



RADIOMETER CSR STATUS 2011 - 2012

Statement of continued support

As a leading provider of technologically advanced acute care solutions, Corporate Social Responsibility has always been an integral part of Radiometer Medical's business.

Sustainable development and continuous improvement are fundamental to our business. This was accentuated when we became part of the US-based Danaher Corporation in 2004 as their core values and lean business system supplemented and perfected our own approach very well. Kaizen (continuous improvement) is our way of life and a principle that we apply to all the areas of our business.

When joining the UN's Global Compact in 2009, Radiometer Medical decided to formalize this already existing commitment by adhering to the platform's ten principles. Communicating on progress is a way of evaluating our work and the initiatives taken throughout the year in respect of these principles. Furthermore it is a good way of communicating the progress made to our stakeholders: the society, our business partners, our customers and employees.

To mention just a few of our activities in this area we cooperate with the Danish International Development Agency, Danida. Through Danida, we have established long-term partnerships with local businesses and hospitals in the developing countries to deliver equipment and training programs that support the healthcare development and advancement of knowledge in these countries.

Another example is our contribution to the local community of our head office, Tingbjerg, where we support socially marginalized young people in many different ways.

Being a company that operates in the healthcare sector worldwide, we take social responsibility very seriously and will continue to supply medical devices and solutions that improve the treatment and living conditions of critically ill patients to the benefit of society as a whole.

Yours sincerely



Peter Kürstein
President

Business objectives

More than 50 years ago, Radiometer Medical introduced the world to blood gas testing. To us this was the beginning of our commitment to improve patient care and add value to all phases of acute care¹.

Today, the company employs over 2,200 people in more than 100 countries around the world, and we have 23 sales companies, 16 of them being subsidiaries. Our offering reaches well beyond blood gas testing and includes products and services that all aim to bring the power of accuracy, speed and safety to our customer.

Radiometer Medical is a proud member of the Danaher Corporation^{II} and is in full compliance with Danaher's Business systems (DBS). Since the acquisition in 2004 the Japanese philosophy Kaizen, which focuses on continuous improvement of processes in manufacturing and business management, significantly influence the way we do business. The Kaizen practices encourages us to continuously find new, creative and effective ways to improve the work processes and conditions within the company using LEAN as a tool to gain sustainable and positive results.



Business objectives continued:

The running of a company, especially a sizable one as Radiometer Medical, comes with responsibility and it is of importance that we show concern for sustainability both within the company and externally for the community. The foundation to our accomplishments is our commitment to integrity and reputation for fairness and reliability.

By Danaher's Standards of Conduct (SOC)^{III} and the United Nations Global Compact's ten principles, we constantly strive for improvements within Human Rights, Labor Standards, environment and anti-corruption^{IV}.

We supervise and encourage our employees to conduct business with integrity and in full compliance with all operating policies, procedures and legislations that apply to us.

Our commitment to sustainability and improvement is reflected in these values:

The five key values:

- Respect for mankind
- Customer relations
- Quality
- Innovation
- Constructive diversity



Overall policies derived from these values:

- Employment policy
- Organization, management and cooperation policy
- Environmentally and socially responsible policy

Communicating on progress

Our CSR activities and status are communicated from the following principles of the United Nations Global Compact.

Human rights

- Principle 1 Businesses should support and respect the protection of internationally proclaimed Human Rights; and
- Principle 2 make sure that they are not complicit in Human Rights abuses.

Labor standards

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 the elimination of all forms of forced and compulsory labour;
- Principle 5 the effective abolition of Child Labor; and
- Principle 6 the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
- Principle 8 undertake initiatives to promote greater environmental responsibility; and
- Principle 9 encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

"Global Compact helps us internally and externally to communicate the high standards and values that Radiometer Medical has always had. CSR is an integral part of how we drive our business."

Jesper Isaksen, Vice President of Human Resources



In Radiometer we emphasize precision, expertise and innovation. Our products and services simplify and automate all phases of acute care testing, so hospitals all over the world can get fast results, reduce workload and the risk of errors, and improve cost effectiveness.

Human Rights (principle 1-2)

Radiometer Medical is dedicated to the Human Rights' principles 1-2 in the Global Compact framework. Principles 1-2 are derived from the 1948 Universal Declaration of Human Rights with the aim to set international minimum standards for the protection of rights and freedom for the individual. The fundamental nature of these provisions is widely regarded as forming the foundation of international law and standards.

The Human Rights are the core of Radiometer's value system. In countries where support and enforcement of Human Rights issues are insufficient or not in line with the Human Rights Declaration, we are committed to assisting in decreasing the violation of Human Rights. Therefore stakeholder dialogue is an integrated part of Radiometer Medical's activities.

This is done by complying with Danaher's Standards of Conduct and EU Directive and Radiometer Medical's business operations are in accordance with the following:

- EU Directive 00/43/EC of 29 June 2000 on equal treatment between persons irrespective of racial and ethnic origin.
- EU Directive 00/78/EC of 27 November 2000 on a general framework on equal treatment in employment and occupation.
- The European Convention on Human Rights of 4 November 1950.
- The UN Convention on the Elimination of All Forms of Racial Discrimination of 21 December 1965.
- The UN Convention on the Elimination of All Forms of Discrimination Against Women of 18 December 1979.
- ILO Convention No. 100 of 29 June 1951 on Equal Remuneration.
- ILO Convention No. 111 of 25 June 1958 on Discrimination.
- ILO Convention No. 169 of 27 June 1989 on Indigenous Peoples.

Contribution to developing higher standards

As part of Radiometer Medical's vision, we believe that acute care solutions should be available where they are needed. We consider access to better treatment as a human right and therefore focus on how the company's resources can assist in improving the treatment of critically ill patients in less privileged regions. Through cooperation and partnerships with development agencies, Radiometer Medical actively supports the United Nations' Millennium Development Goals for 2015^V. These efforts are particularly centered on child mortality, maternal health, HIV/AIDS, and other life-threatening diseases as for example malaria and TB.

Radiometer Medical's long-term strategy in developing countries focuses on conducting business with a high degree of Corporate Social Responsibility. For us it is important to participate in and initiate projects aimed at supporting sustainable development. Our activities seek to address the obstacles and limitations that healthcare institutions face in providing acute care solutions to diagnose patients.

In an effort to ensure sustainable results we engage in partnerships with governments and fundamental healthcare institutions. Through training we wish to increase the knowledge level on how to diagnose critically ill patients with acute care solutions.

We believe that it is irresponsible to place analyzers in health care facilities without the accurate transfer of knowledge and expertise to support physicians, nurses and other healthcare personnel. Implementation of structure, regulation and training is necessary to ensure high quality results to offer optimal patient care which ultimately save patients lives.

Development projects

In partnership with Danida (Danish International Development Assistance) and local partners Radiometer Medical has run healthcare improvement projects in Egypt, Nepal, Uganda and Tanzania under Danida's business partnership program^{VI}.

The objectives of the partnerships are threefold:

- Develop and enhance awareness and knowhow among doctors and nurses about acute care and its practical application in their healthcare setting enabling them to improve their diagnosis and treatment and ultimately save the lives of critically ill patients.
- Develop locally anchored knowhow and expertise with a local medical distributor which will have the professional capacity to deliver and fully support hospitals and medical staff with sustainable acute care solutions.
- Engage in dialogue with project funders on the relevance and importance of acute care testing in developing countries, and on how they can invest in this component and improve healthcare.

Development projects continued:

Our idea of cooperation is to equip the healthcare sector with appropriate knowledge and blood gas analysis solutions through long sustainable partnerships. With the technical ability and advanced training skills in regard to blood gas analysis, the partnerships between us, our distributors and healthcare institutions will be able to fully market, service and maintain blood gas analyzers in the countries. By transferring knowledge we wish to not only improve the work conditions in the healthcare sector but also contribute to better patient outcome for infants and critically ill patients, including patients with AIDS/HIV.

"For me personally, any work that I do have to make a difference and it is mandatory for me to create value to others. To give an example, it gives me enormous motivation to know that critically ill children can be saved by me spending an extra hour on perfecting a project."

Brian Baptista, Director, International Projects & CSR

We have forcefully taken the path of making a difference by successfully bringing societal development in to our business model. Through a commercial drive, we pave the way for creating health care solutions to cater for the challenges that are facing our generation. By utilizing the procedures of e.g. a Danida supported training project, we are able to make a deeper impact on the targeted markets.

"At Radiometer you have the rare opportunity to do genuine development work, whilst at the same time meet the company's expectations of financial results. It is pretty much a perfect setup for all stakeholders."

Brian Baptista, Director, International Projects & CSR



Local initiatives

Radiometer Medical has a long tradition of supporting and caring for the local community and we contribute to projects in various dimensions, initiated by organizations and the municipality in Copenhagen. We see it as our duty to invest in our local communities and proactively contribute to creating social activities that will deliver social change and developments.

Our involvement has particularly been focused on supporting the community of Tingbjerg, a Copenhagen suburb next to the Danish headquarters of Radiometer Medical, struggling with an image as a depressed area with social problems and high crime rates. We are especially committed to improve conditions for children and young people in this area, for example by supporting the work of the local soccer club and the local youth center.

A special focus is on supporting young people and raising their interest and desire to complete an education and become an active asset to the Danish society and the job market.

In cooperation with the Copenhagen municipality's Hard Work Programme, we have been able to assist with internships and mentoring programs for young unemployed individuals, who are short of education or who are lacking the motivation to pursue an academic or vocational education. By offering a chance to gain experience, with the support and encouragement from internal mentors, we have experienced increased self-esteem amongst the participants at the end of their internships. They feel more empowered to proceed with training or an education that will ensure them future employment.

An example is Sabaoon Sharza who enrolled in the Hard Work Program during 2010. He felt that he was not equipped for high school and therefore applied for numerous internships, without any positive replies from companies. A friend of Sabaoon Sharza's encouraged him to contact the Hard Work Program coordinator for help.

During his participation in the program, Sabaoon Sharza grew an interest in becoming a mechanical technician and with the help and guidance of his mentors, he is now one step closer to achieving his goal.

"I feel that I have improved my social as well as my professional skills and with the experience gained from the Hard Work programme, I have greater confidence in myself."

Sabaoon Sharza

When the internship reached its end, Sabaoon Sharza was offered employment at Radiometer Medical. He is now going through an internal educational program as a preparation for his new tasks and responsibilities.

Employment Coordinator Jette Nielsen has been working with the Hard Work Program from the beginning, in a close corporation with the municipality and the involved employees who have undertaken mentor training. She is planning, structuring and evaluating Radiometer Medical's contribution and ensures that all attendees will be in good hands during their time at Radiometer Medical.

"It is the company's responsibility to help when and where it is possible, and it often comes with great rewards, not only for the attendees involved, but also for our employees. Since we engaged in the Hard Work Programme, the employees have become more open minded towards letting young people in, regardless of whatever background they have."

Jette Nielsen, Employment Coordinator

Jette Nielsen concludes that the young people who have joined the program have developed a stronger social confidence and that many participants feel they are able to accomplish something and that someone believes in them, something they have never felt before.

"I enjoy finding ways of integrating young individuals. I would like to see that the parents of the attendees getting more involved, so they will get a greater insight on how we work with their children. In this way, we can support them better in the future."

Jette Nielsen, Employment Coordinator

The Hard Work Program has received very positive feedback and the success is largely attributed to the hard and unselfish work of Radiometer Medical's six internal mentors who assist and coach the young people.



Labor standards (principle 3-6)

As an overall framework for business operation and initiatives we are committed to comply with the ILO conventions ensuring that all our activities are in compliance with international and local legislation.

The company supports non-discrimination in promotion, wages, working conditions and in the development of skills. All decisions on recruitment, promotion, dismissal, pay and working conditions are based on relevant and objective criteria.

We are proud to have a diverse workforce and in Radiometer Medical's headquarter alone, there are 29 nationalities represented. We expect that the steps taken to ensure equal employment opportunities will contribute to further enrich the outcomes that the already diverse workforce creates and delivers.

Equal opportunities for all

At Radiometer Medical, we value a diverse workforce, and we believe in the many benefits of providing equal employment opportunities for all regardless of gender and ethnical background. We emphasize the importance of improving the abilities of our employees and find it essential that all employees get treated as equals with equal opportunities to excel professionally.

A positive development demands driven and talented employees. Therefore, every employee has the possibility to attend various educational programs and capacity building courses to acquire the necessary knowledge and skills. These benefits are not only for improving employee working abilities and competencies, but also for improving their overall job satisfaction – see more under the section Job satisfaction.

Education programs and courses are divided in two categories:

- **Lifelong Learning and Capacity Building Courses:**

- Internal and External Training Courses
- Lectures, seminars, congresses, conferences, exhibitions etc.
- Study Tours
- Self-improvement Courses e.g. languages and IT-skills

- **Educational Programmes:**

- College Programmes
- Vocational Education and Training Programmes - VET
- Diploma Programmes
- Various Technical Training Programmes

These skills programs and courses are jointly chosen and decided between the manager and employee.



Job satisfaction

Job satisfaction and a healthy work environment for employees are top priorities at Radiometer Medical. It is vital that our employees feel that they work in an environment where they can continuously improve their work and take pride in delivering products and solutions that saves the lives of critically ill patients.

We value an open dialog and create opportunities and forums enabling all employees to participate and express their opinion about their work situation and Radiometer Medical as a workplace.

Annual personal development talks have been performed for years at Radiometer Medical. In order to get a more comparative picture of the overall satisfaction, an annual associate survey is conducted among all employees. The survey is followed up by meetings throughout the organization to discuss the status and possible improvements for the least positive results. By developing action plans, we aim at ensuring adequate action and response to the results and that clear objectives for improvement are being set.

The Joint Council at Radiometer Medical, which is a corporation committee between management and employees, is called *Samarbejds Udvalget – SU (Corporation Committee)*^{vii}. The committee is equally represented by employees in various level of the organization, and its main responsibility is to initiate discussions and to learn how Radiometer Medical can improve the overall job satisfaction.

The committee is an informative and consulting organ, which is supported by a local Joint Council in each section. In the SU, discussions and interactions on work-related matters can result in concrete changes towards better communication and job satisfaction throughout the organization.

By showing concern for and listening to our employees, we believe that Radiometer Medical continuously improves as a workplace. This enables us to retain and grow our valued employees while being an attractive and preferred employer to the right talents.

The table to the right shows a comparison between the results of the 2010 and the 2011 Associate Survey for Radiometer Medical and its subsidiaries. The scores are derived from a set of questions related to each category where the respondents anonymously have been asked to answer various questions.

The table on the right illustrates the score options that the employees were given.

1 = Disagree 2 = Tend to disagree	3 = Neither agree or disagree	4 = Tend to agree 5 = Agree
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Associate Survey 2010 and 2011 Radiometer Medical and Subsidiaries		
Category / Workgroup	Radiometer 2010	Radiometer 2011
Associate involvement	3.9	4.1→
Communications	3.7	3.9→
Supervisor	4	4.1→
Quality	3.8	4.0→
Customer focus	3.5	3.8↑
Goals	4.2	4.5→
Innovation	3.4	3.6→
DBS	3.8	4.0→
Walk the talk	3.7	3.9↑
Safety	4.1	4.3→
Future	3.5	3.7→
Overall satisfaction	3.6	4.0↑
Survey	3.4	3.6↑
Growth	4.5	4.6→
Compliance & Integrity	3.8	4.1↑
Engagement	3.7	3.9↑
Associate relations	3.9	3.9↑
Associate commitment (new for 2011)	-	3.6→
Number of respondents	1730	1852
Headcount	2125	2125
Participation rate	81 %	86 %
Average	3.9	4.0

Table 1: Associate Survey, 2010 and 2011

Environment (principle 7-9)

We strive to create an optimal workplace and at the same time make sure those conditions are sustainable and environmental friendly. As a global company we comply with international standards and local legislation to ensure that the conditions under which we produce do not harm the environment or our employees.

We operate in accordance with EU directives on waste, hazardous waste and the supervision and control of shipments of waste within, into and out of the European Community as well as the Basel Convention on transboundary movements of waste.

At the headquarters, we are constantly working on living up to the requirements of being an authorized company by the Copenhagen City hall's Center of Environmental Inspection^{VIII}. As a Danaher associate Radiometer Medical also commits to the Danaher *Standards of Conduct* of doing business in an environmentally responsible manner.

We are proactively deploying activities to continuously decrease our energy consumption. Since 2006, there has been a focused mapping of the energy usage at Radiometer Medical's headquarters in Copenhagen and several measures have been taken to install new energy saving equipment. Furthermore, in 2010, fluorescent tubes were installed to keep our consumption at a minimum level. The energy saved during the first year with fluorescent tubes was 766,160 kWh, equal to the normal energy consumption for over one month at the headquarters. Our objective is to ascertain the possibilities and advantages of expanding the installation of fluorescent tubes to all Radiometer Medical buildings in the future.

Furthermore we have changed our central heat control- system and replaced selected windows in our buildings from standard to energy saving glass. These particular energy saving windows can contribute to a 25 per cent decrease in energy consumption in the office spaces where they are installed.

Minimizing the usage of energy is an on-going project as there are continuously new approaches being implemented according to research and technological advancements.

Awareness for the environment, health and safety

The most important factor in changing something for the better lies in encouraging the individual employee to take initiative and by example convince their associates to follow. Health & Safety Manager, Christian Uldal and HR-Consultant, Pia Skovlund Kedeby are responsible for proactively managing the project aimed at increasing the environmental awareness, occupational health and safety in the organization (EHS).

Along with the EHS-project, the team sees the opportunity for the organization to work more target-oriented with EHS. Moreover, they wish to get increased focus on some of their own ideas of how to engage their fellow colleagues to be more considerate.

"When I heard about the new EHS-project I asked if I could join. I wanted to be actively involved and since I started in my new position as HR Consultant I am even more convinced about the importance of EHS."

Pia Skovlund Kedeby, HR-Consultant

Pia Skovlund Kedeby works as a coordinator between Danaher, Radiometer Medical and Radiometer Medical's subsidiaries. She provides mandatory training with the objective of inspiring and raising awareness of EHS matters. The training has begun at our production sites in the US, Finland, Switzerland and Poland, and is also to be finished within 2011.

"Our mission is to develop a concept for the new EHS priorities and activities by setting appropriate goals, and find ways to support our employees in abiding these initiatives. One way to encourage could be to reward individuals or groups who showcase an extra effort and initiative to deliver improvements."

Pia Skovlund Kedeby, HR-Consultant

The EHS approach is to be implemented in 2012. Christian Uldal highlights that it takes time to change people's mind-set and habitual behavior. Every time he has the chance he tries to encourage his fellow employees to think and act in an environmental, secure and healthy way.

"This project is a chance of really making an impact and to reach out to all levels of the organization. Eventually EHS-thinking is going to be a natural part of Radiometer Medical's business culture, so that each new employee will notice and learn it when starting their work at Radiometer Medical."

Christian Uldal, Health & Safety Manager



Anti-corruption (principle 10)

Radiometer Medical is committed to do business with integrity and is therefore working continuously on ensuring that our subsidiaries and sales affiliates abide by the anti-bribery and anti-corruption laws of the countries in which we operate. We are devoted to be in compliance with all international and local anti-bribery and anti-corruption laws, and Danaher's Anti-Corruption Program is designed to fulfill that commitment.

Engaging in corruption, bribery and extortion is in clear violation of our values and corporate principles. We do not only address corruption internally within the organization, but also externally with any existing or potential partners. We require that our suppliers, partners, subcontractors and distributors are not engaged in corrupt behavior or activities in any form. Therefore, we are constantly working on creating more effective ways of screening current and potential partners to ensure that these values are shared by and integral to the business conduct of our partners.

In 2011 Radiometer Medical introduced a Distributor Screening Toolkit which serves as a safety measure for us to thoroughly screen and ensure that our collaborators are conducting business in an ethical manner. As a company operating worldwide within the healthcare sector it is essential for us to prevent and adequately deal with dishonesty and corrupt practices. Thus, we are particularly focusing on further developing the Distributors Screening Toolkit. By optimizing our screening processes and systems, we strive to ensure that our associates are in compliance with our Anti-corruption principle.

Legal & Compliance Manager, Sven Ambjørn, is responsible for monitoring compliance affairs and communicating our Anti-corruption policies to our associates. It is by Radiometer Medical's employee training procedure mandatory for every employee to participate in Anti-corruption training. The obligatory training is assisting employees to stay informed and updated on matters as how to prevent and avoid corrupt behavior.

"In 2011 we have launched a portal on our intranet where we have gathered the most essential information about policies regarding anti-corruption and other compliance issues."

Sven Ambjørn, Legal & Compliance Manager

With the new *Compliance Portal* the information is easily accessible and employees exposed to corruption and compliance issues, have gained access to a simple frontline resource.

"Our experience shows that applying policies and rules to concrete situations in the field does give rise to a number of questions. Therefore I am always available, more or less like a hot-line to give advice when it's needed."

Sven Ambjørn, Legal & Compliance Manager



Sustainable engagement

Radiometer Medical applies the Kaizen philosophy to every aspect of its business. It is fundamental for us to improve ourselves and our performance to deliver our business in the most sustainable and responsible manner.

We are committed to continuously advancing this agenda of progress by initiating new projects and strengthen current partnerships and commitments to our employees, to the environment, and the societies we are an integral part of.

In our continued work, we are looking forward to:

- Increase our cooperation with a local public school in Tingbjerg, where our objective is to follow and support a class from first grade and throughout elementary school. We believe that our contribution to their learning about health and knowledge in well-being from a very young age has a significant influence on their future choice of life-style.
- Sponsoring the project *Mønsterbrud (Breaking patterns)*^x, which is a program aimed at supporting socially marginalized youth to gain confidence, independency and self-determination. The program's objective is to help the young break out of their social legacy in areas like drug addiction, poor housing conditions, physical and mental abuse, lack of education and social skills, and unemployment. This support can contribute to empowering the young to create progressive goals for their future. The project is open for 10-12 individuals in the ages 14-18, who already are acknowledged to be in need of support by the Social Security Office in Copenhagen. Radiometer Medical will assign the participants with laptops to increase their IT skills, since we believe that technology in modern society plays a key-role in future matters.
- Along with the EHS-project; updating and implementing clear goals for environment, occupational health and safety performances in Radiometer Medical.

- Continue collaboration with Danida to support:

- Project in Nepal, which runs training activities in support of acute care testing and all aspects around blood gas testing and analysis.
- Partnership in Uganda, which delivers technical training and capacity building for doctors and nurses at public, private and faith-based hospitals.
- Project in Tanzania which similarly to the project in Nepal enhances doctors and nurses' ability to diagnose and deliver treatment to critically ill patients.
- Continue developing innovative and cross-sectorial partnerships with donors, foundations, NGOs and governments for better acute care.



Comply Excel and Deliver

In acute care testing, hospitals look for smart solutions that save time, money and, ultimately, patients. Radiometer can help. We offer a holistic solution approach that combines process improvement, products and services to promote more efficient testing, at a lower cost, for better outcomes.

In short, Radiometer helps hospitals **comply, excel** and **deliver value**.

Contact us

Radiometer is represented in more than 100 countries. For local Radiometer representative nearest you, Please go to www.radiometer.com

Headquarters

Radiometer Medical ApS
Åkandevvej 21,
2700 Brønshøj
Denmark

Tel: +45 38 27 38 27
Fax: +45 38 27 27 27
www.radiometer.com

CVR No. 27509185

Reference

To read more, please visit:

Websites

ⁱ www.radiometer.com

ⁱⁱ www.danaher.com

ⁱⁱⁱ www.danaherIntegrity.com

^{iv} www.unglobalcompact.org

^v www.un.org/en/mdg/summit2010

^{vi} www.um.dk/danida

^{vii} www.lo.dk/omLO/centraledoks/LOsmalprogram2012_2015/6_ArbejdsmiljoeOgSamarbejde.aspx

^{viii} www.kk.dk/Erhverv/Miljoe.aspx

^{ix} www.kk.dk/Borger/DetSocialeOmraade.aspx