

Corporate Responsibility Report

2010/11



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A word from our management

Coloplast began as a small company in Denmark nearly sixty years ago. Today, we employ over 7,500 people and are represented in 55 countries around the world. As a global company, we maintain our original values of respect and responsibility.

The 2010/11 financial year has been one of our most profitable years yet. We've seen our emerging markets become the growth engine of Coloplast. Representing 70% of the world's population, these markets are expanding at a fast pace – with their healthcare systems following closely behind. Millions of people now need the sort of products we make. Coloplast is there to see these needs met.

We don't just sell a product – we offer a full service package. This would typically include a variety of products, educational services and even the establishment of a call centre for end user support. We've already begun to see the results of our direct efforts – higher knowledge levels of spinal cord injuries in Russia and of colorectal cancer in the Middle East are just a few examples of how we're setting new standards of care. To us, this is part of being a responsible company and it makes good business sense.

Although different norms in some of the emerging markets we do business in can clash with Coloplast standards, we stick to our way of doing business. Our new Code of Conduct sets clear global standards for our company. For example during interactions with healthcare professionals we have clear rules on practices such a gift giving and hospitality arrangements during congresses. This strong stance demonstrates professionalism and generates respect.

You will see throughout this report that by acting responsibly and setting a new standard of care in the many markets we're present in, we live by our mission: to make life easier for people with intimate healthcare needs.



Lene Skole
Executive Vice President
CFO

Lars Rasmussen
President
CEO

Progress and challenges

At Coloplast, corporate responsibility is something we measure. Here's a brief overview of what we've achieved this year – and the challenges we face.

Anti-corruption

This year, we've launched a new global version of the Coloplast Code of Conduct, which sets the new standard for business ethics, including a ban on facilitation payments. All white-collar employees are required to take an e-learning course on the Code of Conduct. We've also distributed a set of guidelines that interprets and communicates our code in a straightforward and simple way.

CO₂ reductions

This year we've achieved an absolute CO₂ reduction of 7% on our energy consumption. We continue our work to reduce CO₂ emissions from all activities globally. One important initiative is reducing our use of air transport when moving products world-wide. This will result in a significant reduction of the CO₂ emissions caused by transportation.

New phthalates policy

Over the last years we've worked to develop phthalate-free alternatives for all of our products containing classified phthalates. Today, 90% of our products have a phthalate-free alternative. One of the targets in our new policy is that at least every second urine bag sold by 1 October 2014 will be phthalate-free. We will also continue to reduce the number of products in our portfolio containing phthalates.

Equal opportunities

We recognise the importance of having a diverse workforce – both to help us understand the many markets we do business in and to encourage an international mindset. This year, one of our first steps towards increasing our diversity was to sign the Danish Charter for More Women in Management – this commitment requires that we publicly report our targets and current progress on gender diversity in our management.

We measure responsibility

Respect and responsibility are core values for us. These are the values that guide us when we do business and when we interact with each other in our daily affairs. In that sense, responsibility is practiced by all Coloplast employees. Throughout this report you can read more about our goals for corporate responsibility within different areas, and how we work strategically to achieve them.

Stakeholder	What responsibility is to us	How we measure our progress	Our goals
Healthcare professionals	Ensuring the independence of healthcare professionals and supporting ethical business practices within our industry.	· % of white-collar employees completing our code of conduct e-learning programme · Legal action, for anti-competitive behavior/non-compliance with laws and regulations.	To ensure all our employees have significant awareness and knowledge of the rules and to increase monitoring practices.
Society	Contributing to society by sharing our knowledge on ostomy, continence, urology and wound & skin care and creating awareness of the difficulties our end users face in their daily lives.	· Number of end users and healthcare professionals affected by our projects · Local community initiatives driven by employees · Local sponsorships.	To raise the standard of care in emerging markets.
Business partners	Helping our suppliers meet our standards. We do this by treating them as partners while helping them improve local work conditions.	· % of raw material suppliers covered by supply chain responsibility programme · Number of suppliers with downgraded risk profiles because of significant improvements · Number of contracts terminated because of non-compliance.	To significantly improve standards with our suppliers or find others that will.
Employees	Being a preferred workplace globally, and giving our employees the best work environment and career opportunities.	· Injury rate (LTI frequency) · % work stations with repetitive work · % women in management and top management.	To have satisfied employees who feel they have equal opportunities in our company. To reach our specific targets for health and safety.
End users	Giving our end users the products that meet their demands, while maintaining the highest quality and safety standards.	· % phthalate-free alternatives to products containing classified phthalates · % of our production covered by ISO 9001/ISO 13485.	To have more than 50% of sold urine bags be phthalate-free by 1 Oct. 2014. To have 100% of our production covered by ISO 9001/ISO 13485.
Environment	Reducing our overall environmental footprint – to do this we work in several areas. Currently, waste and energy consumption are prioritised topics.	· CO₂ emissions per product we produce · % reduction in air transport (to more sustainable goods transports) · % reduction in business-related air travel · Total amount of waste · % recycled material and waste sent for incineration.	To continuously reduce CO ₂ emissions per product we produce. To reduce our inbound air transport from 2.5% to 1.5% by 2013/14.

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.

Our business includes Ostomy Care, Continence Care, Urology 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 wholesalers and retailers as well as hospitals and institutions. In selected markets, Coloplast is a direct supplier to consumers (homecare).

We operate globally with sales subsidiaries in our principal markets and production in Hungary, China, France, the US and Denmark. We employ more than 7,500 people.

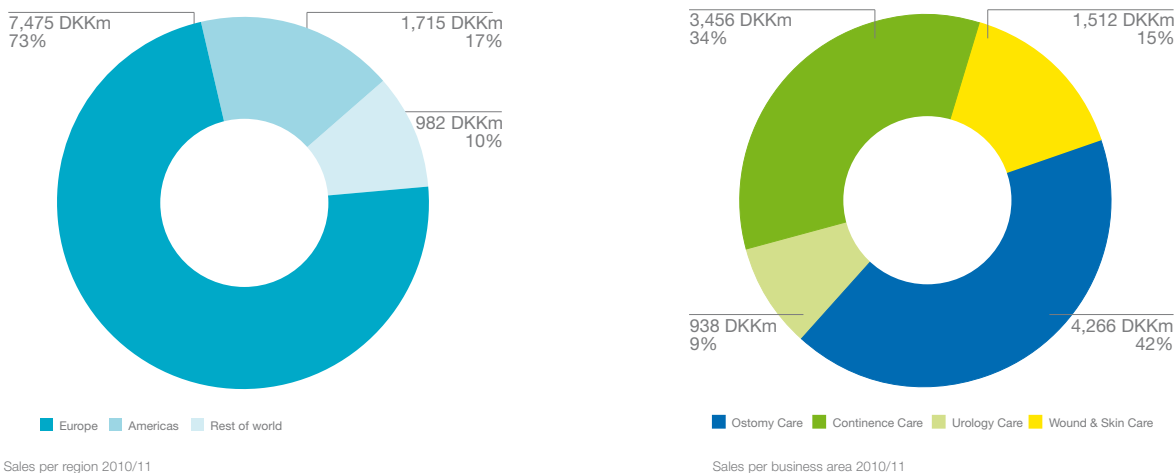
Our four business areas

- Ostomy care products are for people whose intestinal outlet has been rerouted through the abdominal wall
- Urology care is the treatment of medical issues related to the urinary system and the male reproductive system
- Continence care is about helping people manage their bowel and bladder conditions
- 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.

Executive management

Lars Rasmussen - President, CEO
Lene Skole - Executive Vice President, CFO

IN THE FINANCIAL YEAR 2010/2011, TOTAL SALES WERE DKK 10.17 BN



Sales per region 2010/11

Sales per business area 2010/11

Corporate responsibility at Coloplast

This report documents our current corporate responsibility activities and what we aim to achieve going forward.

At Coloplast, we've defined six groups of stakeholders that are directly affected by our business. This report describes our approach and performance in meeting the expectations of these six stakeholder groups:

Healthcare professionals

Doctors and nurses introduce end users to our products and services. We listen to their ideas and respond with even better products and any educational materials they may need. We follow the industry standards on business ethics – this way the independence of healthcare professionals is not compromised.

Society

We have a responsibility to use our knowledge and competences in a way that benefits society as a whole. Our Access to Healthcare programme is specifically aimed at improving conditions for people with intimate healthcare needs in the developing world. We also recognise and respect the volunteer work our employees do in their local communities.

Business partners

Our environmental, social and business ethical responsibility also extends to our business partners, including suppliers and distributors. We help those willing to improve or find new partners who will.

End users

Our most important stakeholders are the people who use our products. Our end users depend on safe, reliable and discreet products. By vigilant quality control and by carrying out risk evaluations on all new Coloplast products, we do our very best to cater to our end users' needs.

Employees

The employees at Coloplast make it all possible. We're responsible for securing their safety, health and well-being. We need to attract and retain the best and most qualified people while providing equal opportunities.

Environment

Finally, our production affects the environment through our use of natural resources as well as the waste and emissions we generate. We continue to search for more sustainable ways to conduct our business, for example by adopting even more efficient production processes or by using 'greener' materials.



Healthcare professionals

A responsible partnership

We see healthcare professionals as our partners. We share a common passion for making life easier for our end users all over the world. By working together, we develop new products and services that meet their needs.

In Ostomy Care, for example, feedback from healthcare professionals and end users show that people living with a stoma often struggle with leakage and skin problems due to their individual body shapes, scars or hernias. We've translated this message into elastic products that provide a better fit for individual bodies.

Advisory boards worldwide

Coloplast annually invites hundreds of nurses worldwide to serve on advisory boards on ostomy and continence care. The boards have been established in 22 countries – recently we welcomed our newest one in South Korea. At the advisory board meetings, nurses give us feedback on the performance of our products as well as input for new ideas. We learn how healthcare professionals work with our products in practice. This helps us improve existing products and obtain ideas for new ones.

Responsible advocacy

An important element of our business ethics is how we conduct advocacy activities. At Coloplast, we work in partnership with many stakeholders to try to influence decisions that affect our industry and the rights of end users. For example, we actively support a ban on the use of classified phthalates in medical devices. We also work to raise awareness and to improve the standard of care within our four core business areas: Ostomy Care, Continence Care, Urology Care and Wound & Skin Care.

We conduct advocacy both directly as a company and in coordination with external partners, including national industry organisations and Europe-wide bodies like 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 democratic decision-making processes as well as our focus on respect and integrity in our stakeholder relations. We also emphasize transparency in our policy positions.

Our Public Affairs team has been registered with the European Commission's Register of Interest Representatives since 2009. This year, the European Commission and European Parliament have merged their registry of lobbyists. As a result the new Transparency Register has been founded and our Public Affairs staff is now a part of it.



Code of Conduct

Many of Coloplast’s employees interact with healthcare professionals from all over the world on a daily basis – they are one of our most important customer groups. It’s very important for us to have clear rules on how these interactions take place - business decisions, for example, should never be based on an exchange of gifts or provisions of excessive wining and dining. We believe we have what it takes to win without taking shortcuts.

Therefore, we strongly support the shared industry standards on interactions between medical companies and healthcare professionals – and the initiatives which ensure compliance. We have recently taken Eucomed’s rules word for word and incorporated them into our own Code of Conduct.

We’ve also taken this a step further by launching the new global Code of Conduct Guidelines which interprets these rules and presents them in a way that is easy to read. This pocket-sized booklet includes real life examples our employees deal with everyday. We see the importance of ensuring that our entire company stands behind the same set of values. So, we’ve had these guidelines translated into more than ten different languages and distributed them worldwide.

This year our Corporate Responsibility team has also designed a new e-learning course in order to really make sure our employees know and understand the rules. The course contains interactive examples based on real-life dilemma situations as described by Coloplast employees. The course also has a final test which all white-collar employees globally are required to pass.

SHOWING WE’RE SERIOUS



“What we’ve started to see here in South Africa is that corruption cases are becoming very much exposed – people are really talking about it and want to see changes. The Code of Conduct guidelines have actually been really helpful in that sense because it shows how serious we are about staying a responsible company. It’s also a pretty strong selling point for our sales people when they’re out in the field to have this tangible and personalised set of rules with them.”

Dave Dudley
Country Manager, South Africa

Clear expectations

There’s a certain risk of corruption present when running a global operation like ours. At Coloplast, we believe in doing honest business and we work hard to communicate that message. This way, healthcare professionals know exactly what to expect from us.

Different cultures have their own ways of dealing with situations involving giving gifts, arranging hospitality of healthcare professionals during congresses, etc. No matter where in the world these interactions take place, Coloplast employees must stick to our Code of Conduct.

Included in our rules this year is a companywide ban on facilitation payments consistent with the recently introduced UK Bribery Act. A facilitation payment is a small monetary reward demanded by public officials to perform administrative tasks that they are legally required to do without such payment. Our philosophy is that it’s better to have no business than bad business so we will not take part in this.

We experience that this firm rejection of non-ethical behavior actually contributes to our business, as it helps us earn the respect of our business partners. It also allows us to focus on building good professional relationships with our customers. Furthermore, emphasising our devotion to remaining responsible has in many cases been a strong selling point for Coloplast – even in markets where corruption is common.

How we monitor compliance

An important part of our corporate responsibility is to ensure the rules are being followed in all the countries we do business in. Ideally, we want our employees to tell colleagues or managers openly if they know of a wrongdoing or crime. But we recognise that in some situations, employees may not feel comfortable reporting openly on these issues.

For this reason, we’ve implemented a whistleblower hotline in 2010 which can be used by both Coloplast employees and business partners. Reports can be made by telephone or through our secure website. When we receive a report, we make it a priority to thoroughly investigate it. If a case is found to be groundless it will be dismissed and deleted. Criminal cases will be forwarded to the police. To further monitor compliance, we have begun conducting compliance audits, starting with Russia earlier this year.

Increasing access to healthcare

For every 750 people living with a stoma in Mexico there is only one nurse who knows how to treat them. But it's not just in Mexico – in many countries, there is a major need for better access to healthcare.

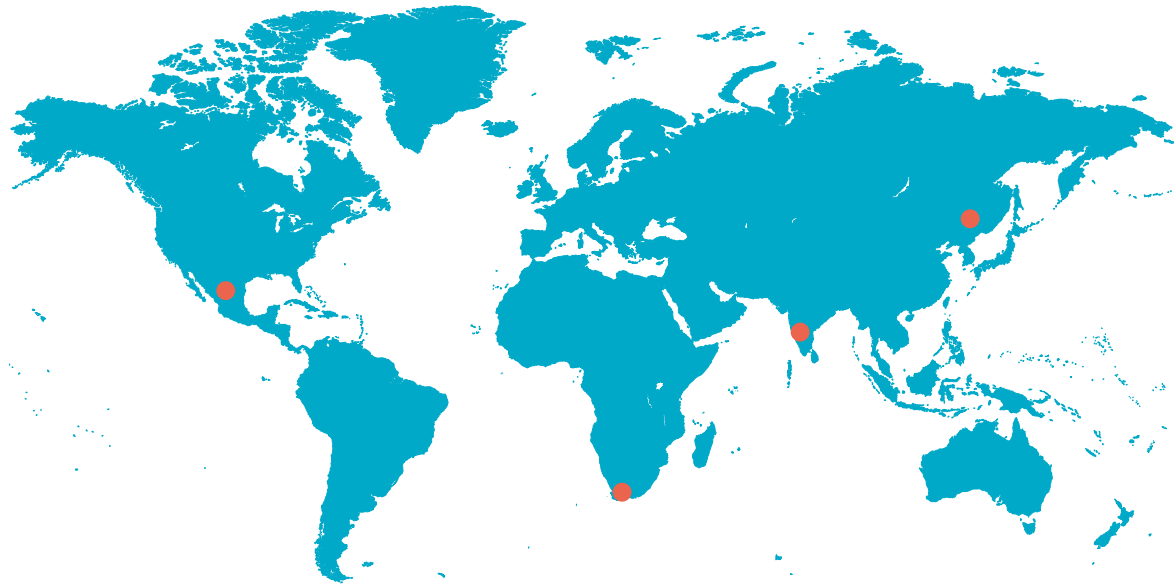
Access to Healthcare, Coloplast's corporate partnership programme, helps people in developing countries gain better access to ostomy, continence and wound care – with the overall goal of improving the quality of life for people who live with these health conditions.

Working with key health sector partners, the programme funds projects designed to raise standards of care, educate healthcare professionals and improve local healthcare delivery systems. Access to Healthcare projects also build awareness amongst healthcare professionals, health authorities and patients, as well as the general public. The programme has so far approved 11 projects, amounting to a total of DKK 8.4 million, in South Africa, Mexico, India and China.

In Mexico, Access to Healthcare is cooperating with AMCHICHAC, a multidisciplinary association involving doctors and nurses who work with wound and ostomy care, to create national ostomy

care guidelines. Mexico currently lacks such guidelines, resulting in inconsistent and less effective care, which can adversely impact patient wellbeing. AMCHICHAC and Access to Healthcare will ensure that people living with a stoma have the proper training in managing an ostomy after they are discharged from the hospital. This can prevent post-surgery complications and help individuals return to healthy and productive daily lives.

In China, Access to Healthcare partnered in 2010 with Chinese experts and the World Diabetes Foundation to help patients manage diabetes-related wounds. Diabetes is a growing health concern in China, and patients can sometimes develop difficult skin conditions like foot ulcers. China's public healthcare system is struggling to address these chronic conditions. Together with our project partners we train doctors and nurses to treat diabetic patients. Through the use of a new curriculum and training materials we hope ultimately to enhance the quality of life for people with diabetic wounds.



WORKING TOGETHER



“Two serious challenges in Mexico are how to make the healthcare system notice ostomy patients and how to train nurses to deal with these conditions. The guidelines we've prepared together with Access to Healthcare have helped bring light to individuals who require such specific attention. Working with Coloplast has been a truly enriching experience. They have shown a sincere commitment to see the project carried out and I'm thankful for that. These guidelines are really going to improve the quality of life for people in our country.”

Otilia Castañeda
Nurse and former AMCHICHAC president, Mexico

ACCESS TO HEALTHCARE PROJECTS

 Mexico	 China	 India	 South Africa
· Ostomy scholarships and community workshop · Ostomy guidelines	· Ostomy guidelines · Stoma clubs · Wound care training · Intermittend catheterization awareness	· Stoma care e-learning · National wound care training · Comprehensive spinal cord injury management · Spinal cord injury e-learning	· Spinal cord injury course

Making a difference in the local community

Many of our employees take an initiative to volunteer in their local communities. Coloplast offices around the world sponsor various charities and work together with organisations to coordinate fundraisers and volunteering projects.

This year for example, we've chosen Spinal Injuries Together (SIT) to be our charity of the year in the UK. SIT works as an umbrella organisation for five major spinal cord injury charities within the UK, including Aspire and Back-Up Trust. As a result of their collaborative work, all five charities can ensure their funds go further to better respond to the needs of those with spinal cord injuries. Throughout the next twelve months, our UK office will implement a number of employee fundraisers in coordination with SIT.

We find that local community initiatives often take place in many different forms. This year for instance, the employees at our Tatabánya factory in Hungary are participating in the government assisted Hand in Hand programme where they have 'adopted' a local school. Together, they volunteer their Saturdays to fix up the school's bathrooms, fences, and more in an effort to provide the local children with a better learning environment.

A HUMBLING EXPERIENCE



"It's really rewarding for us as employees to talk to our customers about what their lives are like and what they care about. They are amazing people and have such willpower and the capacity to overcome almost anything, and that is truly inspiring. The entire experience is very humbling.

Eva Grauballe
Spinal Cord Injury Week volunteer, Denmark

Connecting with our end users on a personal level can bring meaning and a sense of purpose to our day to day work. One of the many ways we do this is by taking part in the annual Spinal Cord Injury Week hosted by the Egmont folk high school in Denmark. This project is jointly coordinated with RYK, an organisation that represents people with spinal cord injuries in Denmark. Our employees consider it a privilege to be able to volunteer at this weeklong event where they assist people with spinal cord injuries in many different activities – ranging from kayaking and sailing to glass blowing and cooking.



Helping them meet our standards

Coloplast works with suppliers all over the world. We understand that every market is different, but do not compromise our own standards. Instead, we work together with our partners to keep the bar high.

The supply chain responsibility programme

We extend our standards onto our suppliers and closely monitor the risks of non-compliance. We call it our supply chain responsibility programme and in 2011 over 99% of our raw material suppliers were covered by it. This way, we know that our business partners are being cautious of their impact on the environment, and that they provide healthy and safe working conditions for their employees.

The programme's first step is to make sure all our suppliers know our standards. So we've developed a brochure that lets them know exactly what's expected and how we monitor their compliance. This standard covers human rights, labour rights, environmental issues, occupational health and safety as well as business ethics. By emphasising clear communication, we assure that there is a known mutual understanding between us and our suppliers – thus avoiding the risk of mistakes.

Next, we check for compliance. Each year, we systematically select a number of suppliers for site visits or social audits where we review their standards. The selection is based on an individual risk assessment of each country. We then agree on any improvements that may be necessary and draft an action plan for the changes that have to be undertaken before our next visit.

Our first choice is always to engage in a dialogue with a given supplier to help them improve. Typically, the response is positive and the suppliers start improving to meet our standards. However, in a few cases we may have to terminate the cooperation.

Since 2006/07 we've reclassified a total of 20 suppliers to a lower risk category after they made significant improvements to their social, environmental and business ethical standards. We've had to stop cooperating with a total of seven suppliers due to environmental, social or ethical issues.

Raising the bar in Pakistan

In 2010, concerns were raised over one of our suppliers in Pakistan. We responded immediately after an external auditing service had reviewed the site and labeled the company a 'high risk supplier'. One of our Coloplast employees with a Pakistani background working at our corporate headquarters visited the site twice within a six month period. Along with our Corporate Procurement team, he worked with the supplier to make sure they understood the importance of following our standards.

During the first visit, we found violations such as inadequate fire exit routes and a lack of protective equipment. However, it was also clear that the supplier was very willing to cooperate enabling us to work with them to fix the issues.

After our second visit to the Pakistan site, the standards improved significantly. This was followed by a close inspection from our Decision

Board who ultimately upgraded the supplier to 'medium risk' status. The Decision Board is made up of senior representatives from our Corporate Responsibility, Global Operations, Corporate Procurement and Quality and Environment departments. Together they assess the willingness and progress of improvements of all questionable suppliers and make final decisions on their status. We will continue to closely monitor this supplier to ensure they meet our standards.

IMPROVING LOCAL CONDITIONS



"When I first arrived at the site of our supplier in Pakistan, I felt they were a bit intimidated by my presence. However, during the day and as we went along with the different topics, they turned from being defensive to wanting to cooperate. It certainly helped speaking to them in their native language, and thereby explaining that we are there to help them improve local conditions. After putting together an action plan for improvements, I felt confident about their willingness to cooperate. During my second visit, I was very pleased with what I saw."

Faruq Rashid
Senior Project Manager, Denmark



End users

Getting even closer

At Coloplast, we feel a strong sense of responsibility towards our end users. Our mission is to make life easier for them. We do this by listening in order to better understand their needs and responding with effective solutions.

We listen

We communicate with our end users and their healthcare providers in many different ways. Recently we conducted an international survey where 1,500 end users and 300 nurses discussed challenges they face in Continence Care. One thing that stood out was a key word that is now direction setting in our innovation – discretion. By launching our new catheter, SpeediCath® Compact Male, we gave users a product which more closely resembles a marker than a medical device. The female catheter now has the size and shape of a lipstick.

We've brought the innovation process directly to our end users. In 2009, we began sponsoring the online community www.stoma-innovation.com which allows ostomy end users to share their ideas for improving stoma care.

Since receiving over 8,000 comments from registered users with more than 850 solution ideas, we have decided to take the virtual co-creation to a new level. Launching in October 2011 is www.innovationbyyou.com, which welcomes both ostomy and continence innovators.

We observe

We understand that it can be difficult at times for our end users to put into words exactly what they need in a product. That's why observing their daily activities in a natural environment is an important part of our development process.

At Coloplast headquarters, many of our R&D employees have an end user friend. This relationship is kept and strengthened through visits where the two typically meet at the end user's home. Our goal is to maintain the focus of the research and development process on the people who depend on our products the most.

With this holistic approach, we maintain a clear image of the end user as a whole person. That way, we get a much better foundation from which to develop products that meet actual needs in terms of functionality and discretion.

We respond

By observing and listening to our end users, as well as the market, we have put together a unique development agenda – we call it “Bigger, Bolder, Better.”

Our plan is to launch new and unique products that have a big impact on the market and on the lives of our end users.

EXPERTS-THROUGH-EXPERIENCE



“Being a part of stoma-innovation.com has been a great experience in every which way. I find that the peer to peer support among members really provides a feeling that “I’m not alone in my situation”. This, combined with great team-spirit, and all the support from our sponsor, Coloplast, makes for a truly unique online community. Finally, there is a manufacturer who is actively listening and participating in discussions to improve our daily lives. After all, we are the ‘experts-through-experience’ and can be quite innovative when faced with a problem – given the right set of tools, the sky is the limit!”

Bert Steur

Online community administrator and end user, Canada

Products you can trust

We know from end users that along with functionality and discretion, safety is also a priority. So we put a lot of effort into developing safe materials for our products – it's one more way we're listening.

New targets for phthalate reduction

Phthalates are commonly used to make PVC plastics more flexible and durable. In the medical devices industry, phthalates are used to soften e.g. catheters and urine bags. We are working to limit the use of phthalates in our products, and support efforts to minimise the use of phthalates in general. This is an area where Coloplast leads by example.

In the last couple of years, we've worked to bring phthalate-free alternatives to the market and our end users. Today, 90% of our products containing phthalates have a phthalate-free alternative, and we have recently defined a new ambitious target which we are already well underway to achieving.

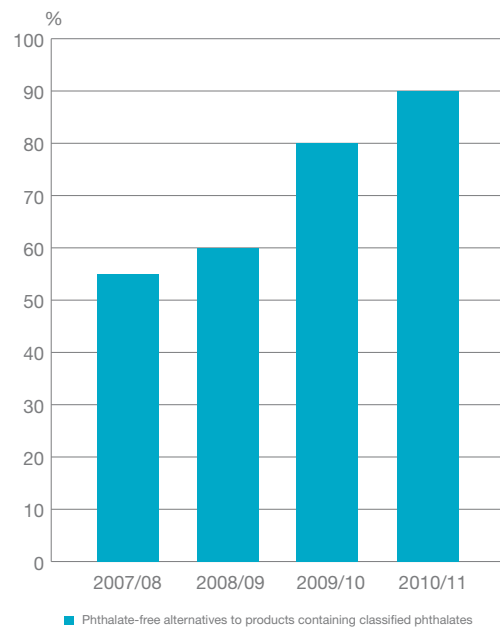
We will reduce the amount of phthalates by:

- not using phthalates in any new products
- giving priority to substituting phthalates when we modify existing products
- reducing the number of products in our existing portfolio that contain phthalates.

Our target is that by 1 October 2014 every second urine bag we sell should be free of phthalates. By achieving this goal, we will have reduced our total use of phthalates by 30%, based on revenue within the relevant business unit.

A complete list of our products, with and without classified phthalates, can be found on www.coloplast.com.

PHTHALATE-FREE ALTERNATIVES



Scouting for better ingredients

We are always mindful of changes in science and technology. We continue to strive to make the best products using appropriate components. As better alternatives emerge, we will work to incorporate them into our products:

- **PVC** – we will only use PVC for new products when its technical properties are necessary for product performance. This is the case for ostomy bags, where a thin layer of PVdC works as a necessary odour barrier
- **Paraben**es – are used in a very limited number of Coloplast products within Skin Care. We are currently looking for alternatives in connection with the ongoing renewal of our Skin Care product range.

Our safety standards

With regard to intimate healthcare products, we need to be particularly aware of two risks:

- Products with physical defects: Defects pose a risk to our end users, especially when the product is inserted into the body, like a catheter. We minimise the risk of defects both in the design phase and production process through continuous product evaluation
- Contamination of sterile products: Products

such as catheters and wound dressings need to be sterile in order to avoid infections of the body. To minimise the risk of contamination, we manufacture in clean rooms followed by a sterilisation process.

Our approach is based on the international quality standard ISO 13485, which is a mandatory set of guidelines medical device producers must follow. In addition, we've implemented the voluntary quality standard ISO 9001. Both standards cover all of our production.

In the financial year 2010/11, our quality management system was scrutinised over a total of 57 days by inspection authorities or their representatives. The results of the site visits were found to be satisfactory.

RAISING AWARENESS



We've introduced a label that helps our end users find the phthalate-free products. Since March 2010, the Medical Device Directive has required that all medical devices containing classified phthalates must be labeled accordingly. At Coloplast, we see this as a step in the right direction, but we don't think it's enough. The label that has been introduced is not very visible and the language is technical. By adding our own 100% phthalates and PVC free label to our new catheters in the SpeediCath® family, we help communicate this message in a clear way – ultimately raising awareness among customers and end users.

Reducing animal testing

Animal testing is a method used to ensure product safety. Alternative methods are sometimes available, but in certain markets authorities require documentation obtained through animal testing. For these reasons, Coloplast cannot completely avoid animal testing in the development and approval of our products.

In 2010/11, we conducted tests on 217 animals – 202 were rodents and 15 were rabbits. This number is significantly lower than last year's. One reason is that we've had fewer launches in markets that require animal testing this year as compared to last year.

Part of our new ongoing strategy is to have fewer but bigger product launches and a smaller product portfolio. This development has had a positive impact on animal testing, ultimately lowering the number of tests needed. Another reason for the decrease is that we have raised the amount of alternative testing methods we use.

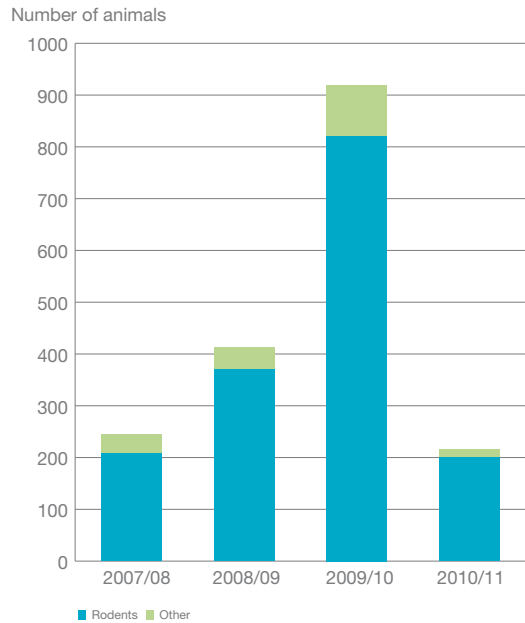
New policy

This year we've created a new animal testing policy which includes guidelines on how we replace animal tests with other testing procedures whenever possible.

The methods we use as an alternative to animal testing are chemical characterisation and testing with cell cultures. Chemical characterisation is a technique that for instance allows us to compare one version of a product with another. This means that e.g. we do not need to repeat animal tests for products that have been on the shelf for longer periods.

Whenever we have to perform tests, we use testing methods that cause the least distress to the animals. Moreover, we only use suppliers who comply with legislation and international standards concerning animal welfare, and we will monitor them closely to make sure they comply.

ANIMAL TESTING



Other includes rabbits, dogs and pigs.



Caring for our people

People are the backbone of Coloplast – they define our company. It’s crucial to create a healthy, safe and diverse work environment where employees can turn their passion into tangible solutions for our customers.

Health and safety standards apply to all employees, no matter what part of the world they work in. We use the international standard OHSAS 18001 for occupational health and safety as a way to make sure our sites adhere to the same rules globally.

Today, eight of our eleven production sites and two of our four warehouses have been OSHAS 18001 certified, covering 92% of our employees including our corporate headquarters.

Safety awareness

We’ve been recording occupational injuries for more than ten years. We measure it as LTI (Lost Time Injuries) frequency, which means the number of injuries resulting in more than eight hours of absence recorded per one million working hours. Our goal this year was to reach a maximum LTI frequency rate of seven for both blue-collar and white-collar employees.

In the past, we’ve seen our injury rate drop significantly – by over 50% in four years. This year, however, there has been an increase in these numbers, causing us to barely miss our target. We find that there are in fact little to no safety issues with our production areas or our equipment. The increase in injuries reported is actually due to employees moving around their workstations in an unsafe way at our Tatabánya production site in Hungary.

In order to reverse this trend we gave full attention to raising our employee’s awareness of safety. At Tatabánya, every employee must now undergo a thorough Practical Safety Training which includes a variety of issues – for example how to safely move about the production site and work stations.

To be sure that all safety areas are being closely observed, shift coordinators at Tatabánya adamantly go through a safety checklist every day to ensure emergency exits and roads within the factory are clear, operating machines are working properly, and so on. We also sent out questionnaires directly to the employees themselves to see if they had noticed any safety issues. And as always, we continue to emphasise not only the effectiveness of our protective equipment, but also that it is comfortable for all our employees.

Our general approach at Coloplast is that we strive to identify safety issues as early as possible – before any harm is done. By reporting all ‘near-miss accidents’, we are able to quickly solve specific problems and minimise future risks.

Through these initiatives and all the efforts of our operation managers combined, we already began to see fewer injuries in the fourth quarter of this year. Attila Borbély, our Facility Environment Health & Safety manager at Tatabánya adds that, “it was a key thing to work together with employees to get them into a safe mindset when moving around the factory. Being aware of small things

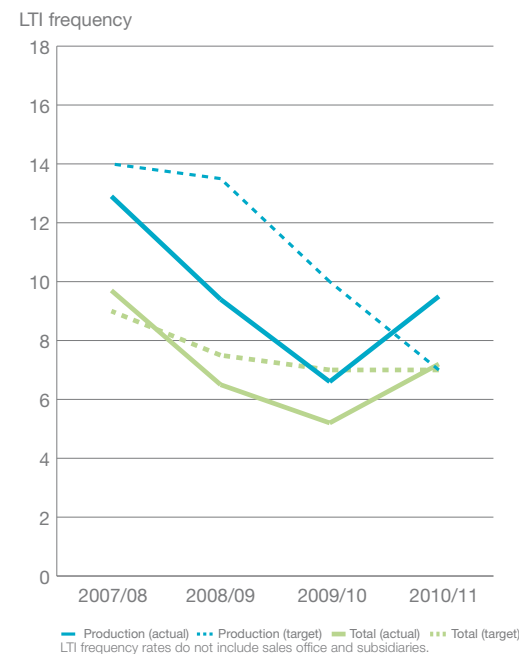
such as shifting from one work station to another in an ergonomic and cautious way has already started reducing these minor and unnecessary injuries.”

Repetitive work

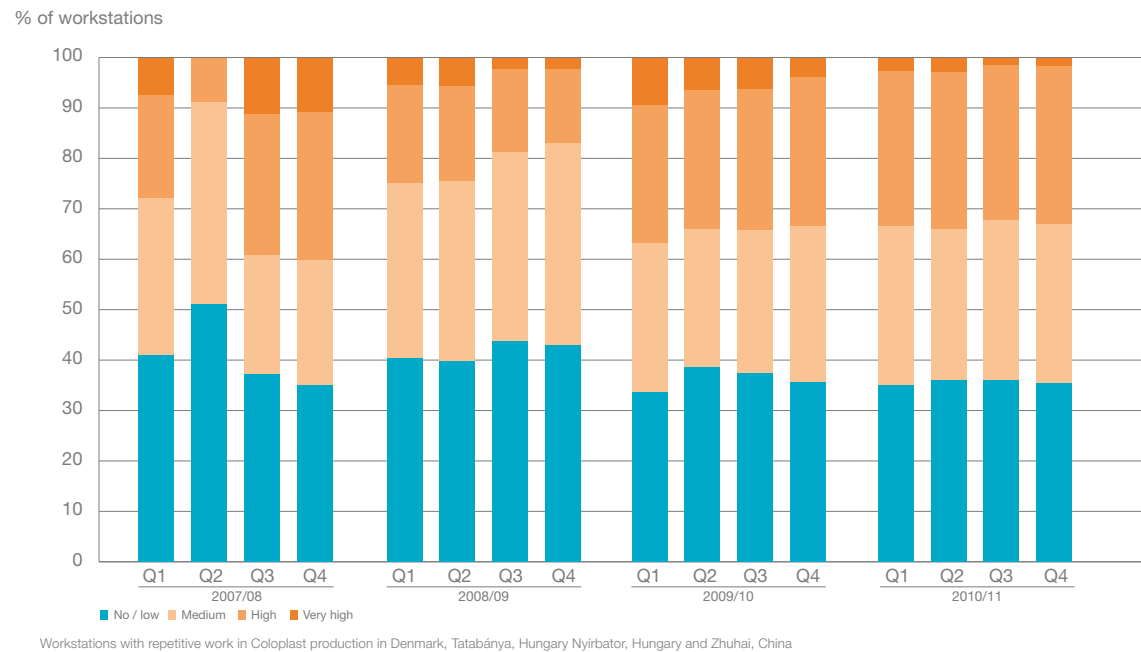
At Coloplast, another key focus is to provide an ergonomically correct workplace layout. We’ve gone above the expected safety requirements and developed a system for measuring and reducing repetitive work. This means spending a large amount of time at a specific workstation, which can be strenuous on the body. This innovative system enables us to track the performance of our efforts to avoid uniform and repetitive motions.

We’ve minimised the number of workstations with a ‘very high’ (dark orange) level of repetitive work from 7.3% in 2007 to 2.2% in 2011. Now, most of our workstations require medium, low or no strenuous repetitive movements. For those work stations that still have high levels of repetitive work, we make sure that employees rotate frequently.

OCCUPATIONAL INJURIES



REPETITIVE WORK



Diversity

It's important for us as a global company to promote a diverse work environment which strengthens new perspectives and creates an international mindset. We continue to seek people from different professional and personal backgrounds.

Identifying talent

When it comes to diversity, our main targets are to provide equal opportunities and a solid platform for growth. With the help of the following processes, our leaders work together to identify talent throughout Coloplast:

Each year, every employee reviews a Performance Development Plan with his or her manager. In 2011 to date, 80% of our white-collar employees have had their PDPs. The goal is that everyone comes out of this process with clear objectives and thoughtful feedback on their performance.

We also engage in a detailed People Review process which entails solid feedback from managers often with input from close colleagues. This way, we enhance transparency on performance across the company which allows us to identify our high performers, regardless of gender, nationality etc.

The first step

Our objective is to foster diversity within Coloplast. Therefore, we have made a visible commitment to a more gender diverse management. This past year, women represented 50% of executive management, 12% of top management and 37% of management globally. Even though these figures compare relatively well in a global context, there is still room for improvement. In order to address the gender diversity agenda at Coloplast, we recently gathered women across top management to discuss challenges and potential initiatives.

- We've now signed the Danish Charter for More Women in Management communicating openly on objectives and current progress
- Our CEO is now a diversity ambassador for the Leadership Relay program led by the Confederation of Danish Industry in coordination with Danish Minister for Gender Equality. Together with Carlsberg, three female talents from both companies shadow top management leaders in an ongoing knowledge-sharing process.

TAKING INITIATIVE



"Due to my own initiative to win more tenders in Poland, we've recently bid on 20 and won 18 of them! This gave the company first-time access to accounts which before were held by our competitors. I feel I have opportunities to advance in Coloplast. I'm glad that my manager took my efforts seriously, worked with me to put together a business strategy and that he, too, is proud of what I've achieved."

Anna Bryl
Sales Coordinator, Poland



Environment

Doing our part

At Coloplast, we want to use fewer resources, produce less waste and emit fewer greenhouse gasses per unit produced. That way, we can minimise our environmental footprint and it also makes good business sense. In practice, this means that we must raise our standards above the ones set by law.

One of our focus areas is the raw materials we use. We work to minimise the use of PVC in our products and to reduce the amount of waste from our production.

One way to achieve this is through lifecycle screenings of our products. The screenings give us a better picture of the combined environmental impact of products – from the moment they are designed and produced until they are disposed of after use. This knowledge helps us in minimising the use of energy and raw materials as well as improving our recycling capabilities and reducing waste units.

We comply with the internationally acknowledged Greenhouse Gas Protocol and we disclose our CO₂ data to the Carbon Disclosure Project. We have an in-house commitment to reducing our CO₂ emissions per unit produced.

Our environmental management system is based on the internationally acknowledged ISO 14001 environmental certification scheme. Today, ten of our eleven production sites have been certified to the ISO 14001 standard, including our three largest sites and our corporate headquarters.

LIFE-CYCLE ANALYSIS



This year, we have made our Teddy Bear Bags 100% PVC and phthalate-free. By working to lower our PVC use, we eliminate the amount of disposed PVC waste. This is a tangible result that has come out of our life-cycle analysis and biosafety assessment. In general, life-cycle analysis means that when we develop our products we consider their overall lifetime safety and environmental impact. We've been able to provide children in need of urine bags with a safe solution parents can trust - with a product that also has a lower impact on the environment.

Reducing CO₂ emission

In 2010/11, we achieved an absolute CO₂ reduction of 7% on energy use from our production, facilities and company cars. Further, this is the fourth straight year that we've managed to keep the increase in our CO₂ emissions below our rate of production growth.

This year we're particularly pleased with the fact that we're down to the same level of CO₂ emissions per unit produced as the year we started relocating production to China. Since 2001, we've been moving a large part of our production from Denmark to Hungary and China. Initially, the transfer of production to China also caused a rise in CO₂ emissions. This is mainly because we had factories in Denmark that had not closed down while also having factories in China and Hungary that were not yet at full production capacity. Furthermore, CO₂ emissions from electrical power produced in China are typically twice as high as from electrical power in Denmark.

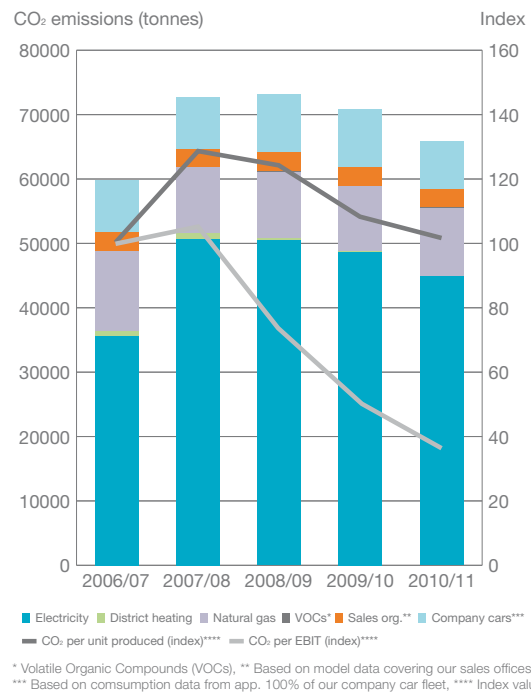
We've handled this challenge. For example, at our Nyírbátor production site in Hungary we've just implemented a more efficient way of cleaning the exhaust gas which results from our catheter production. The new setup will save us about 1,000 tonnes of CO₂ emissions each year.

From air to sea

Total climate impact from air transports can be up to 20 times higher than from land transports and 200 times higher than sea transports. Even though today only a small fraction of our cargo is transported by air a focused effort to reduce future airfreight will have a big impact on our CO₂e¹ emissions. We've set an ambitious reduction target – to go from our current 2.5% air transport to a maximum of 1.5% by 2013/14. We estimate that this will result in a CO₂e reduction of 4,200 tones at our current transport volumes.

¹ The estimated reduction is for CO₂ equivalents that is the total greenhouse gas effect, including NO_x, SO_x, etc.

CO₂ EMISSIONS AND PRODUCTION EFFICIENCY



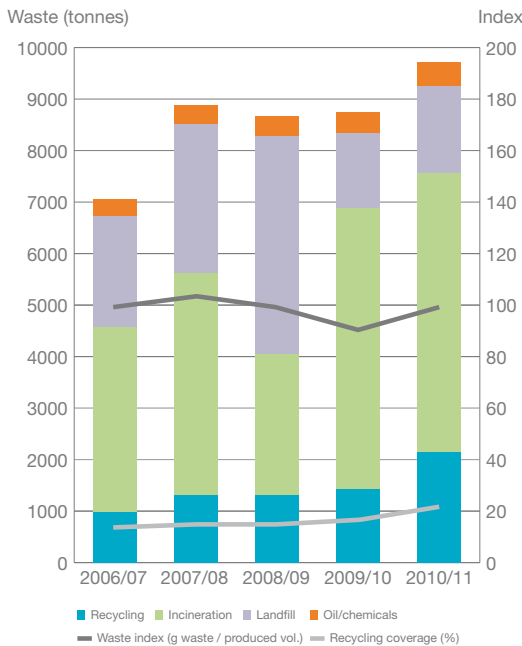
Managing our waste

At Coloplast, we make most of our products from plastic foils. It's impossible to completely avoid scrapping these plastic foils, but what we can do is design products and production processes in a way that reduces the amount of waste. We try to reuse the surplus scrap and recycle it when we cannot use it in our own production. Our recycling coverage has gone up from 16% last year to 22% in 2010/11.

Still, we've faced some difficulties in our waste management this year. As shown in the figures below we've generated more waste per unit produced than we did last year. The reason is that we've dramatically increased a particular production process last year – and it just simply created too much waste. We're working hard to solve this issue and expect to have a solution within the next financial year. We've learned from this case how important it is to make sure that we design machines and processes so they are environmentally efficient from the beginning. A step that we've already taken this year is to evaluate the machines used in production processes on their environmental efficiency.

A positive trend is that more waste is being sent to incineration at power stations rather than to landfills. At the power stations, energy is recovered from the waste which means that it is being utilised instead of simply placed in a landfill.

WASTE GENERATION



Our standards

Coloplast employs more than 7,500 people worldwide, with production sites in Hungary, China, France, the US and Denmark. To act as one company, we need clear global standards.

UN Global Compact

Coloplast has been an active signatory to the UN Global Compact since 2002. The ten principles of the Global Compact cover basic human rights, labour rights, environmental and anti-corruption policies. Since 2007, we've also been a signatory to Caring for Climate, another Global Compact initiative.

"The principles instated by the UN Global Compact provide a practical framework for transparency and accountability. They raise the bar globally – and we fully support this"
Lene Skole, Executive Vice President and CFO

Code of Conduct

Our business ethical guidelines are described in our newly launched corporate Code of Conduct. The Code of Conduct guides our interactions with healthcare professionals and covers issues such as gifts, donations, corruption, fraud and conflict of interest. The Code is provided to new employees and our Code of Conduct e-learning course is mandatory for all white-collar employees.

Certifications

Coloplast is certified to a number of international standards that require us to monitor our performance and continuously improve. The standards cover production and distribution sites, but not our sales subsidiaries.

ISO 9001 and ISO 13485 are international standards for quality management systems. ISO 9001 covers general quality management systems, while ISO 13485 is specifically targeted at the medical devices industry. All of our production and distribution sites are covered by the ISO 9001 and ISO 13485 standards.

ISO 14001 is an international standard for environmental management systems. The standard requires us to assess the environmental impact of a product and our production as well as to monitor environmental performance. All but one of our production sites are now covered by the ISO 14001 standard.

OHSAS 18001 is an international standard for occupational health and safety management systems, which contains guidelines for securing the employees' well-being and safety. Approximately 92% of our employees in production, distribution and headquarters are now covered by OHSAS 18001.

Recognitions

Coloplast is included in a number of sustainable investment indices, including the Dow Jones Sustainability Index and FTSE4Good.

In 2011, one of Scandinavia's biggest investment banks, the Norwegian Storebrand Bank, named Coloplast the most sustainable company in the healthcare industry.

Area	Certification	Production facilities and HQ (Total: 11)	Distribution facilities (Total: 4)	Coverage
Quality control	ISO 9001 and ISO 13485	11	4	100% of sites
Environment	ISO 14001	10	Not relevant	91% of production sites
Occupational health and safety	OHSAS 18001	8	2	92% of employees ¹

¹ Not including employees in subsidiaries and sales offices

Corporate governance

Coloplast A/S is a listed Danish company. Our shareholders attending our annual general meetings are the supreme governing body of our company. Our two-tier management structure consists of a Board of Directors and an Executive Management.

The Board of Directors consists of six members elected by the shareholders in general meetings and three members elected by our employees. Shareholders can participate in these meetings and post questions to board members. Four of the six members elected at the Annual General Meeting held in 2010 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 issues. We provide a wide range of communications, including our 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

The current guidelines for remuneration of board members and the Executive Management were adopted at the Annual General Meeting held in December 2010. 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 a fixed and a variable remuneration. The variable remuneration consists of an annual bonus subject to the achievement of certain targets. The bonus proportion may vary among the members of Executive Management, but is subject to a maximum of 25% of the annual remuneration. Another element of the variable pay to the Executive Management is made up of options with a value equal to a maximum of 40% of the Executive Management's remuneration. The options will 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 www.coloplast.com contains more information on corporate governance.

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 to stakeholders. Most data collection and implementation work is undertaken 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 part of People & Communications. This allows for efficient stakeholder relations and dialogue with internal and external stakeholders.

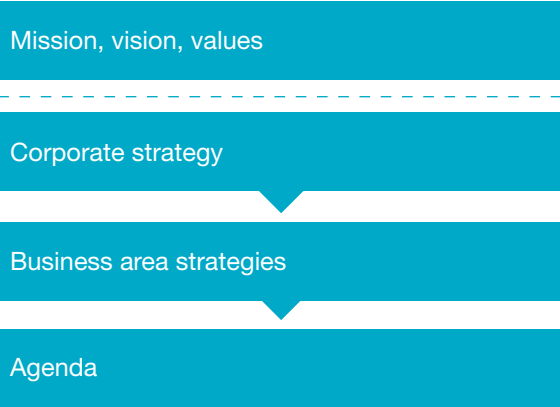
The Executive Management takes most decisions within the field of corporate responsibility, typically after consultation with senior vice presidents of key line and staff functions. In some cases, the Board of Directors takes the final decision.

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. 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.

Corporate responsibility is currently guided by a corporate responsibility plan. The plan introduces six stakeholder groups and incorporates a number of other relevant policies and plans. It outlines areas where Coloplast can improve and calls for greater transparency about our performance within corporate responsibility, including most prominently this report. We measure our progress against specific KPI's that can be found in the table on page 5.

Data summary table

Certifications ¹	Unit	2007/08	2008/09	2009/10	2010/11
Production and distribution sites (total)	Number	15	15	14	15
ISO 9001 / ISO 13485 ²	Number	14	15	14	15
ISO 14001 ³	Number	7	9	10	10
OHSAS 18001	Number	6	9	10	10

1) Coloplast currently has eleven production sites including headquarters (Thisted, Mørdrup, Espergærde, Kvistgaard, Humlebæk, Tatabánya, Nyírbátor, Zhuhai, Mankato, West River Road, Sarlat) and four distribution sites (Hamburg, Marietta, Lisses and Tata). 2) Our goal (which we have reached) is that all eleven production sites and all four distribution sites are ISO 9001 and ISO 13845 certified. 3) None of the distribution sites will be certified due to low environmental impact.

Product quality and safety	Unit	2007/08	2008/09	2009/10	2010/11
Site visits ¹	Days	60	59	82	57
Non-phthalate products ²	%	55	60	80	90
Animal testing ³	Number	246	413	919	217
... of which rodents	Number	210	372	821	202
... of which other animals	Number	36	41	98	15

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. Covers all Coloplast operations.

Occupational health and safety	Unit	2007/08	2008/09	2009/10	2010/11
Injuries and accidents, all employees ¹	LTI frequency	9.7	6.5	5.2	7.2
Target, all employees		9.0	7.5	7.0	7.0
Injuries and accidents, production workers ²	LTI frequency	12.9	9.4	6.6	9.5
Target production workers		14.0	13.5	10.0	7.0
Repetitive work ³					
... No / low	%	41.0	41.7	36.3	35.6
... Medium	%	30.0	37.0	29.0	31.2
... High	%	21.6	17.3	28.1	31.0
... Very high	%	7.3	4.0	6.5	2.2
Employee engagement survey ⁴					
... Response rate	Index	89	88	92	-
... Engagement index	Index	77	75	79	-
... Values index	Index	65	72	74	-
... Well-being index	Index	65	68	71	-
Personal Development Plans ⁵	Index	73	77	73	80

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 in Coloplast locations, not including sales offices and subsidiaries. 2) As above, but covers only production (blue-collar) workers. Reported increase in Lost Time Injuries (LTI) is primarily due to instances of unsafe employee behavior when moving around the Tatabánya production site in Hungary and is not related to safety issues with production equipment or machines. 3) Percentage of workplaces in Coloplast production in Denmark, Tatabánya, Hungary, Nyírbátor, 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 more than 5 aggregating factors. 4) Employee engagement survey data is not available at the time of printing. The survey will be conducted in the beginning of 2012. 5) Percentage of white-collar employees with documented personal development plans. Data on Personal Development Plans includes Coloplast employees in Canada, China, Denmark, Germany, Hungary, Hong Kong, the UK and the US. The data covers 84% of white-collar employees. The PDP reporting method has been modified from 2009/10 to 2010/11 and figures cannot be compared.

Labour practices	Unit	2007/08	2008/09	2009/10	2010/11
Employees (headcount) ¹	Number	-	-	7.421	7.519
... Blue-collar	Number	-	-	3.376	3.492
... White-collar	Number	-	-	4.045	4.027
Female employees ²	%	57	58	63	65
Female managers ³	%	37	40	38	37
Female top managers ⁴	%	20	20	16	12
Age distribution					
... Employees aged < 30	%	19	22	30	30
... Employees aged 30 - 50	%	63	62	57	57
... Employees aged > 50	%	18	16	13	13

1) As of end of September 2011, the average number of employees (FTEs) is 7,372. 2) Data on gender and age distribution includes Coloplast employees in Canada, China, Denmark, Germany, Hungary, Hong Kong, the UK and the US. The data covers 84% of all employees. 3) Managers include all positions at or above Manager level. 4) Top management includes Executive Management, Senior Vice President, and Vice President positions.

Anti-corruption	Unit	2007/08	2008/09	2009/10	2010/11
White-collar employees trained in anti-corruption ¹	%	-	13	22	23

1) Measured as the percentage of white-collar employees that has visited the e-learning course site, staying for a sufficient period of time. We have made an updated version of our e-learning course on the Coloplast Code of Conduct which will be implemented in 2011/12; thus the low increase from 2009/10 to 2010/11. As of October 2011 all white-collar employees will be required to take the course.

Environment ¹	Unit	2007/08	2008/09	2009/10	2010/11
Emissions of greenhouse gasses (direct and indirect) ²	Tonnes CO ₂	72,772	73,124	70,849	65,889
... of which company cars ³	Tonnes CO ₂	8,000	8,968	8,968	7,407
... of which sales organisation ⁴	Tonnes CO ₂	2,839	2,839	2,839	2,839
... of which VOCs	Tonnes CO ₂	114	226	71	46
... of which natural gas	Tonnes CO ₂	10,191	10,227	10,150	10,603
... of which district heating ⁵	Tonnes CO ₂	808	240	9	9
... of which electricity	Tonnes CO ₂	50,820	50,624	48,812	44,985
... per number of units produced ⁶	Index	127	122	108	102
... per EBIT ⁷	Index	105	74	50	36
Emissions of greenhouse gases (other relevant indirect) ⁸					
... of which transportation ⁹	Tonnes CO ₂	-	-	-	16,500
... of which travel ¹⁰	Tonnes CO ₂	-	14,095	14,914	15,777
Waste ¹¹	Tonnes	8,890	8,666	8,748	9,713
... of which oil / chemicals ¹²	Tonnes	360	387	403	455
... of which landfill	Tonnes	2,898	4,227	1,449	1,678
... of which incineration	Tonnes	4,307	2,721	5,463	5,428
... of which recycling	Tonnes	1,324	1,330	1,431	2,151
... per units produced	Index	103	97	90,4	100
... recycling coverage ¹³	%	15	15	16	22
Direct energy ¹⁴	mWh/	50,960/	51,139/	50,751/	53,021/
	GJ	183,452	184,100	182,702	190,876
... of which natural gas	mWh/	50,960/	51,139/	50,751/	53,017/
	GJ	183,452	184,100	182,704	190,861
... of which coal or fuel distilled from crude oil ¹⁵	mWh/	0	0	0	4/14,40
	GJ				
... of which produced or sold	mWh/	0	0	0	0
	GJ				
Indirect energy	mWh/	101,550/	94,553/	90,122/	83,297/
	GJ	365,580	340,391	324,439	299,869
... of which electricity	mWh/	98,111/	92,909/	89,131/	82,265/
	GJ	353,200	334,472	320,871	296,154
... of which heating and cooling	mWh/	3,439/	1,644/	991/	1,032/
	GJ	12,380	5,918	3,567	3,715
... of which stream	mWh/	0	0	0	0
	GJ				
Water use ¹⁶	m ³	178,152	243,948	223,038	277,220
... of which municipal water ¹⁷	%	100%	100%	100%	100%
Water sources significantly affected ¹⁸	Number	0	0	0	0
Spills (significant / insignificant) ¹⁹	Number	0 / 1	0 / 0	0 / 0	0 / 0

1) Note that the energy, emission and waste data differ slightly from the Corporate Responsibility Report of 2009/10 due to metering and reporting errors. This has been corrected back to 2007/08. 2) GHG protocol Scope 1 and Scope 2. 3) Based on consumption data from 100% of our fleet. 4) Based on model data from the Danish Energy Management Scheme. 5) The significant reduction in emissions from district heating and cooling is effect from closing down the Danish production site in Kokkedal 2008/09. 6/7) CO₂ emitted per EBIT and per produced unit converted to index values (2006/2007=100). Index values are based on emissions from natural gas, district heating, VOCs and electricity alone. Index values are only related to production facilities - sales org and company cars are not included in the index values. 8) GHG protocol Scope 3 data. Only transport and travel activities are reported. 9) Covering more than 90% of our transports of goods by road, land and sea – not including parcel delivery to end customers. Air transport includes Global Warming Potential from all exhaust gases. The number is based on actual data from august 2010 to july 2011. 2008/09 data has been discarded due to insufficient reporting that year. 10) Air travel only. Includes Global Warming Potential from all exhaust gases. 11) Based on weighted amounts from the organisation. The increased waste in 2010/11 is due to significant production increase of one specific process. 12) Sent to special waste treatment plants. Includes all hazardous substances. 13) Recycling coverage of total waste generation. 14/15) Not including company car fleet. 16/17/18) All water use is delivered and treated by local municipalities. 19) One large HYPOL (Hydrophilic Polyurethane Prepolymers) spill contained within the facility.

Supply chain responsibility	Unit	2007/08	2008/09	2009/10	2010/11
Supplier screened ¹	%	92	98	98	99
Supplier risk downgraded after improvements ²	Number	6	1	10	1
Contracts terminated ³	Number	1	0	3	0

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 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.

Society	Unit	2007/08	2008/09	2009/10	2010/11
Project funds approved (accumulated) ¹	DKK	149,000	1,458,000	6,768,000	8,375,094
Legal action for anti-competitive behaviour ²	Number	0	1	0	0
Significant fines for non-compliance with laws and regulations ²	EUR	0	364,000	0	0

1) Accumulated sum of project funds approved by the Access to Healthcare Board. 2) Both indicators refer to the same legal case in 2008/09. In 2009, Coloplast was fined for violating Italian competition law. An Italian appeal court decided to decrease the fine to 364,032 EUR in February 2009. This judgment is final.



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.

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

indicate where to find the information (in this report or in our Annual report 2010/11). We have been accredited a "B" application level, checked by GRI.

Strategy and analysis

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- 1.2 Page 3-5, 31-33, 38-39, Annual report pp. 11-12

Organisational profile

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- 2.2 Page 6, Annual report pp. 5-6
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- 2.6 Page 32-33, Annual report pp. 13-15
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- 3.12 Page 39 (this table)
- 3.13 Not applicable

Governance, Commitments, Engagement

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- 4.8 Page 31, back page
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- 4.11 Page 20-22, 31, Communication on Progress 2009
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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.

The report covers the financial year 2010/11, from 1 October 2010 to 30 September 2011. Coloplast's Corporate Responsibility Report will go to press once a year. In some cases, we have gathered new data for earlier financial years or been able to calculate historical data more fully than in the previous report. This means that in some cases data from previous financial years has been slightly altered. In all such cases, a note to that effect is provided in the text or in footnotes. This includes data on personal development plans, waste and CO₂.

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. We conducted a survey of key employees globally and sales subsidiaries asking what they consider the most important issues. We also went through all possible indicators (GRI or non-GRI) with an internal group of key stakeholders with regard to Corporate Responsibility reporting. 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 simple language, while including the data needed for specialist use. For example, we explain most issues using graphs, but also include data with methodological information in the data summary sheet.

Materiality

The 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 this report, we've included new data and descriptions of our corporate responsibility strategy, Code of Conduct and engagement in local communities, among other issues. We've also included personal case stories from Mexico, Canada, Hungary, Poland, South Africa and Denmark.

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. We structure our Corporate Responsibility approach around our stakeholder groups.

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 end users and 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 competences 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. 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 eight times a year which are broadcasted globally within the company.

Issues regarding the environment are communicated in a few different ways. For example, at least two to three times a month our subsidiaries send us questionnaires from customers asking about our environment progress and policies. Our annual Corporate Responsibility report is one of the biggest sources of information regarding the environment. We also distribute marketing handouts as needed.

Scope

Unless otherwise noted, the data and reporting includes of 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 collected by HR Operations. Corporate Procurement, Corporate Finance and People & Communications have also contributed significantly to the pages of this report. Our subsidiaries have provided case stories which exemplify corporate responsibility initiatives from all over the world. 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.

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 7,500 people.

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