

60
years of care

Forward
together

Corporate Responsibility Report 2016/17

Statutory Report cf. Danish Financial Statements Act sections 99 (a) and (b) and UK Modern Slavery Act

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About this report

This report presents Coloplast's management of its social and environmental responsibilities. Topics covered are based on Coloplast's most recent materiality assessment disclosed on page 30.

Together with Coloplast's own ambitions, targets and challenges, this report includes general trends in the health care industry, changes in key demographic groups worldwide, and more. These trends are based on Coloplast's own assessments of external events and the UN Sustainable Development Goals.

In addition, this report constitutes the statutory report cf. Danish Financial Statements Act, section 99a and 99b. The report is published annually together with the Coloplast Annual Report, and covers the financial year 2016/17, from 1 October 2016 to 30 September 2017. This report also functions as the Communication On Progress (COP) to the UN Global Compact as well as Coloplast's statement on the UK Modern Slavery Act.

For more about our approach to reporting and corporate responsibility, please see page 28.

2016/17 Highlights

Below is a summary of highlights specific to Coloplast's 2016/17 corporate responsibility performance. You will find more information on these topics throughout the chapters of this report.

- Launched new wound care dressing for faster healing (see page 7)
- 41% phthalate reduction achieved and new target set (see page 7)
- Increased measures on data privacy including certification on ISO27001 (see page 9)
- Access to Healthcare made permanent and ten new projects approved (see page 11)
- MedTech Europe Code of Ethical Business Practice implemented (see page 15)
- New ambition to increase the percentage of women in top management (see page 17)
- New safety plan and target (see page 20)
- Greenhouse gas emissions per unit exceeding target (see page 25)
- Production waste per product above target (see page 25)
- New target to increase recycling rate (see page 25)
- 100% of electrical consumption to be from renewable sources by 2019 (see page 25)
- Updated materiality assessment (see page 30)



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CEO Statement

For 60 years, Coloplast has strived to make life easier for people with intimate healthcare needs. Throughout the years, the secret to our accomplishments is that we have not attempted to succeed alone. Together with healthcare professionals, users, customers and partners we have always looked ahead.

As we mark our 60th anniversary, we acknowledge the importance of collaboration and partnership more than ever. And we commit to continuing to lead the way in intimate healthcare.

Celebrating 10 years of partnerships

Access to Healthcare is a Coloplast-sponsored partnership programme that brings together practitioners, users, NGOs and other public and private partners to promote better intimate healthcare globally – through education, advocacy and partnerships.

In 2017, the Access to Healthcare programme marks its 10th anniversary. On this occasion, I am proud to announce that we have decided to make the programme a permanent commitment with the ambition of leaving a positive, lasting impact on the standard of care within ostomy care, continence care and wound care, globally.

Thanks to the dedication of partners and Coloplast staff worldwide, the programme can now celebrate:

- 46 projects since 2007
- A presence in 10 countries
- Approximately 12,000 healthcare professionals trained

Demonstrating our continued commitment, we have approved ten new projects this year. Among others, the projects concern continence care in Australia, Brazil, Iran, Japan and Russia as well as wound care in China.

Forward together

Working together in this way – sharing knowledge across fields of expertise – has resulted in life-changing products, services and increased access to healthcare that has given thousands of users greater control and the confidence to live the life they want.

Working together is also what will ensure the success of the 17 UN Sustainable Development Goals (SDGs).

We have been committed to the UN Global Compact since 2002, and we are also committed to contributing to the success of the SDGs through collaboration whenever relevant – as in the case of the SDG no 3 to ensure good health and well-being, which we support through Access to Healthcare.

This report discusses our progress and challenges related to our corporate responsibility and the SDGs. And, with this report, we reconfirm our commitment to the UN Global Compact principles as well as commit to moving forward together to reach the SDGs

Lars Rasmussen,
President and CEO



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

Company profile

Coloplast develops and markets products and services that make life easier for people with very private and personal medical conditions within Ostomy Care, Continence Care, Wound & Skin Care and Urology Care.

Business model

Coloplast markets and sells products and services globally, and in most markets the products are eligible for reimbursement from local healthcare authorities. Coloplast supplies products to hospitals and institutions, as well as wholesalers and pharmacies. In selected markets, Coloplast is also a direct supplier to users (homecare).

Coloplast employs about 11,000 people and operates globally with sales subsidiaries in more than 40 countries. There are production sites in Denmark, Hungary, the United States, China and France.

Risks to society

Coloplast is mindful of the risks posed towards society such as, but not limited to, labour and human rights in our direct operations and in our supply chain, anti-corruption among distributors and environmental strains from our production. Coloplast has policies in place for relevant risks on these four topics, which is addressed throughout this report. The policies are published along with this report on Coloplast.com.

Our four business areas

Ostomy Care products are for people whose intestinal outlet has been rerouted through the abdominal wall. Examples of conditions, which could require a reroute include colorectal cancer, bladder cancer and inflammatory bowel disease.

Continence Care is about helping people manage their bladder and bowel conditions. Examples of conditions, which affect continence include spinal cord injuries, Spina Bifida and Multiple Sclerosis.

Wound & Skin Care is the treatment of difficult-to-heal wounds, while skin care products are used for prevention and treatment of damaged or at-risk skin. Examples of condition, which require healing include leg ulcers, diabetic foot ulcers, and pressure ulcers.

Urology Care is the treatment of medical issues related to the urinary system, the male reproductive system and female pelvic health. Examples of urinary conditions include urinary incontinence, pelvic organ prolapse, erectile dysfunction and enlarged prostate.

Corporate responsibility is anchored in Coloplast's values

Respect and responsibility is a guiding principle at Coloplast and at the heart of the Coloplast culture. Corporate responsibility reflects Coloplast's mission, vision and values and supports Coloplast's leadership position and the broader responsibility that comes with it – responsibility to our users, to clinicians, to our employees, to business partners, to society, to the environment, and to our shareholders.

Mission

Making life easier for people with intimate health care needs

Values

Closeness... to better understand
Passion... to make a difference
Respect and responsibility... to guide us

Vision

Setting the global standard for listening and responding

Sales performance by business area

	DKK million	
	2016/17 12 mths	2015/16 12 mths
Ostomy Care	6,291	5,935
Continence Care	5,543	5,182
Urology Care	1,641	1,497
Wound & Skin Care	2,143	2,067
Other items	-90	
Net revenue	15,528	14,681

Sales performance by region

	DKK million	
	2016/17 12 mths	2015/16 12 mths
European markets	9,394	9,213
Other developed markets	3,642	3,177
Emerging markets	2,582	2,291
Other items	-90	
Net revenue	15,528	14,681

Our role in society: Empowering people

These years, we are witnessing a demographic development that sees the world's elderly population grow. We are also seeing our industry affected by the rise of the healthcare consumer, cost pressure from payers, digitalisation of healthcare information and increasingly consolidated and sophisticated channels.

This puts more pressure on healthcare systems and could limit access to innovative treatment.

Coloplast is committed to helping address the structural changes faced by healthcare systems and

society, and to fulfil our part of the objective shared with clinicians and users to achieve better health outcomes.

Coloplast contributes to better health outcomes by innovating products and services, supporting users, training healthcare professionals and building partnerships to increase access to products.

By doing so, Coloplast empowers people to be active in society and live the lives they choose. Whether that is to resume their social lives, careers, or passions.

Our approach to empowering people

Topic	Our responsibility	How we measure progress	Current status	Quantitative target
Product development and safety	Translating user insights, technical breakthroughs and design thinking into products that redefine care and set new standards for safe product composition.	% reduction in total consumption of phthalates	41%	40% by end of 2017
Supporting beyond expectations	Anticipating needs and taking actions that exceed the expectations of users and healthcare providers, both in person and on the phone, creating a community of support.	Number of users enrolled in Coloplast Care (accumulated)	+500,000	N/A
Fighting for better care	Building sustainable partnerships that improve framework conditions and raise standards of care for people with intimate health care needs.	Estimated number of clinicians trained in Access to Healthcare projects (cumulative)	12,000	N/A
Community engagement	Being an active member of the local communities Coloplast operates in through activities that empower people and motivate employees.	N/A	N/A	N/A

Product development and safety

Our responsibility

Translating user insights, technical breakthroughs and design thinking into products that redefine care and set new standards for safe product composition.

Progress	2016/17	2015/16	2014/15	2013/14	Quantitative target
% reduction in total consumption of phthalates	41%	23%	0%	-	40% by end of 2017

Performance highlights in 2016/17

- Phthalate reduction target achieved**
 Over the last three years, Coloplast has achieved a 41% reduction in phthalate consumption. The target was achieved through a large-scale substitution project in Coloplast's portfolio of urine bags ensuring that 3 out of 4 urine bags sold are now phthalate-free. Coloplast wants to continue reductions, and has therefore set a new target to further reduce phthalate consumption reaching 44% reduction before October 2018 baselined to 2014/15.
- Faster healing with Biatain Silicone® sizes and shapes**
 The Biatain Silicone products are soft, flexible, absorbent foam dressings with a silicone adhesive used for treating chronic and acute wounds. Biatain Silicone sizes & shapes was launched in 2016 as an extension to the Biatain Silicone product range with eight new sizes and shapes designed to conform to the different areas of the body. Users will experience not only a product which provides superior absorption and faster healing. Biatain Silicone® sizes and shapes received the recognised consumer award Red dot award for its design.
- New SenSura® Mio Hospital Assortment**
 The SenSura® Mio Hospital Assortment provides postoperative solutions for all types of stoma. The launch further strengthens the SenSura® Mio product portfolio and will help ease patients' transition from the hospital to community.

- Five additional distribution sites certified according to ISO9001 and ISO13485**
 To align quality management processes across the distribution chain, Coloplast has certified an additional five distribution sites in Europe (Kungsbacka, Peterborough, Bologna, Madrid, Lagnés).

Our approach

Coloplast is committed to investing in innovation because innovative products benefit users and healthcare systems alike. At the same time, the safety and quality of our products is crucial to Coloplast's mission to make life easier for people with intimate healthcare needs.

Understanding users' lives in full

Getting an understanding of our users' needs is an integrated and important part of Coloplast's product development process. All the way from the initial idea to final product. Based on this understanding, Coloplast is able to design products that make a difference and solve the problems experienced by users.

Our understanding comes from a wide variety of sources, which stimulate co-creation for innovation. Coloplast conducts numerous focus groups, advisory boards and runs anthropological studies to get real insights into user needs. This year, for example, Coloplast has facilitated more than 40 health care advisory boards involving around 600 clinicians.

Raising the bar on clinical evidence for products

Coloplast's mission is to make life easier for people with intimate health care needs. This mission translates into focused value propositions across

Coloplast's four business areas that guide Coloplast's innovation management:

- Ostomy Care: reduce the burden of leakage
- Continence Care: reduce the burden of bladder management
- Wound & Skin Care: fewer days with wounds
- Urology Care: empower surgeons to do more

The cornerstone of Coloplast's value propositions is to deliver superior products that make a real difference for our users. That is why, Coloplast is committed to raising the bar for innovation within Chronic Care by setting a new ambition for the clinical performance of products. Stronger clinical performance will enable Coloplast to document the evidence of products' overall clinical outcome and value of the treatments – to the benefit of our users and society.

Product safety

Coloplast is mindful of the materials and substances used in our products, and complies with international and local regulations and standards including REACH, the EU's chemicals legislation.

Coloplast adopts a proactive approach in scouting for alternative substances. Through a structured monitoring process of changes in science and technology, Coloplast is able to identify opportunities and risks early on, and proactively substitute relevant substances – as in the case of phthalates.

Phthalates

Coloplast has reached the target to reduce the absolute use of phthalates with 40% by 2017. Coloplast will continue this target and reduce phthalate consumption to 44% by 2018.

Phthalates are commonly used to make PVC plastics more flexible and durable. In the medical device industry, phthalates are used to soften products like catheters and urine bags. Although Coloplast products are safe to use, Coloplast recognises that there are concerns about the use of phthalates. Coloplast has therefore adopted a precautionary approach and limits the use of phthalates in products. This is an area where Coloplast leads by example and offers phthalate-free alternatives to 97% of our product range containing classified phthalates. For more information, please see our official phthalates policy on Coloplast.com.

Coloplast welcomes the increased awareness and regulation of these types of materials and substances that may have long-term harmful effects, and which many companies use in their products.

Animal testing

Animal testing is a standard method for documenting the safety of medical devices. By having a precise account of the composition of Coloplast products, animal testing can sometimes be avoided. However, in some cases animal testing is necessary due to legal requirements and safety assessments.

All animal tests used by Coloplast are performed by contract laboratories, which Coloplast audits for compliance with our Animal Testing Policy. Coloplast has audited our main animal test suppliers, and found no non-compliances.

This year, Coloplast used 1,576 animals for testing in relation to pre-clinical safety documentation. Coloplast does not use transgenic animals in testing. For more information on Coloplast's approach to animal testing, please read our Animal Testing Policy available on coloplast.com.

Supporting beyond expectations

Our responsibility

Anticipating needs and taking actions that exceed the expectations of users and healthcare providers, both in person and on the phone, creating a community of support.

Performance highlights in 2016/17

- **New self-assessment tool for people living with continence issues**
Bladder problems must be properly managed, if left untreated they could result in serious health issues. My Continence Check is a new self-assessment tool helping intermittent catheter users become more aware of their bladder issues. The self-assessment is sent to Coloplast Care-users four times a year, and when no issues are identified, users get a sense of positive reinforcement and are more motivated to stay on the right track. If there are signs of more serious issues, users are urged to see their continence nurse for clinical advice.
- **Coloplast® Care live in more than 20 markets**
The Coloplast® Care programme is now live in more than 20 markets. All new ostomy and continence Care programmes have been co-developed with local clinicians and key-opinion leaders.
- **Increased measures on data privacy including certification according to ISO 27001**
Coloplast has completed the certification process for ISO 27001 on information security. Coloplast expects to receive the certificate within the first quarter of the coming financial year. In addition, Coloplast has introduced the Coloplast IT Awareness programme (CITA) to make sure that employees and partners are properly equipped to handle increasingly complex IT security requirements. Read more on the following page.

Our approach

Today, more and more people want a say in their care. They are searching for answers to make informed choices and take control of their recovery. For example, 80% of internet users search for health information making health information the third most popular online search activity.

This transformation from passive patient to active consumer is redefining health care.

Coloplast's ambition is to anticipate the needs and take actions that exceed the expectations of users and health care providers, both in person and on the phone, creating a community of support.

Coloplast works to develop tools and services that contribute to better health outcomes. For example, Coloplast products and services reduce hospital readmission of newly operated ostomates in the United States, while also improving quality of life significantly^{a)} - contributing not only to better health outcomes, but also potential savings for the United States health care system.

Supporting users

With the dialogue programme, Coloplast® Care, Coloplast actively seeks to increase retention among users and to improve both products and education for users and clinicians.

The Coloplast® Care programme is global, and is available for all users regardless of using Coloplast products. Through straight-forward advice and support, the programme guides people to a better life by providing tips on how to take control of bladder or ostomy-related issues. The programme also offers people support in navigating the sometimes complex healthcare and reimbursement system in terms of gaining access to needed products.

The Coloplast® Care programme has been co-developed with our international nurse advisory boards, and the programme's content and call protocol has been clinically validated. By the end of 2016/17, Coloplast has enrolled an excess of 500,000 users into Coloplast Care. Among users, the programme has been received positively where 83%^{b)} expressed feeling an improved quality of life through their participation.

^{a)} Rojanasarot et al. 2017. ISPOR 20th Annual European Congress.

^{b)} Coloplast Market Study 2013. Data on file.

Fewer days with wounds

Accurate and timely wound assessment is important to ensure correct identification of underlying conditions and for developing a plan of care to address patient, wound and skin problems that impact healing. In collaboration with clinicians from around the world, Coloplast has developed the Triangle of Wound Assessment to support our users in having fewer days with wounds. The Triangle of Wound Assessment is a holistic wound assessment framework, introducing an intuitive way to assess and manage all three areas of the wound: the wound bed, the wound edge and the periwound skin. Read more on triangleofwoundassessment.com

Supporting clinicians

Through the education programmes Coloplast Professional and Coloplast HEAL, Coloplast works to support the healthcare community through knowledge sharing and education.

- Coloplast Professional provides clinicians with development opportunities, such as training, networking events and advisory boards within Chronic Care. Besides creating opportunities for clinicians to broaden their expertise and connect with peers through courses and educational events, the close cooperation with clinicians shapes the products, services and education Coloplast develops. By sharing their insight with our scientists, engineers, designers, and other experts, they ensure priorities are aligned. Today, more than 700 ostomy and continence care nurses from more than 20 countries are involved in our international advisory boards.
- Coloplast HEAL is a global medical educational programme for healthcare professionals working with wounds. The programme aims to increase the knowledge of modern wound healing principles and improve the standard of care for wound patients around the world. It is part of Coloplast's ongoing dedication to wound care education and support. The educational courses have been developed in partnership with international wound care experts, and the content is peer-reviewed and endorsed by EWMA (European Wound Management Association). The courses are available as e-learning modules in the HEAL online training centre and as live educational seminars. So far, Coloplast HEAL have trained more than 9,000 clinicians in 12 countries.

Ethical marketing practices

Coloplast respects the boundary between the clinical expertise of clinicians and our own product

expertise. Our dialogue with users is focused on product and lifestyle issues, and not on medical support. This is Coloplast's promise to clinicians. To ensure that this boundary is respected, our staff is trained by clinicians, and our people on the phone use assessment tools developed by our medical marketing team that have been endorsed by global and national advisory health care boards.

Coloplast will recommend solutions within our own portfolio, and clearly advise patients to contact their clinician if they wish to undertake a major appliance change. Coloplast therefore always recommends listening to the advice of the health care professionals.

Data privacy

By pursuing online activities targeted at users, Coloplast is collecting and handling more personal data. Users trust Coloplast with information about their personal life, and it is a priority for Coloplast to treat this data with the utmost respect and confidentiality.

Many countries have legislation in place obligating companies to handle personal data securely. Coloplast handles and protects the data in accordance with national law – and with the same approach across our company. Internal audits and third party audits are used to ensure secure and reliable data handling.

In May 2018, the new EU Regulation on Protection of Personal Data goes into effect. Coloplast has already appointed a Data Protection Officer, and this year Coloplast has completed the certification process for ISO 27001 on information security. Coloplast expects to receive the certificate within the first quarter of the coming financial year.

In addition, Coloplast has introduced the Coloplast IT Awareness programme (CITA) to make sure that employees and partners are properly equipped to handle increasingly complex IT security requirements. CITA applies to all employees with access to Coloplast data as well as third parties working on Coloplast's behalf. All white-collar employees and third-parties have completed training on CITA, while relevant blue-collars will be trained in the coming financial year. Training is mandatory for all new employees.

Fighting for better care

Our responsibility

Building sustainable partnerships that improve framework conditions and raise standards of care for people with intimate health care needs.

Progress	2016/17	2015/16	2014/15	2013/14	Quantitative target
Estimated number of clinicians trained in Access to Healthcare projects (cumulative)	12,000	11,000	9,150	7,000	N/A
Number of approved Access to Healthcare projects (cumulative)	46	36	30	24	N/A

Performance highlights in 2016/17

- New Ostomy Life Study shares evidence based data and clinical insights**
 The Ostomy Life Study is a recurring publication developed by Coloplast in cooperation with expert ostomy care nurses in the Global Coloplast Ostomy Forum. The aim is to raise awareness about important aspects of ostomy care by sharing evidence based data and clinical insights in order to improve the standard of care. This year's publication focuses on the challenges of people's peristomal body profiles and the challenges that they are dealing with in their everyday life. To read the full study, please see Coloplast.com.
- Access to Healthcare programme made permanent**
 In 2017, the Access to Healthcare programme marks its 10th anniversary. Due to the great results achieved by the programme, it has been made permanent with a yearly spend of DKK 5m and the ambition of leaving a positive, lasting impact on the standard of care within ostomy care, continence care and wound care, globally.
- Ten new Access to Healthcare-projects approved**
 Coloplast has approved ten new Access to Healthcare projects to be rolled out in the coming financial year. Among others, the projects concern continence care in Australia, Brazil, Iran, Japan and Russia as well as wound

care in China. For more information on the individual projects, please see Coloplast.com.

Our approach

As a market leader reaching more than an estimated 1.7 million chronic care users, it is Coloplast's responsibility to work for better framework conditions for people living with chronic intimate health care needs.

Coloplast works to promote users' interests through dialogue with practitioners, patient groups, payers and other government authorities.

An important aspect of this work is engaging with stakeholders in health policy dialogue, one that both documents the effects and costs of different treatments and addresses issues such as quality of life and better standards of care. One example is in Japan, where studies show that bowel dysfunction is very prevalent among spinal cord injured patients and negatively affect both the general health and quality of life of patients, as well as reduce their work productivity by 33%^o.

An important Coloplast tool in promoting improved standards of care is our partnership programme, Access to Healthcare. Through Access to Healthcare, Coloplast works to promote better intimate health care and educate stakeholders globally.

^o Katoh et al. 2017. Data on file.

Supporting users' personal needs

Health care authorities, users, clinicians and Coloplast have a shared interest in securing the best health outcomes.

Many users of Coloplast products live with chronic health conditions for their entire lives. Most do not pay directly for their health care solutions themselves. In fact, nine out of ten do not. Typically, health care authorities or insurance funds provide users with reimbursement for Coloplast products. Consequently, these institutions also influence the availability and selection of products and care.

People with intimate health care needs require personalised solutions. For example, people with an ostomy can have dramatically different body types, which influences the care they need and products they use. Living with the daily demands of a chronic health condition becomes even more complex when product access or reimbursement requirements delay or prevent people from obtaining the personal health care solutions they need.

Additionally, many users confront significant taboos associated with their chronic conditions. Many daily challenges are difficult to discuss, even with friends and family – bathroom routines, leakage issues, odorous wounds that will not heal, or their difficulties associated with going out in public for extended periods of time. Consequently, user groups for people with intimate health care needs are often very focused on raising awareness of the challenges associated with their chronic conditions.

Coloplast works to address these challenges through education and dialogue with practitioners, patient groups, payers and other government authorities. Coloplast seeks to build a consensus around the need for better access to the personalised intimate health care solutions Coloplast users require.

Improving access to healthcare

Access to Healthcare, Coloplast's corporate partnership programme, is committed to improving conditions for people who need care in the areas of ostomy, continence and wound care. Established in 2007, the programme has so far supported 46 projects in eleven countries. The programme is part of Coloplast's continued efforts to raise standards of care with a yearly spend of DKK 5m.

Sustained and sustainable dialogue with our partners is pivotal to the success of Access to Healthcare projects, and all projects are created in collaboration with local stakeholders. Access to Healthcare projects bring together practitioners, users, non-governmental organisations, and other public and private partners to:

- empower users
- train practitioners
- advocate for better care

Access to Healthcare projects also support the long-term ambitions of Coloplast by bringing us closer to consumers and helping us gain new or deeper insights into the needs of other stakeholders, including health care practitioners, civil society and policy makers. For more about Access to Healthcare, please visit Coloplast.com.

Responsible advocacy

Coloplast also works in partnership with many different external stakeholders to share our views on the issues that affect our industry, clinicians and the rights of users.

Coloplast conducts advocacy both directly as a company and in coordination with external partners, including national and regional industry associations. Our work is guided by the principles outlined in our Code of Conduct, Coloplast BEST, which emphasises respect for transparency and integrity in our stakeholder relations.

To read Coloplast BEST, please visit Coloplast.com.

Community engagement

Our responsibility

Respecting local communities and participating through activities that empower people and motivate employees.

Our approach

Respecting local cultures, regulations and customs is important to Coloplast. Coloplast wants to contribute to the local communities in which the company operates. Either through donations, involving local NGOs or inclusion at the work place. In light of this, Coloplast also considers tax management to be an important part of community engagement as taxes contribute to value generation.

Donations

To ensure that our donations are meaningful and benefit both the local community and Coloplast as much as possible, Coloplast has a policy on donations, which leverages cash and product donations. Coloplast wants to focus donations on activities that either seek to empower our users, support the local community, or engage our employees. For example, it is in line with the policy that Coloplast has a corporate partnership with the Danish Cancer Society covering DK operations.

The policy is based on Eucomed Guidelines for grants and WHO's guidelines for donating medical equipment. Read the policy in full on Coloplast.com.

Responsible tax management

Coloplast sees taxes as an important part of the business as respecting local tax laws and regulations are important to Coloplast's reputation and brand. In addition, taxes contribute to the economic value generation in the countries where Coloplast operates.

In Coloplast, taxes are paid where business activities generate value in accordance with internationally accepted standards. Coloplast does not allow commercial needs to override compliance with applicable laws, nor base commercial activities on tax avoidance schemes. To ensure this, Coloplast maintains an open dialogue with local tax authorities.

Within these principles, Coloplast will pursue tax opportunities if they arise and will proactively obtain knowledge in order to have a competitive effective tax rate and avoid double taxation. With increased focus on tax management, Coloplast has made its tax policy publicly available on Coloplast.com. For more on taxes paid this financial year, please read the Annual Report.

Empowering refugees

According to the UN, the current refugee crisis is the worst humanitarian crisis since World War II. As a member of the global community, and based on appeals from the UN, Coloplast wants to contribute to solving this crisis.

Coloplast has previously donated cash to the Danish Refugee Council, and has pledged to take 100 refugees into internships by the end of 2019 within Europe. The length of internships may vary from one to three month per individual needs. The aim is to empower some of the many people fleeing to Europe by facilitating integration and resettlement through the workplace. The programme has so far provided 13 internships in Denmark and Sweden.

Our approach to people and human rights: Acting with respect

Coloplast employs almost 11,000 people, operates in more than 40 countries, and has distributors, dealers and suppliers on a global scale.

Acting with respect towards people and local customs is fundamental to Coloplast. In line with Coloplast values, Coloplast supports Human and Labour Rights.

Due to the skills needed to operate as well as the placement of Coloplast production, forced labour and child labour are not considered material topics to focus on within Coloplast's direct operations.

Relevant human rights issues in our direct operations include health and safety, non-discrimination and personal development. Coloplast works with promoting healthy lifestyle choices, reducing occupational injuries and building a sustainable performance culture.

Coloplast engages in ongoing dialogue with employees and proactively informs of the rights of freedom of association at all production sites. In addition, Coloplast has established work councils with employee representatives at all production sites.

However, Coloplast is aware that this may be different when it comes to suppliers. That is why Coloplast works systematically to only approve suppliers in compliance with our Code of Conduct. In cases of non-compliance, Coloplast seeks to improve conditions through dialogue.

Read Coloplast's policy on human rights in full on coloplast.com.

Our approach to acting with respect

Topic	Our responsibility	How we measure progress	Current status	Quantitative target
Code of conduct and compliance	Ensuring that all our employees and business partners are aware of our business ethical standards and collaborating to continuously maintain and develop good compliance practices.	– % of white-collar employees trained in our code of conduct	95	100
		– Number of legal actions for anti-competitive behaviour	0	0
Building a sustainable performance culture	Offering all employees equal opportunities for development as well as a working environment that is engaging and motivating.	– % of female managers	42	Above 40
		– % of female top managers	14	22 by end of 2017
Health and safety	Offering healthy and safe working conditions.	– Lost Time Injury frequency ¹⁾ , all employees	4.5	4.5 or less
		– % of workplaces with 'very high' level of repetitive work	1.9	0.0
Supply chain responsibility	Being an active member of the local communities in which Coloplast operates through activities that empower people and motivate employees.	– Number of suppliers with improved risk profile because of significant improvements (cumulative)	29	N/A

1) Lost Time Injuries – measured as the number of injuries resulting in absence from work of more than eight hours per one million working hours.

Code of conduct and compliance

Our responsibility

Ensuring that all our employees and business partners are aware of our business ethical standards and collaborating to continuously maintain and develop good compliance practices.

Progress	2016/17	2015/16	2014/15	2013/14	Quantitative target
% of white-collar employees trained in our Code of Conduct	95%	96%	94%	94%	100%
Number of legal actions for anti-competitive behaviour	0	0	0	0	0

Performance highlights in 2016/17

- Bribery risk assessment**
 Based on Coloplast's bribery risk assessment of sales and marketing operations, Coloplast has followed-up with selected high risk markets to design mitigating processes and controls. Coloplast will monitor and review process and controls on an on-going basis.
- Implemented the MedTech Europe Code of Ethical Business Practice**
 Coloplast has implemented the new MedTech Europe Code of Ethical Business Practice that entered into force for MedTech Europe corporate members on 1st January 2017. The new code will increase transparency and documentation of educational grants and interactions with healthcare professionals.

Our approach

Coloplast's good reputation is a prerequisite for our continuous support of users with our products and services, for creating value, and for being a company where people are proud to work. It is essential to Coloplast to keep it that way.

Coloplast sells products in more than 130 countries, and business cultures vary around the world. In navigating such different business cultures, Coloplast abides by national and international laws as well as specific requirements for our industry through our well established Code of Conduct and compliance setup.

Coloplast BEST – our Code of Conduct

The Coloplast Business Ethical Standards (Coloplast BEST) is our Code of Conduct and our guide leading the way to global excellence when it comes to operating an ethical company.

Coloplast emphasises employees' ability to use good judgement and common sense at all times rather than learning a set of rules by heart. That is why Coloplast BEST is value-based rather than rule-based and has the ambition of installing a compliance mind-set throughout the organisation. All Coloplast employees (including executives, officers, directors and managers) are required to follow Coloplast BEST.

To read Coloplast BEST, please visit Coloplast.com.

Roll-out and continued training efforts

Coloplast BEST was introduced through face-to-face training followed up by an online test and a certification for all white-collar employees. The face-to-face training sessions were performed by Executive Management and then cascaded throughout the organisation to ensure that all white-collar employees were trained by their manager.

With face-to-face training, our purpose is to facilitate dialogue and to have the discussions on compliance dilemmas with the employees who face them on a daily basis.

Going forward, Coloplast will continue its training activities as part of on-boarding new employees as well as develop new formats targeted employees in

high risk parts of the organisation to support our culture of integrity.

Distributor handling

Coloplast has dedicated resources to conduct risk assessments and due diligence and to formulate action plans for compliance improvements where needed. Coloplast's has implemented a system with an external partner to manage our integrity and compliance risks related to our close distributors.

Coloplast runs the process transparently with the distributors through dialogue about the compliance situation in their market and on our Global Distributor Code of Conduct, which sets forth Coloplast's expectations to a distributor. It includes the UN Global Compact's ten fundamental principles within human rights, labour rights, environment and anti-corruption, which Coloplast endorses and works systematically to observe and promote.

Whistleblower hotline

Coloplast has a global and independent whistleblower hotline, which enables employees and others to report breaches of our Code of Conduct. All cases reported are followed up internally by a committee of senior management.

In 2016/17, Coloplast has received a total of 11 cases, 8 of which have been within the scope of the hotline, i.e. relating to the topics and subjects that may be reported via the hotline. The majority of cases reported have been related to conflicts of interest or fraud against Coloplast. All relevant cases have been investigated and followed up with appropriate remediation and sanctions up to termination of contract.

Building a sustainable performance culture

Our responsibility

Offering all employees equal opportunities for development as well as a working environment that is engaging and motivating.

Progress	2016/17	2015/16	2014/15	2013/14	Quantitative target
% of female managers (all positions at or above Manager level)	42%	41%	43%	40%	Above 40%
% of female top managers (Vice Presidents, Senior Vice Presidents and Executive Management)	14%	15%	13%	12%	22% by end of 2017
% of manager positions filled by internal candidates	57%	64%	47%	-	67%

Performance highlights in 2016/17

- Business leadership programme**
 Through the new Business Leadership Programme Coloplast has trained Director-level leaders at Coloplast. The purpose is to develop Coloplast leaders' business acumen within a Coloplast context. The programme's ambition is supporting Coloplast's Lead 20-strategy and the objective of strengthening the pipeline for top management positions.
- Target for female top managers not reached**
 Coloplast did not reach the target of increasing the share of women in top management to 22% by 2017. While the increase has proven to be more challenging to facilitate than expected, Coloplast remains committed to increasing the proportion of women in top management.
- New ambition for share of women in top management**
 Coloplast has set a new ambition of making a year on year increase in the share of women in top management, and will be launching an action plan to support the new ambition the coming financial year. Read more on the following page.

Our approach

Striving to be the best medical device company in the world requires that our leaders and people constantly grow and develop their skills and competencies.

To support our growth ambition, Coloplast has the target to hire two out of three managers from within. The preference for our own people will ensure a continuous development of the great leadership talent already among us.

Coloplast believes that personal development should be respectful to individual motivational drivers and without the hindrance of culturally related barriers.

Leading for sustainable performance

As a growing company, Coloplast has a promise to users and shareholders to improve the value creation every single year. At the same time, Coloplast has a promise to employees to ensure a working environment that is engaging and motivating.

Coloplast wants to build a sustainable performance culture that solves the challenges and sometimes the conflicts that lie in keeping both these promises at the same time.

To build a sustainable performance culture, Coloplast has trained management teams in communicating ambition, giving feedback and

establishing closeness with employees. The management team defines locally what works well and what may stand in the way of building a sustainable performance culture.

By following the guidelines of the sustainable performance culture module, Coloplast believes employees will thrive and that Coloplast will create a platform for excellent and sustainable business performance.

On-boarding for success

Coloplast expects to expand the organisation up to 3,000 new positions before 2020, of which a large number will be in production. It is important for Coloplast to set new employees up for success, which is why Coloplast has implemented a Global On-boarding Programme targeted at sales representatives and consumer specialists. The programme delivers a blended learning toolbox and guidelines for local implementation with the objective being to develop knowledge, skills and attitude. More than 1,000 sales people in 21 countries have started their Coloplast career with the On-boarding Programme.

Removing barriers for personal development

Coloplast wants every employee's career development to be without the hindrance of culturally related barriers. Coloplast expects mutual respect among our employees, and Coloplast does not tolerate discrimination or harassment of any kind.

Coloplast emphasises fairness and transparency when reviewing employees' performance and potential. To ensure this, Coloplast annually conducts a People Review and Development process for all white-collar employees globally, and selected blue-collar employees.

During the People Review process, managers take time to reflect on their employees' past performance and future potential. Employees are also asked to provide their reflections of their own achievements and development needs that are relevant to their role. The People Review process includes a calibration of performance and potential with functional managers thus ensuring that reflections and insights come from other colleagues and peers. The strong culture of feedback in Coloplast is further strengthened by the continuous seeking of feedback from key stakeholders associated with the results delivered and how they were delivered throughout the year. The inputs are then taken into the discussions between the

employee and manager to focus on performance and development of potential as an ongoing dialogue

Gender diversity and inclusion

Coloplast believes that diversity is a pre-requisite for success when competing at a global level. The People Review- and People Development-processes reflect Coloplast's commitment and obligation to ensure equal opportunities for employees, irrespective of gender, age, nationality, etc.

According to the Danish Financial Statements Act, section 99b, Coloplast defines other management levels as all positions at or above manager level. With 42% female managers at this level, Coloplast maintains an equal distribution between men and women in management.

Going forward, Coloplast has set a new ambition of having a balanced gender representation at all management levels. Balanced is classified as when women and men in a group is at least 40/60 in line with the Danish Business Authority's guidance on gender composition of management. In case of underrepresentation of any gender, Coloplast will strive to make year on year improvements.

Gender representation among top management

In 2011, Coloplast set a target to increase the percentage of women in top management from 11 to 22 percent by 2017. At the end of 2017, the percentage of women in top management was 14% meaning Coloplast did not reach its target.

Coloplast recognises the challenge of underrepresentation of women in managerial positions according to the UN Sustainable Development Goals of achieving gender equality. In addition, Coloplast wants the best person for the job, and therefore wants all employees to have equal opportunities when pursuing a career. On this basis, Coloplast is not satisfied with the results despite progress in recent years, and Coloplast remains committed to increasing the proportion of women in top management.

As part of an internal evaluation involving analysis of people dynamics, and surveying all Coloplast leaders among others, Coloplast has identified some barriers influencing the underrepresentation of women in top management. Among these are the external recruitment pipeline and retention of female leaders. On a positive note, Coloplast

identified equal pay among female and male leaders, as well as unbiased distribution of gender when promoting from within.

During the coming financial year, Coloplast will launch an action plan to support Coloplast's new ambition for balanced gender representation among top management. Coloplast has anchored the project with a steering group consisting of middle and senior management.

Gender representation among Board of Directors

Coloplast aims for its Board of Directors to consist of the best qualified individuals. The Board had a target to increase the number of shareholder-elected women to one third of the shareholder-elected Board members by 2017.

With two out of seven shareholder-elected Board members being women at the end of 2017, an equal gender representation has been achieved in line with the Board's target and in compliance with the Danish Financial Statements Act, section 99b.

Health and safety

Our responsibility

Offering healthy and safe working conditions.

Progress	2016/17	2015/16	2014/15	2013/14	Quantitative target
Occupational injuries, all employees (LTI frequency) ¹⁾	4.5	4.1	4.4	4.9	4.5 or less
% of workplaces with 'very high' level of repetitive work	1.9%	1.9%	1.7%	1.7%	0%

1) Lost Time Injuries – measured as the number of injuries resulting in absence from work of more than eight hours per one million working hours.

Performance highlights in 2016/17

- New target for occupational injuries**
 Coloplast prioritises the safety of employees. Therefore, Coloplast has set a new reduction target of a 3.0 LTI-rate before 2020 corresponding to a 33% reduction in accidents with absence compared to current performance.
- New Coloplast Safe plan focusing on safety culture**
 In Coloplast, the primary cause of occupational injuries is behaviour-based. To further mitigate occupational injuries, Coloplast will implement a new plan focusing on safety culture among management and employees at all sites in the coming financial year. To begin with, Coloplast has improved and expanded the scope of safety training in the on-boarding of future white-collar employees globally.

simple things that can make a big difference, e.g. keeping office spaces and production floors tidy.

Occupational injuries

In order to track and reduce occupational injuries, Coloplast measures Lost Time Injuries (LTI) frequency rates from the production sites, distribution centres, corporate headquarters and most sales subsidiaries. In total, 98% of employees are included in reporting of LTI frequency rates.

In addition, special attention is given to all minor and 'near-miss accidents' to help identify and solve problems early and minimise potential future risks.

Other initiatives to reduce occupational injuries include sharing best practices between sites, putting special focus on specific sites where LTI frequency is above target, enforcing safety behaviour, and increasing focus on safety specifications before new machine orders are finalised.

Repetitive work

Coloplast emphasises an ergonomically correct workplace layout whenever manual labour is required in production. Therefore, Coloplast systematically works to reduce repetitive work. Coloplast has developed a system for measuring this type of work, which enables improvements and accurate tracking of progress. Since 2008, Coloplast has more than halved the amount of stations considered to require 'high' and 'very high' repetitive work. When these stations are unavoidable, Coloplast ensures employees spend a

Our approach

Providing a safe and healthy work environment for employees is a priority for Coloplast. In general, operations work in Coloplast is relatively low-risk compared to other industries, and Coloplast has never had a fatal workplace injury. The most common injuries for both white- and blue-collar employees are sustained from stumbling and falling. Therefore, safety initiatives often focus on

limited amount of time on them by rotating them to stations with lower repetitive work levels.

Coloplast® Life

Through the Coloplast Life programme, Coloplast provides different options to make healthy choices as easy as possible for employees. For example, this could be local activities such as “Bike to Work” and running clubs after work.

Other activities include the eight-week ‘Life in Colours’-campaign to promote physical and mental well-being across the Danish sites with more than 700 participants. In addition, free health checks have been offered to employees at several locations. For example, cancer screening at Coloplast sites in Hungary, where more than 500 employees participated.

Coloplast Life also focuses on education (e.g., nutrition classes), as well as preventing stress on a local basis. For example, Coloplast has established a stress policy including professional stress-counselling in Denmark.

Standards

Coloplast’s health and safety management system is certified according to Occupational Health and Safety management standard, OHSAS 18001. This is a tool to ensure that sites adhere to the same rules globally and continuously improve their performance. Today, this management system covers 92% of Coloplast employees in production, distribution centres and Coloplast Headquarters in DK.

Supply chain responsibility

Our responsibility

Improving standards with our suppliers or finding alternative suppliers.

Progress	2016/17	2015/16	2014/15	2013/14	Quantitative target
Number of suppliers with improved risk profile because of significant improvements (cumulative)	29	29	27	26	N/A
Number of contracts terminated because of non-compliance (cumulative)	9	9	9	9	N/A

Performance highlights in 2016/17

- Maintained 100% of raw material suppliers in supply chain responsibility programme**
 For the last three years, Coloplast has maintained 100% of these suppliers registered in the programme. This financial year, Coloplast has performed 5 social audits to follow-up on supplier compliance with Coloplast standards.

Our approach

Coloplast monitors existing raw material suppliers and screens new ones for compliance with human rights, labour rights, environmental, and occupational health and safety issues as well as corruption.

Through a supply chain programme, Coloplast has standardised auditing of potential suppliers according to Coloplast's code of conduct.

This programme includes maintaining sustained dialogue and helping suppliers improve local conditions when they are willing and is supervised by a Decision Board made up of senior representatives.

Screening potential suppliers

In high-risk countries, external partners audit any potential supplier on human rights, labour rights, environmental and occupational health and safety issues as well as corruption.

For new suppliers, Coloplast explains our expectations and how compliance is checked. Standards on human rights, labour rights, environmental impact, occupational health and safety as well as corruption are included. This information is also included in the final contract with the supplier.

If an issue is identified, Coloplast and the supplier then agree on any necessary improvements, which forms the basis for an action plan and provides the means for sustained dialogue. Depending on the level of any non-compliance found, the Decision Board considers whether or not to go ahead and do business with the supplier and help to improve the supplier's standards. Through this process, Coloplast ensures on-boarding suppliers that are willing to improve local conditions together if necessary.

The Decision Board is made up of senior representatives from Global Operations, Corporate Procurement, Corporate Quality, and Global Environment, Health & Safety and Corporate Compliance.

The Decision Board reviews the audit report according to local regulations, Coloplast's code of conduct, the United Nations Global Compact Principles, and considers factors such as the nature of the relationship with the supplier and history of cooperation.

Monitoring existing suppliers

Coloplast monitors existing suppliers for compliance through adverse feedback, i.e. change in ownership or expansion of site, and site visits.

This process usually takes place with the Coloplast procurement team in the markets where the supplier operates. If the Coloplast procurement teams identify a supplier that is in non-compliance with Coloplast's code of conduct or a corrective action plan, the Decision Board reviews whether or not to continue to do business with the supplier and help to improve the supplier's standards.

Improving local conditions

In cases where suppliers may be unsure of how to implement improvements, local Coloplast teams provide advice regarding cost efficient best practices that comply with local regulations. Suppliers usually respond positively and implement

recommendations. However, when necessary, Coloplast has terminated cooperation. Coloplast does not provide financial support to help suppliers implement changes.

From the start of the programme until the end of the 2016/17 financial year, Coloplast has reclassified a total of 29 current suppliers to a lower risk category after making Coloplast-requested improvements. Coloplast has had to terminate cooperation with a total of 9 suppliers.

Our environmental promise: Minimising our footprint

As a medical device manufacturer with global operations, Coloplast has the ability - and responsibility - to do our part in addressing global environmental challenges related to climate change, resource scarcity and the use of hazardous substances.

Over the coming years, Coloplast expects to grow 7-9% annually. This means increased production output, and consequently, increased impact on the environment.

However, Coloplast remains committed to minimising our environmental footprint while growing.

Our largest environmental impact stems from the use of raw materials and energy use. That is why our priority is to minimise impact from energy consumption and raw materials through design of new products and production processes. In addition, we will continue our focus on optimising energy efficiency, waste and recycling capabilities in existing production processes.

Our approach to minimising our footprint

Topic	Our responsibility	How we measure progress	Current status	Quantitative target
Renewable energy and energy efficiency	Minimising the impact from energy consumption	- Greenhouse gas emissions per product produced relative to energy use ¹⁾ (indexed relative to 2008/09)	49	Continuous reduction (Less than 48 in 2016/17 ²⁾)
Sustainable material consumption	Utilising raw materials with lower environmental impact and improving waste management systems and recycling	- Production waste per product produced ³⁾ (indexed relative to 2008/09)	86	Continuous reduction (Less than 82 in 2016/17)
		- % of recycling coverage	31	35% by 2020

1) Scope 1 & 2 according to Greenhouse Gas Protocol.

2) Based on updated greenhouse gas factors for electricity from the International Energy Agency. All greenhouse gas data has been readjusted accordingly.

3) Based on weighted amounts from the production sites, distribution centres and corporate headquarters.

Environment and climate

Our responsibility

Minimising the overall strain on the environment caused by our activities by focusing on the entire life cycle of our products

Progress overview	2016/17	2015/16	2014/15	2013/14	Quantitative target
Total greenhouse gas emissions scope 1+2 (Tonnes CO _{2e})	42,300	39,300	39,700	39,900	N/A
Indexed greenhouse gas emissions per product produced relative to energy use (indexed relative to 2008/09)	49	48	48	52	Continuous reduction
Total amount of production waste (Tonnes)	13,015	11,803	11,288	10,752	N/A
Production waste per product produced (indexed relative to 2008/09)	86	82	78	80	Continuous reduction
% of recycling rate of production waste	31%	31%	31%	26%	35% by 2020
% of goods transported by air	5.4%	3.9%	2.3%	2.8%	2.3% by 2018

Performance highlights in 2016/17

- All sites certified per ISO 14001**
 Coloplast has certified the site in Sarlat according to ISO 14001. This means all production sites are now certified according to the updated ISO 14001 on their environmental management.
- Greenhouse gas emissions per product exceeding target**
 Coloplast did not meet the target to continuously reduce greenhouse gas per product. The performance is attributed to expanded production facilities as well as a technical failure at a production site causing a leakage of HFC gases used in cooling systems.
- Production waste per product above target**
 Coloplast did not meet the target to reduce production waste per product produced. The increase can be explained by additional ramp-up

activities as well as additional tests due to increased production transfers between sites.

- Negative trend in goods transported by air**
 The negative trend in percentage of goods transported by air is explained by the closure of backorders. Coloplast expects to lower the rate of goods transported by air in the coming financial year.
- New target for recycling rate of production waste**
 Coloplast has set a new target to increase the recycling rate of production waste to 35% by the end of 2020.
- 100% of electrical consumption to be from renewable sources by 2019**
 As a market leader and role model, Coloplast wants to support the transition to renewable energy sources. Beginning in the upcoming financial year, Coloplast will be purchasing renewable energy certificates for electrical consumption. The ambition is that all electrical

Our environmental promise: Minimising our footprint

consumption at our production sites and in HQ is from renewable sources by 2019.

Our approach

The primary method used by Coloplast to address environmental challenges is the incorporation of eco-design principles when developing products and processes. This means:

- Utilising raw materials with lower environmental impact
- Improving waste management systems and recycling
- Minimising the use of energy required in production

Life cycle assessments therefore guide Coloplast's environmental efforts, covering everything from raw materials to waste management, energy consumption, disposal, and transportation of goods.

Sustainable material consumption

The use of raw materials constitutes Coloplast's largest environmental impact. For example, approximately 43% of Coloplast's total greenhouse gas emissions stem from raw materials. Coloplast's ambition is to continuously improve the overall utilisation of raw materials and to avoid raw materials that are particularly harmful to the environment.

The amount of waste generated per product has decreased by 14% since 2008/09. Coloplast has the ambition to continuously reduce the amount of production waste generated per produced unit. In addition to optimising our use of raw material, Coloplast continuously works together with waste handling companies to identify the optimal way of recycling waste.

Renewable energy and energy efficiency

Energy consumption in production accounts for approximately 20% of Coloplast's total greenhouse gas emissions. Coloplast therefore works to increase energy efficiency in production.

To encourage more environmentally responsible production, Coloplast allows investments that result in a significant environmental improvement to have a return on investment of up to five years – twice as long as regular investments. For more information about current projects, please visit Coloplast.com.

Coloplast has an ambition to continuously reduce greenhouse gas emissions per product produced relative to energy use. Since 2008/09, Coloplast has reduced emissions per product more than 50%, and it is the ambition to continue that trend as Coloplast grows.

In addition to reducing energy use, Coloplast will begin transitioning to renewable energy sources in the coming financial year. As a market leader and role model, Coloplast wants to support the transition to renewable energy sources in line with the UN Sustainable Development Goals no 7 to increase the share of renewable energy in the global energy mix. Beginning the coming financial year, Coloplast will therefore be purchasing renewable energy certificates for electrical consumption at all production sites. The ambition is that all electrical consumption at our production sites and in HQ is from renewable sources in 2018/19.

Disposal

Because most of Coloplast's products are usually contaminated after use, they must be disposed of properly due to risk of infection. This means that Coloplast's products are incinerated or sent to a landfill after disposal. However, most of our product packaging is designed so that it can be recycled.

When chlorinated plastic materials, e.g. PVC and PVdC, are incinerated their emissions are harmful to the environment. These plastic materials are commonly used in medical devices due to their unique technical properties. Coloplast recognises this environmental concern and only uses PVC or PVdC in new products when their technical properties are strictly necessary for product performance. For more information, please see our official PVC/PVdC policy on Coloplast.com.

Transportation of goods

In total, transportation of goods only accounts for approximately 17% of Coloplast's greenhouse gas emissions. However, significant reductions in greenhouse gas emissions are achievable simply by substituting air transportation with sea and ground transportation. Shipping goods via air transportation emits up to 200 times more greenhouse gases on a given distance compared to shipping goods by sea.

Coloplast has set up a systematic approach to substitute the air transportation of our portfolio of mature products. Coloplast will continue to substitute air transportation with sea and ground transportation whenever possible.

To facilitate this substitution, Coloplast has set a reduction target for how products are transported to a maximum of 2.3% air transportation by 2017/18. While performance this year is far from the set target, Coloplast expects to make improvements the coming financial year.

Water management

Coloplast uses very limited amounts of water for production. Whenever water is used, our focus is to reduce.

Only one of our production sites is placed in a river ecosystem with scarcity issues, our site in Mankato US, where Coloplast is especially attentive to water use. At our other sites, water is primarily used for sanitation purposes and gardening.

Expanding production

Whenever building new factories, Coloplast adheres to the LEED silver standard for environmental performance. However, Coloplast does not seek

certification according to LEED standards due to the costs associated.

Environmental management system

Our environmental management system is based on the internationally acknowledged ISO14001 environmental certification scheme. Today, nine out of nine production sites including our corporate headquarters have been certified according to the ISO 14001 standard.

Our approach to corporate responsibility

Scope of reporting

This report constitutes the statutory report cf. Danish Financial Statements Act, section 99a and 99b regarding social responsibility and the underrepresented gender. The report is published annually together with the Coloplast Annual Report, and covers the financial year 2016/17, from 1 October 2016 to 30 September 2017.

In addition, this report also functions as the Communication On Progress (COP) to the UN Global Compact as well as Coloplast's statement under Section 54 of the UK's Modern Slavery Act 2015 and California Transparency in Supply Chain Act.

The aim of the report is to present complex issues in simple language, while including the data needed for specialist use. Coloplast follows Global Reporting Initiative's (GRI) G4 to determine content and quality in terms of materiality, but does not apply specific GRI-disclosures.

This report is intended for shareholders and analysts. It is a presentation of Coloplast activities in the field of corporate responsibility, as well as the challenges Coloplast faces. Unless otherwise noted, the data and reporting include the entire Coloplast organisation, i.e. production sites, distribution centres, administration, sales and representative offices. Third parties, such as distributors, are not included in the reporting, except for the Code of Conduct and Compliance chapter where Coloplast has expanded the programme to distribution channels as well. Suppliers are only included in the specific reporting on our supply chain responsibility programme.

UN Global Compact

In 2002, Coloplast made a formal commitment to make the ten principles of the UN Global Compact part of the business strategy and day-to-day operations. These principles cover basic human rights, labour, environmental and anti-corruption policies. To continue this tradition, this report functions as Coloplast's annual Communication on

Progress to the UN Global Compact. Find information on progress on the following pages:

- Human Rights: Page 11-23
- Labour Rights: Page 17-23
- Environment: Page 24-27
- Anti-corruption: Page 15-16

UK Modern slavery act

As stated in our Code of Conduct "Coloplast BEST", Coloplast support, respects and protect internationally recognised human rights including labour rights as made operational with the United Nations Guiding Principles on Business & Human Rights and as framed in the United Nations Global Compact, which Coloplast has been a member of since 2002.

Our commitment to human rights, which covers areas such as forced labour, slavery, child labour, sex trafficking, workplace abuse and human trafficking, is outlined in our Human Rights Policy, available on Coloplast.com.

Coloplast expects employees to avoid and mitigate all negative human rights impacts and to inform, through our management system or grievance mechanisms, any breach of this expectation or doubts that our expectations are being met.

Coloplast expects its business partners and all other strategic partners to understand and address our expectations related to human rights, and to inform employees of Coloplast or through Coloplast's grievance mechanism if expectations are not being met.

Risk assessment: Due to the nature of Coloplast production and the skills needed to operate, the risk of forced labour and child labour are not considered material within Coloplast's direct operations.

Coloplast is aware that this may be different when it comes to suppliers. That is why Coloplast works systematically to only approve suppliers in compliance with our Code of Conduct. In cases of

Reporting references to §99a

Topic	Risk	Policy	Due Dilligence	KPIs
Employment conditions	Page 15, 18 & 20	Page 15 & 18	Page 15 & 18	Page 15
Human rights	Page 15 & 22	Page 18 & 22	Page 18 & 22	Page 15
Anti-corruption	Page 16	Page 16	Page 16	Page 16
Environment	Page 24	Page 24	Page 25	Page 24

non-compliance Coloplast seeks dialogue to improve conditions.

Due diligence processes: As part of our evaluation on prospective suppliers, Coloplast actively conduct due diligence and audits of existing raw materials suppliers and screen new suppliers for compliance with human rights and labour rights. For other suppliers Coloplast is introducing a human rights and compliance due diligence process for both selected existing and new suppliers. Read more on page 22

Audits: Coloplast selects a number of existing suppliers throughout the year for site visits or social audits and reviews their compliance. Read more on page 22.

Training: Coloplast provides training for new and existing employees on our Code of Conduct as well as other policies. Going forward, Coloplast will strengthen training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chain, to employees who have direct responsibility for supply chain management.

Results: Through Coloplast's supply chain responsibility programme, Coloplast has successfully standardised monitoring and compliance for raw material suppliers. 29 suppliers have made significant improvements as a result of due diligence procedures. In the same period Coloplast has terminated contracts with nine suppliers due to non-compliance. For other suppliers, the process has resulted in the replacement of suppliers. Read more on page 22.

Governance and organisation of Corporate Responsibility

Coloplast's corporate responsibility is anchored within the Executive Management and Board of Directors. The Board of Directors approves the content of this report, and Executive Management makes most policy decisions within the field, typically after consultation with senior management of key line and staff functions. The Audit Committee is responsible for overseeing compliance with our Code of Conduct.

Coloplast prefers that corporate responsibility activities are driven and executed by the relevant business units. The business units with formal responsibility for the content in this report are Corporate Compliance, Global Operations, Global

Quality, Corporate Procurement, Corporate HR, Corporate Communications and Public Affairs.

A Corporate Responsibility Manager within the Corporate Communications department is responsible for coordinating this work and for communicating with stakeholders.

Stakeholder engagement

Coloplast's main stakeholders include shareholders, users, clinicians, employees, business partners, and society in general. This selection is based on discussions with internal and external stakeholders.

Coloplast has ongoing dialogue with its stakeholders through different channels, and used these for the purpose of the latest materiality assessment:

- **Shareholders.** An Investor Relations Unit facilitates dialogue with shareholders on a regular basis. For more information, please visit coloplast.com/investor_relations
- **Users.** Coloplast conducts annual satisfaction surveys, which target users in over ten countries. Furthermore, Coloplast engages with users through our dialogue programme, Coloplast Care, which aims to help users by providing needed guidance and support. Coloplast® Care is currently active in more than 20 countries.
- **Clinicians.** Coloplast works with clinicians on advisory boards by engaging in semi-annual focus group meetings. This year, Coloplast held more than 40 meetings involving around 600 clinicians. At the same time, Coloplast also makes it easy for clinicians to submit complaints on the corporate website.
- **Society.** Coloplast works with relevant societal organisations through the Access to Healthcare partnership-programme, and maintains a sustained dialogue through regular updates on health care progress and challenges in local communities. Coloplast also engages external stakeholders through our public affairs work, where Coloplast seeks to maintain high standards of professionalism and transparency.
- **Environment.** Issues regarding the environment are communicated through multiple channels. For example, material for sales reps and on Coloplast.com. The annual Corporate Responsibility Report is one of the most

comprehensive sources of information regarding our environmental performance. Coloplast is also a member of the Carbon Disclosure Project.

- Employees.** Coloplast communicates to employees on a daily basis through the Coloplast intranet "Connect", and holds information meetings four to six times a year that are broadcasted globally within the company. In 2015 Coloplast surveyed more than 1,500 employees on sustainability, and in addition, Coloplast conducts global engagement surveys bi-annually.

Materiality

The topics covered by the Corporate Responsibility Report include issues material to Coloplast as well as stakeholders. Coloplast conducts materiality assessments bi-annually. This year, the materiality assessment was updated focusing on our users' opinion. More than 1,400 users were surveyed.

The material topics were originally selected based on input from employees working with corporate responsibility issues from Coloplast A/S as well as Coloplast subsidiaries and validated by key external stakeholders. The selected topics were revisited this year taking the UN Sustainable Development Goals (SDGs) into account. By incorporating the SDGs into our materiality assessment, Coloplast is committing to take these into account when prioritising activities and communication with our stakeholder groups.

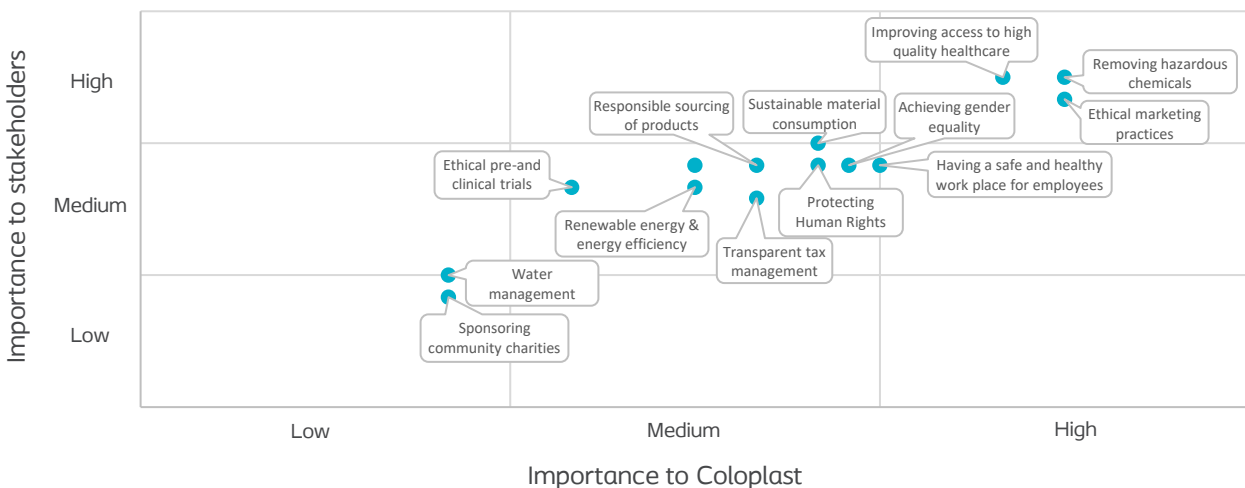
No material changes were made in the selection of topics. Minor changes were made to better reflect the SDGs in terms of wording as well as simplifying the topics. For example, in the case of updating 'No discrimination' to 'Achieving gender equality', or merging 'Access to Healthcare' and 'Improving quality of life' into one topic, 'Improving access to

high quality healthcare'. The same applies to the merging of topics 'Waste' and 'Recycling' into 'Sustainable material production', which also is more closely linked to SDG no. 12. Please see fully updated list of topics on the following page. The evaluation of the issues' importance to Coloplast was done through interviews and workshops with relevant personnel from all parts of the organisation. The importance of the issues to external stakeholders was evaluated through multiple stakeholder interactions focusing on users' opinion by surveying more than 1,400 users globally. For some stakeholders, the data generated for the previous materiality assessment was reused.

The resulting changes are minor with the same top three topics being of high importance to both Coloplast and external stakeholders. Based on user inputs, sustainable material consumption and employee safety has been rated higher than compared to the previous materiality assessment.

Coloplast works to incorporate the findings of the materiality assessment into our decision process when prioritising activities and use them to guide our communication with our stakeholder groups. The decision to purchase renewable energy certificates is a testament to that (see page 25 for more). No significant changes were made for this year's reporting based on the updated materiality assessment.

Materiality assessment 2017



List of updated topics

2015	2017
Safe work place	Safe and healthy work place for employees
Gender diversity	Achieving gender equality
Human Rights	Protecting Human Rights
Ethical marketing practices	Ethical marketing practices
Product safety	Removing hazardous chemicals from products
Improving quality of life	Improving access to high quality healthcare
Access to Healthcare	
Philanthropy	Sponsoring community charities
Tax	Transparent tax management
Supply chain	Procuring responsibly
Waste	Sustainable material consumption
Recycling	
Energy and CO2	Renewable energy and energy efficiency
Water management	Water management
Animal testing	Ethical pre-and clinical trials

Data collection

Data is generated by respective business owner and consolidated and controlled by the Corporate Responsibility function for this report. In some cases, data from earlier financial years has been corrected, which can result in updates to figures in previous years' figures. In case of material changes to previous figures, a note to that effect is provided in the text or in the accounting policy. For this report, a materiality level at 5% or above is applied for changes in previous figures.

To continue improving our reporting, there may be times when data has been restructured for a more precise representation. Whenever data presented includes estimations, Coloplast applies rounding up/down to improve readability.

Coloplast is working together with PwC on assurance of selected data. The selection of data is based on Coloplast's materiality assessment.

Contact

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Independent Practitioner's Limited Assurance Report on non-financial data for 2016/17

To the stakeholders of Coloplast A/S

We have been engaged by Coloplast A/S to obtain limited assurance on the 2016/17 non-financial data regarding Energy and Greenhouse Gas (GHG) Emissions, Anti-corruption and Product Safety as stated on pages 35-37 in the Corporate Responsibility Report 2016/17.

Management's responsibility

Management of Coloplast A/S is responsible for preparation of the non-financial data and for stating data in accordance with the criteria on pages 35-37. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the non-financial data that is free of material misstatements, whether due to fraud or error. Furthermore, Management is responsible for stating GHG emissions data in accordance with the GHG Protocol, namely the GHG Protocol Corporate Standard and the GHG Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The criteria stated on pages 35-37 define reporting scope for non-financial data including GHG Emissions data. Greenhouse Gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PwC applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the non-financial data regarding Energy and GHG Emissions, Anti-corruption and Product Safety as stated on pages 35-37 based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000). Furthermore, with respect to the GHG emissions data stated on page 35, our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained when conducting our assurance engagement in accordance with Assurance Engagements on Greenhouse Gas Statements (ISAE 3410). Both standards are issued by the International Auditing and Assurance Standards Board, and both standards require that we plan and perform this engagement to obtain limited assurance whether the subject matter is free from material misstatement. A multidisciplinary team including assurance practitioners and engineers conducted this engagement.

A limited assurance engagement undertaken in accordance with ISAE 3000 and 3410 involves assessing the suitability in the circumstances of Coloplast A/S, use of defined criteria as stated on pages 35-37 as well as use of the GHG Protocol as the basis for the preparation of the GHG emissions. In addition, it involves assessing the risks of material misstatement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the non-financial data.

The procedures we performed were based on our professional judgment and comprised inquiries regarding applied registration systems and procedures, assessment of non-financial data, hereunder data used in connection with preparation of the 2016/17 GHG emissions data, and assessment of underlying documentation, including assessment of whether the scope of 2016/17 GHG emissions data comply with defined accounting principles and the GHG Protocol. During our work, we have conducted

interviews with key individuals at Coloplast A/S responsible for data registration and data consolidation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we express a limited assurance conclusion.

Hellerup, November 2 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 77 12 31

Mogens Nørgaard Mogensen
State-authorized public accountant

Limited assurance conclusion

Based on our work, nothing has come to our attention causing us not to believe that the 2016/17 non-financial data regarding Energy and GHG Emissions, Anti-corruption and Product Safety as stated on pages 35-37 have been prepared, in all material respects, in accordance with the applied criteria stated on pages 35-37.

Furthermore, nothing has come to our attention causing us not to believe that the 2016/17 GHG emissions data stated on pages 35 have been prepared, in all material respects, in accordance with the GHG Protocol.

Kim Tromholt
State authorised public accountant

Environmental performance data

Waste

Accounting policy

Total waste is based on weighted amounts from the production sites, distribution centres and corporate headquarters. Waste recycled covers waste recycled by external waste handling companies. Waste per unit produced is converted to index values (2008/2009=100). Percentage of recycling coverage is relative to total waste generation.

	Unit	2016/17	2015/16	2014/15	2013/14
Waste total	Tonnes	13,015	11,803	11,288	10,752
...of which goes to hazardous waste handling	Tonnes	496	533	554	479
...of which goes to landfills	Tonnes	934	816	647	1,306
...of which goes to incineration	Tonnes	7,488	6,749	6,542	6,186
...of which is recycled	Tonnes	4,098	3,706	3,546	2,781
Waste per units produced	Index	86	82	78	80
...recycling coverage	%	31	31	31	26

Water

Accounting policy

Total water use includes production sites, global distribution centres and corporate headquarters. All water use is delivered and treated by local municipalities. Coloplast only receives water from significantly affected water sources at our US operations in Minneapolis and Mankato (Minnesota), which are both located in the Mississippi estuary.

	Unit	2016/17	2015/16	2014/15	2013/14
Water use total	m ³	292,235	298,130	254,535	254,864
Water sources significantly affected	Number	1	1	1	1
Spills (significant / insignificant)	Number	0/0	0/0	0/0	0/0

Energy and GHG emissions (Part of PwC's limited assurance report 2016/17)

Accounting policy

Coloplast has adopted the Greenhouse Gas Protocol as the basis for our greenhouse gas (GHG) accounting principles. All emissions stemming from minimum 80% of the economic spend within a single reporting category are accounted for. In cases where we do not cover the full spend (Scope 3), Coloplast has extrapolated data to cover 100%.

Scope 1 and 2: Direct emissions, direct and indirect energy consumption

Direct and indirect energy consumption is a major source of GHG emissions in Coloplast, whereas VOC emissions are very low due to our efficient air cleaning systems.

Data for Scope 1 and 2 emissions covers all Coloplast production facilities (Denmark, Hungary, France, US and China), headquarters (Denmark and US) and global distribution centres (Germany, Hungary and US). New sites are included in the reporting on the date of takeover from the developer (owned sites) or by the first day of occupancy (leased/rented sites). GHG emissions from leased and rented sales offices and small local warehouses (reported as Scope 3 emissions).

Data on energy consumption is obtained from invoiced data from our utility providers and/or from readings of meters. Data on VOCs is measured consumption handled in air cleaning systems. Consumption of HFC gasses is obtained from invoices. Emissions from power consumption are based on International Energy Agency country specific GHG emission factors, not including production and transmission losses.

Total emissions per EBIT is based on EBIT before special items and converted to indexed values(2008/2009=100)

Scope 3: Other indirect GHG emissions

Coloplast has limited Scope 3 reporting to include seven categories relevant to our operations:

1. Transportation of goods: Covers all distribution internally in Coloplast, as well as distribution of finished goods from warehouses to customers in Emerging Markets. For air transportation, a radiative forcing index of 2.7 is applied in the calculation of GHG emissions.
2. Business travels: Based on yearly GHG emission reporting from Coloplast's global travel agent for business air travel, which this year accounts for 65% of total business air travel costs. As of 2015/16, the remaining has been extrapolated to ensure completeness of data. In addition, emission reporting from our main car rental supplier have been included from this year and onwards. For air travels, a radiative forcing index of 2.7 is applied in the calculation of GHG emissions.
3. Leased company cars: Covers all leased company cars in Coloplast.
4. Raw materials: Covers all ingoing raw materials registered in Coloplast's production data management system. Does not include OEM/contract manufactured goods, production equipment and other capital goods, processing aids and other supporting materials.
5. Energy consumption in sales offices, subsidiaries and local/regional warehouses: Covers all sales offices, subsidiaries and regional warehouses, which primarily are leased.
6. Fluorinated hydrocarbons in products: Covers all products produced in the given reporting year in Coloplast's product portfolio containing HFC gases.
7. Custom manufacturing: Covers GHG emissions from outsourced custom manufacturing production (OEM manufacturing), e.g. finished goods produced by external suppliers under the Coloplast brand.

For complete definition of the seven categories and what is left out of scope 3, please see the GHG accounting principles in full on Coloplast.com.

Energy and GHG emissions, continued (Part of PwC's limited assurance report 2016/17)

	Unit	2016/17	2015/16	2014/15	2013/14
Energy and GHG emissions					
Scope 1 / direct energy					
	MWh	52,058	46,237	42,858	40,286
	Tonnes CO _{2e}	11,500	9,500	9,000	8,200
...of which natural gas	MWh	52,032	46,219	42,735	40,285
	Tonnes CO _{2e}	10,400	9,200	8,500	8,100
...of which coal or fuel distilled from crude oil	MWh	25	18	124	0
	Tonnes CO _{2e}	7	5	33	0
...of which VOCs and HFC gasses ¹⁾	Tonnes CO _{2e}	1,100	210	450	170
Scope 2 / indirect energy					
	MWh	96,814	91,211	88,077	82,698
	Tonnes CO _{2e}	30,800	29,800	30,600	31,700
...of which electricity ²⁾	MWh	96,105	90,273	87,139	81,833
	Tonnes CO _{2e}	30,800	29,800	30,600	31,700
...of which district heating and cooling	MWh	710	938	938	865
	Tonnes CO _{2e}	6	8	8	8
Scope 1 + 2 / total emissions, direct and indirect					
	Tonnes CO _{2e}	42,300	39,300	39,700	39,900
...per number of units produced	Index	49	48	48	52
...per EBIT ³⁾	Index	23	23	24	35
Scope 3 / other relevant indirect emissions					
	Tonnes CO _{2e}	169,600	159,000	136,300	157,200
...of which transportation of goods	Tonnes CO _{2e}	33,600	⁴⁾ 27,600	18,300	14,800
...of which business travels	Tonnes CO _{2e}	26,000	24,300	15,100	14,000
...of which leased company cars	Tonnes CO _{2e}	10,200	10,100	10,300	10,100
...of which OEM Manufacturing	Tonnes CO _{2e}	9,100	9,100	8,000	10,600
.. of which sales offices and subsidiaries	Tonnes CO _{2e}	3,800	3,700	3,600	3,200
.. of which fluorinated hydrocarbons in products	Tonnes CO _{2e}	0	0	1,600	11,500
...of which raw materials in products	Tonnes CO _{2e}	86,900	84,100	79,400	93,000

1) HFC gasses has been included in the reporting scope. Please see page 25 for explanation of increase.

2) Based on updated greenhouse gas factors for electricity from the International Energy Agency. All greenhouse gas data has been readjusted accordingly.

3) Emissions per EBIT has been updated and based on EBIT before special items.

4) GHG emissions have been revised in 2015/16 due to updated records received by distribution suppliers.

Social performance data

Anti-corruption (Part of PwC's limited assurance report 2016/17)

Accounting policy

White-collar employees trained in Code of Conduct accounts for the percentage of active white-collar employees at the end of the accounting year, who have either completed an e-learning module or received face-to-face training and completed a test in our Code of Conduct. Only employees that have been with Coloplast for more than a month is in scope for reporting

Legal actions for anti-competitive behaviour covers legal actions initiated under national or international laws designed primarily for the purpose of regulating anti-competitive behaviour, anti-trust, or monopoly practices pending or completed during the reporting period.

Cases submitted accounts for cases that have been submitted to whistleblower hotline and evaluated if within scope. The scope of relevant cases for the whistleblower hotline includes violations of all topics covered by our Code of Conduct, Coloplast BEST. O

nly cases within scope of topics and subjects reported via the hotline are followed through. This does not mean that the cases are necessarily substantiated.

	Unit	2016/17	2015/16	2014/15	2013/14
White-collar employees trained in Code of Conduct	%	95	96	94	93
Legal actions for anti-competitive behaviour	Number	0	0	0	0
Cases submitted to the whistleblower hotline	Number	11	9	9	4
...of which within scope	Number	8	8	6	4

Product safety (Part of PwC's limited assurance report 2016/17)

Accounting policy

Coloplast monitors phthalate consumption based on the estimated average phthalate concentration per produced item times the quantity of sold items relative to 2013/14. Product samples are not included.

Number of animals used for testing accounts for all animals used for testing as part of tests performed by contract laboratories on behalf of Coloplast. Coloplast conducts no animal tests internally. 'Rodents' are mice, rats and guinea pigs. 'Other' animals are rabbits, pigs and dogs.

	Unit	2016/17	2015/16	2014/15	2013/14
Reduction in phthalate consumption	%	41	23	0	-
Animal testing	Number	1,576	1,490	295	755
... of which rodents	Number	1,380	1,332	250	679
... of which other animals	Number	196	158	45	76

Employees

Accounting policy

Employee headcount includes all full time and part time contracts

European markets include: UK, Germany, France, the Nordics, Benelux, Austria, Switzerland, Italy, Spain plus production in Denmark and Hungary. Other developed markets include: USA, Canada, Japan and Australia plus production in USA. Emerging markets include countries not listed in the other categories for all remaining markets in Americas, Asia, Africa, Europe and Oceania plus production in China.

Managers include all positions at or above Manager level. Top management includes Executive Management, Senior Vice Presidents, and Vice President positions.

Occupational injuries are measured as the number of injuries resulting in absence from work of more than eight hours per one million working hours.

Repetitive work is measured as the percentage of workplaces in Coloplast production in Denmark, Hungary, US and China according to the degree of repetitive work. All figures are annual averages based on quarterly figures. No/low – no or low degree of repetitive work. Medium – repetitive work with 0-2 aggregating factors, High – repetitive work with 3-4 aggregating factors. Very high – repetitive work with 5 or more aggregating factors.

Coloplast only conducts the employee engagement survey biannually. The sustainable performance index is made up of how leaders communicate, give feedback and their closeness with employees.

Calculation of Personal Development Plans (PDP) received is based on white-collar who have a PDP in Success Factors divided by the headcount. Personal development plans for blue-collar are run locally and in local systems.

	Unit	2016/17	2015/16	2014/15	2013/14
Employee headcount	Number	10,905	10,275	9,706	9,250
...blue-collar	Number	5,061	4,725	4,466	4,168
...white-collar	Number	5,844	5,550	5,240	5,082
Regions					
European markets	Number	7,256	6,687	6,271	5,952
Other developed markets	Number	987	920	860	839
Emerging markets	Number	2,662	2,668	2,575	2,459
Gender diversity					
Female employees total	%	63	63	65	64
Female managers	%	42	41	43	40
Female top managers	%	14	15	13	12
Attraction, recruitment and retention					
Manager positions filled by internal candidates	%	57	64	47	-
Age distribution total					
Employees aged < 30	%	21	26	24	24
Employees aged 30-50	%	62	58	61	62
Employees aged > 50	%	17	16	15	14

Social performance data

Employees, continued

	Unit	2016/17	2015/16	2014/15	2013/14
Occupational injuries and accidents					
Injuries and accidents, all employees	LTI freq.	4.5	4.1	4.4	4.9
Repetitive work					
...No/low	%	48.1	48.1	42.5	41.2
...Medium	%	33.7	33.1	35.2	32.0
...High	%	16.3	16.8	20.6	25.1
...Very high	%	1.9	1.9	1.7	1.7
Employee engagement					
...Response rate	Index	-	93	-	93
...Engagement index	Index	-	74	-	74
...Values index	Index	-	83	-	81
...Well-being index	Index	-	78	-	78
...Sustainable performance culture	Index	-	77	-	-
Personal development					
Personal Development Plans received	Index	93	84	67	-

Supply chain responsibility

Accounting policy

Percentage of raw material suppliers fully covered by the Supply Chain Responsibility procedure. The data covers the entire Coloplast organisation.

Number of suppliers whose risk profile has been downgraded by the internal decision-making body from 'Consult Decision Board' to high, or high to medium, or medium to low following documented improvements in their social, environmental or business ethical standards as a consequence of Coloplast's involvement.

	Unit	2016/17	2015/16	2014/15	2013/14
Raw material suppliers covered by supply chain responsibility programme	%	100	100	100	100
Suppliers with improved risk profile because of significant improvements	Number	0	2	1	3
... accumulated	Number	29	29	27	26
Contracts terminated	Number	0	0	0	1
...accumulated	Number	9	9	9	9

Certifications

Accounting policy

Coloplast currently has nine production sites including the corporate headquarters (Thisted, Mørdrup, Humlebæk, Tatabánya, Nyírbátor, Zhuhai, Mankato, West River Road/Minneapolis and Sarlat) and nine distribution sites (Hamburg, Marietta, Champlan, Kungsbacka, Bologna, Madrid, Lognes, Peterborough and Tata) within scope of certification to ISO 9001, ISO 13845 and OHSAS 18001. None of the distribution sites will be certified according to ISO14001 due to their low environmental impact.

Site visits accounts for the total duration in days of quality or environment, health and safety visits by the authorities worldwide for all Coloplast locations.

	Unit	2016/17	2015/16	2014/15	2013/14
Production and distribution sites (total)	Number	18	13	13	13
ISO 9001 / ISO 13485	Number	18	13	13	13
ISO 14001	Number	9	8	8	8
OHSAS 18001	Number	10	10	10	10
Site visits	Days	86	74	86	59

Fighting for better care

Accounting policy

Estimated number of clinicians trained include training activities ranging from one day courses to full master programmes.

	Unit	2016/17	2015/16	2014/15	2013/14
Access to Healthcare projects (accumulated)	Number	46	36	30	24
Estimated number of clinicians trained by our Access to Healthcare projects (cumulative)	Number	12,000	11,000	9,150	7,000

The Coloplast story begins back in 1954. Elise Sørensen is a nurse. Her sister Thora has just had an ostomy operation and is afraid to go out in public, fearing that her stoma might leak. Listening to her sister's problems, Elise conceives the idea of the world's first adhesive ostomy bag.

Based on Elise's idea, Aage Louis-Hansen, a civil engineer and plastics manufacturer, and his wife Johanne Louis-Hansen, a trained nurse, created the ostomy bag. A bag that does not leak, giving Thora – and thousands of people like her – the chance to live the life they want.

A simple solution that makes a difference.

Today, our business includes Ostomy Care, Continence Care, Wound & Skin Care and Urology Care. We operate globally and employ about 11,000 employees.

[Ostomy Care](#) / [Continence Care](#) / [Wound & Skin Care](#) / [Urology Care](#)

Coloplast develops products and services that make life easier for people with very personal and private medical conditions. Working closely with the people who use our products, we create solutions that are sensitive to their special needs. We call this intimate healthcare. Our business includes ostomy care, continence care, wound and skin care and urology care. We operate globally and employ about 11,000 employees.

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