

Global Compact
Communication on Progress
December 2009



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About Pressalit

Pressalit was founded in 1954, and today it is one of the leading European producers of toilet seats and bathroom design for physically disabled.

Today, Pressalit Group is an allied company with two independent business areas: Pressalit and Pressalit Care. The business areas have their own objectives, and they target selected segments, but they share and develop a dynamic culture based on common values: We listen. We give. We play. We act.

The 450 employees at Pressalit Group, based in the headquarters in Ry, Denmark, generate a turnover of DKK 537.4 millions (2008) – primarily in the European market. Exports accounted for 80% in 2008.

A Word from the Executive Vice President

Corporate Social Responsibility is an important part of the public agenda in Denmark and is essential for our way of conducting business in Pressalit Group. We continue to take our responsibility as a socially responsible corporation seriously.

Since our last Global Compact COP, we have developed a Code of Conduct that should be known by all employees by the end of April 2010. Our Code of Conduct is, among other things, based on the ten principles of the UN Global Compact. In this way, we emphasize our commitment to the Global Compact.

Even though 2009 has been a year where we have experienced the effects of the global recession and have had to reduce the number of employees due to decreasing sales, we have maintained our focus on social responsibility.

In the following, there is a description of some activities and results of 2009, which concern our commitment to the Global Compact. The activities will be described individually. We have chosen to mention them only once though some of them may concern more than one principle. Measurement of activities and results are only described when relevant. We hope that this approach will make the report more reader-friendly and give a better impression of our intentions and actions.

I hereby wish to emphasize our continued commitment to the Global Compact.



Dan Boyter
Executive Vice President



Human Rights (Principles 1-2)

Practical Actions – the COO as Role Model

In summer 2009, Pressalit Group COO, Dan Boyter, took part in World Outgames, which were held in Copenhagen. Human rights and in particular gay rights were in focus. His participation led Dan Boyter to give a personal interview in the Danish business newspaper Børsen in which he explained the importance of being a role model. Dan Boyter is himself a homosexual and has experienced first hand how this is a taboo in the world of industry. As Dan Boyter put it in the interview: "In my world – the world of industry – it is far from the norm for homosexuals to come out. I don't think we are more discriminating than the world of culture or the media industry, but there is little doubt that we need more openness and transparency. I want all young people to feel welcome in our industry, and this is where top management has a greater responsibility to promote diversity than I previously realised".

Diversity is a keyword at Pressalit where we continue to emphasise that everyone is welcome in the workforce. This has recently been incorporated into our Code of Conduct: "We find strength through diversity. We seek to reflect a global society and therefore diversity in terms of ethnic background, education, gender, religion, sexual orientation, age and working capacity".

Practical Actions – Suppliers

Pressalit Group A/S has developed a self-assessment form for all its suppliers in which Global Compact's ten principles are important parameters. The form is in the process of being implemented and will be fully integrated in the course of 2010. The forms are collected 1-4 times a year depending on the size and strategic importance of the supplier. To support self-assessment, we incorporate the observations of staff following their visits to suppliers.

The above applies to production suppliers for the business areas Pressalit A/S and Pressalit Care A/S, while Pressalit Group suppliers are not yet included.

Practical Actions – Network

Dan Boyter holds several positions of trust which allow him to promote both Global Compact and diversity management. From 2003 to December 2009, he was chairman of the Danish National Network of Business Leaders which advises the Ministry of Employment on issues relating to Corporate Social Responsibility.

Pressalit is renowned for being a socially responsible company which means that we are often invited to talk about how we implement social responsibility within the company. Part of this work focuses on our participation in Global Compact and integration of the ten principles.

In November 2008 and June 2009, we also welcomed a delegation of overseas visitors who through a Danida project (Danish International Development Agency) came to Denmark to take part in a course on Corporate Social Responsibility in general and on Global Compact in particular.



Labour Standards (Principles 3-6)

Practical Actions – Consultation Committee

Like so many other companies, Pressalit Group A/S has also felt the effects of the recession in the past 12 months. One of the consequences of the economic downturn has meant that the company has been forced to make staff redundancies.

The company's consultation committee and in particular our two shop stewards have been actively involved in the difficult challenge posed by staff redundancies, just as they have been regularly kept up to date.

In spring 2009, production management at Pressalit A/S worked together with the shop stewards and the company's salaried staff regarding several initiatives, including:

- that all staff used their four days of floating holiday so that we could close production for an entire week in connection with a public holiday.
- that staff on their own initiative were to exercise their right to take 14 days' self-selected courses at Industriens Kompetence Udviklingsfond (the Danish Industry's Skills Development Fund). This meant that staff did not receive their full salary during the two-week period but an amount corresponding to 85% of their wages.

In return, the company promised there would be no further redundancies during the period up until August 2009. The company also made staff available to assist in setting up courses at Industriens Kompetence Udviklingsfond and in other ways facilitate the practical side of the process.

Practical Actions

In 2008, Pressalit Group A/S measured employee job satisfaction for the first time. The measurement was carried out again in September 2009, and this showed that since 2008 job satisfaction had risen by 3 points to 74 out of a possible 100. Similarly, loyalty rose by 3 points to 78. By comparison, the corresponding figures for the rest of Danish industry were 70 for job satisfaction and 77 for loyalty. Throughout the rest of industry, the figures also rose from 2008 to 2009 by one and three points respectively.

Measurement of Action

In addition to an extremely ambitious goal of achieving an 80% job satisfaction index, the company also set the target of an 85% response rate for staff in 2009. The response rate showed a marked increase from 2008 to 2009, and we achieved our goal of an 85% response rate.

In a year overshadowed by the challenges of recession and cutbacks, it is extremely gratifying to see that employee job satisfaction rose by 3 points to 74 out of a possible maximum score of 100.



Expected Outcomes and Activities in 2010

In 2009, a review of the individual departments' job satisfaction reports was further supported by an action plan. In addition to going through their reports, all departments must identify specific areas for improvement. Thus each department will have a clear plan for who is responsible for the various actions, their outcomes and when such action is to be initiated.

Currently we do not have a picture of the overall trend in the individual department's action plans.

In September 2010, Pressalit Group A/S will once again measure employee job satisfaction with the aim of achieving an 85% response rate. The company has not yet reassessed the measurement figures, but hopes that close to 100% of the workforce will respond to the survey and thus express their feelings about the workplace.

Practical Actions – Young People and Trainees

Since summer 2009 there has been a general focus on the sharp increase in the numbers of youth unemployed in Denmark and what appears to be a major fall in the number of training agreements.

Pressalit's trainee and apprentice policy clearly states that the purpose of offering training and apprenticeships is 'to give young people the opportunity to gain a foothold in the labour market and at the same time signal that Pressalit Group A/S is a company that takes its responsibilities in this area seriously'.

Our objectives are 'to ensure a uniform basis for professional job training for trainees and apprentices at Pressalit Group, to ensure that Pressalit Group is an attractive company for vocational training and to train trainees and apprentices to a level which as a minimum corresponds to that demanded of our other staff'.

In 2009, seven trainees left the company, five of them having completed their training. Currently there are 11 trainees at Pressalit Group A/S. A further two will start their training on 1 January 2010 and two will have completed their training by the end of January 2010.

To create a common foundation for trainees at Pressalit across all departments, the company holds two annual meetings for all trainees. At the first meeting, trainees are given a project task whereby they are required to prepare lunch for all 300 staff at Pressalit. The trainees are given a budget and must then plan the meal, manage marketing, create a theme, handle purchasing and cooking. The purpose of these meetings is to give the trainees an opportunity to forge relations across the whole company.

In autumn 2009, Pressalit Care was named "Apprentice Workplace of the Year 2009" at local level in the Central Jutland region. The selection was based on the recommendation of former trainee Mette Gordon Frederiksen who in August 2009 had just completed her office training with a focus on sales administration. In her recommendation, Mette wrote the following: *"From day one I was welcomed by friendly helpful people. It is incredible how easy it is to get answers to all the questions you have as a new trainee. Trainees are NEVER asked to make coffee or perform other tasks that are not relevant to their training. We are given a*



responsibility and the sense that colleagues have complete faith in our ability to perform the tasks we are delegated”.

Our selection as apprentice workplace of the year caused us to consider why a trainee such as Mette was so happy with her training. The conclusion we reached was that Pressalit treats its trainees exactly the same as other staff, namely on an equal footing with other colleagues with the same challenges, demands and responsibilities that this implies.

One of the trainees we hope to educate is associated with the High Five project. High Five is a national project whose aim is to make it easier for criminal youth to find educational opportunities.

Pressalit Group A/S has verbally supported the project for a number of years without backing this support with action, as both the candidate's preferences and the needs of the workplace must be met before an agreement can be signed. We are therefore pleased and proud to provide an apprenticeship for a young person who, following several years in prison, is now on the right track.

Special Needs Employment

The company also employs people with special needs – typically in flex jobs. This group of employees accounts for about 4.5% of the workforce.

The recession has resulted in a total reduction of staff of about 10%. Having said this, we have employed one person in a flex job while letting another go. Our policy of being a socially responsible company equally applies in times of economic prosperity and recession.

Given our high-tech production facilities, our focus on efficiency and the specific skills required in these areas, our main possibility to provide flex jobs lies in the more service-oriented areas of the company.

In 2009, Pressalit worked even more closely with Skanderborg municipality concerning special needs employment, company-based training and sickness absence. The company signed a so-called partnership agreement whereby Pressalit Group A/S acts as a competency centre for Skanderborg municipality. This implies that the company offers openings to people who need time to consider their future employment career.

Expected Outcomes and Activities in 2010

Pressalit Group A/S expects to create six new flex jobs in 2010 and to establish 10 clarifying company-based traineeships, primarily in collaboration with Skanderborg municipality.

Practical Actions – Sickness Absence and Absence Policy

Sickness absence was already a focus area in 2008 and continues to be so in 2009. At the start of the year we carried out an internal survey to determine whether management used the company's tools to follow up on sickness absence. Part of our absence policy at Pressalit Group A/S requires managers to hold a job satisfaction interview with staff in instances of short-term absence: three short absence periods within a three-month time frame. Or if the employee is absent due to sickness following a two-week absence.



An internal survey showed that all managers are regularly in touch with staff who are absent through illness. Such contact may either be contact over the phone or a more personal form of contact. In some cases, contact has taken place in the person's own home due to the circumstances. All managers are aware that maintaining contact with the workplace is important, just as it is important to visit the workplace and meet colleagues, despite long-term absence.

In connection with the revision of the current Danish sickness benefit legislation, the company's sickness and absence policy has once again been amended so that it complies with the new rules that come into force on 1 January 2010.

In this connection we held a half-day course where all managers and a shop steward were invited to focus on problems relating to 'mental suffering' in the workplace.

A further informative meeting was held for leaders and members of the consultation committee where the main points of the new legislation were presented along with local authority tools.

As previously mentioned, Pressalit Group A/S has entered into a collaboration with Skanderborg municipality. This collaboration includes consultation and following up on long-term sickness benefit cases. The latter often results in staff being declared fit to return to active work and/or company-based training to clarify whether employees can return to their previous job duties.

Measurement of Action

The 2008 objective was re-established for 2009, namely an absence rate of 3% for both short- and long-term absence.

Unfortunately, just as in 2008, we will not be able to achieve this objective in 2009. At the end of November 2009, the short-term absence rate for the company was 4.59%, while the long-term rate was 4.93%. As cited earlier, we have had to reduce the number of staff, and with an average term of employment of 11-12 years, this has meant saying goodbye to staff who have been with the company for many years and thus have a long period of notice. Unfortunately, redundancies can also lead to an increase in sickness absence in staff under notice, and given the long periods of notice, this is clearly reflected in the absence statistics. However, it does not explain why we have failed to achieve our objective regarding short-term absence.

Expected Outcomes and Activities in 2010

The work of achieving a 3% absence rate for both types of absence is ongoing. Several departments have also taken steps to highlight absence. In some departments, the general absence statistics are a fixed item on the agenda of so-called whiteboard meetings. In another department staff have adopted information boards which clearly indicate who is at work in the department on any given day. The consultation committee is closely monitoring these initiatives and will implement successful measures where needed.

The new sickness benefit legislation comes into force on 1 January 2010 and will put increased focus on which means can be used to solve which tasks despite possible illness. Cases



involving long-term absence will be closely monitored, and hopefully this will not only result in a reduction of sickness absence but also in more staff being declared partially fit for work.

Practical Actions – a Healthy Lifestyle

The company embraces a food policy that requires it 'to support a healthy lifestyle by giving staff the opportunity to choose healthy food'.

It is a goal of the company 'to inform interested staff about what constitutes healthy food'.

At the company's business address in Ry, staff are offered a canteen scheme with either one or two meals. The menu reflects healthy dietary principles and includes fruit and numerous salads, just as fresh fruit or healthy snacks are served at meetings. In line with our food policy, we have taken chocolate off the menu.

In spring 2009, all staff received a small pamphlet prepared by our canteen informing them about healthy living, including diet and exercise.

When the company holds events, consideration is always given to healthy food. For example, at the annual Christmas party the Friday before the first Sunday in Advent, the 150 children were able to choose a smoothie, just as the home-made sweets consisted of dried fruit.

The company supports different forms of staff exercise. For example, we have our own spinning team and this year about 100 staff took part in the annual DHL relay race.



Environment (Principles 7-9)

Environment – Practical Actions

At Pressalit Group A/S we believe that a healthy working environment generates healthier business results.

In 2002, the company achieved recertification in accordance with ISO 9001: 2000 standard.

In 2007, we were classified as a category 1 company by Skanderborg municipality's environmental authority.

In 2008, the company was screened by the Danish Working Environment Service and in addition to a green smiley we received a great deal of praise.

Measurement of Action

In our environmental objectives for 2008, we had established a burr waste target of 9.7%. This objective was achieved with 9.6%.

Our scrap rate target was set at 10% and this was not achieved in 2008, when the end result was 10.7%

In 2008, the aluminium waste produced by Pressalit Care was limited to 1.25%. The end result for 2008 was a waste of 1.04%.

The company's green accounts are available on its website and are published in April.

Expected Outcomes and Activities in 2010

In 2009, the percentages were further reduced.

- Burr waste 9.0%
- Scrap rate 9.0%
- Aluminium waste 1.25%.

The company has also established a target for the Care production unit located in Skejby. Here, a number of different chemical levels must be reduced by 10%.

Practical Actions – Health and Safety

Health and safety initiatives at Pressalit Group A/S must ensure that the company continues to grow while simultaneously safeguarding the health, safety and wellbeing of the workforce.

Healthy and safety initiatives at Pressalit Group must be meaningful and generate value. The safety groups are intimately involved in the work of ensuring safety and carry out their own safety inspections.



Lean tools are an integrated part of the plastic seat production process. Weekly whiteboard meetings are held so that all staff participate in a meeting every third week. Boards located in production provide a clear overview of the number of occupational accidents. The boards not only list the number of actual accidents since 1 January 2009 but also the number of near-misses that have been discovered.

Measurement of Action

The goal for 2009 was to reduce the number of occupational accidents by 50% in relation to year before, corresponding to 5 accidents. As of November 2009, the company has registered 11 accidents with 61 sick days as a result. On the basis of the accidents recorded in 2008, the relevant departments have focused on recording near-misses. This has currently led to 85 registrations of situations which could have been dangerous. The company has also carried out an analysis of the safety culture in all production areas.

Expected Outcomes and Activities in 2010

The target for occupational accidents in 2010 is set at a maximum of 5.



Anti-Corruption (Principle 10)

Practical Actions

As previously mentioned, in 2009 Pressalit Group A/S formulated a Code of Conduct which all staff are expected to know and follow before the end of April 2010. The ethical guidelines also require that staff are careful not to enter into agreements that may include unethical elements. For example, the guidelines contain the following points:

- Our agreements are open and written down. They can withstand scrutiny and can be read and understood by colleagues.
- The use of services and products rather than money must be formulated in an open agreement.
- In cases where we maintain other relationships with business partners and/or customers, we can provide a clear basis for such decisions.
- When we act as hosts, we strive to signal generosity and a reasonable level of hospitality.
- We are attentive to the invitations we choose to accept, including who is making the invitation and their reason for doing so. In general, we are more likely to accept an invitation that is for many companies than invitations exclusively for us. Thus, we are also more likely to decline a personal invitation to the company's employees and, for example, their families/partners.
- The same applies to gifts. We are conscious of what we accept and why. (For example, we register all Christmas gifts costing more than DKK 500. If you receive a gift costing more than this or an exclusive invitation, you should always discuss the matter with your immediate superior.)
- If we have experienced situations that have caused us to question whether we have acted ethically, we talk to an immediate superior to discuss the matter.

Expected Outcomes and Activities in 2010

In the course of 2010, our Code of Conduct will require the formulation of 5 new guidelines which show that staff incorporate ethics into their work and that they reflect on the incidents they experience first hand.

Pressalit Group A/S

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