



# NKT AND THE COMMUNITY

COMMUNICATION ON PROGRESS 2010



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## MEMBERSHIP

Membership date: 27 March 2009

Number of employees: 9,100

Sector: Electricity

## REPORTING DATE AND PERIOD

25 October 2010

The report covers the period 1 July 2009-30 June 2010

## CONTACT

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Cover photo top: Courtesy of NKT Flexibles.

Cover photo bottom: Close-up of scrap from NKT Cables recycling plant in Stenlille, Denmark.



# NILFISK-ADVANCE

## Nilfisk-Advance is adjusting its operating practices to ensure ongoing compliance with the UN's recommendations on corporate social responsibility

We are proud to be one of the world's leading producers of professional cleaning equipment. Our products are manufactured on three continents and used worldwide. We offer our customers cleaning solutions that are both efficient and improve the sustainability of the industry.

### Efficient and sustainable solutions

At Nilfisk-Advance we have become a signatory to the UN Global Compact on our own, in order to underline our commitment to be a responsible company. We are very much aware that through this increased focus we take on us a task that will lead to changes in the way we conduct our business. However, we are certain that this commitment will help us in developing our business in a new and positive direction. It will also enable us to meet the growing demand from customers for sustainable and more efficient products and processes.

We constantly work to improve our products. We, as well as our customers, see great potential in developing cleaning solutions with a better environmental performance, and new products are being developed using more eco-friendly designs and more recyclable materials. New products shall provide equal or enhanced cleaning efficiency while using less energy, less water and less detergent. We want to take a leading position in this development, and we see this as an opportunity to create new, attractive businesses for us.

Brøndby, Denmark, 25 October 2010

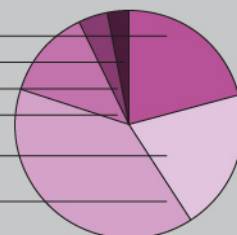
*Jørgen Jensen*

CEO, Nilfisk-Advance

• SALES ENTITIES  
• PRODUCT COMPANIES

### NILFISK-ADVANCE

CHINA 21%  
MIDDLE EAST/AFRICA 3%  
ASIA/PACIFIC 4%  
EASTERN EUROPE 13%  
AMERICAS 20%  
WESTERN EUROPE 39%



## HUMAN AND EMPLOYEES RIGHTS

As a global company we operate in parts of the world that have a long tradition of respect for individual rights, and also in parts of the world where these rights are not necessarily prioritized. We consider it important that all our employees are assured good and fair conditions and we are committed to setting an example in the countries where we operate.

To reach our business goals it is crucial to have a dedicated workforce, an inspiring working environment and be able to continuously foster new talents. Nilfisk-Advance must be a good company to work for - regardless of location.

Our products are attracting professional, responsible customers. They too want to make sure that the products they use have been produced in a responsible way. We know that wherever we operate, the responsibility for compliance lies with ourselves and not only with the local authorities. We are therefore committed to ensuring that not only we, but also our suppliers conform to our standards and observe the UN Global Compact principles.

As a important part of our efforts within this field we have drafted Nilfisk-Advance Code of Ethics and communicated this throughout the entire organization.

### GOALS: HUMAN AND EMPLOYEES RIGHTS

#### Management

##### Goal: 30.06.10

All local managements are informed of our policies, have issued their comments, and have endorsed the policy.

##### Actions

Local managements are to sign a Statement of Representation on the UN Global Compact principles at least once a year.

##### Status as of 30.06.10

All local unit managers have delivered a Statement of Representation and a consolidated document is signed by the CEO of Nilfisk-Advance.

Human and labour rights are now included in the annual standard agenda for board meetings. **Goal has been accomplished.**

##### New Goal: 30.03.11

Zero tolerance for acts of discrimination of any kind and hence no cases to be reported.

##### Actions

Registration system for reporting cases of discrimination to be established

##### New Goal: 30.06.11

We will foster that talent has the opportunity to achieve their full potential

##### Actions

The People Review Programme will be extended from Top60 to include Top200 leaders in our company.



### NEW CAR POLICY

We have adopted a new car policy that applies to all new corporate- and service cars in Nilfisk-Advance. The car policy ensures that in the future our cars will have a maximum CO2 emission of 150g per kilometer, so that we can reduce our environmental footprint. The policy also requires a minimum security clearance of our new vehicles of 4 Euro NCAP stars, providing enhanced safety in the vehicle.

## Procurement

### Goal: 30.06.11

80% of the procurement (in value above 50,000 EUR only) is to be supplied by partners who have agreed to abide by the principles of the UN Global Compact.

### Actions

The principles of the UN Global Compact are part of the text in new supplier contracts. When contractual agreements are in place, we plan to carry out control visits based on a risk assessment at some suppliers.

### Status as of 30.06.10

We work hard to introduce UNGC principles in our supplier agreements on a global scale. EMEA / APAC\* countries have been spear-head in this effort. Here ~70% of direct spend (in value) is now with suppliers who have agreed to comply with the principles of the UNGC.

## Occupational injuries

### Goal: 30.06.2011

Regular reporting on the number of occupational injuries followed by definition of target for reduction of injuries (leading to absence).

### Actions

We measure and define progress goals, take preventive initiatives, and follow up on all incidents.

### Status as of 30.06.10

A registration system has been established.

Locally follow-up and preventive initiatives are being implemented by managements and security committees.

\* EMEA: Europe, Middleeast, Africa

\* APAC: Asia, Pacific

## ENVIRONMENT

We see environmental sustainability as an element of sound business practice. If we as a company can reduce our consumption of all forms of resources it will benefit the environment. But it will also benefit us and our customers economically.

In Nilfisk-Advance we work with sustainability in two quite distinct areas, the products and the manufacturing processes: Determining the environmental footprint of new products over their service life is an integral part of our development work. Accordingly, we know that the principal environmental impact associated with these products comes from their use.

Our cleaning machines naturally consume energy, water and in certain product areas also detergents. Designing equipment which can clean to the same high standard, but by use of fewer resources is therefore our greatest challenge. Hence, this is the area where we can make the maximum possible impact in our environmental efforts.

Our second main area of environmental focus is to reduce our own internal consumption of resources caused by our daily work, such as running our offices and operating our manufacturing facilities, transportation of our products, etc. We believe that renewed focus in this area can significantly reduce consumption.

### GOALS: ENVIRONMENT

#### Product development

##### Goal: 30.06.10 - and onwards

All new products contain sustainability improvements within at least one and preferably more of the following four areas: Energy consumption, water consumption, use of detergent and disposal.

##### Actions

The sustainability of the products is an important part of the decision in the product development process.

##### Status as of 30.06.10

We have introduced a new platform for technology development, 'Customer Focused Technology Development' in which environmental impact of future products is included as a high priority parameter in the activities.

73% of the new products we launched in the EMEA / APAC region in the reporting year included environmental improvements within one or more of the four areas.

#### CO<sub>2</sub> emission

##### Goal: 31.12.11

12% reduction in 2011 on reported emission normalized to output (revenue) as compared to 2008.

##### Actions

Monitor and report on the emission at all locations. Based on that we ensure local focus on energy reduction in our processes.

##### Status as of 30.06.10

Our change in data collection has led to inconsistencies in our base data (see UN Global Compact, Resume). The consequence is that not before mid 2011 do we expect to have sufficiently reliable base data on which to calculate and track CO<sub>2</sub> emissions and we will then reconsider our goals.



### LESS WATER AND DETERGENT

EcoFlex is a series of patented dispensing systems, making it possible to clean using only water without detergents. In areas with very grimy surfaces, where there is a need for both water and detergents, the EcoFlex reduces water consumption by 50% and need for detergents by 35%. EcoFlex ensures a clean environment and minimizes resource consumption.

Products' environmental footprint

**Goal: 31.12.11**

Product footprints from most selling products are to be identified.

**Actions**

We will identify and reduce the full environmental impact from our most selling products within energy and water consumption, use of detergents and disposal.

**Status as of 30.06.10**

We have decided to initiate the process by identifying our products' full environmental impact and use these data as a base for our future product developments.

We have introduced a new platform for technology development Customer Focused Technology Development in which environmental impact of future products is included as a high priority parameter in the activities.

**Goal: 31.12.15**

Set target for reduction of most selling products footprint on environment.

## ANTI-CORRUPTION

We consider corruption a major challenge for the global community. We are committed to working against the negative effect that corruption has on fair competition and the development of a stable society. Corruption undermines healthy competition, and money ends up in the wrong hands. As corruption is particularly widespread in poor communities this makes the effect even worse.

In order to support the work against corruption we have drafted and communicated Nilfisk-Advance Code of Ethics in which our position on business ethics appears. Furthermore, a global whistleblower system has been established in Nilfisk-Advance enabling employees anonymously to report anti-corruption incidents.

### GOALS: ANTI-CORRUPTION

#### Management

##### Goal: 30.06.10

Local unit general managers are informed of our policies, have issued their comments, and have endorsed our policies.

##### Actions

Local unit general managers sign a Statement of Representation on the UN Global Compact principles and this item appears on the agenda at local business board meetings at least once a year.

##### Status as of 30.06.10

Each local unit general manager has signed Statement of Representation and the consolidated document is signed by the CEO of Nilfisk-Advance.

Anti-corruption is included in the annual standard agenda for local board meetings.

**Goal has been accomplished.**

##### New Goal: 30.06.11

All management must *repeatedly* be informed of our policies, issue their comments and endorse our policies.

##### Actions

As above.

##### Status as of 30.06.11

#### Corruption

##### Goal: 30.06.10

Report the number of filed corruption and cartel cases, if any.

##### Actions

We monitor findings and establish a whistleblower system.

##### Status as of 30.06.10

A whistleblower system for filed cases of corruption and antitrust cases has been established. No cases have been reported.

Furthermore, the Statement of Representation requests local management to have a focus on this issue.

**Goal has been accomplished.**

#### Facilitation payments

##### Goal: 31.12.10

Submit a report on the first full year, perform assessment and define subsequent goals.

##### Actions

We define what the concept of 'facilitation payment' means in our company.

##### Status as of 30.06.10

We have adopted the OECD definition of facilitation payments.

A registration system has been established that requires local management to report cases of facilitation payments.



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