and People & Communications have 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.

Coloplast at a glance

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.

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 & 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.

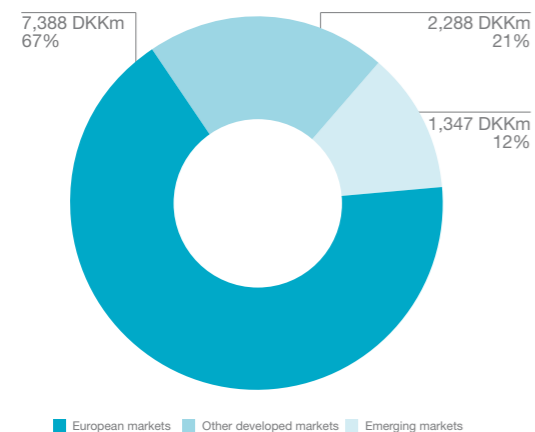
Coloplast supplies products to hospitals and institutions as well as wholesalers and retailers. In selected markets, Coloplast is a direct supplier to consumers (homecare).

We operate globally with sales subsidiaries in our principal markets and production in Denmark, Hungary, the US, China and France. We employ around 8,000 people.

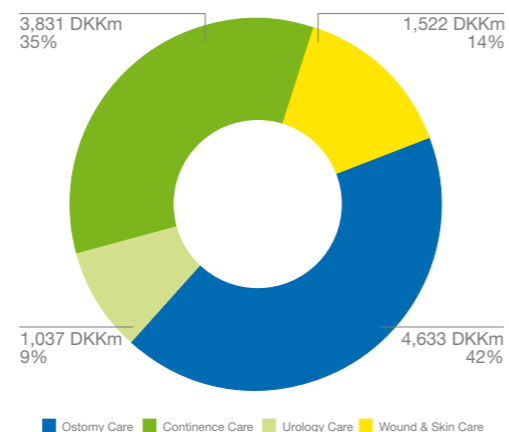
Our four business areas

- 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 bowel and bladder conditions. Examples of disease areas are spinal cord injuries, Spina Bifida and Multiple Sclerosis
- Urology 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 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 2011/12, TOTAL SALES WERE DKK 11,023



Sales per region 2011/12



Sales per business area 2011/12

Respect and responsibility
guide us in every choice
we make.

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 guide us

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 8,000 people.

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