

Communication On Progress Report

Coloplast Hungary Ltd. 2009-2010



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1. Company data

Name of the participating company/organization:	Coloplast Hungary Ltd.
Country:	Hungary
Sector:	Medical device manufacturing
Reported period:	2009-2010 Financial year

2. Statement of continued support for the Global Compact by the CEO or other senior executive

At Coloplast Hungary, the UN's Global Compact initiative is one of the most important standards guiding our responsible work, plans and ambitions. Coloplast Hungary has been a dedicated member of Global Compact since 2006 and we continue to strongly support this initiative. Coloplast's achievements and appreciation are the results of the fact that the company does not only listen to the users' needs but strives for providing the best possible solutions.

Listening and responding is an interaction, which must work not only outside but inside the company.

As an employer we have to show openness towards our employees' suggestions and ideas similar to the way we treat our customers.

In the last year we have been focusing on employees' expectations and dedicated time to understand them.

Throughout this year we implemented several new programs to listen to our people. The new idea program from our employees brought us not just financial but also environmental and work-condition improvements. The program with the ESLM ambassadors strengthens employee motivation and opens new way for the dialog between employees and management. These newly established forums provide also solid basis for increasing involvement.

When someone feels involved, it contributes to higher level of responsibility – this is one of the benefits of these programs. This really works and involved employees take their part in decision making more and more seriously. Last but not least these platforms brought higher engagement towards the company.

As a manager, it is my responsibility to bring our vision about listening and responding closer to the employees and make them see how it appears in their everyday life.

Acting to the satisfaction of our customers, employees and nearest environment, is not possible without keeping ethical standards strictly. As I see it today, when people choose a workplace, keeping, respecting and accepting the principles of Global Compact are important factors. We are on the right track if these principals come to fruition in their natural ways, if they are evident for everyone, if we do not have to follow them as rules but they live in harmony with us in our everyday life. I would like to act as an ambassador of this naturalness further on. I am convinced that we are on the right way getting an ethical compass from Global Compact, which we can realize better together.

Boris Kovac
General Manager

3. Description of practical actions

Actions taken to implement the Global Compact principles and Quantative measurement of performance

Principle 1: Business should support and respect the protection of internationally proclaimed human rights

Commitment Systems	Actions	Performance GRI indicators
ISO 14001	Coloplast code of conduct on human rights and labor standards implemented	HR 1
OHSAS 18001		HR 2
Code of Conduct	Corporate intranet based tool for registering, reporting and taking action for workplaces related issues have been implemented. Interactive communication with the employees Open doors policy – every managers have “open hour meeting” every week Employee ESLM -yearly employee satisfaction measurement PDP – Personal Development Plan for all employee in every 6 months Quarterly workers forum – dialogue with the management Knowledge sharing, involving employee into process improvement EHS representatives forum in every months	HR 3 HR 4

Principle 2: Business should ensure that they are not complicit in human right abuses

Commitment Systems	Actions	Performance GRI indicators
Code of Conduct	Coloplast code of conduct on business ethics and human rights are implemented. All business contract of Coloplast Hungary contains the acceptance of principles of the Coloplast code of conduct	HR 2 HR 3

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

Commitment Systems	Actions	Performance GRI indicators
Work Safety representatives	Employee “great-idea” program introduced to improve work culture and performance. More than 600 ideas in 1 year arrived for improvement The concept of ESLP Ambassadors started, workers selected representatives, who consult monthly with the management and express employees need, request towards them Employee Satisfaction Loyalty Measurement - ESLM database tool - Personal Development Process is ongoing activity	HR 5

Principle 4: Business should support the elimination of all forms of forced and compulsory labour

Commitment Systems	Actions	Performance GRI indicators
Code of Conduct	Coloplast code of conducts on human rights and labor standards. All workers contracted with undefined contract Ethical program for subcontractors – all contract contains reference to our ethical codex as a mandatory requirement	HR 7

Principle 5: Business should support the effective abolition of child labour

Commitment Systems	Actions	Performance GRI indicators
Code of Conduct	Declaration on Child Labour issued All forms of child work are prohibited and in all subcontractors are forced by contract to keep the regulations of the Hungarian Labour Law.	HR 6

Principle 6: Business should support the elimination of discrimination in respect of employment and occupation

Commitment Systems	Actions	Performance GRI indicators
Code of Conduct	Coloplast code of conduct on human rights and labor standards further implemented Rate in the management and global percentage.	HR 4 HR 10 HR11

Principle 7: Business should support a precautionary approach to environmental challenges

Commitment Systems	Actions	Performance GRI indicators
ISO 14001 Sustainable report GRI report	Coloplast Hungary prepared Sustainability Indicator track sheet based on GRI indicators, and follows its sustainability performance in monthly bases. Energy saving is a key performance indicator in internal reporting. New corporate Climate Strategy issued in year 2009 “Environmental sound daily-life practices” training for the workers.	3.13

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

Commitment Systems	Actions	Performance GRI indicators
	EHS programs are started to reduce CO ₂ emission Participation in local Environmental cluster – cooperation with the representatives of town management, public sector and industrial sector	EN1 –EN 16 1.1

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

Commitment Systems	Actions	Performance GRI indicators
	Installation of ECO-mode on production machines – energy savings in idle mode Cooling system extended with new module to utilize external temperature for cooling – 15% energy savings in cooling	EN1 –EN 16 1.1

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

Commitment Systems	Actions	Performance GRI indicators
Code of Conduct	Internal communication and training in the code of conduct emphasized. Dialogue with external stakeholders, business contract contains enclosure about code of conduct Whistleblower hotline introduced to report any form of corruption or unethical acts. Brochure to all employees developed and distributed Posters with principles developed	SO2

4. Company data

Coloplast Hungary Kft.
Búzavirág út 15
2800 Tatabánya
Hungary
Tel: +36 34 520 500
Fax: +36 34 520 586
www.coloplast.hu
12636332-2-44
Cg. 11-09-008145

Contact person:

Attila Borbély (Mr)
Facility and EHS Manager
Tel: +36 34 520 598
Fax: +36 34 520 597
HUABO@coloplast.com

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