

Pressalit Group A/S

Communication on Progress 2007

Reporting on UN's Global Compact

About Pressalit Group

Pressalit was established in 1954 and today Pressalit Group A/S is one of the leading European manufactures of toilet seats and specialised bathroom and toilet solutions for people with disabilities.

Pressalit Group includes 3 independent divisions – Pressalit, Pressalit Care and SaniScan – each pursuing individual objectives and dealing with individual segments, but sharing a thriving culture based upon a common set of values: We listen. We give. We play. We act.

In 2007 Pressalit Group's 469 employees created a turnover of DKK 555,3 millions primarily in the European markets. The export share is about 80 %.

Statement from the CEO

Awareness of corporate social responsibility is very much on the agenda in Denmark and this fits well with Pressalit Group's practice and way of doing business. We have continued our work with making our production sustainable and are always looking for improvements.

Since our last Global Compact report we have been following up on the commitment of our suppliers to the ten principles. To show that we take this very seriously, we have visited one of our suppliers in China where we had the opportunity to see for ourselves that they live up to the demands of the ten principles.

Pressalit is also very engaged in equal employment opportunities for all. COO; EVP Dan Boyter is the chairman of a nation wide project which focuses on giving people, who have had experience with crime, a second chance by helping them enter the labour market.

Below is described a selection of activities and results of the year 2007 that all relate to our commitment to the Global Compact. We have chosen to approach this report from the angle of describing the activities separately, as opposed to using the ten principles as fields to be filled-out. We trust this new approach will render the report more readable and give a better understanding of our intentions and efforts.

I hereby wish to state our continued support for the Global Compact



Kim Boyter
CEO

Description of Practical Actions taken and Process of Implementation used

1. Suppliers' Commitment to GC

Last year we began to send letters of commitment to our suppliers for them to return.

- **Project details:** We have mailed 8 suppliers during late 2006 and this year. So far, we have received 5 answers all of which are positive stating that the supplier does comply with the ten principles and are continuously working to improve them further. We have had the opportunity to visit the production facilities of one supplier in China. We found that all aspects of the ten principles were satisfactory. We continue to call upon our suppliers to commit themselves to the GC.

2. Equal Employment Opportunities

In Pressalit Group we have a firm belief that all people, regardless of any way in which they might differ from the majority, should be given equal opportunities to use their skills and abilities. Therefore, we act on several platforms to help make this a reality in the Danish labour market.

- **High:Five** is a nation-wide project run by the Danish National Network of Managing Directors where COO, Dan Boyter, of Pressalit Group is chairman. The project helps young people escape a life of crime that they just entered or are about to enter by giving them a second chance in the form of a job. We participate in the project and we are currently in the process of employing one of its candidates.
- Young people who due to a late development have learning difficulties and therefore **difficulties receiving education** have also had our attention. We have hired a project candidate to take care of our green areas surrounding our facilities. This initiative is the fruit of a corporation with a school in our region (Havredal Gl. Skole) which make an effort to make room for young people with special needs. The school provides alternative teaching methods and gives the students a practical education as all-round outdoor servicemen.
- In several locations we offer **short-term job training** for people who, for some reason, have been excluded from the workforce, e.g. prolonged sick leave or physical handicaps, and thus need to test what skills they might still be able to utilise. The aim is not necessarily employment within our company but in the workforce in general. We assist the trainees and their public serviceperson in describing their skills and challenges. The assistance can be the foundation of their future employment.
- **Language skills:** This year we have started a project to improve the language skills of employees of ethnic background other than Danish. **Background:** Approx. 6-7% of our employees are of other ethnic background, most of which work in production. Prior to their employment or soon thereafter, these employees all completed the basic Danish-courses provided by the Danish government. However, this officially sufficient proficiency level in Danish has proven to be lower than what we require, given our growing ambitions for employer-employee interaction. The mere understanding of simple instructions for work at hand,

information about workplace events, and the like are simply not adequate. We depend on every single employee to be a part of the "family". In order for everybody to take part, everyone needs to be able to express their needs, emotions and aspirations. They should be able to share their observations and ideas, and to listen to and understand those of others. Thus, we have a growing need to improve the language skills of employees that still find it hard to express themselves in Danish.

- **Project details:** We are currently establishing the basis for the language skills project, financially as well as practical. Though, participation is, of course, voluntary and with no sanctions imposed on non-participants we urge the candidates to participate for the sake of their work-life and long-term employability but also for their private life-richness in general. The actual teaching will be free of charge and take place jointly in work-hours (paid) and in employees' spare time (unpaid). For convenience on both parts teaching will be carried out in our company facilities. Teachers will be trained professionals. The teaching is planned to commence in spring 2008.

3. Advanced Technology and the Environment

In the past, we have invested in advanced technology to minimize our energy consumption.

- We have an air ventilation system that transfers the heat of the air being pumped out to the fresh air being pumped in. In the production we have air-compressors that transfer the heat emitted when air is compressed to our in-house hot-water supply. In 2007 we have acquired a new compressor to expand the compressed air capacity of the system. In the process of acquisition, this special feature was a determining factor. The system is so efficient that our hot-water supply for the entire main production facility is exclusively supplied in this manner. So once again, this has strengthened our ability to minimize our energy consumption, thereby minimizing our impact on the environment. Another feature of this new compressor is the lubrication system, which is suited in a fashion to make it operate with 100% degradable lubricants that can be disposed of directly into the sewer.
- This year, we have exchanged the heat-supply for our administrations and logistics facilities from local heat, produced by fossil fuels, to a heating system that runs entirely on wood-chip, being effectively CO² neutral.

Expected outcomes and actions in 2008

1. Supplier Compliance

As most of human rights, labour market standards, and anti-corruption are well secured and in-place in the Danish society, our main efforts revolve around supplier compliance.

In the coming year we will continue our efforts to ensure that our suppliers comply with the ten principles. We will intensify our efforts to physically check the conditions of our suppliers and expand the selection of suppliers that are asked to confirm their compliance. We will demand answers from those who have not yet returned a letter of compliance and put pressure on those, if any, who refuse, ultimately seeking alternative suppliers.

2. Equal Opportunities

When turning to the above mentioned Danish society and what our company can continue to improve after all, it is the effective elimination of discrimination against any kind of minority. Overall women and men have equal opportunities in the labour market. However, throughout the Danish society in general diversity, with regard to race and ethnicity, has never been very apparent. Therefore the population is caused to be much less appreciative of the possible advantages of diversity than is the case in most other western countries. This is a reason for us to continue our work to encourage a wider span and more active utilization of diversity within our own company as well as in our society.

We expect next year to bring even further diversity to Pressalit Group to the benefit of minorities as well as the creative and competitive edge of our company.

3. Environment

Many issues regarding the environment have the benefit of being beneficial to both the environment and the economy of the company. This does not make the improvements less effective. We have policies in place that make it mandatory for possible suppliers of production equipment to provide extensive documentation of the environmental issues and performance of the equipment, i.e. power consumption, necessary chemicals, and the like. We will continue to raise the importance of these aspects in future acquisitions.

We will also continue to minimize waste from production, direct and indirect. Furthermore, we will continue to choose any environment friendly chemical over a damaging one, actively seeking alternatives to existing products.

Even though we do not report a triple bottom line, we find it natural that social and environmental responsibility needs to go hand in hand with the economy of any company.

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