

Pressalit Group A/S

Communication on Progress 2010 - Report on the UN's Global Compact About Pressalit Group

Pressalit started in 1954, and is today one of Europe's leading manufacturers of toilet seats and bathroom solutions for Persons with Reduced Mobility (PRM's).

Today, Pressalit is a company Group with 2 independent business areas: Pressalit Seats and Pressalit Care. The business areas pursue their own objectives and process their own individual segments, but share and develop a living culture, based on the common overall core values: We listen. We give. We play. We trade.

From our headquarters in Ry, Pressalit Group's 382 employees generate a turnover of DKK 460.3 million (2009), primarily in European markets. The export portion accounted for 80% in 2009.

Managing Director's Report

Corporate Social Responsibility is an important part of the agenda in Denmark, and part of the practical way we do business in Pressalit. We will continue to take our responsibility of being a socially responsible company seriously.

Since our last Global Compact report, we have continued the implementation of the company's Code of Conduct. It is based, among other things, on the ten principles of Global Compact, and in this way we emphasise our support for Global Compact.

In 2010, the company first started producing toilet seats outside Denmark, namely in Thailand. Management has focused heavily on our responsibility to behave ethically, and therefore our Code of Conduct has been introduced for our new colleagues working in Thailand.

Below is a description of some activities and achievements from 2010 in relation to our commitment to Global Compact. The activities are described separately. We have chosen to mention them only once, although some of them relate to more than one principle. The measurement of activities and results is only described where relevant. We hope this will make the report easy to read, and give a good indication of our intentions and actions.

Thus I wish to underline our continued support for Global Compact.



Dan Boyter
Executive Vice President

Global Compact in Pressalit Group

Overall: Code of Conduct

Support of the United Nations' Global Compact initiative is an important cornerstone of Pressalit Group's work with Corporate Social Responsibility in general and our Code of Conduct in particular.

Our Code of Conduct includes all 10 principles of Global Compact, so that our ethical rules at least make the same demands made by Global Compact.

In the course of 2010, the Code of Conduct was implemented in the company's departments at various department meetings, so that all employees have had the opportunity to discuss the limitations and opportunities the rules present. Thus, all of our employees know that we, as a company, demand that our suppliers and other partners at least live up to the ten principles formulated in the Global Compact.

Pressalit Group's Code of Conduct is based on 5 themes: Diversity, environment, anti-corruption and compliance with legislation and human rights. Our Code of Conduct is available under these five titles on our website: pressalitgroup.com, while the individual ethical rules are on our intranet, as they are meant to be a dynamic document which is still being developed through placing ethics on the agenda.

Overall: Supplier management

Global Compact's principles are also an important cornerstone in our work with suppliers. Our strategically important suppliers, the ones we trade with for over DKK 5 million, receive the greatest attention. As an environmental and quality certified company (ISO 9001 & 14001), we focus very much on ensuring that our suppliers, if they are not themselves certified, follow "ISO-like" principles.

Suppliers must meet our purchase terms; e.g. that they ensure that the Global Compact principles are respected.

The above procedures apply to Pressalit Seats, while, until 2011, the methodology used by Pressalit Care has been slightly different. Suppliers to Pressalit Care have also been made aware of, and asked to ascertain whether they meet, the requirements of Global Compact.

Pressalit audits suppliers by making its own visits.

In 2011, our corporate purchases will be amalgamated and will thus become subject to the checks described for Pressalit Seats.

Human Rights (Principles 1-2)

Concrete initiative - diversity: graduates

Pressalit Group A/S has for some years been working to have 2-year graduates placed in the company. When we posted two new positions in 2010, we had many applicants. On the basis of the large number and high quality of candidates, we chose to employ not just two candidates, but four. Coincidentally, the four candidates we considered best suited were from Uzbekistan, Peru and Poland. All four started in August 2010 and their presence affects our approach to diversity, which we, apart from their professional contribution, also appreciate. Although we have a large export market, we are in many ways still a very Danish company, in which the majority of our employees work in Ry.

Concrete initiative - diversity: cultural backgrounds

In autumn 2010 we made a tentative audit of employees, who, based on their names, we considered not to have a Scandinavian background. To the best of our knowledge, we have about 10%. It is however important to stress that this is a qualified estimate, since we do not register people's nationality.

Diversity is a watchword at Pressalit, where we constantly stress that all are welcome as employees. Recently, this has been formulated in our Code of Conduct: "We find strength in diversity. We strive to reflect a global society and are therefore attentive to diversity in terms of ethnicity, educational background, gender, religion, sexuality, age and ability."

Concrete initiative - diversity: trainees

At Pressalit we provide as many places as possible to take in trainees. We have student/apprentice positions, and we provide places so that students from secondary school to third-level education can take up internship for approx. 4 months in the company. Finally, we also strive to contribute to the social mission; i.e. to provide places and opportunities for people on benefits, which must be clarified in the labour market.

Concrete initiative - diversity: LGBT

In March 2010, Pressalit's Deputy Chief and Managing Director, Dan Boyter, spoke at a conference on diversity, organised by the Confederation of Danish Industries. Dan Boyter was chosen to put into perspective the angle of diversity comprising the conditions for LGBT (lesbian, gay, bisexual and transsexual).

At Pressalit we seek to incorporate a sexual perspective when discussing diversity, and, in that way, strive for an open culture in which we can openly discuss the composition of staff in relation to diversity.

At Pressalit, part of being a manager is to be aware of diversity and set a good example by being a role model. The task as a role model begins when all managers receive an introduction from the HR manager.

Finally, we focus on expressing ourselves so that everyone feels included. For example, we always invite "you and your partner" to company events, thus signalling that partners, as well as spouses, are welcome. This is not only a gesture to LGBT's, but also to the company's younger staff.

Expected dividends and activities in 2011

In 2011 we will continue to develop the company's diversity and emphasise that all departments will eventually define and specify their diversity as a contribution to a diverse workplace.

Labour Standards (Principles 3-6)

Concrete initiative – recertifying The Social Index

Since 2003, when we were first approved to use the brand, Pressalit has used The Social Index, a certification tool for social responsibility, developed by the Ministry of Employment. Since then, the index has been developed as a communication tool that companies use in consultation committees and are thus able to discuss both what they have already done, and where there is room for improvement. Pressalit conducted a self-evaluation in December 2009. Against this background, we created an action plan with some improvement points regarding skill development and better marketing of the statutory medical examination for employees who work at night.

Concrete initiative - change of shift structure

In the spring of 2009, Pressalit launched a project to change the production shift structure in order to improve the overall health of employees. A project group spent several months taking a close look at how fewer employees could work on rotation in a three-team shift: day, evening, night. There were presentations from several experts who told us about the health aspects of working in shifts, and the contractual terms of shift work versus fixed times etc.

Employee meetings were held, in which all employees were informed of the initiatives. Employees also had the opportunity to express their wishes on a questionnaire which they had several weeks to fill out; so that they had the opportunity to discuss their future working conditions with their life partners. A change in working hours also has economic perspectives, which employees had previously been informed of.

In light of concerns expressed, production management extended the day shift, where people work at fixed times during the day. On the one hand, great emphasis was placed on the employees' own wishes, on the other, we looked at individual employee job satisfaction and, based on that, the staff were asked to move to day shifts.

It was a surprise that relatively few people wanted to give up the three-team shifts. However, we believe that when their colleagues see how well the new people on the day shift thrive, demand will increase. We therefore hope that we can ultimately expand our day shift and/or work with several fixed teams. It is also an opportunity to work with more flexible working hours, for example, by defining the need for 10 employees during the period from 06 to 18, and thus employees might work from 10:00 to 18:00, while others start at 06:00 until 14:00.

Concrete initiative - absenteeism:

In early summer, we set up another project group to come up with concrete measures to reduce absenteeism among salaried employees. Absenteeism among this group has remained fairly high over the years. And this is despite various efforts which failed to reduce the ratio to the desired level of 3%.

Concrete initiative - Employee satisfaction survey

In 2010, Pressalit Group A/S measured employee satisfaction for the third time, with a response participation of 81%. Unfortunately this was a little lower (3%) than the previous year. All units must come up with plans for the improvements they will implement in their own departments. The plans were collated and discussed at the Senior Management Team Meeting.

Concrete initiatives - appointments with special conditions

The company also has places for employees who are employed on special terms; typically in flexi-jobs. In 2010 the company terminated its cleaning contract with the then, external supplier, because, among other things, we wanted to create a team of flexi-jobs to manage the cleaning of our office space.

The scheme has now been established in close cooperation with Skanderborg Municipality, which has mostly been responsible for the recruitment of approximately 6 employees we currently employ.

Concrete initiative – Health Check

As a company we also work at night, so we therefore offer employees a check-up at least every three years. In 2008, only about 20% of employees participated in the medical examination, so it was a goal for us that a far larger proportion of workers should be involved.

At this year's check-up, we devised a preparatory process where we engaged the occupational health doctor to study the examinations and give a presentation to the staff. We offered a health check to the day shift, as well as the shift teams. At the meetings, employees were introduced to the doctor they would later meet for a medical check, and they received information on what the check up entails, a review of the questionnaire filled in for the check-up, the duty of confidentiality and some general information on what sleep, diet and exercise in particular means to a shift worker.

Then, over a three-month period, medical appointments were offered, from which employees could choose the appropriate time, which was of course during working hours. The preparatory process took place in close cooperation with the company's shop steward, who also attended board meetings, where he said that he believed that the health checks were a good idea. During the signup process, the shop steward also held discussions with employees about the option to sign up for, or decline, the examination, which is of course voluntary.

53 of approx. 80 potential employees took up the offer of a health check.

The remainder of the approximately 120 salaried employees will be offered a health check by the union 3F's Health Bus, when it visits Pressalit in the second quarter of 2011.

Expected dividends and activities in 2011

We expect that another group of employees will leave the three-team shifts to work with fixed work times.

We expect to reduce our absenteeism to the target of a combined absence of 3%.

We will continue to work with Skanderborg Municipality etc. to provide internships for various clarifications.

Environment (Principles 7-9)

Concrete initiatives - reduction in electricity consumption

In the production of toilet seats, we have focused on reducing power consumption by ensuring that we optimise compressed air seals. In the last quarter of 2010, this has resulted in a reduction of 40000kwh.

Expected dividends and activities in 2011

In 2011 a project on general energy optimisation was launched. The project will focus on savings in the use of light, heat and energy in various machines.

Anti-Corruption (Principle 10)

Concrete initiative

The attention paid to anti-corruption is mostly centred on our newly established production in Thailand. In the recruitment of staff, we have attached great importance to our code of conduct being observed, just as

the senior managers in Thailand know they have a responsibility to ensure that the code is observed, and that employees and partners know the company policy.

Follow-up of the goals for 2009

Principles 3-6:

6 new flexi-jobs, plus 10 clarified company trainees

In 2010, Pressalit Group A/S employed 7 employees in newly created flexi-jobs in facilities. Moreover, we have taken on approx. 15 people in various clarifying practices.

Employee satisfaction survey with a participation of 85%

In 2010, 81% of employees chose to respond to the employee satisfaction survey.

Absenteeism of 3% was unfortunately not achieved in 2010. A reduction of absenteeism among salaried employees is still a focus area.

Principles 7-9:

The number of work accidents in 2010 was 9, with a total of 28 sick leave days as a result.

Principle 10:

Instead of new guidelines, some action areas have been implemented in light of feedback from the organisation following the implementation of the Code of Conduct. The Senior Management Team is responsible for the focus areas.