

Perstorp 2008

Sustainability Report



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” Did you know...

Non-drip paint, rainproof tents and shoes that don’t chafe are just some of the everyday items that contain products made by Perstorp.

Perstorp expresses its ambitions in specialty chemicals with the motto Winning Formulas – a strong and constant desire to create solutions for companies and their many customers.



Core expertise

Perstorp is a Group with a strong technology base and long processing chains in selected areas of specialty chemicals. The Group has core expertise within chosen niches of organic, process and polymer chemicals. Advanced knowledge of products, processes and applications based on aldehyde chemicals, polyol chemicals, hydro formulation and formalin technology lies at the heart of the business.



Perstorp takes responsibility

Taking responsibility is one of Perstorp’s core values, which permeates the entire company’s business. This also covers sustainability initiatives that are mainly defined by four areas: how production affects the environment, how the products affect the environment, how employees perceive their development opportunities and how the company interacts with society.



Employee participation

The Perstorp Group works in a structured way with employee participation and skills development – and sees this as an important competitive advantage as an employer. To safeguard the expertise over the long-term Perstorp actively works to market the chemical processing industry as a developing future workplace for young people.

Perstorp in a minute

Originally a small family business in the south of Sweden, Perstorp has developed over the years into a specialty chemicals Group that is a world leader in several product areas with production in 12 countries and over 20 sales offices.

The chemicals Perstorp produces are added to other products often used in daily life at home, work or leisure.

We usually say that we make other products better, which is not an idle boast. Our products are used to provide certain planned and desired characteristics. One good example is the organic acid we produce that is used to make protective glass and windscreens in cars.

Perstorp is active in several specific segments of the market for specialty chemical products. The biggest markets are in Europe and the US, but a growing portion of sales is in Asia.

Customers are active in the following industries: auto, engineering, coatings, chemicals, plastics, construction, agriculture, food, packaging, textiles, paper, electronics etc.

The Group, which has sales of around SEK 15 billion on an annual basis, has around 2,700 employees and its head office in Perstorp, Sweden. Perstorp is controlled by PAI partners, a leading private equity company.

Summary 2008

The acquisitions of a leading caprolactones business, a specialty chemicals business within Rhodia Organics and Lyondell Chimie plus polyol production in China boosted the headcount by around 900.

Staff cuts carried out within the framework of the Group-wide rationalization scheme meant that the Group made 117 people redundant.

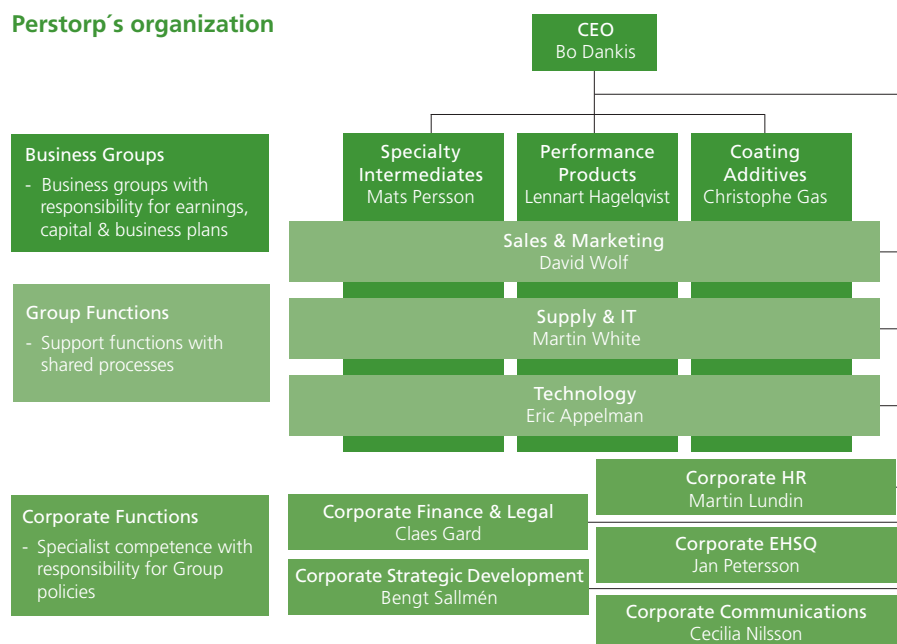
Perstorp's overall **consumption of steam and electricity fell** by around 3 per cent, partly due to the slower pace of production.

The overall **use of process water has fallen** for comparable production units by 9 per cent.

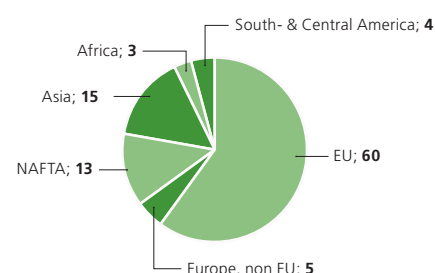
The number of work-related accidents fell to 11 compared with 13 in 2007.

A Group-wide employee survey had a response frequency of 92 per cent.

Perstorp's organization



Net sales per geographic market, %

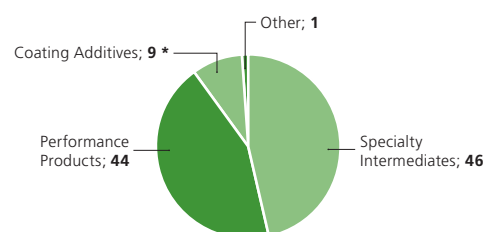


Key figures in summary

SEK m unless otherwise stated

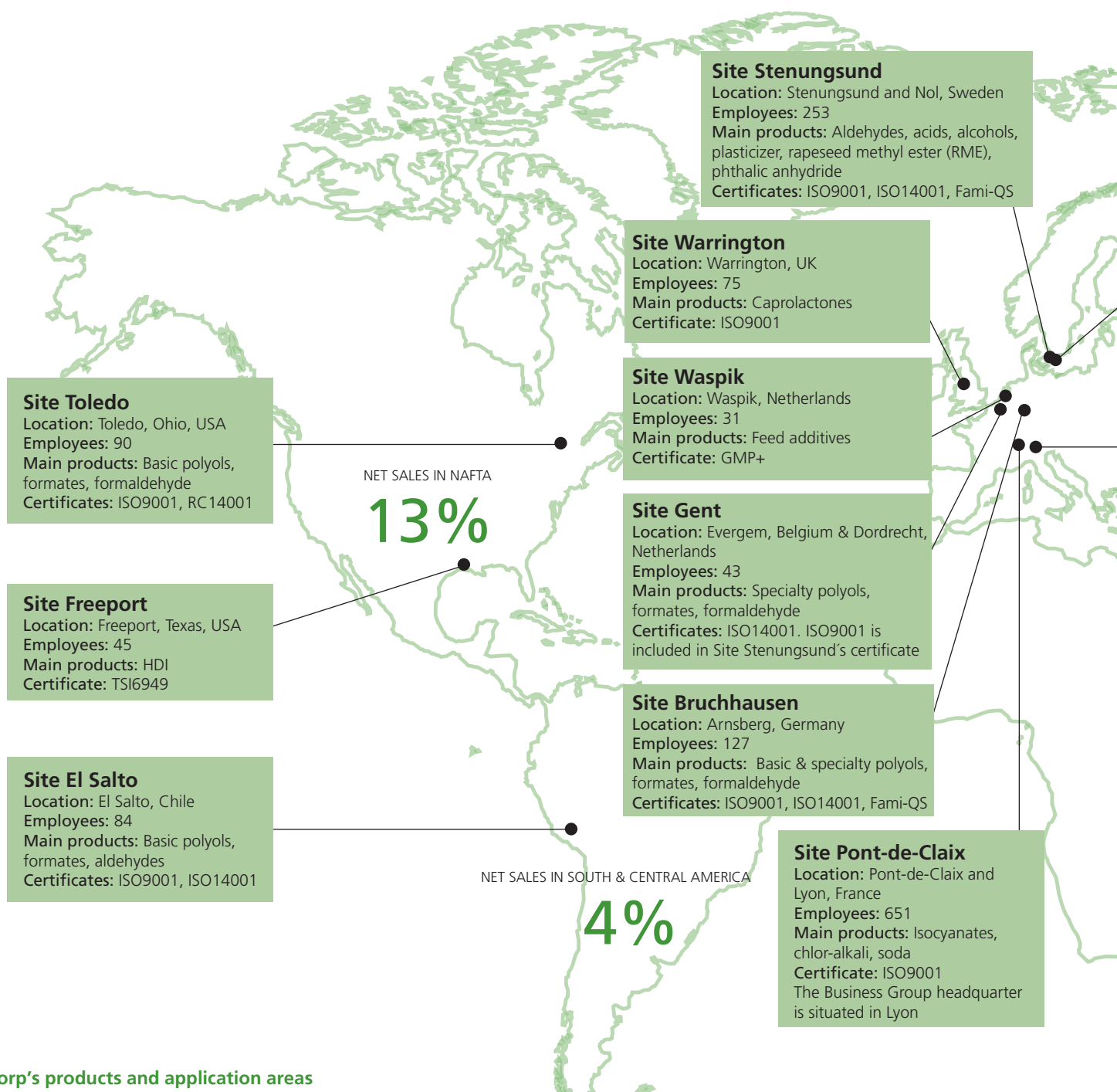
	2008	2007
Net sales	12,227	8,583
Operating earnings before depreciation and amortization (EBITDA)	1,670	1,365
% of net sales	13.7	15.9
EBITDA adjusted for non-recurring items	1,723	1,406
% of net sales	14.1	16.4
Operating earnings (EBIT)	653	803
% of net sales	5.3	9.4
Net earnings/loss	-627	-128
Cash flow from operating activities	604	550
% of net sales	4.9	6.4

Net sales per business area, %



* Applies for four months only – September-December 2008.

Perstorp in the world



Perstorp's products and application areas

Resin intermediates

This product group includes basic polyols, isophthalic acid and various formates. Basic polyols are often included in resins for paints and coatings giving the end product properties such as a smoother surface or impact resistance. Isophthalic acid is used for making PET bottles and formate is used in washing powder, in the leather industry and as a de-icer at airports.

Specialty polyols

Perstorp's specialty polyols are used in qualified paint systems for

electronic products, cars and furniture. Perstorp's products make it possible to cut the use of various environmentally-harmful substances.

Formox

Formox is the world leader in formalin technology and catalysts.

Oxo products

Perstorp is one of Europe's biggest manufacturers of synthetically produced alcohols, oxo alcohols, used in waterborne coating systems and biodegradable lubricants.

Site Perstorp

Location: Perstorp, Sweden

Employees: 404

Main products: Basic & specialty polyols, catalysts, formates, acids, formaldehyde

Certificates: ISO9001, ISO14001, Fami-QS

Corporate Headquarter

Location: Perstorp, Sweden

Employees: 291

Main activities: Global functions & Corporate staff

Certificates: ISO9001, ISO14001

NET SALES IN EUROPE

65%

Site Castellanza

Location: Castellanza, Italy

Employees: 34

Main products: Specialty polyols, propionates

Certificates: ISO9001, ISO14001, Fami-QS

Site Zibo

Location: Zibo City, China

Employees: 238

Main products: Basic polyols, formates

NET SALES IN ASIA

15%

NET SALES IN AFRICA

3%

Site Singapore

Location: Jurong Island, Singapore

Employees: 88

Main products: Isophthalic acid, meta-xylene

Certificates: ISO9001, ISO14001

Site Vapi

Location: Vapi, India

Employees: 193

Main products: Basic & specialty polyols, formates, formaldehyde, creosan

Certificates: ISO9001, ISO14001

Information about the total number of employees is valid for the end of 2008. Employees at Perstorp's sales offices are not reported.

Bio products

Renewable vehicle fuels is an area with huge potential. Perstorp manufactures rapeseed methyl ester, RME, used both as an additive in diesel and as an independent fuels.

Performance additives

Perstorp manufactures a number of products for the agricultural and food industries, such as feed additives, silage additives and acid mixes. These help improve animal health by giving the feed a longer shelf life with retained nutrient value.

Caprolactones

Perstorp's caprolactones are not only used in paint and coating systems, technical plastic foams and thermo-plastic adhesives, but also in advanced medi-tech equipment and high quality shoes.

Isocyanates

These products are important ingredients for the manufacture of plastic foam for furniture and cars, various coating systems and adhesives. For example, they help cut the amount of solvents needed in various paints and coatings.

Sustainability is a business opportunity

As President of the company it's pleasing to see that eco-adapted products and systems are a major business opportunity for Perstorp. This means that safeguarding people and the environment is an important part of creating financial value.

Strong growth

2008 was a year characterized by strong growth for Perstorp. That's encouraging for many reasons, not least because acquisitions have further strengthened our product portfolio with more environmentally-adapted products and systems. We should also be pleased with the fact that the businesses acquired are leaders in their safety work, which the rest of the Group can learn from and be inspired by.

Green investment is a conscious strategy on our part. Perstorp has a business opportunity in bio-chem and eco-adapted products and I'm also noticing that customers are willing to pay that little extra for more eco-adapted products. Demand is no longer solely governed by legislation, but also by consumers' values.

Considering the future it's also important for us to boost the share of renewable raw materials in our business. We have many exciting research projects underway in this area together with interesting business partners.

Safe, motivated employees

I believe that sustainability is a good concept because it reflects social responsibility – that we're looking after our environment, the society around us and the people we've employed, without ignoring our commercial objectives.

I'm convinced that safe, motivated employees do a better job and I feel a great personal responsibility that nobody gets hurt in the workplace. We've therefore implemented a Group-wide safety project – Take Care – which will help us identify, understand in-depth and eliminate the risks that exist. Our objective is that by 2010 no accidents will take place in the workplace resulting in sick leave.

I also want my colleagues to feel motivated and see a future at Perstorp. We therefore now have



Chemicals companies are often scrutinized thoroughly, which is good. Over the past ten years all the products that Perstorp has launched have replaced products that were less suitable for the environment.

three different career paths so that everyone can develop in a role that suits them, as project manager, as specialist or as manager.

It's also incredibly important to maintain a sound, supportive and fair corporate culture. Young people are now far more governed by their values than before, and if they believe that Perstorp does anything to contradict their beliefs of what's right, concerning employment conditions, equality or career opportunities, then they'll probably choose to work somewhere else.

Open dialogue

Social responsibility includes the important aspect of having an open dialogue with the society we live in. One way is to openly inform about how our processes affect the environment and what we're doing to improve. You can read about this in the sustainability report you're holding at the moment.

By showing that we take a long-term approach to responsibility, towards customers, suppliers, employees, investors and society in general we create the credibility that's so important for our continued development – towards a sustainable future.

Perstorp, March 2009

Bo Dankis
President and CEO



Global company, global responsibility

Responsible business is not just a matter of working towards sustainable development in terms of the environment and the opportunities of future generations. It's also a matter of taking responsibility for the people in work today and providing them with good working conditions, good safety and development opportunities for all.

Responsibility is one of Perstorp's core values, which permeates everything the company takes on, including sustainability, which is mainly defined by the following four areas: how production affects the environment, how the products affect the environment, how employees view their development opportunities and how the company interacts with the society it works in.

How production affects the environment is a top priority for Perstorp. Every production site has clearly defined objectives to work towards, mainly in terms of the use of raw materials, water and energy. Perstorp has succeeded in improving its processes and use of resources per ton of product year-on-year using struc-

tured methods for constant improvements. This is presented on pages 13 and 14 of this report.

Perstorp also has an expressed ambition of sustainability for its products. The Group's products will ensure that the end products have a longer shelf life while the use of Perstorp's products will make the "ecological footprint" smaller. Perstorp's biofuel business creates a base of renewable products and there are plans for expansion in this area.

Sustainability in respect of employees is a matter of making sure that the company's finances balance, but also to provide good working conditions and enough interesting

work duties and development opportunities so employees see their role in the success of the company and feel motivated. To improve on this Perstorp regularly carries out surveys that all employees are encouraged to take part in.

An example of Perstorp's responsibility towards society and future generations is the number of collaborations with universities around the world. The company also has its own high-school at the plant in Perstorp. Students get the opportunity to practice their skills in the Group and the company gets the opportunity to understand the wishes and requirements that young people have concerning their future employer.

Driving forces & objectives for sustainable development in the Perstorp Group

	Driving forces & demands	Objectives	Actions
Environment, climate, water, raw materials & energy	<p>Permits can limit expansion opportunities</p> <p>Current legislation and conditions of the permit must be met by good margins</p> <p>Requirement for reduced use of water and emission of climate-impacting substances</p>	<p>Production will always be run in the most environmental and safest way</p> <p>Objective to reduce energy and water per produced ton of product</p>	<p>Certification of all production units according to ISO9001 and ISO14001 and regular internal and external reviews</p> <p>Plans and programs for environmental and productivity improvements</p>
Working environment	<p>Risks for employees' safety and health</p>	<p>No work-related accidents or illnesses</p>	<p>Projects for improving reporting of near accidents and change in behavior of employees</p>
Products	<p>Increased demands from customers and society for more environmentally sustainable products</p>	<p>More products with less environmental impact at every stage</p>	<p>Development of more products that permit a reduced use of solvents and that energy use by customers can be cut</p>
Recruitment & development of employees	<p>Increased demand for duties that help employees develop and give them influence</p>	<p>Retain committed employees and managers</p>	<p>Objective for individual development and training, leadership program and opportunities for employees to work abroad</p>
Social responsibility	<p>Good responsible relationships develop the company</p>	<p>Good reputation among all of Perstorp's interested parties</p>	<p>Clear, communicated Code of Conduct</p>

UN Global Compact

The Perstorp Group has been an active participant in the UN Global Compact since the spring, 2004. The compact sets ten principles covering human rights, the environment, working conditions and anti-corruption.

Perstorp develops its working practices year-on-year in line with this initiative – a recent example is the new Code of Conduct drawn up at the end of 2008. Perstorp also participates in the chemical industry's Responsible Care program.

Code of Conduct

Perstorp established a Code of Conduct at the end of 2008 that covers the entire organization. The Code of Conduct will be communicated to all employees in 2009.

The Code of Conduct covers four areas: Perstorp's business principles, Products & Environment, Working Conditions and Human Rights. Other areas dealt with include responsibility, breach of the code and whistle-blowing, meaning that employees have the opportunity to report any breach of the code without needing to worry about the consequences.

Special attention in this Code of Conduct is paid to regulations concerning competitive legislation in the EU, because collaboration with competitors from 2009 onwards will take place within EU guidelines and REACH.

In 2008 there were no cases of discrimination, child labor or enforced labor, and no measures were therefore taken in any of these areas. There were no cases of corruption and therefore no measures, such as training, were carried out in this area either.

Awards in 2008

In 2008 a number of the Group's sites received awards for good performance.

The production site at El Salto, Chile, received an award for its work in the "Emergency Group" in the area. The site at Toledo, USA, received recognition for its annual investment for keeping the local waterways clean, "Stream bank cleanup". They also received an award for their work towards a safer working environment through the Take Care project.

The production site in Singapore received the "Gold Health Award 2008" for its strategic work for preventing and maintaining employees' good health in the workplace. This covers diet, exercise and a desire to achieve a balance between work and recreation.

Governance & measurement

Perstorp's policies

The Perstorp Group has adopted a policy for the environment, health and safety, and a policy for Human Resources. They can be read in full at www.perstorp.com. The policies are also summarized in this report.

Employee survey

The Perstorp Group carried out its regular employee survey in 2008, which aims to improve conditions for a more effective, improved working environment. The survey gives managers and departments a wide range of information that can then be used for discussions.

Because the survey is aimed at all employees it is translated into nine languages. The 2008 survey had a response frequency of 92 per cent, which is considered to be very satisfactory.

Management systems

The Perstorp Group's internal requirements cover external ISO9000 and ISO14001 certification. Perstorp's internal EHS standard also covers the working environment according to OSHAS18001 and the chemical industry's Responsible Care program, safety and elimination of risks.

Perstorp's sites at El Salto, Chile and Gent, Belgium, became ISO14001 certified in 2008.

GRI index

Perstorp has chosen to use the Global Reporting Initiative, GRI, and the latest version of Sustainability Reporting Guidelines 3.0 as the starting point for this sustainability report.

This sustainability report and the consolidated annual report is the basis for how Perstorp judges compliance of the GRI indicators. Perstorp currently applies level C and has chosen not to carry out an external audit for 2008.

A detailed analysis of the GRI factors with the greatest impact, and which Perstorp has greatest control over, has been carried out. The result appears on page 10 of this report.

Reporting principles

Details about work on the environment, health and safety for the 2008 calendar year have been collected via the Group's overall database (EHS Frango) and via questionnaires. Data constitutes information reported to various authorities and that used in the internal control of the company.

Each production unit prepares a vast amount of data every month, which in turn makes up the basis for this report. Staff details are also gathered via questionnaires.

Environmental data only covers those units owned by Perstorp throughout 2008. Acquisitions and disposals during the year are not included. Environmental data is reported in proportion to Perstorp's ownership. Historical comparative figures for the acquired units are not reported.

Application of Perstorp's Code of Conduct

Perstorp's Code of Conduct has been drawn up to support the principles that govern the company's relationships with employees, business partners and other interested parties. It applies to all companies in the Group, the board of directors, management group and all employees. Perstorp also encourages suppliers, distributors and other business partners, with which Perstorp has close working relationships, to act according to these principles.

Every employee gets instructions in the Code of Conduct from their immediate manager. All of Perstorp's employees must be aware of and fully understand the significance of the Code of Conduct. The code should be seen as a support and tool in day-to-day work and help Perstorp live up to its three core values of focused innovation, reliability and taking responsibility.

The Code of Conduct is compulsory and not following its principles can lead to disciplinary action.

Perstorp's Code of Conduct builds on the company's three core values and has been drawn up in accordance with OECD's guidelines for multinational companies and the chemical industry's Responsible Care program, plus in accordance with the guidelines described in the International Labor Organization (ILO) convention. Perstorp supports the UN's Global Compact and its ten principles.

Perstorp's environmental, health & safety objectives for 2009

The objectives that Perstorp has set for 2009 deal with workplace safety, energy and water consumption.

LTAR

– Lost Time Accidents Rate – is a figure that states the number of work-related accidents causing a minimum of 1 day off sick per 1 million working hours. The LTAR target is less than 2.

Energy consumption

Perstorp is continuing the energy-saving program initiated at all production sites in 2007 and 2008. The objective is to cut the relative energy consumption per ton for the main products.

Water consumption

The target for 2008 remains unchanged. Perstorp's production sites should not exceed the water consumption measured in 2007 for each production unit.

The 2008 results are reported in the Environmental Responsibility section on pages 12-17 and Safety on pages 18-21.



Two of Perstorp's employees at the Site Zibo in China.

” Perstorp will create value sustainably and there is no conflict of interest in being a profitable company that also takes responsibility through the entire process.

Key GRI factors for Perstorp

When all factors within Global Reporting Initiative, GRI, were judged some were classed as significantly important for Perstorp in terms of control options and impact.

Environmental indicators

- EN1 Material use in weight or volume
- EN3 Direct energy use per primary energy source
- EN4 Indirect energy use per primary energy source
- EN5 Energy savings through savings and efficiency improvements
- EN6 Initiatives for supplying energy-efficient products and products based on renewable energy and cutting energy needs as a result of these initiatives
- EN8 Total water use per source
- EN16 Total direct and indirect emissions of greenhouse gases, in terms of weight
- EN19 Emission of ozone depletion substances, in terms of weight
- EN20 NO_x, SO₂ and significant air pollutants, in terms of weight per type
- EN21 Total emission to water, in terms of quality and recipient
- EN22 Total weight of waste, per type and handling method
- EN30 Total cost and investment for environmental protection, state type

Social indicators

- LA1 Total headcount, divided by form of employment and region
- LA2 Total headcount and staff turnover rate per age group, gender and region
- LA7 Scope of injury, work-related illnesses, working days lost, sick leave and total number of work-related deaths per region
- LA9 Working environment areas covered in formal agreements with trade unions
- LA10 Average number of hours training per employee per year, divided by staff categories
- LA11 Program of further training and lifetime-learning to ensure employability
- LA12 Percentage of employees who receive regular evaluations and follow up of their performance
- LA13 Composition of board and management, broken down by gender and age and minority group affiliation
- LA14 Salary differences as a percentage between men and women per employment category

Society

- SO1 Character, scope and practicality of program that evaluates the impact on society
- SO2 Percentage and total number of business units analyzed in terms of risk of corruption
- SO3 Percentage of employees who've completed training in routines concerning the opposing of corruption
- SO4 Measures taken due to corruption incidents
- SO7 Total number of legal measures taken against the organization for competitive repressing activities
- SO8 Amounts for significant fines and total number of non-monetary sanctions for breaching current laws

Product responsibility

- PR1 The phases in lifecycle when products' impact on health and safety need to be evaluated to make improvements
- PR3 Type of information about products required according to routines and the number as a percentage of the products affected
- PR4 Total number of cases where regulations and voluntary codes for information about marking of products has not been met
- PR5 Routines for customer satisfaction, including results from customer surveys

Financial indicators

- EC1 Direct financial value, including income, operational costs, remuneration to employees and profit brought forward

Human rights

- HR3 Total number of employee training hours in policies and routines for human rights
- HR4 Number of cases of discrimination and measures taken

Perstorp's unique success molecule

Focused innovation, reliability and taking responsibility – Perstorp's three core values. However you mix them, they will always result in a winning formula. Perstorp's winning formula.

Perstorp's corporate culture known as Winning Formulas includes the three core values of focused innovation, reliability and taking responsibility. For Perstorp working actively with the core values is about taking advantage of and strengthening the qualities that customers appreciate and consider as Perstorp's strengths. The core values are important guiding principles for employees internally as they permeate all communication and we get to see them in action – in decisions made and in the way customers, colleagues or society in general are treated.

Feedback from employees is a vital ingredient in Perstorp's efforts to implement its core values. If employees succeed in finding relevant examples in their everyday lives – and convey them on – then he or she has understood what the core values mean in practice.

Focused innovation

Focused innovation means that Perstorp values developing work methods, responsibility and processes that are there for the mutual benefit of customers and the company. It's not innovation for the sake of it, but innovation with the aim of finding the best value-creating solution. In the field of chemicals Perstorp focuses on niches where the company has the conditions to become world-leader and drive development based on well-defined customer needs.

Reliability

Perstorp places great emphasis on keeping its promises to customers. It's about always making sure that performance and processes live up to customer expectations – e.g. reliable solutions with low risk, supplied with high precision. Both individuals and groups keeping their promises are crucial for Perstorp's success and builds trust and loyalty among customers.

Responsibility

Perstorp provides products, services and solutions that are environmentally sustainable and fully meet customers' needs. Perstorp's processes are safe and employees are very safety conscious. They are well-educated and qualified and are always prepared to take responsibility and solve problems as they arise. Perstorp is an organization that cares about its customers, its employees, society and the environment.



Molecules are the heart of Perstorp's business. The most important of them all are actually the billions of molecules that positively, every day organize themselves and form a few thousand very important people – the Group's employees who create winning formulas for customers and the world around us.

{big heart}

Better processes + better products = better future

Key events in 2008

- ➔ Two new steam boilers in Stenungsund will cut emission of nitric oxide and particles over time.
- ➔ Reverse osmosis plant in Bruchhausen, Germany, cuts emissions of pollutants to water.
- ➔ Process improvements in Perstorp cut emissions to water in the form of organic pollutants by around 20 per cent compared to previous years.

The Perstorp Group's environmental policy

- ➔ Perstorp will work with continuous improvement of processes and products in order to minimize the effect on people and the environment. Activities will be characterized by caution, eco-cycle consideration and husbanding of natural resources.
- ➔ Perstorp will work to develop products with improved environmental qualities and reduced resource use for the safe use by customers throughout the entire lifecycle. Perstorp will provide up-to-date information to customers about products' health and environmental aspects.



An increasingly sharp focus on environmentally-oriented products and processes currently has central importance.

Hampus Carlsson, Process Control Engineer at Site Stenungsund, works on improving production processes.



The Perstorp Group works determinedly with a strong focus to develop and improve products and processes that help towards improving the environment – both in manufacture and use. Taking responsibility combined with high ambitions and a willingness to learn characterizes this work.

Constant improvement initiatives continued unabated in 2008. For the environmental impact common to all production sites Perstorp has formulated two comprehensive environmental objectives – an energy objective that’s also an indirect climate objective and a water usage objective. These objectives were formulated ahead of 2008 and remain unchanged in 2009.

By reducing the need for energy – both overall and per ton of manufactured product – while improving combustion technologies and altering the fuel mix, Perstorp can achieve lower emissions to the air. Indirectly these objectives also govern Perstorp’s desire to minimize emissions of substances that affect the climate.

Water is a global, and in many places strictly limited resource. Perstorp uses water as process water and as a coolant. Every production site has objectives for how the total need of surface water, ground water and the thermal impact of the recipient of water used as a coolant can be reduced.

Result of 2008 environmental objectives – energy

Perstorp’s total consumption of steam and electricity fell by around 3 per cent in 2008. This is

partly due to the total production being lower in 2008 compared to 2007.

The relative energy use for steam and electricity calculated per ton of product increased however by around 12 per cent, also due to lower production. The exception is the plant in Stenungsund, Sweden that succeeded in cutting its relative use of electricity per ton of product. Bruchhausen, Germany, and Gent, Belgium, successfully cut energy use through process improvements.

The emissions of fossil CO₂ fell in 2008 by around 6 per cent for comparable sites.

Result of 2008 environmental objectives – water

The total use of process water, excluding cooling water fell for the number of comparable sites by 9 per cent – from 3.4 Mm³ in 2007 to 3.1 Mm³ in 2008.

With the recent addition of sites in Zibo in China, Singapore and Warrington in the UK the Group’s total level reached 5.6 Mm³ annually in 2008. The efforts to cut water usage at all the Group’s sites will continue in the years to come.

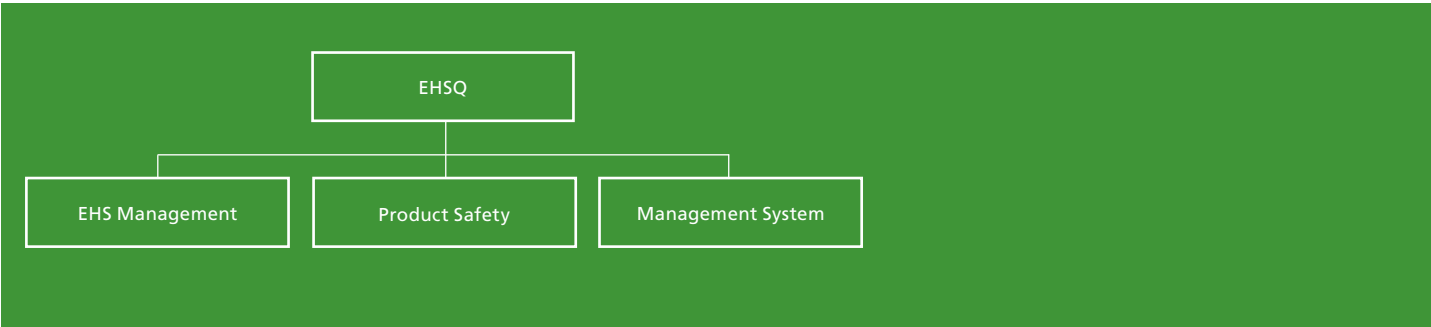


Jan Petersson,
Director
Corporate EHSQ

Reduced access to water and emissions of climate-affecting gases are global problems. The aims for water and energy decided on in 2007 therefore remain unchanged. Through recirculation and various purification technologies we can get water consumption down and by cutting the use of energy per ton of product and using better fuels we can cut emissions of CO₂, sulfur dioxide and nitric oxides.

Sustainable development also applies to our products and their usage. Because all products now go through risk assessments in order to be registered according to European REACH legislation, we’ll be able to provide greater knowledge and safer handling for users.

Corporate EHSQ



Environmental objectives 2009, Energy & water

- ➔ Perstorp is continuing with the energy-saving program started at all production sites in 2007 and 2008. The aim is to cut the relative energy consumption per ton for the main products.
- ➔ The water consumption target remains unchanged. Perstorp's production sites will not exceed the water consumption level measured in 2007.

Resource management

The Perstorp Group acquired a production plant in Singapore at the end of 2007. The Group expanded by a further four production units in 2008: Site Warrington in the UK, a plant for polyol manufacture in Zibo, China and two production units for manufacturing isocyanates in France and the US. Data for the last two are not included in this report because they were acquired in September 2008. The site at Ulsan, Korea, closed in 2008. Data for individual sites can be found in a separate table – Environmental data on page 30.

Energy

In 2008 the Perstorp Group used 2,180 GWh (1,916) of energy, of which 635 GWh from external producers. Of the electrical energy and steam produced by the Group 14 per cent (13) comes from renewable fuels. Of the externally produced energy 20 per cent comes from renewable sources.

The Group is currently carrying out energy efficiency projects and energy-saving measures have been taken at many sites over the year. An example is the production site at Bruchhausen in Germany that has reduced its use of energy by around 5 per cent in connection with installations to reduce pollution to waste water.

The production site at El Salto, Chile, started work on an energy-saving program that's proven very successful.

Raw materials, auxiliary chemicals, packaging & purified water

Perstorp uses a large number of substances as raw materials in its processes. The main raw materials used are methanol, propylene, oxygen and natural gas. These are refined into products some of which, such as formalin and butyraldehyde, are important constituents in Perstorp's onward refinement chain. Other important auxiliary chemicals include sulfuric acid, sodium hydroxide (caustic soda), ammonia and formic acid.

Perstorp constantly charts the yield from processes in order to cut the use of raw materials. In this way disruption in production sites that causes increased use of raw materials can be quickly discovered and counteracted.

The majority of production is supplied in bulk and smaller delivery quantities use different packaging materials. The plants strive to supply as much as possible in bulk in order to reduce the amount of packaging material used.

In 2008 the Perstorp Group used 25 Mm³ (18) of pure water. Of this 17 Mm³ (15.1) was surface water, 6.8 Mm³ (1.8) groundwater, 0.9 Mm³ (0.8) municipal supply and 0.5 Mm³ (0.1) from other external sources.

Land use

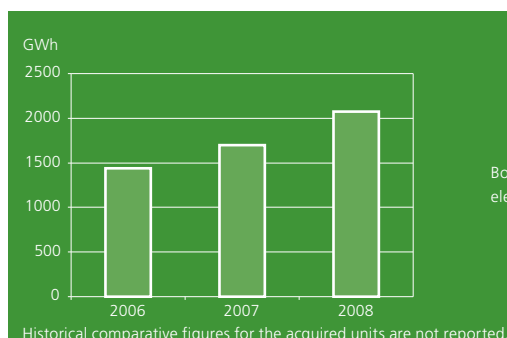
Many of the Perstorp Group's sites are located in large industrial areas, where the use of land has been optimized by lots of facilities being gathered together on one site in order to share important equipment. Examples of this include the sites in Perstorp, Castellanza in Italy, El Salto in Chile, Jurong Island in Singapore and Warrington in the UK.

One of the Group's biggest units is in Perstorp Industrial Park in Perstorp, where there has been chemical manufacture in some form since 1881. Surrounding the area, east of the industrial site, are many lakes and ponds regulated by the Perstorp Group. The rich wetlands, ponds and small lakes enhance the natural value of the surroundings.

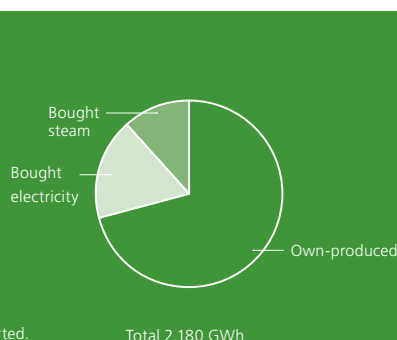
Water from the lakes flows through the industrial site via the Ybbarp River, which receives purified process wastewater from the industrial site. The Ybbarp River flows into the Rönne River, which flows through two Natura 2000 areas.

The site at Bruchhausen, Germany also has a Natura 2000 area along the Ruhr River, situated around 100 metres from the site.

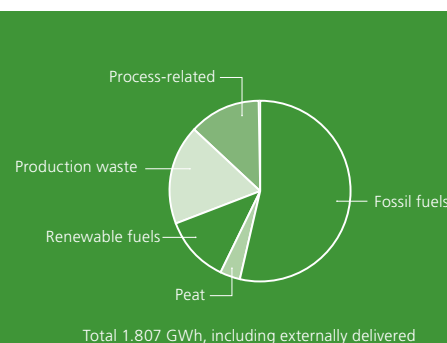
Use of energy, GWh



Energy use 2008, GWh



Type of energy for own-produced energy, GWh



Emissions & environmental impact

Climate impact

CO₂ emissions

Perstorp's total emissions of CO₂ in 2008 from non-renewable fuels were 444 kilo tons. Of this, 101 kilo tons were indirect emissions from production of energy bought, in the form of electricity and steam.

Calculated per ton of product this corresponds to an emission of 0.30 tons of fossil CO₂ per ton of product (0.26). CO₂ from transports is not included in this report.

The Perstorp Group began work many years ago to cut its effect on global warming, by among other things building a bio-fuel boiler at the Group's production site at Perstorp in 1991. The use of fossil fuels was then cut dramatically, because the previous coal-fired system was scrapped. The bio-fuel boiler, together with oil-fired reserve boilers, now supplies twenty or so factories at Perstorp. Animal bi-products have also been used as fuel in the bio-fuel boiler since 2006 with excellent combustion properties. 58 per cent (51) of the fuel for steam production was renewable in 2008.

Perstorp's production sites in Sweden all supply district heating to their respective municipalities with a total of 169 GWh of energy supplied. The Group's production site in Vapi, India, replaced an oil-fired steam boiler in 2005 with a steam boiler that uses briquettes made from waste products from sugar cane plantations. 88 per cent (70) of the energy need here was made up of renewable fuel in 2008.

Other substances whose emissions add to global warming are mentioned below as coolants and nitric oxide. Their global warming potential is equivalent to 1.5 per cent of the emissions of CO₂.

Leakage of ozone depleting substances

Perstorp uses HCFC/HFC coolants in air conditioning units and coolers.

There were around 1.8 tons (1.4) of installed HCFCs throughout the Group in 2008. The amount leaked over the year was around 0.4 tons (1.1), mainly due to a broken cooler at the site at Castellanza, Italy. Minor leakage was also reported at the sites in Toledo, USA and Vapi, India.

The amount of HFC installed throughout the Group in 2008 was around 1.7 ton (1.6). Leakage over the year amounted to around 60 kg (136).

Emissions of volatile organic substances (VOC)

There are a number of treatment plants at Perstorp's facilities for the catalytic combustion of emissions to the atmosphere. This treatment technology is currently the most common form in the Group, even though the Group also uses wet scrubber technology and thermal incineration at a number of facilities.

VOC emissions to the air by the Perstorp Group in 2008 amounted to 248 tons (178). The increase is mainly attributable to the increased emissions of methanol in Bruchhausen, Germany, and the emission of organic substances at the new facility in Singapore.

Methanol is the substance that constitutes

Perstorp's single biggest emission of viscous organic substances. Over the year 78 tons (52) were measured. Methanol is given off in small amounts at many of the Group's sites, but in 2008 the biggest amount came from the site at Perstorp (including the site's storage tanks in Höganäs), Bruchhausen in Germany and Vapi in India.

The second largest emission is of dimethyl-esters, 36 (28) tons, from the sites in Perstorp and Toledo, USA. The company's third largest emissions are of formaldehyde 24 (20) tons emitted from many of the Group's facilities.

Sulfur dioxide & nitric oxide

Perstorp's emissions of sulfur dioxide mainly come from the combustion of sulfurous fuels at the company's facilities. In 2008 the Group had emissions of 425 tons (328) of sulfur dioxide. The increased emissions of sulfur dioxide is mainly due to the oil used as an energy source at the unit at Jurong Island in Singapore, and that coal is used as an energy source at Site Zibo in China, both are new additions to the Perstorp Group.

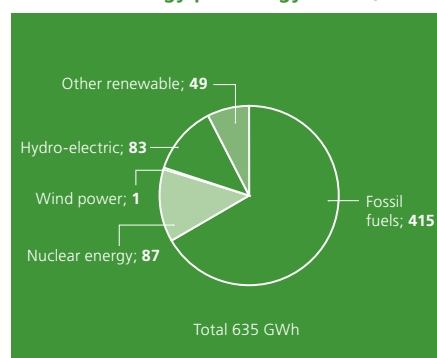
Emissions of nitric oxide mainly come from combustion plants. In 2008 the emission of nitric oxides has increased to 297 tons (212).

Waste

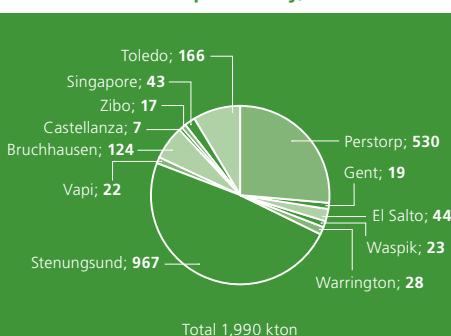
The facilities in the Perstorp Group have a fully functioning sorting-at-source procedure and clear routines for ensuring that only approved transport companies and recipients of waste are used.

The total amount of waste produced by the Perstorp Group in 2008 was 63 kilo tons (64).

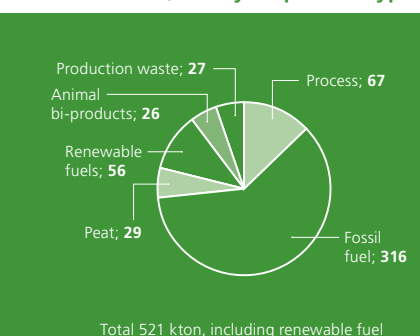
Purchased energy per energy source, GWh



Raw material use per facility, kton



Carbon dioxide, kton/year per fuel type



The two biggest waste items are process-related return methanol at the facility in Perstorp and reaction mother lye at the facility in Bruchhausen, Germany. Both go to internal energy recycling.

The facility in Perstorp receives volatile waste products from other production sites throughout the Group. By recycling them as an energy source the Group reduces the need for oil. The catalytic converter facility in Perstorp receives second-hand catalytic converters from its customers for recycling, where they recycle the molybdenum.

Waterborne pollutants

The facilities at Perstorp, Toledo in the US and El Salto in Chile account for the biggest amounts of emissions to water in the Perstorp Group. At Perstorp, Stenungsund, Castellanza in Italy, Vapi in India, Zibo in China and Jurong Island in Singapore the company purifies its emissions through waste water treatment plants in the grounds of the facilities. Other units use municipal treatment plants.

The work to reduce the amount of waste water and the amount of pollutants in the water at Perstorp has resulted in a drop of around 10 per cent of waste water and around 20 per cent

fewer pollutants. In Bruchhausen the amount of pollutants has fallen by 30 per cent by installing a unit for reversed osmosis.

Land & ground water pollutants

Land and ground water pollution was discovered at the neopentylglycol facility at Perstorp in 2002 since when decontamination work has been underway. Regular follow-ups take place and the results are reported to the supervisory authority. Two of three decontamination guidelines have been met and the evaluation is that decontamination should be able to end within a few years.

At the Perstorp plant an inventory was made in 2007 in accordance with the MIFO model (MIFO is a Swedish acronym meaning Method for making an Inventory of Contaminated Areas), developed by the Swedish Environment Protection Agency to enable a simple, standardized way of classifying risk in Sweden.

The purpose of the inventory is to establish where the risks are concerning land contamination from current or previous industrial activity. Four areas within the Perstorp Industrial Park have been classified for further monitoring. Proposals for a survey of the areas were submitted to the environmental authorities in 2007. Two of these areas are now carrying out

regular tests and the other two have collected historical data and have been reported to the environmental authorities.

Noise

Within the Perstorp Group, external noise is in most cases no longer a problem for individual plants, which are normally covered by conditions for external noise applicable to industrial plants. Historically, extensive noise-reduction measures have been implemented to reduce noise from the plants. And the noise situation is assessed regularly.

Transportation

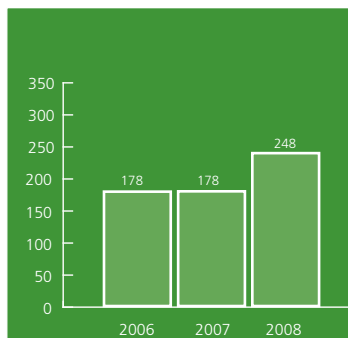
Perstorp in Sweden takes part in the Network for Transport and the Environment, a non-profit making organization started up in 1993 to create common values of how to estimate the environmental performance of various forms of transportation. The network's aim is to promote and develop the transport sector's environmental work. Work is being carried out to come up with a method for estimating goods and staff transport emissions, the use of natural resources and other external effects. The method has been developed so that purchasers and sellers of transport should be able to establish their transport's overall environmental impact.

Perstorp also participates in the Forum for

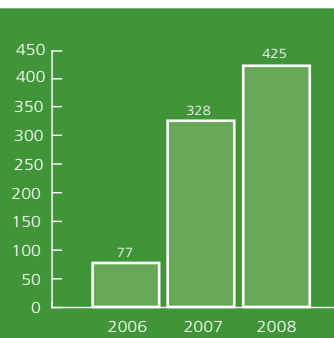
Did you know...

When CFCs in cold storage plants and refrigerators are swapped for other coolants you need different kinds of lubricants. Perstorp's products provide these lubricants with the properties required.

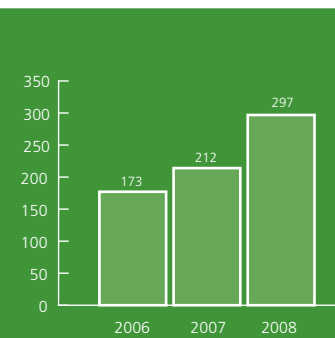
Emissions of volatile organic compounds, tons



Emissions of sulfur dioxide, tons



Emissions of nitrogen oxides, tons



Historical comparative figures for the acquired units are not reported.

Sustainable Transport, a group of companies that, together with other authorities, is working to create conditions for sustainable development of transport. They view transportation as a self-evident component of their sustainability work and actively assume their responsibilities as purchasers of heavy transport by road. The collaboration has resulted in a tool for purchasing more sustainable transportation by placing environmental and safety demands.

Perstorp also participates in “The Clean Shipping Project”, with the main aim of promoting the development of environmentally-adapted marine transport in Sweden.

When Perstorp evaluates transport suppliers the focus is on their environmental performance. In 2009 all European suppliers will be asked about their transport fleets’ performance, if they use modern engines and if there is the option of using alternative fuels, such as bio-diesel.

Environmental economics

Environmental costs

During 2008, the Group’s environmental and occupational-related costs totaled SEK 68.4 million (55.6), corresponding to 0.6 per cent (0.6) of the Group’s net sales.

Costs for waste management amounted to SEK 18.5 million (17.7). During the year, the Group paid approximately SEK 22.4 million (18.5) for wastewater and around SEK 22.9 million (15.9) for administration of environmental work. The administration expenses also include costs for environmental personnel, maintenance of environmental management systems and external consulting services. The reason for the increase on 2007 is the addition

of the three sites at Warrington in the UK, Singapore and Zibo in China.

There was no reason to make any significant financial provision for environmental activities in 2008.

Environmental debt

Perstorp’s financial reporting is based on the “going-concern principle”, which is reflected in how possible environmental debts are assessed.

The Group complies with decisions issued by public authorities and implements measures both proactively to prevent environmental impact and reactively in the event of environmental problems.

Investments in environment, health & safety

The total investments in the environment, health and safety, including investments for treating and preventing emissions, investments in safety and fire protection and investments in improvements to the working environment, amounted to SEK 51.8 million (95.3) in 2008. This amounts to around 9.8 per cent (17.8) of the Group’s total investments.

By far the major proportion of environment-related investments occurred in Perstorp and Stenungsund in Sweden, Bruchhausen in Germany and Toledo in the US. In Perstorp the company has carried out projects in energy production and cistern embankments. In Stenungsund the company has carried out preventative investments to improve fire safety. In Bruchhausen the company has a major project underway in wastewater treatment and in Toledo an investment has been made to reduce atmospheric emission.



Investments in environment, health & safety

SEK m, unless stated otherwise	2008	2007
Safety and fire protection	5.3	60.0
Work environment	6.7	8.9
External environment	39.8	26.4
Total investments	51.8	95.3
% of Perstorp’s total investments	9.8	17.8

Environmental costs

SEK m, unless stated otherwise	2008	2007
Wastewater	22.4	18.5
Hazardous waste	10.6	11.3
Other waste	7.9	6.4
Soil decontamination	0.7	0.2
Administration	22.9	15.9
Fees to authorities	3.9	3.3
Total costs	68.4	55.6
% of net sales	0.6	0.6

Safety – a matter of course

Key events in 2008

- ➔ The Take Care project for the reduction of work-related accidents has been introduced at the sites in Perstorp, Toledo in the US and Bruchhausen in Germany.
- ➔ The number of work-related accidents fell from 13 in 2007 to 11 in 2008.
- ➔ Global database for registering risks, near accidents and accidents has been complemented with the function for documenting observations in Take Care.

The Perstorp Group's policy for safety

- ➔ A sound and safe working environment where employees' health is top priority .
- ➔ Top priority for preventing serious accidents through risk analyses, preventative measures, emergency standby and long-term technical forward planning
- ➔ Development of products with improved environmental properties and lower resource use for the safe use by customers throughout the entire product lifecycle. Up-to-date information to customers about the products' health and environmental aspects.



We need to ensure that our products' properties are the absolute best they can be and do their job, while it's important that safety concerning them is handled in the best way possible.



Josefin Friberg works as a toxicologist at Corporate EHSQ. A lot of her work has currently to do with the EU's new chemical legislation REACH.

Responsibility is one of the Perstorp Group's core values, not the least characterized by safety. This covers providing employees with a good working environment, minimizing the number of work-related accidents and developing products with good health and environmental aspects.

Perstorp's safety concept includes four separate things – Process safety, Environmental safety, Working environment safety and Product safety. Safety work focuses on process design, process control and preventative risk inventories – because process safety, environmental safety and working environment safety are intimately linked.

Working on chemical processes requires on-going improvements and clear goals in order to be able to minimize risks of fire and explosion, and to be able to minimize the impact on the natural environment in the form of atmospheric, water and waste emissions.

A safe working environment requires both safe processes and safe behavior. In 2008 Perstorp started a behavior-based working environment project – Take Care – at three of the Group's production sites. The project has received lots of interest and has already produced results in the form of fewer reported accidents.

Product safety deals with being able to provide the correct information about Perstorp's products and the safe handling of products all the way from the company to the customer, and with the customer. The European REACH legislation will involve further in-depth product awareness. The work with REACH is ongoing in the various consortiums formed to develop a chemical safety report for each substance.

Continuity planning of the business provides a further dimension to the safety work. This is when analyses of key events that might affect raw material supplies, production and the market take place, and from this we can develop plans for preventative measures.

Working environment

Project Take Care

Towards the end of 2007 a project was started within the Perstorp Group with the target of eliminating by 2010 all work-related accidents that cause more than one day of sick leave. This

project, called Take Care, aims at changing staff behavior and thus reducing the number of accidents in the workplace.

In 2008 Take Care was introduced at the sites in Perstorp, Toledo in the US and Bruchhausen in Germany. Within the framework for the project 66 safety coaches have been trained in what safety behavior means and how, through being observant, one can identify risk behavior that can then be changed.

A total of 1,256 risk behavior factors were identified during the year within the 1,113 observations carried out by the safety coaches. Risk behaviors can for example be the use of incorrect safety equipment. The observations make up a good basis for improvement measures that will reduce exposure to the dangers that could arise – and thereby exposure to work-related accidents.

For its work with Take Care the unit in Toledo,

Work-related injuries, result & target

	Result			Target
	2006	2007	2008	2009
LTAR ¹⁾	8.4	4.4	3.2	<2
No. of environmental accidents ²⁾	8	10	6	0

¹⁾ LTAR (Lost Time Accident Rate) = number of work-related accidents causing at least one day's absence per 1 million working hours.

²⁾ Environmental accidents = accidents that have affected the environment outside walled-off area.

Take Care 2008

Site	Number of observations	Number of observations risk behavior
Bruchhausen	433	217
Perstorp	469	739
Toledo	211	300
Total	1,113	1,256

USA, was recognized by the Ohio Chemistry Technology Council and received the 2008 "Excellence in Environmental, Health, Safety and Security Performance Award".

Take Care will be introduced in Stenungsund in 2009.

Work-related accidents

A reduction in work-related accidents has been recorded since 2007 when there were 13 (23 in 2006) work-related accidents resulting in one or more days of sick leave. This corresponds to a lower frequency from 8.4 to 4.4 accidents for every million hours worked.

The reduction continued in 2008 when there were 11 work-related accidents resulting in one or more days of sick leave, corresponding to a frequency of 3.2 accidents for every million hours worked.

Global database for risks & accidents

Risks, accidents and near accidents are registered in an internal global database. This database is the source system for registration and assessment for distribution of all information and knowledge about hazardous situations throughout the Group. In 2008 an updated version of the database was formed to document observations and to follow up the improvement initiatives in Take Care.

Sick leave

The Take Care project is just one of the initiatives for preventing sick leave among employees. Because health is also closely linked to job satisfaction the Perstorp Group's clear values, annual career assessment talks and detailed staff surveys are important tools for creating a safer working environment. In addition to these Group-wide initiatives each site has its own measures to minimize sick leave.

In 2008 the Group as a whole reported an unchanged sick leave figure of 2.4 per cent (2007: 2.4), which is a very low figure in general terms.

Keep-fit activities

To encourage a more active lifestyle Perstorp provides its employees with various keep-fit activities. The range of activities varies from site to site, but might include massage, group training during lunch, membership of sports associations or other activities that promote employees' health and develop teamwork.

Company healthcare services

External suppliers provide company healthcare services to Perstorp, meaning that the service provided varies at the different production sites.

Preventative initiatives are however also important here. Many people can, at an early stage,

be offered help with work-related issues such as ergonomics or stress management plus rapid and personal rehabilitation measures that facilitate getting back to work for employees who need it.

Fires, explosions & environmental accidents

Six environmental accidents occurred during the year, all of which were caused by spillage that could be decontaminated without lasting damage to the environment.

Product safety

The most comprehensive set of regulations ever adopted by the EU came into force in June 2007, namely REACH - Registration, Evaluation, Authorization of Chemicals.

The regulations place clear responsibility on the industry to produce data about chemical substances and make risk assessments and propose measures for managing possible risks. Chemicals with certain dangerous properties shall not be used without special permission. The law states that safer alternatives shall be considered when testing hazardous chemicals. If the alternative is economically and technically feasible, the more hazardous chemical shall not be selected.

Perstorp is now working intensively to implement REACH throughout the Group. In

Sickness absence as a percentage of ordinary working time, %

	2008		2007		
	Group	Swedish operations	Group	Swedish operations	
Total	2.4	2.6	2.4	2.4	*) There are no confirmed figures for foreign units pertaining to the distribution among long-term and short-term sickness absence, sickness absence by gender and age distribution.
Uninterrupted sickness absence of 60 days or more	*)	1.1	*)	1.2	
Sickness absence by gender					
Men	*)	1.9	*)	2.1	
Women	*)	2.6	*)	2.9	
Sickness absence by age					
29 years or younger	*)	1.7	*)	2.3	
Between 30-49	*)	1.9	*)	2.5	
50 years or older	*)	2.7	*)	2.1	

December 2008 Perstorp concluded pre-registration of all commercial products. Work is underway in 2009 to prepare for the registration of all the Group's high volume products, over 1,000 tons, in good time before the end date. This work is being carried out in dialogue with customers and suppliers and Perstorp is also a member of a number of consortiums to implement these initiatives.

Upon registration certain documentation must be submitted to the European chemicals inspectorate, ECHA. The documentation should in part include information about the substances properties, all identified areas of use, classification and marking and guidance for safe use. Additionally, existing test data must be summarized and in certain cases proposals be made for further tests.

For substances manufactured or imported in large quantities greater than ten tons annually a chemical safety report must be included in the registration documentation. The report must contain a chemical safety assessment and recommended measures for the substance to be handled safely.

The chemical safety assessment covers everything – it should cover manufacturing of substances, all identified areas of use and all phases of the substances' lifecycle. Some substances should also include an exposure assessment in the report. The aim of the exposure assessment is to assess how people and the environment will be exposed to the substance and in what concentrations such exposure might occur. An exposure scenario is also part of the description of the risk management measures and operational conditions recommended for the substance to be handled safely.

To study the products' properties requires a product evaluation to be carried out and done mainly by studying literature, databases and other sources. If information is missing it must be produced by carrying out physical/chemical, toxicological or eco-toxicological studies at external test laboratories.

Current regulations concerning information and marking of Perstorp's products have been observed.

Corporate Risk Management

The Insurance Management unit at Corporate Finance and Corporate EHSQ work closely with comprehensive risk management. Regular technical risk inspections are carried out at every production unit in collaboration with a third-party consultant to form a basis for decisions concerning preventative measures. Various aspects of the business are assessed and evaluated. This work makes it possible to follow up and quantify the improvement being carried out as a result of the inspections.

Environmental, health & safety training

Environmental, health & safety training increased dramatically in 2008 through the addition of the three acquired production sites in Warrington in the UK, Singapore and Zibo in China.

Did you know...

Thanks to Perstorp's molecules, fire resistant paints swell up when exposed to heat to form a thick protective layer. In this way it takes longer before the building's construction gets damaged in the event of a fire, meaning more people can be evacuated.

Training in environment, health & safety, number of hours & participants

	2008	2007	2006
Safety, fire prevention, etc.	13,124	4,816	3,341
Working environment	14,023	6,826	6,986
Environmental training	6,837	1,222	707
Total number of hours	33,984	12,804	11,034
Total number of participants	3,548	2,749	2,016

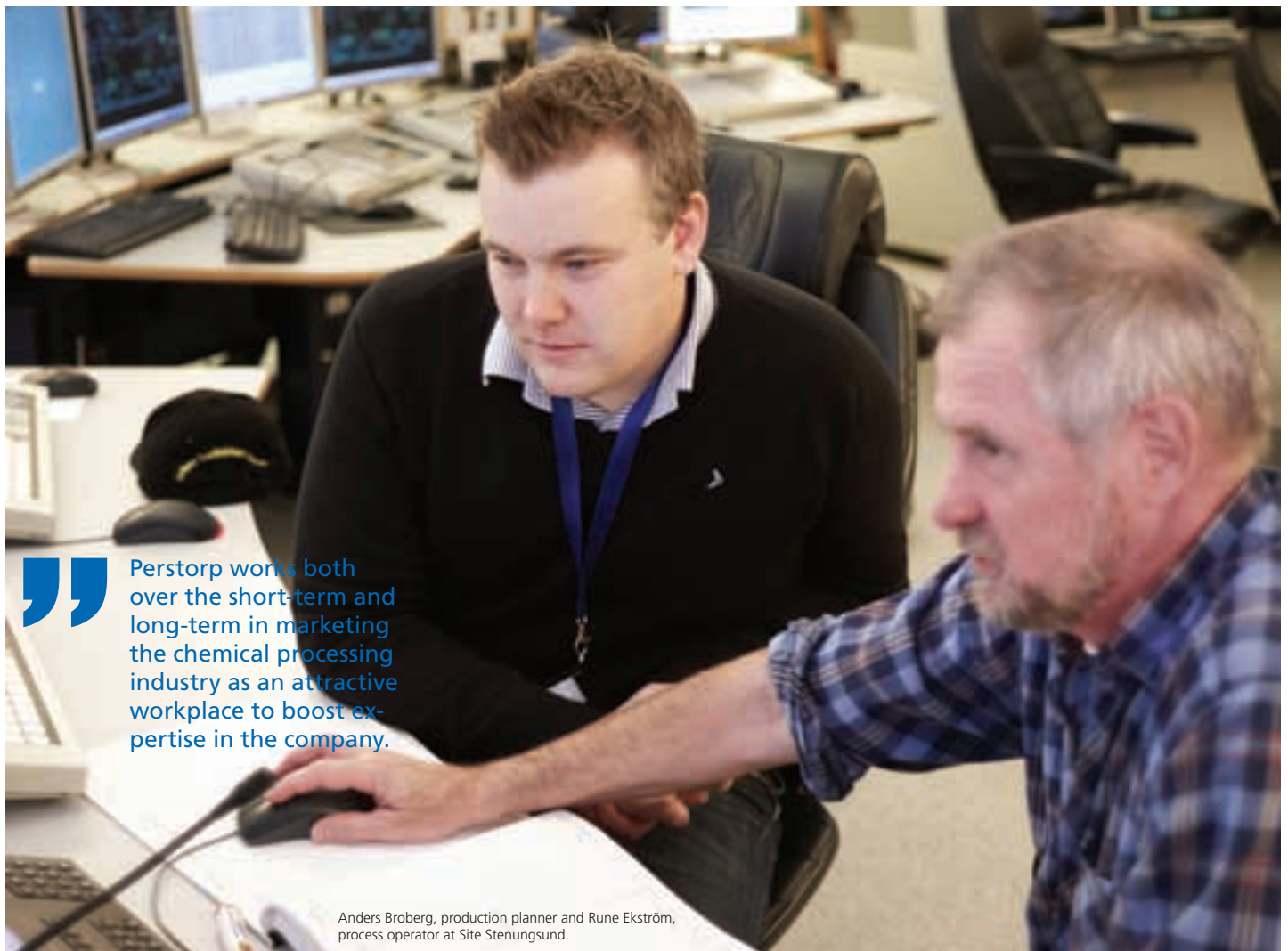
The key molecules

Key events in 2008

- ➔ Major focus on integration of recently acquired units in Singapore, the UK, France and the US.
- ➔ New organization with three business groups and three support functions introduced.
- ➔ Staff cuts carried out within the framework of the Group-wide rationalization scheme.
- ➔ Completion of staff surveys with a response frequency of 92%.
- ➔ Increase in the number of career assessment talks, 84%.

Policy for Human Resources

- ➔ One-on-one talks between manager and employee lay the foundation for individual's development. Training initiatives will support both the company's and individual's long-term development.
- ➔ Perstorp encourages and supports internal recruitment and work rotation.
- ➔ Perstorp supports employees' health through preventative company healthcare and keep-fit activities.
- ➔ Perstorp respects employees' affiliation to trade unions and the right to collective agreements. Perstorp does not tolerate discrimination and encourages diversity in the workplace.



Perstorp works both over the short-term and long-term in marketing the chemical processing industry as an attractive workplace to boost expertise in the company.

Anders Broberg, production planner and Rune Ekström, process operator at Site Stenungsund.

Committed employees who find their work satisfying, who are healthy and feel that they are developing in their work roles – that’s what’s required for Perstorp to also be able to continue supplying innovations and value to customers in the future.

In recent years the Perstorp Group has grown and changed. New acquisitions, new products and a new organization – and an unstable global economy – require employees with a willingness to change and a high level of expertise.

Perstorp works constructively with employees’ participation and skills development and sees this work as taking responsibility for the individual’s wellbeing. To safeguard the provision of expertise over a longer period Perstorp also actively works towards marketing the processing industry as a developmental future workplace for young people.

Integration initiatives

A lot of time and energy has been spent in 2008 on integration initiatives. Over the year the Perstorp Group employed around 900 new employees spread out over many different production sites. This figure is closer to 1,000 if activities in Singapore acquired at the end of 2007 are included.

Integration activities are a slow, but necessary process. By interviewing key personnel –

according a specially produced template – Perstorp has got to know its recently acquired activities and their values and been able to discover the strengths and cultural differences that must be taken into consideration in any future work.

Perstorp has already introduced some of the Group-wide processes – such as the bonus system, measuring results, career development talks and management program – in Singapore and Warrington in the UK. Integration of activities in France and Texas in the US, acquired in the autumn 2008, have just started and will continue in 2009. Integration for many employees has meant new employment contracts with new conditions.

Internal culture development

Perstorp’s corporate culture, known as Winning Formulas, consists of three core values that represent Perstorp’s strengths: Focused innovation, Reliability and Responsibility.

Perstorp actively works with its core values by making use of and strengthening the properties that customers appreciate and consider to be

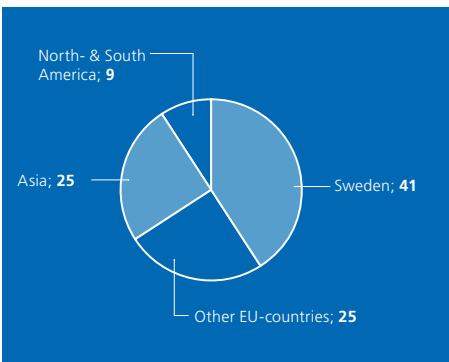
Perstorp’s strengths. For employees the core values are important guidelines that permeate both communication and actions. By highlighting good examples of the three core values in accounts from the day-to-day business, we convey how everyone can concentrate on focused innovation, reliability and responsibility.

The E-learning scheme that provides an introduction into Perstorp’s values has been rolled out during the year at sites in Singapore and the UK and will be rolled out at the recently acquired facilities in France and the US in 2009.

Organizational changes

As the Perstorp Group has grown and become more complex the need of a more flexible organization has become clearer. A comprehensive reorganization was therefore carried out in July – from being a functional organization to an organization with three business groups and three support functions for Sales & Marketing, Supply & IT and Technology. In this way the decision-making has been moved further out into the business and the company is now better equipped to integrate new acquisitions.

Geographic distribution of employees, %



Age structure, Group, %

	2008	2007
29 years or younger	10	8
Between 30-49 years	62	64
50 years or older	28	28

Measurement of the age structure started in 2007, so there are no comparable figures from previous years.

Staff cuts

Because of the prevailing economic climate Perstorp introduced a program of measures at year-end to cut fixed costs. This resulted in the loss of 117 jobs, both collective agreement employees and management. Of these 89 were in Sweden and 28 in other countries.

Employee survey 2008

For the second year running Perstorp has carried out an employee survey in order to come up with basic information that each work group can work on to improve their work situation and efficiency.

There was a lot of commitment, which shows that employees trust the fact that constructive measures are being made. The survey contained 39 questions – the same as last year – and the response frequency was 92 per cent (90). The biggest commitment was shown by employees at Site Perstorp with a response frequency of 98 per cent.

Perstorp's strict set of goals that 75 per cent of the groups should achieve a performance index of at least 3.5 (on a scale of 1-5) was achieved. The goal that all groups should achieve a management index of 3.0 or more was however not reached.

The performance index for the Group remained at the same level as in 2007, namely 3.6. The main strengths – according to the survey – are expertise, safety, confidence and cooperation, where high values were recorded. The areas that showed poorer results and therefore are important areas for improvement for

2009 included management and workload. In terms of the latter some individuals believe they have too much, while others believe they have too little workload.

The aim is to improve, so work groups over the year discussed the results for 2007 and come up with proposals for measures. Many teams have therefore improved their results considerably. One example is Toledo in the US where the biggest progress was made in the performance index with 3.6 (3.3) and in the management index with 3.4 (2.6).

The new employees at the facilities in France and Freeport, USA, plus the joint-venture activity in China didn't take part in the survey.

PMD process

Work on developing employees' skills takes place within the framework for a Group-wide PMD process (People Management & Development).

The process emphasizes employees' participation and consists of two annual career development talks. During the first round of talks the employees' role and objectives are discussed from a company perspective, e.g. what the company expects from the employee and during the second round of talks the individual discusses what skills they need to achieve their set goals and how they personally perceive their future development.

In 2008 84 per cent (79) of employees underwent career development talks with their managers. The objective for all employees to

undergo individual career development talks is somewhat closer than in 2007 when 48 per cent (37) of employees had one.

New, revised PMD process material was developed in 2008, which as a pilot study was used by a number of global functions and by Site Warrington in the UK.

Working abroad and job rotation are important forms of skills development, for the company as well as the individual. Over the year 30 individuals worked at other production sites, in their own country or abroad, on short-term and long-term assignments, in their old roles as well as new ones.

Supplying expertise

It's extremely important for the Perstorp Group to succeed in attracting an expert workforce, even in the future. Perstorp is therefore working over the long-term and short-term to market the process industry in general and the chemicals industry in particular towards young academics and school children.

Examples of this include that many of the Group's production units collaborate with local universities and university colleges. Perstorp works closely with representatives on labor market days, guest lecturers and encourages students to come on field trips. An important aspect is to provide students with the opportunity of doing their thesis in the Group. In 2008 a total of 18 examination assignments were carried out.

At a number of production sites Perstorp has

Basic education, % of all employees

	2008	2007	2006
Basic school	12	10	17
Upper secondary school	55	56	56
College or university	33	34	27

Proportion of women who are members of company boards & management

	2008			2007		
	Total	of whom women	%	Total	of whom women	%
Board members	130	7	5	119	4	3
Other senior executives	125	31	25	131	32	24

The Board members category comprises ordinary members of the boards of all companies within the Group. The same person may be counted several times if he or she is a member of the board of more than one company.

The Other senior executives category comprises the Group's executive management team, management teams within each function, the management teams of major subsidiaries and the president of all other companies within the Group.

contact with local young people in elementary schools when they are informed about the benefits of a technical upper secondary education. At the site at Perstorp the company also runs an independent school – Perstorp Gymnasium – with chemical-technical courses. Inspiring young people and getting them interested in chemistry is important in an age where applications for chemical training courses are dropping. Of the students that attend Perstorp Gymnasium two thirds apply to further their technical studies or work in technically-intensive areas.

Perstorp takes part in an experimental workshop in Stenungsund, Sweden – Molecule workshop – where pre-school children and older receive an introduction into science subjects. Apart from working directly with the children, to stir their curiosity, the company also provides further training for teachers in order to give teachers of all levels new educational skills to take with them into the classroom.

These are a few examples of how Perstorp is safeguarding the supply of expertise over the long-term, but it's mainly about focusing on providing interesting work duties with excellent development opportunities and sufficient flexibility in order to attract young adults of today.

Talent Management

Talent Management – which began in 2007 – is a scheme that aims to take advantage of the company's various forms of expertise by providing employees with special potentially varying career paths depending on their strengths and qualifications.

The identification phase is based on the individual development plans available to employees, linked to the results the employees have been able to show. The employees considered to possess potential will be able to take part in special activities in order to further develop in their respective roles. In 2008 the company provided programs in business skills and board work.

Three different career paths have been developed – staff management, project management and specialist functions – and each path

provides three separate levels with clear criteria.

Using Talent Management the company safeguards an internal recruitment base and increases the target group when key personnel are being chosen.

Diversity & equality

Perstorp's diversity and equality policy builds on the principle that all people should have equal opportunities to develop at work. Company management is convinced that diversity in the workplace, in terms of age, gender, nationality or level of education, creates a climate that helps towards increased creativity, productivity and job satisfaction.

The Group-wide diversity initiative is based on the UN's Global Compact principles. The initiative is run more structurally in countries where there is legislation to follow, such as the US that has diversity laws and Sweden and Germany that have equality laws, but all production sites follow the Group's policy in this issue.

Because of the Group's new acquisitions many of the Group's employees come from countries other than Sweden, which is also reflected in the executive management, where three individuals have non-Swedish backgrounds. The opportunity for job rotation also means that employees can work at other areas and learn more about one another's cultures and working methods.

In 2008 the Group's Swedish activities received a new equality plan that had been developed together with trade union organizations. The plan specifies fewer, but more concrete measures, such as recruitment, because there are still career categories at the Swedish facilities completely dominated by men.

The number of women in the Group remains generally unchanged since 2007, with 23.5 per cent (22.9). In terms of the number of women versus men in executive positions we see a similar result, with 25 per cent (24). That there is an uneven division in terms of women and men in the Group is evident. However, the percentage of women represented in executive positions follows the general gender division throughout the Group.

Average number of employees

Country	2008		2007	
	Total	of which men	Total	of which men
Sweden				
Parent Company	25	15	9	8
Subsidiaries	942	637	927	644
Belgium	42	33	43	34
Finland	25	14	25	13
France	222	184	6	4
Italy	34	26	34	26
Netherlands	34	24	30	21
Spain	2	2	-	-
UK	69	62	6	4
Germany	126	113	132	116
Total EU	1,521	1,110	1,212	870
Brazil	6	4	6	4
Chile	84	70	79	74
USA	115	97	156	138
Total North- & South America	205	171	241	216
India	207	200	220	212
Japan	6	4	3	2
China	242	183	70	47
Singapore	98	75	12	7
South Korea	17	13	27	23
Total Asia	570	475	332	291
Total	2,296	1,756	1,785	1,377
Of which men, %		76.5	77.1	

Leadership development Participants

	2008	2007
Certified Leadership Program	52	18
Project management	14	51
Leadership development in part of Group	60	12
Total	126	81

Responsibility & long-term approach in forming business relationships

Key events 2008

- Completed customer satisfaction survey with a result of 4.08 on a scale of 1-5.
- Renewed environmental certificate for facilities in Belgium, Italy, India, China and the US.
- New Code of Conduct developed for the entire organization.
- Increased focus on brand building.

Policy for long-term relationships

- Perstorp will work towards long-term customer relationships and actively cooperate to find environmental improvement and resource effective measures for customer products and processes
- Suppliers, contractors, consultants and transport companies are expected to follow Perstorp's environmental, health & safety initiatives, where compliance determines future commitment.



Eugénie Charrière, Group Leader Market Development, is one of all Perstorp's employees who built relationships with customers.

It may be a question of rapidly handling customer orders or providing students with the opportunity of carrying out their degree work. Irrespective of which, responsibility and a long-term approach are two important ingredients when Perstorp forms relationships with various interested parties.

Good, responsible relationships with the company's various interested parties are important for Perstorp and a long-term approach is vital. Good communication with interested parties is vital and takes place in accordance with Perstorp's Code of Conduct to ensure that it is active, open and honest.

Perstorp has analyzed the factors that everyone considers especially important for both the company and external interested parties. Perstorp is putting extra effort into developing these factors. See the table below.

Perstorp's brand

Perstorp actively works with brand building to build long-term relationships with various interested parties and create positive associations around the company. Branding is strongly linked to Perstorp's three core values and the philosophy is that Perstorp's brand will communicate what the company is and what it represents. Communicating these messages

takes place in various ways depending on the target group. The long-term positive effects of branding include greater customer loyalty and power of attraction among society in general.

A concrete example of how branding is put into practice is sponsorship. In 2008, Perstorp in Sweden was the main sponsor of the Rögle premier league ice hockey team based in Skåne southern Sweden, which has values that Perstorp shares. The investment can be described as successful as the objective was to focus Perstorp more in Sweden towards target groups like society in general and future employees. Customer seminars are also another example of how Perstorp focuses its brand towards another important group of interested parties where the company's expertise can create added value.

Customers

Perstorp's customers are found in many different industries and on many different geographical markets thanks to its wide-ranging pro-

duct portfolio. The acquisitions carried out in 2008 of the Solvay Group's caprolactone activities in Warrington in the UK and Rhodia Organics and Lyondell Chimies isocyanate activities with production in France and the US strengthened Perstorp's offer to the coatings industry especially.

The extensive spread of customers means that Perstorp has no dependency on any individual major client, with a total of eight customers placing orders for more than SEK 20 million annually.

Perstorp always looks towards rapid, effective and correct management of enquiries and possible complaints by customers.

Customer relationships shall be characterized by a long-term approach and Perstorp strives to be a reliable partner that takes responsibility for processes and its own actions in order to create customer loyalty.

Important factors for Perstorp & external interested

- | | |
|---|--|
| ➔ Climate strategy | ➔ Open, honest communication |
| ➔ Competition issues | ➔ Product safety |
| ➔ Corruption and bribes | ➔ Productivity for raw materials, energy and water |
| ➔ Emissions to air and water | ➔ Relationships with the community |
| ➔ Environmental performance of products | ➔ Risks and risk management |
| ➔ Human rights | ➔ The company's financial results |
| ➔ Management and employee relationships | ➔ Working environment |

A good example of this is Perstorp's relationships with the customers that buy plants and catalysts for the manufacture of formalin, sold under the Formox brand. Perstorp actively and over the long-term, supports its customers with advice to improve productivity in their formalin plants. Perstorp's repurchase of formalin catalysts provide both maximum recycling of raw materials and a safe handling of waste products.

The annual Customer Satisfaction Index survey measures customers' level of satisfaction. In February 2008 the result of a survey completed at the end of 2007 was published in geographical areas where Perstorp doesn't have its own sales offices, the result of which was 4.08 on a scale of 1-5 (4.40).

Suppliers

Perstorp strives for long-term relationships with its suppliers and that requires suppliers to also share Perstorp's environmental, health & safety views. Perstorp's Code of Conduct is the basis for evaluating new suppliers.

Industry organizations

It's a priority for the Perstorp Group to follow what's happening in the sphere of chemical product safety at both national and international level.

On a national level the company participates in the Swedish Plastics and Chemicals Federation. On an international level, the company participates in various sector groups in the European Chemical Industry Council, CEFIC.

Competitors

Perstorp's Code of Conduct states that all departments and employees must be aware of, and act in accordance with, the company's competition policy that covers the legislative requirements and the company's own ethical rules applying to this matter. This means that Perstorp must be a strong but just competitor, which competes within the framework for applicable laws and doesn't take part in any illegal industry collaboration.

From 2009 onwards all collaboration with various competitors will take place within the framework of the EU's REACH chemical legislation.

Schools & universities

Contacts with schools and universities are important for Perstorp, not least in supporting long-term recruitment initiatives. Perstorp also collaborates with primary schools and high schools close to the various production sites in order to illustrate the industry as a possible future workplace. This covers field trips, practical training and school projects.

Perstorp also runs its own high school near the site at Perstorp offering a three-year chemical engineering course focusing on chemical processes. The course includes ten weeks of practical training, including two weeks at sites outside Sweden to give the students insight into working life. The Group's production site at Stenungsund collaborates with a local high school, where students with industrial process training complete one year of practical training with the company.

The production site at Toledo in the US, sponsors a summer camp annually at a nearby university with a chemical theme and in 2008 also sponsored further chemistry training for high school teachers. The sites at Bruchhausen in Germany, Castellanza in Italy, El Salto in Chile, Gent in Belgium, Vapi in India, Waspik in the Netherlands plus Perstorp and Stenungsund work continuously with university and university college exchange programs for examination work, study visits and practical placements.

Society

Perstorp will be a good, responsible and appreciated player in the communities where the company is active. This includes being committed to various activities and supporting the communities in various ways.

Information to the general public

Perstorp provides environmental information to the general public in its reports, via the mass media and Internet and in various brochures. Because of legal and ordinance requirements for measures to prevent and limit the consequences of serious chemical accidents (Seveso Directive), the company regularly carries out major information initiatives for the general public at a number of its production sites.

In accordance with this legislation, Perstorp has also submitted safety reports to the authorities and updated them, every five years according to prevailing laws, and in conjunction with new permit applications. These requirements affect several of Perstorp's production units in Europe.

Open house & study visits

Open House activities are organized regularly at a number of the Group's sites for employees' families and local residents. Perstorp's sites also regularly receive visits by various interest groups including universities, university colleges, politicians, companies, pensioners and various kinds of associations.

Complaints

Questions and complaints from the general public are registered and addressed in accordance with ISO14001 management system procedures. A complaint was registered in 2008 at the production site at Castellanza in Italy, concerning the odor quality from the internal waste water treatment plant. The production site at Stenungsund received a number of complaints concerning noise in conjunction with flaring in 2008.

Authorities

Perstorp has production sites in twelve countries. A number of new permits were issued in 2008. The site at Stenungsund has been given permission to expand the business for new plasticizers and for building a new pier in the harbor.

Renewed environmental permits with new conditions were issued to the production sites in Gent in Belgium, Castellanza in Italy, Vapi in India, Toledo in the US and Zibo in China. The site at Perstorp is planning to request permission in 2009 for a methanol storage facility in Helsingborg in Sweden.

The site at Perstorp exceeded the guidance value on a few occasions for the amounts of phosphor allowed in outgoing wastewater from the waste treatment plant.

Small fines for exceeding emission levels by the site at Gent were paid and for neglecting safety warnings about the railway by the site at Toledo in the US.



Perstorp's customer relations are characterized by a long-term approach and the company strives towards being a long-term partner and taking responsibility for both processes and its own actions.

Anna Pettersson works as a process engineer at Site Stenungsund and is working on Perstorp's bio-diesel initiative.

Environmental data

		Resource efficiency			Emissions to air							Waste	Waterborne emissions
Plant	Year	Consumed raw materials kton/year	Energy use GWh/year	Indirect energy use GWh/year	Fossil CO ₂ kton/year	VOC ton/year	SO ₂ ton/year	Nitrogen oxide ton/year	CFC kg/year	HCFC kg/year	HFC kg/year	Waste kton/year	COD before purification ton/year ³⁾
Group	2008	1,990	2,180	635	444	248	425	297	0	383	60	63	11,768
Perstorp ¹⁾	2006	534	557	-	80	63	43	70	0	0	48	26	1,730
	2007	571	573	-	67	65	49	78	0	0	126	16	1,870
	2008	530	551	150	65	68	27	60	0	0	34	16	1,507
Stenungsund ^{1) 4)}	2006	720	415	-	130	62	0	58	0	0	7	29	140
	2007	905	459	-	145	51	0	72	0	0	11	5	130
	2008	967	472	88	128	49	0	64	0	0	25	12	77
Bruchhausen ²⁾	2006	114	218	-	46	14	9	18	0	0	0	17	290
	2007	127	281	-	58	19	3	17	0	0	0	31	290
	2008	124	267	9	58	45	2	28	0	0	0	21	195
Gent ²⁾	2006	23	28	-	4	1	0	4	0	8	0	6	1
	2007	29	26	-	4	1	0	4	0	0	0	4	1
	2008	19	22	6	4	1	0	3	0	24	1	2	1
Singapore ¹⁾	2008	43	192	101	61	36	152	43	0	0	0	2	639
Toledo ²⁾	2006	147	173	-	23	16	0	23	0	25	0	1	3,500
	2007	183	190	-	25	16	0	25	0	6	0	2	4,700
	2008	166	213	42	28	16	0	20	0	26	0	2	4,800
Castellanza ²⁾	2006	8	31	0	1	1	0	1	0	1,000	0	3	960
	2007	6	23	0	1	1	0	0	0	1,100	0	2	620
	2008	7	26	26	6	2	0	0	0	320	0	3	952
Vapi ²⁾	2006	31	41	-	10	21	26	-	0	9	0	4	533
	2007	38	51	-	13	15	26	-	0	3	0	3	549
	2008	22	44	6	13	17	13	-	0	6	0	0	251
Warrington ²⁾	2008	28	160	160	32	1	0	0	0	0	0	3	125
Waspik ²⁾	2007	19	1	0	0	0	0	0	0	0	0	0	0
	2008	23	0	0	0	4	0	0	0	0	0	0	0
El Salto ²⁾	2007	55	161	-	37	10	250	15	0	0	0	2	1,840
	2008	44	144	16	32	9	203	57	0	7	0	2	2,709
Zibo ¹⁾	2008	17	89	31	27	0	28	-	-	-	-	-	512

A dash (-) represents unavailable data

¹⁾ Waste water – internal treatment plant.

²⁾ Waste water – municipal treatment.

³⁾ Normal level of purification is over 90%.

⁴⁾ Including the plant at Nol.

GRI Index



Perstorp's sustainability reporting complies with the Global Reporting Initiative (GRI) guidelines, version G3. The following index shows where information can be found, with page references to the Sustainability Report and the Annual Report. Only the GRI core indicators (C), and the additional indicators (A) Perstorp has selected to report are listed, see pages 8 and 10 in the Sustainability Report. Also the indicators that follow UN's Global Compact program are listed.

See www.globalreporting.org for more information about GRI.

AR = Annual Report 2008
SR = Sustainability Report 2008

- ✓ Fully reported
- Partially reported
- Not reported
- Follows UN's Global Compact program

Strategy & analysis

1.1	Statement from CEO	AR 4-5 + SR 6	✓
1.2	Sustainability-related impacts, risks and opportunities	AR 35-38 + SR 7, 12-17	✓

Organizational profile

2.1	Name of the organization	AR 41, 51	✓
2.2	Primary brands, products and/or services	AR 10-13, 20-31	✓
2.3	Operational structure	AR 14-17, 60-61 + SR 3-5	✓
2.4	Location of headquarters	AR 2, 51 + SR 2, 5	✓
2.5	Countries where the Group operates	AR 14-15, 61, 68 + SR 4-5	✓
2.6	Nature of ownership and legal form	AR 51 + SR 2, 4	✓
2.7	Markets served	AR 8-9, 38 + SR 3-5	✓
2.8	Scale of the reporting organization	AR 42-43 + SR 2-5, 25	✓
2.9	Significant changes during the reporting period	AR 42-43 + SR 14	✓
2.10	Awards received in the reporting period	SR 8	✓

Report parameters

Report profile

3.1	Reporting period	AR 6-7 + SR 3, 35	✓
3.2	Date of most recent report	SR 35	✓
3.3	Reporting cycle	AR 45 + SR 3, 30, 35	✓
3.4	Contact person for questions regarding the report	SR 35	✓

Scope & boundary of report

3.5	Process for defining report content	SR 8, 10, 27	✓
3.6	Boundary of the report	AR 51-55, 57 + SR 8, 10, 27	✓
3.7	Specific limitations on the scope or boundary of the report	AR 51-55, 57 + SR 8, 10	✓
3.8	Reporting of entities that can affect comparability from period to period and/or between organizations	AR 51-52	✓
3.9	Data measurement techniques and the bases of calculations	AR 51-55, 57 + SR 8	✓
3.10	Explanation of the reasons for and effect of any restatement of information	AR 51-55 + SR 8, 30	✓
3.11	Significant changes in the scope, boundary or measurement methods	AR 51-55	✓

GRI content index

3.12	GRI Index	SR 31-34	✓
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Assurance

3.13	Policy and practice regarding external assurance	SR 8	✓
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Governance, commitments & engagement

Governance

4.1	Governance structure of the organization	AR 40-41	✓
4.2	Chairman's position	AR 40	✓
4.3	Number of independent, non-executive board members	AR 74-75	✓
4.4	Mechanisms for shareholders and employees to provide recommendations etc. to the board	AR 40-41	✓
4.5	Linkage between compensation to management and the organization's performance, including social and environmental performance	AR 69	✓
4.8	Internally developed statements of mission, values, code of conduct and principles relevant to sustainability performance, and their status	SR 8	✓
4.9	The board's procedures for overseeing sustainability performance	AR 40-41	✓
4.10	Processes for evaluating the board's performance, particularly with regard to sustainability performance	AR 40-41	✓

Commitments to external initiatives

4.11	The Group's handling of the precautionary approach	SR 13-14, 18-21	✓
4.12	Externally developed codes, principles or other initiatives to which the Group subscribes or endorses	SR 8	✓
4.13	Membership in associations	SR 27-28	✓

Stakeholder engagement

4.14	List of stakeholder groups engaged by the Group	SR 27-28	✓
4.16	Basis for identification and selection of stakeholders	SR 8, 26-28	✓
4.17	Approaches to stakeholder engagement and frequency of engagement	SR 28	✓

Economic indicators

Economic performance

EC1 C	Economic value generated and distributed	AR 45-49, 68	✓
EC3 C	Coverage of the organization's defined benefit plan obligations	AR 65-67	✓

Environmental performance indicators

Materials

EN1 C	Materials used by weight or volume	SR 14-15	✓
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Energy

EN3 C	Direct energy consumption by primary energy source	SR 14, 30	✓
EN4 C	Indirect energy consumption by primary source	SR 15	✓
EN5 A	Energy saved due to conservation and efficiency improvements	SR 13-14	✓
EN6 A	Initiatives to provide energy-efficient or renewable energy-based products	AR 6, 12, 20-31	●

Water

EN8 C	Total water withdrawal by source	SR 14	✓
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Biodiversity

EN11 C	Location and size of land owned, leased or managed in protected areas or areas of high biodiversity value outside protected areas	SR 14-15	✓
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Emissions, effluents & waste

EN16 C	Total direct or indirect greenhouse gas emissions by weight	SR 15, 30	✓
EN18 A	Initiatives to reduce greenhouse gas emissions and reductions achieved	SR 15	✓
EN19 C	Emissions of ozone-depleting substances by weight	SR 15, 30	✓
EN20 C	NOx, SOx and other significant air emissions by type and weight	SR 15-16, 30	✓
EN21 C	Total water discharge by quality and destination	SR 16, 30	✓
EN22 C	Total weight of waste by type and disposal method	SR 15, 30	✓
EN23 C	Significant spills	SR 20	✓

Products & services

EN26 C	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	AR 20-31	✓
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Compliance

EN28 C	Fines and sanctions for non-compliance with environmental laws and regulations	SR 28	✓
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Overall

EN30 A	Total environmental protection expenditures and investments by type	SR 17	✓
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Performance indicators for labor practice & decent work

Employment

LA1 C	Total workforce by employment type, employment contract, and region	SR 4-5, 25	✓
LA2 C	Total number and rate of employee turnover	SR 23, 25	✓
LA3 A	Benefits provided to full-time employees	SR 20	●

Occupational health & safety

LA7 C	Rates of work-related injury, occupational diseases and lost days	SR 19, 20	✓
LA8 C	Action programs relating to serious diseases	SR 19, 20-21	✓
LA9 A	Health and safety topics covered in formal agreements with trade unions		—

Training & education

LA10 C	Average hours of training per year per employee by employee category	SR 21, 25	✓
LA11 A	Programs for skills management and lifelong learning	SR 24-25	✓
LA12 A	Percentage of employees receiving regular performance and career development reviews	SR 24	✓

Diversity & equal opportunity

LA13 C	Composition of the Board, management and employees by category	AR 71, 74-77 + SR 24-25	✓
LA14 C	Ratio of basic salary or men to women by employee category		—

Human rights

Investment & procurement practices

HR3 A	Total hours of employee training on policies and procedures concerning aspects of human rights		—
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Non-discrimination

HR4 C	Total number of incidents of discrimination and actions taken	SR 8	✓
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Child labor

HR6 C	Operations identified as having significant risk for incidents of child labor, and actions taken	SR 8	✓
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Forced & compulsory labor

HR7 C	Operations identified as having significant risk for incidents of forced labor and actions taken	SR 8	✓
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Society**Community**

SO1 C	Programs and practices that assess and manage the impacts of operations on society/communities	SR 27-28	●
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Corruption

SO2 C	Percentage and total number of business units analyzed for risks related to corruption	SR 8	✓
SO3 C	Percentage of employees trained in anti-corruption policies and procedures	SR 8	✓
SO4 C	Actions taken in response to incidents of corruption	SR 8	✓

Anti-competitive behavior

SO7 A	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcome		—
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Compliance

SO8 C	Monetary value of fines and number of sanctions for non-compliance with laws and regulations	SR 28	✓
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Product responsibility**Customer health & safety**

PR1 C	Life-cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of products and services subject to such procedures	SR 18-21	✓
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Product & service labeling

PR3 C	Type of product and service information required by procedures, and percentage of products and services subject to such information requirements	SR 19-21	✓
PR4 A	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	SR 21	✓
PR5 A	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	SR 27	✓

Marketing communications

PR6 C	Programs for adherence to laws, standards and voluntary codes related to marketing communications	SR 8	✓
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Customer privacy

PR8 A	Total number of complaints regarding breaches of customer privacy and losses of customer data	SR 27	✓
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Do you want to know more?



www.perstorp.com

The Annual Report, financial statement, interim reports and Sustainability Report are published in Swedish and English and can be downloaded from the website.

The Annual Report may also be ordered from:
bodil.samevik@perstorp.com



Perstorp's reports for 2008

For 2008, Perstorp is publishing an Annual Report and a Sustainability Report. Both reports are available at www.perstorp.com, where they can also be ordered in printed form. Perstorp's reports for 2007 were published in April 2008.

Communication with Perstorp

If you would like to pass on your views about Sustainability Report 2008 or have questions about Perstorp's work in this area, please contact Cecilia Nilsson, Communications Manager, cecilia.nilsson@perstorp.com

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Your Winning Formula

The Perstorp Group is the world leader in several sectors of the specialty chemicals market. Few chemical companies in the world can rival its 125 years of success. Today we have a rich performance culture distilled from our long history and extensive knowledge in the chemical industry. That culture and knowledge base enables us to produce Winning Formulas for a wide variety of industries and applications.

Our products are used in the aerospace, marine, coatings, chemicals, plastics, engineering and construction industries. They can also be found in automotive, agricultural feed, food, packaging, textile, paper and electronics applications.

Our production plants are strategically located in Asia, Europe and North and South America and are supplemented by sales offices in all major markets. We can offer you a speedy regional support and a flexible attitude to suit your business needs.

If you want a chemical partner who can offer you focused innovation to enhance your product or application, which is delivered reliably and responsibly look no further. We have a winning formula waiting for you.