

Corporate Responsibility Report

2009/10





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A word from our management

Since we published our first Corporate Responsibility Report in March 2010, we've experienced an increased interest in the topic – from investors, employees, customers and end users. It shows how closely our corporate responsibility activities are linked to our business. We believe that acting responsibly will help us drive growth.

2009/10 has been a good year for Coloplast. We've reached our financial long-term targets ahead of time, and Coloplast is now a leaner and more competitive company – focusing on sustainable and profitable growth.

A key driver for future growth is to have the right products and services that cater to the needs of the market. Our end users tell us that they prefer products that are safe, reliable and discrete. These are keywords that go hand in hand with our corporate responsibility activities. Here's an example:

Our catheter series SpeediCath® Compact and urine bag series SpeediBag® Compact are just half the size of standard catheters and urine bags. Much easier to slip into a handbag or a pocket. Smaller products require less material in production and lighter and more compact packaging for transportation. This means less waste and less CO₂ per unit produced. Like almost all of Coloplast's new products, SpeediCath Compact catheters and SpeediBag Compact urine bags are

PVC and phthalate-free, having a less harmful impact on users and the environment.

Our employees at the factory in Hungary, where most of the catheters are produced, work under safe conditions. They perform tasks that change during the day to lower the risk of damaging repetitive work. We believe that satisfied and healthy employees do a better job – which again means better business.

We also make sure that our suppliers act responsibly, as we strive to avoid unpleasant surprises such as unsafe working conditions or underpaid workers.

All in all, when you buy a Coloplast product, you buy a product that is safe to use and minimises any harm to the environment. You buy a product produced in a responsible way by a company that treats its employees well. This is what corporate responsibility means to us – and it makes good business sense.



Lene Skole
Executive Vice President
CFO

Lars Rasmussen
President
CEO

Progress and challenges

In the last financial year, we've worked hard to deliver results and increase the scope of our reporting. This year, we've included a number of entirely new topics and corresponding indicators, thereby achieving a 'B' ranking under the Global Reporting Initiative (GRI).

Here's a brief overview of what we've achieved – and the challenges we face.

New PVC policy

We've made significant progress in terms of providing phthalate-free alternatives and we need to find substitutes for just five remaining products. In addition, we've committed ourselves to do our best to avoid PVC in new products and try to make PVC-free versions when renewing existing products.

New whistleblower hotline

This year, we've established a whistleblower hotline that employees and business partners can use to report serious offences and allegations.

Fewer injuries

The injury rate has continued to fall and over the last four years we've more than halved the rate. Likewise, the number of workstations with a high level of repetitive work has been reduced from 7% to 3.8% since 2007. On the other hand, highly repetitive work has not fallen significantly in the last financial year, but that is almost entirely due to the fact that we now measure for this indicator at more production sites in China and Hungary.

Less waste per unit produced

In terms of environmental issues, we're particularly proud of the fact that the amount of waste per unit produced has fallen by 6% in the last financial year. Despite our energy efficiency initiatives, we've seen a rise in total CO₂ emissions, although CO₂ emissions per unit produced is down by 3%. The number of animals used for testing has gone up, partly due to regulatory requirements.

Better standards at suppliers

So far, we've helped 19 suppliers make extensive improvements to their social and environmental standards, ten of them in the recent financial year.

New strategic partnerships

We've now initiated eight projects as part of 'Access to Healthcare' – our strategic partnership programme in developing countries. These projects represent a total budget of around DKK 7m.

New topics covered in the report include diversity of the workforce, governance and organisation of corporate responsibility and information about a number of ingredients used in our production. We've also added a number of case stories about our corporate responsibility work on site at production facilities in Hungary and China.

Coloplast at a glance

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, Urology & Continence Care, and Wound & Skin Care. We market and sell our products globally, and in most markets local healthcare authorities provide reimbursement for our products.

Coloplast supplies products to hospitals and institutions as well as wholesalers and retailers. In selected markets, Coloplast is a direct supplier to consumers (homecare).

We operate globally with sales subsidiaries in our principal markets and production in Denmark, Hungary, the US, China and France. We employ more than 7,000 people.

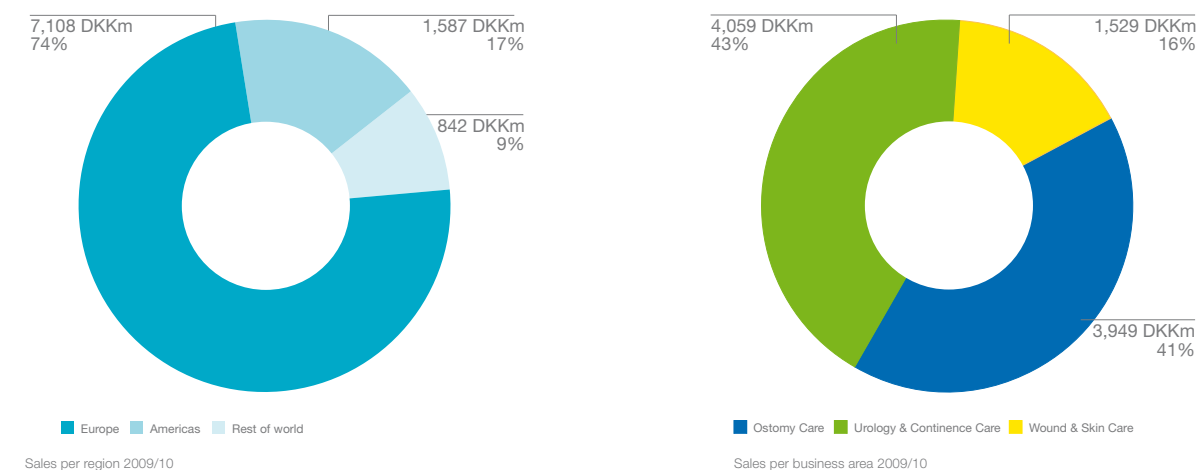
Our three business areas

- Ostomy care products are for people whose intestinal outlet has been rerouted through the abdominal wall
- Urology is the treatment of medical issues related to the urinary system and the male reproductive system. Continence care is about helping people manage their bowel and bladder conditions
- Wound 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

Executive management

Lars Rasmussen - President, CEO
Lene Skole - Executive Vice President, CFO

IN THE FINANCIAL YEAR 2009/10, TOTAL SALES WERE DKK 9.54BN



Corporate responsibility at Coloplast

This report documents our current corporate responsibility activities and what we aim to achieve in the future.

At Coloplast, we've defined six groups of stakeholders that are directly affected by our business. This report describes our approach and performance in meeting the expectations of these six stakeholder groups:

End users

Our most important stakeholders are the people who use our products. Our end users depend on safe, reliable and discreet products. By vigilant quality control and by carrying out risk evaluations on all new Coloplast products, we do our very best to cater to our end users' needs.

Healthcare professionals

Doctors and nurses introduce the end users to our products and services. They also teach end users how to use our products correctly. We make a conscious effort to listen to all ideas they may have and to respond with even better products and any educational materials they need.

Our employees

The employees at Coloplast make it all possible. We're responsible for securing their safety, health and well-being, and we need to attract and retain the best and most qualified people.

Business partners

Our environmental, social and business ethical responsibility also extends to our business partners, including suppliers and distributors. We help those willing to improve or find new partners who will.

Environment

Our production affects the environment through our use of natural resources as well as the waste and emissions we generate. We continue to search for more sustainable ways to conduct our business, for example by adopting even more efficient production processes or by using 'greener' materials.

Society

Finally, we have a responsibility to use our knowledge and competences in a way that benefits society as a whole. Our Access to Healthcare programme is specifically aimed at improving conditions for people with intimate healthcare needs in the developing world.



End users

Products you can trust

We focus on safe production processes and on identifying and using materials that are not harmful – for the benefit of end users and our business.

We want to make safe, reliable and discreet products that can put our end users in control of their lives. Throughout the design process, we keep re-evaluating to make sure that we end up with a well-functioning and safe product.

With regard to intimate healthcare products, we need to be particularly aware of three risks:

- Materials that could be harmful: We evaluate all materials to avoid or minimise substances that potentially could be harmful to humans
- Products with physical defects: Defects pose a risk to our end users, especially when the product is inserted into the body, like a catheter. We minimise the risk of defects both in the design phase and production process through continuous product evaluation

- Contamination of sterile products: Products such as catheters and wound dressings need to be sterile to avoid infections of the body. To minimise the risk of contamination, we manufacture in clean rooms followed by a sterilisation process

Our approach is based on the international quality standard ISO 13485, which is mandatory for medical device producers. In addition, we've implemented the voluntary quality standard ISO 9001. Both standards cover all of our production.

In the financial year 2009/10, our quality management system was scrutinised over a total of 82 days by inspection authorities or their representatives. The results of the site visits were found to be satisfactory.

Alternatives to phthalates

Phthalates are chemicals which make PVC plastic more flexible and durable. In the medical device industry, phthalates are used to soften e.g. catheters and urine bags. In recent years, animal studies have shown that certain phthalates affect a number of processes in our bodies, such as fertility. From March 2010, medical devices in the EU must carry a label if they contain classified phthalates.

At Coloplast, we want to give our customers the choice of a phthalate-free product. Our goal is to provide a phthalate-free alternative to all products containing classified phthalates.

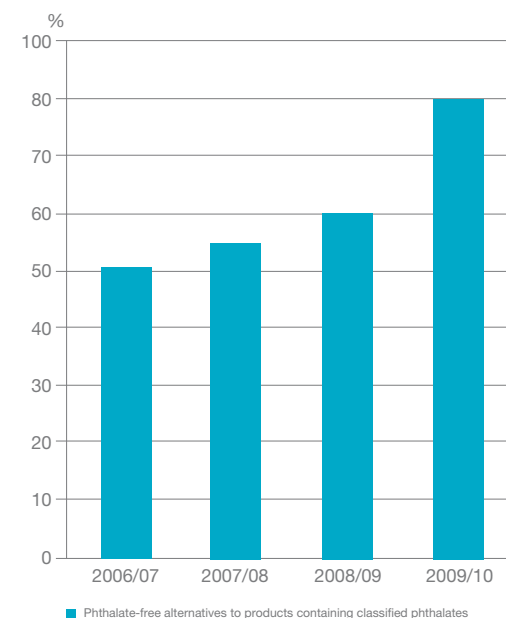
Right now, we offer phthalate-free alternatives to 80% of our products containing classified phthalates. We are only five products away from reaching our 100% target – and projects are up and running to close the gap.

In 2009/10, Coloplast used a total of 355 tonnes phthalates. Our initiatives to reduce this amount include promotion of new phthalate-free products, substitution of phthalates in older products and support for a ban on classified phthalates in medical devices.

It has been a challenge to find high quality substitutes, and sometimes we have to come up with creative solutions. For example, plasticisers based on plant oil have been successfully used in the production of connector pipers for ostomy bags.

A complete list of our products, with and without classified phthalates, can be found on coloplast.com.

PHTHALATE-FREE ALTERNATIVES



Ingredients to watch

Phthalates are our main concern, but we follow the latest research on potential harmful effects of a number of other ingredients as well.

PVC (including the variant PVdC) is plastic that is widely used in the production of medical devices. It is also used in a number of Coloplast products such as catheters and urine bags. PVC is a very good odour barrier in addition to other functionalities that makes it useful for our production. However, the high chlorine content and the common use of additives such as phthalates make disposal a serious environment and health issue. Coloplast's new PVC policy is straightforward – we will not use PVC unless we have to. Specifically, we will only use it for new products when its technical properties are necessary for product performance. And when we replace existing products, we give high priority to the replacement of PVC with other materials.

Bisphenol A has been in the public eye for some years due to concerns that it may affect the fertility of humans. In Denmark, bisphenol A is currently banned in containers for baby food. Bisphenol A is a widely used chemical in the plastic type polycarbonate, which is also used in medical devices. A few Coloplast products contain residual amounts of bisphenol A, which are way below the safety limits set by the European Food Safety Authority.

Parabenes are widely used preservatives for moisturisers, lotions and cosmetic products. Parabenes are suspected of disturbing the human hormone system. Parabenes are used in a very limited number of Coloplast products within Skin Care. We are currently looking for alternatives in connection with the ongoing renewal of our Skin Care product range.



Animal testing

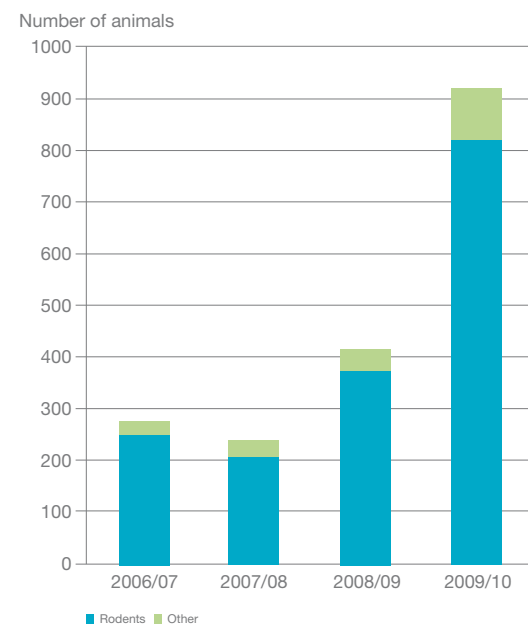
Animal testing is often a necessary element in documenting the safety of our products. Coloplast aims to use as few animals as possible for testing. For certain markets, however, authorities place great emphasis on animal tests.

In 2009/10, we conducted tests on 912 animals¹. 821 (90%) were rodents, and the remaining 98 (10%) were rabbits. Despite the increase in the number of animals, it's still a relatively low figure given the size of our production.

The increase is primarily due to more products being submitted for FDA approval in the US. We would not be able to launch products on the American market unless we conducted these tests. We try to reduce the number of tests on animals through chemical characterisation. This technique allows us to compare one version of a product with another, which means that we do not need to repeat animal tests for products that have been on the shelf for longer periods or for products where we receive new information about potentially harmful ingredients.

¹ Due to changes in our reporting methodology, the number of animal tests in this report is not directly comparable to those in our last report from March 2010. The number in this report reflects the financial year, not the calendar year as was the case in the March 2010 report. Most of the tests that cause the increase in the number of animal tests in 2009/10 were performed in the last quarter of 2009. The consequence is that 431 of the tests we now include in the financial year 2009/10 were included in the calendar year 2009 in the March 2010 report.

ANIMAL TESTING



¹ 'Other' includes rabbits, dogs and pigs.



Healthcare professionals

A strong ethical profile

We see healthcare professionals as our partners. We share a passion for making life easier for our end users. Working together, we develop new products and services – and we do it in an ethical way.

At Coloplast, we know that product innovation drives our growth. We have a history of user-driven innovation - we do product development in close dialogue with end users and healthcare professionals. As an example, every employee in Global R&D has a 'user friend', who they meet with informally. We also use online communities such as www.stoma-innovation.com to support co-creation.

Our Ostomy Care market direction is based on input from end users and healthcare professionals, which shows that ostomates often struggle with leakage and skin problems. Feedback from users and healthcare professionals is an important element in developing ostomy products with a better body fit and in developing educational materials for both end users and healthcare professionals.

Code of Conduct on interaction with healthcare professionals

It's important for us not to compromise the independence of healthcare professionals. Coloplast is committed to the Code of Conduct of Eucomed, our European industry association. The Code is a set of ethical rules for interacting with healthcare professionals, which ensures that any support to education, remuneration, donation or gift-giving is done in an appropriate way.

At Coloplast, most salespeople and senior staff are required to take an e-learning course on the Code of Conduct, and key groups are given face-to-face training. So far, approximately 880 Coloplast employees have completed the online course. This corresponds to approximately 22% of all white-collar workers, up from 13% in March 2010.

Ideally, we want our employees to tell colleagues or managers openly if they know of a wrongdoing or crime. However, we also recognise that in some situations, employees may not feel comfortable reporting this openly, so we have recently launched a global whistleblower hotline for employees and business partners.

Advisory boards

Coloplast annually invites hundreds of nurses worldwide to take part in advisory boards on ostomy and continence. The boards have been established in 22 countries. At the advisory board meetings, nurses give us feedback on the performance of our products. We learn how healthcare professionals use our products in practice. This helps us improve existing products and obtain ideas for new ones.

Responsible advocacy

Another important element of our ethical profile is how we conduct advocacy activities. At Coloplast, we work in partnership with many stakeholders to try to influence decisions that affect our industry and the rights of end users. As one example, we are concerned about the potential health risks posed by classified phthalates, and we actively support a ban on their use in medical devices. We also work to raise awareness of and to improve the standard of care within our three core business areas: Ostomy Care, Urology & Continence Care and Wound & Skin Care.

We conduct advocacy both directly as a company and in coordination with external partners, including national industry organisations and Europe-wide bodies like Eucomed. Our new Corporate Public Affairs team has introduced a systematic and professional approach to our advocacy work. Our public affairs work is always guided by a Public Affairs Code of Conduct, which emphasises our respect for democratic decision-making processes as well as our focus on respect and integrity in our stakeholder relations and transparency in our policy positions.

Our Public Affairs team is registered with the European Commission, and this information has been available on the website of the European Commission's Register of Interest Representatives since 2009. Our Public Affairs staff is not registered as lobbyists with the European Parliament because of Parliament regulations that require listed lobbyists to be present in parliament more than 50 days a year.



Employees

A safe place to work

Minimising injuries and repetitive work is important. At Coloplast, we believe that a safe and healthy place to work combined with a diverse and dedicated workforce leads to higher efficiency levels.

Our aim is that all sites globally follow the same strict occupational health and safety standards.

We use the international standard OHSAS 18001 for occupational health and safety. In practice, this means we have clear rules and minimum requirements for improving our working conditions.

Today eight out of eleven production sites and two out of three warehouses have been OHSAS18001 certified, covering 92% of the employees at these sites.

Reducing injuries

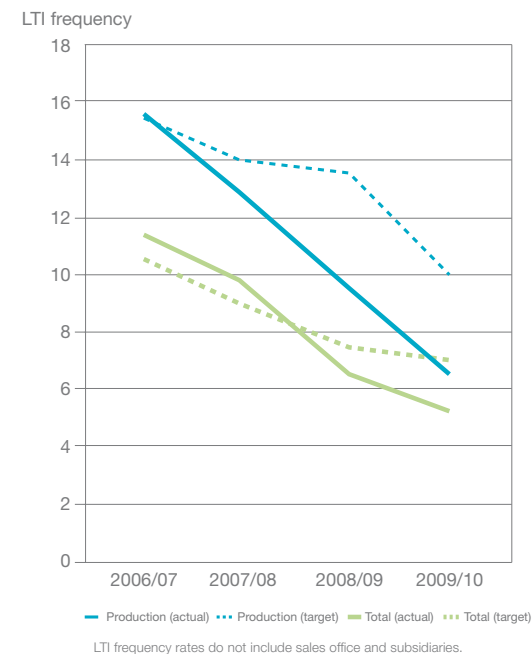
At Coloplast, we've been recording occupational injuries as the frequency of Lost Time Injuries (LTI) for more than 10 years. LTI frequency is measured as the number of injuries with more than eight hours of absence recorded per 1 million working

Reducing injuries in Hungary

Our production site in Tatabánya has worked hard over the last three years to reduce the number of injuries. Over the three years, the number of injuries has almost halved and in 2009/10, just 10 injuries resulting in lost time were registered. First, Tatabánya made sure that near-misses were reported. Then, a new training session covering the most typical injuries was introduced for all employees in production. In addition, local health and safety representatives were specifically asked to evaluate accidents and injuries and help come up with solutions.

hours. Our goal for 2012 is to reach a maximum LTI frequency rate of 6 for Coloplast in general and an LTI frequency rate of 10 for production/blue collar workers. We also set annual targets as illustrated in the graph below.

OCCUPATIONAL INJURIES



During the last financial year, our injury rates have continued to fall. Total LTI frequency has decreased to 5.2 while the LTI frequency rate for production has fallen to 6.6. Both have fallen by more than 50% over the last four years and are now even below our target for 2012.

We have been registering and handling 'near-miss accidents' for several years. We quickly solve the specific problem and work to minimise the risk of the injury recurring in the future. Our focus is to change behaviour. Specifically, local production managers discuss actual injuries with the global operation managers at quarterly meetings and agree on ways to change behaviour.

Minimising repetitive work

At Coloplast, we focus on a workplace layout that is ergonomically correct and require employees to rotate between workstations. In this way, our employees avoid uniform and repetitive motions.

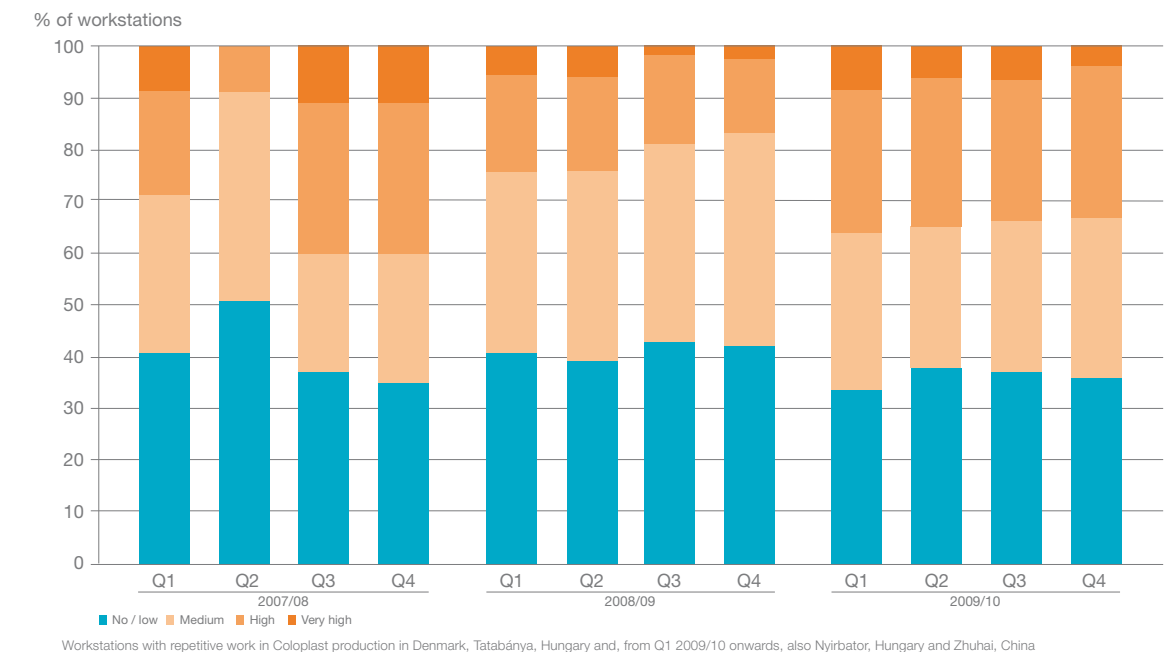
There is no universal method for measuring the degree of repetitive work, so we developed our own. It was important for us to present a measure-

Isocyanates

One safety issue for our employees is the fact that we use isocyanates in our foam production. In the production phase, when isocyanates are still liquid, they are a potentially dangerous chemical if not handled properly. Once the product is finished, the isocyanates will harden and will not cause any health or safety concern. We have asked independent consultants to assess whether our handling of isocyanates in production is safe. They concluded that it was, given our procedures for handling the chemical and our safety training of staff. Furthermore, they concluded that we allowed sufficient storage time for any residual isocyanates to vaporise.

ment system that would help us identify risky workstations and design rotation schemes and ergonomic layouts that make a difference. It was also important that our employees could easily understand the system and track their own progress. Below, the blue category covers workstations with no or a low degree of repetitive work. The three orange categories are defined by an accumulating number of strenuous movements and positions.

REPETITIVE WORK



Since we started using this method to register repetitive work in 2007, workstations involving repetitive work defined as “very high” (dark orange) have decreased from 7% to 3.8%. Most workstations have medium, low or no strenuous movements resulting from repetitive work.

In Q1 2009/10, we started to include data on repetitive work from our production in Zhuhai, China and Nyirbator, Hungary. Since these two sites have just begun working systematically with repetitive work, the results are not at the level of our other sites. This explains the increase in workstations with repetitive work in Q1 2009/10. We are working hard to improve rotation and ergonomic layout at these two sites and expect to see a decrease next year.

Diversity

At Coloplast, we believe that diversity at our workplace brings a competitive advantage. As we strive to become even more innovative and grow our company, diversity of our leadership becomes particularly important. We need to be able to draw on different sets of ideas and experience to meet customer demands.

This includes gender, race, ethnicity, age and sexual diversity. With regard to gender diversity, we can see that women in Coloplast are well represented at 63% on a global scale. At the management level, women represent 38% of all managers in 2010.

In top management, i.e. at or above the vice president level, 16% are women. Women are represented in some of the most influential parts of the company. This includes Ms. Lene Skole, CFO, Ms. Sue Kernahan, General Manager of Coloplast UK Ltd, and Ms. Kimberly Herman, President of Coloplast Corp in the US.

To reach our full potential, we must have the best person for each and every job, regardless of gender. We realise there is value in inspiring more

Reducing repetitive work in China

When we started measuring the degree of repetitive work at our factory in Zhuhai, China, it became clear that this was a relatively common problem. Based on the results of the measurements, we quickly started rotating employees between certain workstations every fourth hour so that no-one was doing highly repetitive work for extended periods of time. This resulted in an immediate reduction in the amount of very high repetitive work. The next step was to improve the ergonomic layout of various workstations. Most importantly, we changed the layout of tables and chairs to allow for more space for arm and other movements. We also introduced new conveyor belts to avoid twists and made some repetitive processes semi-automatic.

women to move into top positions in our company. As part of our new initiative ‘Strengthening Leadership’, we commit to:

- Encourage female champions to be visible as role models for successful leadership
- Promote the use of mentors and networks for women as part of their personal development
- Use a people review process where we identify and create transparency around our current people competences and potential. This process ensures that promotions in Coloplast are based on competences only

In addition to this, we have initiated a study looking into potential barriers for women to advance as leaders in Coloplast. Once we see the first results of the study, we will assess the need for further initiatives.



Transfer of production

Over the last two financial years, Coloplast has said goodbye to more than 700 employees as part of the transfer of production and services to Hungary, China and Poland. Most recently, we said goodbye to 320 employees in Denmark and 120 in the US in the last financial year.

We believe that this was done in a responsible way. All employees who were dismissed in Denmark were given additional severance pay and in the US we provided severance pay although not required by law. In both countries, we provided outplacement assistance, i.e. coaching and job search support. Employees who were made redundant were given very long notice periods and we have not experienced a single day of strike in connection with the transfer of production.

Dedicated employees

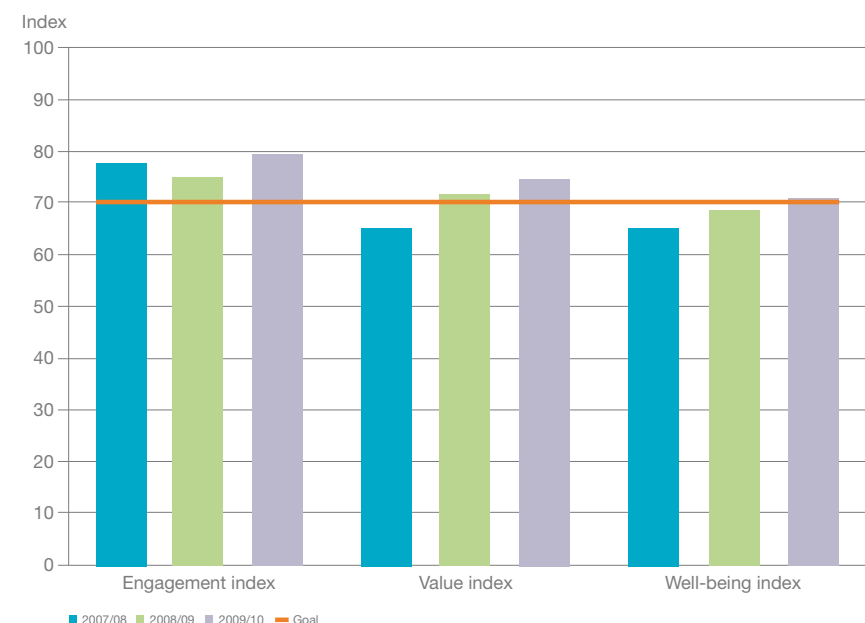
Since 2007/08, we've measured employee engagement annually for both white and blue-collar workers. We measure engagement, values and well-being. Each of the three indices is measured on a 0-100 index where 100 is the best. Our goal is to reach at least 70 for each.

This year, a full 92% of all employees completed the employee engagement survey. For the first time, we've reached our goal of 70 for all three key indices on engagement, values and well-being. In particular, satisfaction with immediate management has increased. It is also highly encouraging to note that we achieve high scores in customer orientation. Areas where we need to improve include 'one company' - i.e. that we work as one organisation globally - and improving personal development plans.

Our goal is to offer Performance Development Plans (PDP) - an annual review of employee performance, wishes and well-being - to all employees based on annual or bi-annual meetings with the nearest manager. We do not have complete data on the total number of PDPs conducted, but in the last employee engagement survey, 73% responded that they had indeed completed a PDP in the last year³.

³ This figure covers the percentage of employees participating in the employee engagement survey who have responded that they have had a PDP in the last year. In the last report from March 2010, we provided a different figure which was misleading since only PDPs of white-collar workers were registered, and not all for that matter.

EMPLOYEE ENGAGEMENT



Business partners

Helping them meet our standards

Our suppliers are an important part of our value chain. Setting standards, treating them as partners and helping them improve local conditions is simply good business.

Coloplast cares about the social, environmental and business ethical standards of our suppliers. We assess the risks of non-compliance with our standards, guide suppliers on how to improve and monitor whether they actually do so. We call it the supply chain responsibility programme, and 98% of our raw material suppliers were covered by it in 2009/10.

As a first step, our suppliers need to know our standards. We've therefore developed a brochure that describes what we expect from them and how we check compliance. The standards cover human rights, labour rights, environmental issues, occupational health and safety and business ethics.

Each year, we systematically select a number of suppliers for site visits or social audits where we review their standards. We then agree on any improvements that might be necessary and draft an action plan for the changes that have to be undertaken before our next visit.

Our first choice is always to start a dialogue with a given supplier to help them improve. Typically, the response is positive and the suppliers start improving to meet our standards. However, in a few cases we may have to terminate the cooperation.

So far, we've reclassified a total of 19 suppliers to a lower risk category after they made improvements to their social, environmental and business ethical standards. We have had to stop cooperating with a total of seven suppliers due to environmental, social or ethical issues.

Making a difference in China

Coloplast works with several Chinese suppliers. One of them is a packaging company that employs about 180 blue-collar workers in the fields of printing, laminating, cutting and packaging.

When Coloplast started working with this supplier in 2005, we looked into their social and environmental standards. A social audit found 18 violations of Chinese law and Coloplast's own standards. This included problems with work time registration, overtime payment, labelling of chemicals, fire alarms and first aid kits.

Together with the supplier, we made an action plan for correcting these issues, including responsible persons and deadlines. The supplier was prepared to cooperate. When we visited this supplier again the year after, many of the issues had been improved, though mostly those violating Chinese law. In terms of Coloplast's own health and safety standards, there was still room for improvement, and it was made clear to the supplier that they should take action on the remaining issues.

Two years later almost all problems were corrected; the workers at this manufacturing site now have proper contracts, and they do not work excessive overtime hours. Fire alarms are installed, and first aid kits are available.

Environment

Doing our part

We want to use fewer resources and generate less waste and greenhouse gas emissions. We believe that an environmentally conscious business is a sustainable business with a strong platform for growth.

Coloplast wants to minimise its environmental impact. In practice, this means that we must raise our standards above the ones set by law. It means that we must use fewer resources, produce less waste and emit fewer greenhouse gasses per unit produced.

Coloplast focuses on a wide range of environmental issues, but currently three topics top our list: Minimising greenhouse gas emissions to help mitigate climate change, minimising the use of PVC and reducing waste. A key tool is the use of life cycle screenings, which allows us to estimate the combined environmental impact of a product.

Our environmental management system is based on the internationally acknowledged ISO 14001 environmental certification scheme. We certify production facilities as well as all corporate marketing and development functions to ISO 14001. Today, ten out of eleven production sites have obtained the ISO 14001 certificate, including our three largest sites.

In practice, ISO 14001 means that we must scrutinise all activities with an environmental impact. This knowledge helps us minimise the consumption of energy and raw materials as well as improving our recycling capabilities and reducing our waste volumes.

Reducing greenhouse gas emissions

At Coloplast, we believe that combating climate change and minimising emissions of greenhouse gases is a collective responsibility.

SpeediBag Compact

An example of the positive effects of life cycle screenings is SpeediBag® Compact, a urine bag for Coloplast's newest catheter series. Every time a customer chooses SpeediBag Compact, the overall impact on global warming is less than a tenth of the impact of a conventional PVC urine bag. From an environmental perspective this product has numerous advantages. Given the small size and improved materials, it is easily stored and transported – when added up this offers a significant greenhouse gas reduction. In our production, SpeediBag Compact requires less material than standard urine bags, and less waste is generated.

We'll keep growth in CO₂ emissions at a lower level than our production growth – i.e. emit less CO₂ per unit produced. We comply with the internationally acknowledged Greenhouse Gas Protocol, and we disclose our data to the Carbon Disclosure Project.

In 2009/10, we reduced our greenhouse gas emissions per produced unit by 3.3%. This reduction is a result of our generally lean processes and a series of specific energy efficiency projects. For example, our new US headquarters achieved LEED certification in 2010 in recognition of its green building.

Despite the relative energy reduction in 2009/10, we see a slight increase in absolute greenhouse



gas emissions. This negative trend is partly due to the recent transfer of production to China, where the generation of electricity typically carries twice as high CO₂ emissions as in Denmark and Hungary.

In Tatabánya, Hungary, we are implementing a heat recovery system to save about 1,000 tonnes of CO₂ emissions each year. We have also just finalised a study of the potential for energy reduction at our factory in Zhuhai, China.

Generating less waste

Throwing out raw materials as production waste is both bad business and bad environmental practice. Given the production processes involved in making Coloplast products, it's impossible to avoid scrapping of plastic foils completely. However, we aim at designing products where surplus scrap is generated in clean fractions that can be reused in our production or recycled. Each year, we set up targets for waste reduction at all our ISO 14001-certified sites, and local management is held accountable for their performance against these targets.

In 2009/10, we generated approximately the same amount of waste as last year despite an increase in production. Measured as waste generated per units produced, this represents a ca. 6% relative reduction in waste generation.

We have successfully reversed the trend from 2007/08 when the total amount of waste increased due to the establishment of new production facilities

Reducing waste in Hungary

In recent years, production has grown significantly at Coloplast's site in Tatabánya, Hungary. The main environmental impact is the generation of waste. The local management has proposed a number of solutions to deal with this.

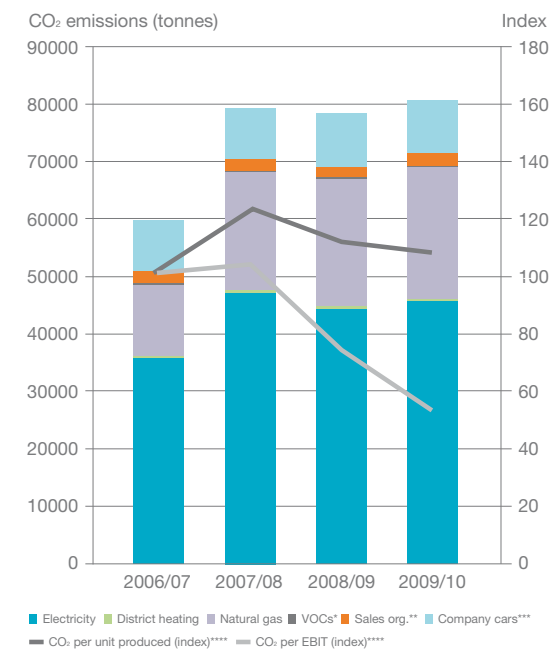
One initiative is the introduction of colour-coded waste collection. The colour codes make it easier for employees to separate reusable waste and to handle the remaining waste correctly. In addition, around 15% of the adhesive waste is now reused in production.

In 2010, we also started using a new waste management company, which is able to incinerate more waste. Coloplast Hungary is also engaged in a research project that aims to transform PVC waste into e.g. diesel oil and industry grade hydrochloric acid. In this way, we literally eliminate the environmental problems involved in the disposal of PVC.

in China and Hungary. In addition, the amount of reused waste is increasing.

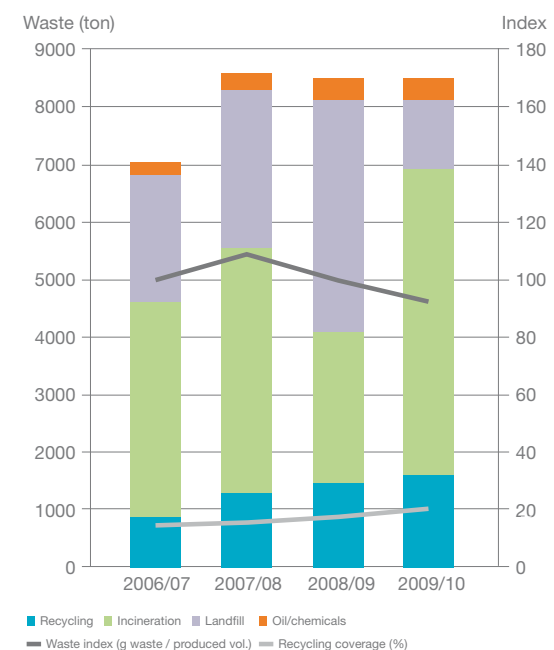
Another positive trend is that more waste is sent for incineration at power stations rather than to landfills. This means that energy is recovered from the waste.

CO₂ EMISSIONS AND PRODUCTION EFFICIENCY



* Volatile Organic Compounds (VOCs)
 ** Based on model data covering our sales offices and subsidiaries
 *** Based on consumption data from app. 70% of our company car fleet
 **** Index values do not include company cars and sales organisation

WASTE GENERATION



Increasing the access to healthcare

Access to Healthcare is Coloplast's strategic partnership programme for developing countries. The programme helps patients and users gain easier access to Ostomy Care, Urology and Continence Care or Wound and Skin Care – and helps develop local healthcare systems.

Access to Healthcare funds projects in developing countries with a basic healthcare system in place. The goal of Access to Healthcare is to improve the quality of life for as many end users as possible. This means focusing on basic care and local healthcare institutions. To date, we've approved eight projects with a total budget of DKK 6.8 million in South Africa, Mexico, India and China.

The projects focus on strengthening basic education, awareness and advocacy amongst healthcare professionals, health authorities, patients and users – and the general public.

The programme also benefits Coloplast. For example, we gain insight into the lives and needs of end users in developing countries. In this way, we can come closer to the lives of end users and help improve healthcare systems in countries where they are not yet fully developed.

India: Stoma care e-learning

In India, more than 100,000 people have a stoma. However, there are almost no nurses specialised in ostomy care. Just six to eight new enterostomal therapists (ETs) graduate each year.

The International Ostomy Association (IOA) has received funds from Access to Healthcare to develop and run a national, educational e-learning programme for nurses to become trained in stoma care. IOA has partnered up with the Indian Association of ETs and the World Council of ETs (WCET) to accomplish this task.

Via an e-learning portal, Indian nurses can access a free 70-hours training course on stoma care. The three-year project target is to train 4,500 nurses in the theoretical module and have them sit for the online examination. Of these, 1,400 nurses are expected to graduate from the full stoma care programme, which also includes a clinical practice module.

The stoma care e-learning programme is an excellent example of the type of project supported by Access to Healthcare. It is sustainable since the e-learning portal will also be open for stoma care students beyond the period of funding by Access to Healthcare. Furthermore, the project takes local conditions into account. The e-learning structure makes up for the fact that Indian hospitals are widely dispersed geographically, and especially in some regions, nurses have very limited access to training needed for proper treatment of ostomy patients. It also gives students the flexibility they need in order to take the course along with their daily work.

Visit the e-learning portal on <http://www.iscnep.org>.



| | | | |
|---|--|--|--|
|  Mexico |  South Africa |  India |  China |
| 2008/09 <ul style="list-style-type: none">· Ostomy Scholarships and Community Workshop | 2007 <ul style="list-style-type: none">· Spinal Cord Injury Course | 2010 <ul style="list-style-type: none">· Stoma Care e-learning· National wound care training· Comprehensive Spinal Cord Injury Management | 2008/09 <ul style="list-style-type: none">· Ostomy guidelines· Stoma clubs· Wound care training |

Corporate governance

Coloplast A/S is a Danish listed company. Our shareholders have the ultimate decision power, which they can use at our annual general meetings. Our management structure includes a Board of Directors and an Executive Management.

The Board of Directors consists of seven members elected at the general meeting and three members elected by our employees. Five of the seven members elected at the general meeting are independent of Coloplast. No-one is a member of both the Board of Directors and Executive Management and no board member is a former member of the Executive Management. In 2010, we established an Audit Committee consisting of three board members. The Audit Committee monitors financial reporting, audits and internal controls.

Openness and transparency

Coloplast communicates openly about corporate governance issues. We provide a wide range of communications, including the Annual Report, quarterly reports, meetings with investors, shareholders and equity analysts, capital markets days, conference calls, etc. We are considering the possibilities of webcasting the Annual General Meeting, though this has not been found relevant so far.

Coloplast has two share classes – 3.6 million class A shares (ten votes per share) and 41.4 million class B shares (one vote per share). Our class B shares are listed on NASDAQ OMX in Copenhagen, while the class A shares remain non-negotiable instruments. More details about the distribution of shareholders on the two classes can be found in the Annual Report.

Remuneration

The current guidelines for remuneration of board members and Executive Management were adopted at the Annual General Meeting in December 2009.

Members of the board receive a fixed annual fee. The chairman and deputy chairman of the Board of Directors receive a supplementary fee, but no members receive incentive pay. Both the fixed fee and the supplementary fee are approved by the shareholders and disclosed in the Annual Report.

The Executive Management receives a fixed and a variable remuneration. The variable remuneration consists of an annual bonus subject to certain benchmarks. The bonus proportion may vary among the members of Executive Management, but is subject to a maximum of around 40% of the annual net salary. Another element of the variable pay to the Executive Management is made up of options corresponding to four months' net pay to ensure that the incentive of the Executive Management correlates with the creation of shareholder value. Both the fixed and the variable remuneration of the Executive Management, including options, are disclosed in the Annual Report (note 6).

Our website www.coloplast.com includes more information about corporate governance.

Governance and organisation of corporate responsibility

At Coloplast, we believe that corporate responsibility should be driven by the people who will make it happen in practice.

A relatively small Corporate Responsibility unit is responsible for setting relevant policies, coordinating our work and communicating to stakeholders. Most data collection and implementation work is undertaken by Corporate Quality and Environment; local quality, environment, health and safety managers; Corporate Procurement; Global Marketing and our sales subsidiaries.

The Corporate Responsibility unit is part of People & Communications. This allows for efficient stakeholder relations and dialogue with internal and external stakeholders. The Corporate Responsibility Team is an internal network of specialists with a stake in corporate responsibility.

The Executive Management takes most decisions within the field of corporate responsibility, typically after consultation with Senior Vice Presidents of key line and staff functions. In some cases, the Board of Directors takes the final decision.

Strategy and anchoring

The mission, vision and values are the guiding principles of everything we do at Coloplast. Our mission is to make life easier for people with intimate healthcare needs. We lead the way by bringing the best ideas first and fast to market.

On a more operational level, our corporate strategy and the related business area strategies focus on profitable growth. The Agenda is a short list of the most important projects at Coloplast.

Corporate responsibility is the realisation of the Coloplast value 'respect and responsibility'. It links directly to the guiding principles of the company.

Mission, vision, values

Corporate strategy

Business area strategies

Agenda

Corporate responsibility is also a key element of Coloplast's leadership position and the broader responsibility that comes with it – responsibility to the environment, to society, to our customers, to our employees, to our shareholders, and integrity in all we do. It is a key foundation for the corporate and business area strategies and the Agenda.

Corporate responsibility is currently guided by a corporate responsibility plan. The plan introduces six stakeholder groups and incorporates a number of other relevant policies and plans. It outlines areas where Coloplast can improve and calls for greater transparency about our performance within corporate responsibility, including most prominently this report.

Our standards

Coloplast employs more than 7000 people worldwide, with production sites in Denmark, Hungary, China, the US and France. To act as one company, we need clear global standards.

Since legal requirements and work cultures are different from country to country, we've developed standards and policies for the way we want to do business.

UN Global Compact

Coloplast has been an active signatory to the UN Global Compact since 2002. The ten principles of the Global Compact cover basic human rights, labour rights, environmental and anti-corruption policies. Since 2007, we've also been a signatory to Caring for Climate, another Global Compact initiative.

'In our view, the UN Global Compact is the most important international platform for ensuring transparency and accountability. We continue to support this initiative strongly.'

Lene Skole, Executive Vice President and CFO

Code of Conduct

Our business ethical guidelines are described in our corporate Code of Conduct and the Code of Conduct of Eucomed, our European industry association. The Codes guide our interaction with healthcare professionals and cover issues such as gifts, donations and corruption. The Codes are provided to new employees and key personnel have to take an online course.

Certifications

Coloplast is certified according to a number of in-

ternational standards that require us to monitor our performance and continuously improve. The standards cover production and distribution sites, but not our sales subsidiaries.

ISO 9001 and ISO 13485 are international standards for quality management systems. ISO 9001 covers general quality management systems, while ISO 13485 is specifically targeted at the medical devices industry. All of our production and distribution sites are covered by the ISO 9001 and ISO 13485 standards.

ISO 14001 is an international standard for environmental management systems. The standard requires us to assess the environmental impact of a product and our production as well as monitor environmental performance. All but one of our production sites are now covered by the ISO 14001 standard. Most recently we achieved certification of the West River Road site in Minneapolis.

OHSAS 18101 is an international standard for occupational health and safety management systems, which contains guidelines for securing the employees' well-being and safety. Approximately 92% of our employees in production and distribution are now covered by OHSAS 18001. The US distribution site Marietta was certified to this standard in 2009/10.

Recognitions

Coloplast is included in a number of indices for sustainable investments, including the Dow Jones Sustainability Index and FTSE4Good.

| Area | Certification | Production facilities and HQ (Total: 11 ⁴) | Distribution facilities (Total: 3) | Coverage |
|--------------------------------|------------------------|--|------------------------------------|-------------------------------|
| Quality Control | ISO 9001 and ISO 13485 | 11 | 3 | 100% of sites |
| Environment | ISO 14001 | 10 | Not relevant | 91% of production sites |
| Occupational health and safety | OHSAS 18001 | 8 | 2 | 92% of employees ⁵ |

⁴Since the last CR Report was published in March 2010, Coloplast has closed the production site in Vadnais Heights, USA. We now have a total of 11 production sites globally. ⁵29 October 2010 Coloplast announced that we had acquired Mpathy, a fast growing company in woman's health. The two new Mpathy production sites are not included in this report, since the acquisition was not completed in 2009/10.

Data summary table

| Certifications ¹ | Unit | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---|--------|---------|---------|---------|---------|
| Production and distribution sites (total) | Number | 14 | 15 | 15 | 14 |
| ISO 9001 / ISO 13485 ² | Number | 13 | 14 | 15 | 14 |
| ISO 14001 ³ | Number | 7 | 7 | 9 | 10 |
| OHSAS 18001 ⁴ | Number | 6 | 6 | 9 | 10 |

1) Coloplast currently has eleven production sites (Thisted, Mørdrup, Espergærde, Kvistgaard, Humlebæk, Tatabánya, Nyirbator, Zhuhai, Mankato, West River Road, Sarlat) and three distribution sites (Hamburg, Marietta, Lisses). Since our last CR Report of March 2010, the production site in Vadnais Heights has closed. 2) Our goal (which we have reached) is that all eleven production sites and all three distribution sites are ISO 9001 and ISO 13845 certified. 3) None of the distribution sites will be certified due to low environmental impact. 4) Our goal is that all eleven production sites and all three distribution sites are OHSAS 18001 certified.

| Product quality and safety | Unit | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|-------------------------------------|--------|---------|---------|---------|---------|
| Site visits ¹ | Days | 56 | 60 | 59 | 82 |
| Non-phthalate products ² | % | 51 | 55 | 60 | 80 |
| Animal testing ³ | Number | 275 | 246 | 413 | 919 |
| ... of which rodents | Number | 249 | 210 | 372 | 821 |
| ... of which other animals | Number | 26 | 36 | 41 | 98 |

1) Total duration in days of quality or environment, health and safety visits by the authorities worldwide for all Coloplast locations. 2) Alternatives available to Coloplast products containing phthalates. 3) Number of animals used for testing. Rodents are mice, rats and guinea pigs. Other animals are rabbits, pigs, dogs and sheep. Covers all Coloplast operations. Figures have been recalculated to correspond to the financial year instead of calendar year. The figures are therefore not directly comparable to those in the CR Report of March 2010.

| Anti-corruption | Unit | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|--|------|---------|---------|---------|---------|
| White-collar employees trained in anti-corruption ¹ | % | - | - | 13 | 22 |

1) Measured as the number of unique visitors to the online course site, staying for a sufficient period of time. Covers all Coloplast locations.

| Occupational health and safety | Unit | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---|---------------|---------|---------|---------|---------|
| Injuries and accidents, all employees ¹ | LTI frequency | 11.2 | 9.7 | 6.5 | 5.2 |
| Target, all employees | | 10.5 | 9.0 | 7.5 | 7.0 |
| Injuries and accidents, production workers ² | LTI frequency | 15.6 | 12.9 | 9.4 | 6.6 |
| Target production workers | | 15.5 | 14.0 | 13.5 | 10.0 |
| Repetitive work ³ | | | | | |
| ... No / low | % | - | 41.0 | 41.7 | 36.3 |
| ... Medium | % | - | 30.0 | 37.0 | 29.0 |
| ... High | % | - | 21.6 | 17.3 | 28.1 |
| ... Very high | % | - | 7.3 | 4.0 | 6.5 |
| Employee engagement survey | | | | | |
| ... Response rate | Index | - | 89 | 88 | 92 |
| ... Engagement index | Index | - | 77 | 75 | 79 |
| ... Values index | Index | - | 65 | 72 | 74 |
| ... Well-being index | Index | - | 65 | 68 | 71 |
| Personal Development Plans ⁴ | Index | - | 73 | 77 | 73 |

1) Measured as the number of injuries resulting in absence from work of more than eight hours per one million working hours. Covers all employees in Coloplast locations not including sales offices and subsidiaries. 2) As above, but covers only production (blue collar) workers. 3) Percentage of workplaces in Coloplast production in Denmark, Tatabánya (Hungary) and, from Q1 2009/10 onwards, also Nyirbator (Hungary) and Zhuhai (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 more than 5 aggregating factors. Please note that the annual averages reported from 2007/08 and 2008/09 differ slightly from the Corporate Responsibility Report of March 2010. This is due to a miscalculation in the previous report of parts of the raw data which were otherwise correct. 4) Percentage of employees with documented personal development plans. Covers all Coloplast locations.

| Labour practices | Unit | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|----------------------------------|--------|---------|---------|---------|---------|
| Employees (headcount) | Number | - | - | - | 7,421 |
| ... Blue collar | Number | - | - | - | 3,376 |
| ... White collar | Number | - | - | - | 4,045 |
| Female employees ¹ | % | 51 | 57 | 58 | 63 |
| Female managers ² | % | 33 | 37 | 40 | 38 |
| Female top managers ³ | % | - | 20 | 20 | 16 |
| Age distribution | | | | | |
| ... Employees aged < 30 | % | 15 | 19 | 22 | 30 |
| ... Employees aged 30 - 50 | % | 64 | 63 | 62 | 57 |
| ... Employees aged > 50 | % | 21 | 18 | 16 | 13 |

1) Data on gender and age distribution includes Coloplast employees in Canada, China, Denmark, Germany, Hungary, Hong Kong, the UK and the US. The data covers 83% of all employees. 2) Managers include all positions at or above Manager level. 3) Top management includes Executive Management, Senior Vice President, and Vice President positions.

| Environment ¹ | Unit | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---|------------------------|---------|----------|----------|----------|
| Emissions of greenhouse gasses (direct and indirect) ² | Tonnes CO ₂ | 59,746 | 79,105 | 78,423 | 80,627 |
| ... of which company cars ³ | Tonnes CO ₂ | 8,000 | 8,000 | 8,968 | 8,968 |
| ... of which sales organisation ⁴ | Tonnes CO ₂ | 2,839 | 2,839 | 2,839 | 2,839 |
| ... of which VOCs ⁵ | Tonnes CO ₂ | 120 | 114 | 226 | 71 |
| ... of which natural gas | Tonnes CO ₂ | 12,419 | 20,262 | 21,461 | 23,016 |
| ... of which district heating | Tonnes CO ₂ | 745 | 808 | 240 | 9 |
| ... of which electricity | Tonnes CO ₂ | 35,623 | 47,082 | 44,689 | 45,724 |
| ... per number of units produced ⁶ | Index | 100 | 123 | 112 | 108 |
| ... per EBIT ⁷ | Index | 100 | 105 | 73 | 53 |
| Emissions of greenhouse gasses (other relevant indirect) ⁸ | | | | | |
| ... of which transportation ⁹ | Tonnes CO ₂ | - | - | 11,370 | - |
| ... of which travel ¹⁰ | Tonnes CO ₂ | - | - | 15,042 | 14,914 |
| Waste ¹¹ | Tonnes | 7,058 | 8,616 | 8,515 | 8,538 |
| ... of which oil / chemicals ¹² | Tonnes | 321 | 360 | 382 | 394 |
| ... of which landfill | Tonnes | 2,152 | 2,694 | 3,977 | 1,155 |
| ... of which incineration | Tonnes | 3,607 | 4,306 | 2,718 | 5,379 |
| ... of which recycling | Tonnes | 977 | 1,255 | 1,438 | 1,610 |
| ... per units produced | Index | 100 | 108 | 99 | 93 |
| ... recycling coverage ¹³ | % | 14 | 15 | 17 | 19 |
| Direct energy ¹⁴ | mWh/ | 62,094/ | 101,308/ | 107,307/ | 115,081/ |
| | GJ | 223,538 | 364,710 | 386,306 | 414,292 |
| ... of which natural gas | mWh/ | 62,094/ | 101,308/ | 107,307/ | 115,081/ |
| | GJ | 223,538 | 364,710 | 386,306 | 414,292 |
| ... of which coal or fuel distilled from crude oil ¹⁵ | mWh/ | 0 | 0 | 0 | 0 |
| | GJ | | | | |
| ... of which produced or sold | mWh/ | 0 | 0 | 0 | 0 |
| | GJ | | | | |
| Indirect energy | mWh/ | 71,929 | 94,144/ | 84,978/ | 84,190/ |
| | GJ | 258,946 | 338,918 | 305,919 | 303,086 |
| ... of which electricity | mWh/ | 68,730 | 90,705/ | 83,333/ | 84,190/ |
| | GJ | 247,429 | 326,537 | 300,001 | 303,083 |
| ... of which heating and cooling | mWh/ | 3,199/ | 3,439/ | 1,644/ | 991/ |
| | GJ | 11,516 | 12,380 | 5,918 | 3,568 |
| ... of which steam | mWh/ | 0 | 0 | 0 | 0 |
| | GJ | | | | |
| Water use ¹⁶ | m ³ | 80,781 | 173,772 | 239,946 | 217,923 |
| ... of which municipal water ¹⁷ | % | 100% | 100% | 100% | 100% |
| Water sources significantly affected ¹⁸ | Number | 0 | 0 | 0 | 0 |
| Spills (significant / insignificant) ¹⁹ | Number | 0 / 0 | 0 / 1 | 0 / 0 | 0 / 0 |

1) Note that environment data differs slightly from the Corporate Responsibility Report of March 2010 since two Coloplast locations in Sarlat and Peterborough have been added and extrapolated back to 06/07 2) GHG protocol Scope 1 and Scope 2. 3) Based on consumption data from 70% of our fleet. 4) Based on model data from the Danish Energy Management Scheme. 5) Volatile Organic Compounds (VOCs) reported as CO₂ equivalents. 6/7) g CO₂ emitted per EBIT and per produced unit converted to index values (2006/2007=100). Index values are based on emissions from natural gas, district heating and electricity alone. Index values are only related to production facilities - sales org and company cars are not included in the index values 8) GHG protocol Scope 3 data. Only transport and travel activities are reported. 9) Covering more than 90% of our transports of goods by road, land and sea - not including parcel delivery to end customers. Air transport includes Global Warming Potential from all exhaust gases. 2009/10 data was not available at time of printing. 10) Air travel only. Includes Global Warming Potential from all exhaust gases. 2008/09 figures have been slightly adjusted since the March 2010 due to the inclusion of new data. 11) Based on weighted amounts from the organisation 12) Sent to special waste treatment plants. Includes all hazardous substances 13) Recycling coverage of total waste generation 14/15) Not including company car fleet. 16/17/18) All water use is delivered and treated by local municipalities. 19) One large HYPOL (Hydrophilic Polyurethane Prepolymers) spill contained within the facility.

Global Reporting Initiative (GRI) and Global Compact index

We've chosen to follow the guidelines of the Global Reporting Initiative (GRI) in our corporate responsibility reporting.

We've chosen to follow the guidelines of the Global Reporting Initiative (GRI) in our corporate responsibility reporting. GRI is a global, multi-stakeholder initiative which sets common guidelines and indicators for corporate responsibility reporting. The numbers

below refer to the relevant GRI indicators applicable. For each, we indicate where to find the information (in this report or in our Annual Report 2009/10). We have been accredited a "B" application level, checked by GRI.

| Supply chain responsibility | Unit | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---|--------|---------|---------|---------|---------|
| Suppliers screened ¹ | % | - | 92 | 98 | 98 |
| Suppliers risk downgraded after improvements ² | Number | 2 | 6 | 1 | 10 |
| Contracts terminated ³ | Number | 3 | 1 | 0 | 3 |

1) Percentage of raw materials suppliers fully covered by the Supply Chain Responsibility procedure. Covers the entire Coloplast organisation. 2) Number of supplier whose risk profile has been downgraded by the internal decision-making body from high to medium or medium to low following improvements in their social, environmental or business ethical standards as a consequence of Coloplast's involvement. 3) Number of contracts terminated following concerns about the supplier's social, environmental or business ethical standards.

| Society | Unit | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---|--------|---------|---------|-----------|-----------|
| Project funds approved (accumulated) ¹ | DKK | 0 | 149,000 | 1,458,000 | 6,768,000 |
| Project funds paid (accumulated) ² | DKK | 0 | 149,000 | 199,000 | 1,295,000 |
| Legal action for anti-competitive behaviour ³ | Number | - | 0 | 1 | 0 |
| Significant fines for non-compliance with laws and regulations ³ | EUR | - | 0 | 364,000 | 0 |

1) Accumulated sum of project funds approved by the Access to Healthcare Board. Please note that there is usually a period of at least six months between the approval of a project and the payment of first funds. 2) Accumulated sum of project funds paid to Access to Healthcare project partners. 3) Both indicators refer to the same legal case from 2008/09. In 2009, Coloplast was fined for violating Italian competition law. An Italian appeal court decided to decrease the fine to 364,032 EUR in February 2009. This judgment is final.

Strategy and analysis

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| 2.7 | Page 5, Annual report pp. 5-6 |
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About the report

This is Coloplast's second full Corporate Responsibility Report and the first to be published on the same day as our Annual Report.

Going forward, Coloplast's Corporate Responsibility Reports will cover the entire financial year. Coloplast has also been publishing progress reports as part of the UN Global Compact initiative since 2004.

The report covers the financial year 2009/10, from 1 October 2009 to 30 September 2010. Coloplast's Corporate Responsibility Report will go to press once a year, in early November, at the same time as our Annual Report and cover the entire financial year. In some cases, we have gathered new data for earlier financial years or managed to calculate historical data more fully than in the previous report. This means that in some cases data from previous financial years has been slightly altered. In all cases, this is noted in the text or in footnotes. This includes data on animal testing, repetitive work, personal development plans, waste and CO₂ emissions.

Reporting principles

This report is a presentation of our achievements in the field of corporate responsibility, but also of the challenges we face. We present the most important issues – the ones with a positive impact on Coloplast's reputation as well as the more challenging issues. Whenever possible, we use standardised methods of measuring that are easy to compare with the reporting of other companies or between years of reporting.

The aim is to present complex issues in a simple language, while including the data needed for specialist use. For example, we explain most issues using graphs, but also include data with methodological information in the data summary sheet.

Materiality

The six overall topics covered by the Corporate Responsibility Report include all issues material to Coloplast as well as issues requested by our key stakeholders. The stakeholder groups and material topics were selected based on input from an internal group of employees working with corporate responsibility issues, from both Coloplast A/S, subsidiaries and with input from our stakeholders. Only topics relevant to Coloplast were included,

regardless of whether or not a relevant GRI indicator currently exists for the topic in question.

The report represents a holistic view of corporate responsibility at Coloplast. In this report, we've included new data and descriptions on governance, organisation and strategy of corporate responsibility, various ingredients, responsible lobbying, and gender diversity, among other issues. We've also included cases from our production and supply chain in Hungary and China.

Stakeholder engagement

Coloplast's main stakeholders include: Owners/shareholders, end users, healthcare professionals, employees, business partners, the environment and society as a whole. Some of the stakeholder groups are typically represented by civil society, e.g. environmental NGOs, development NGOs or patient organisations.

In terms of corporate responsibility, we engage closely with healthcare professionals, end users and our business partners. We do this by working with advisory boards (focus group meetings), complaint mechanisms and satisfaction surveys. We also interact closely with patient organisations and conduct community meetings with local NGOs. Topics often raised by our stakeholders include quality and safety concerns or the availability of phthalate-free products.

Scope

Unless otherwise noted, the data and reporting includes all of Coloplast, i.e. production sites, distribution centres, administration, sales and representative offices. Third parties such as

distributors are not included in the reporting. Suppliers are included only with regard to the specific reporting on business partners.

Data collection

Quality, environmental and health and safety data was collected by Corporate Quality and Environment, typically as part of our ISO or OHSAS certifications. HR data was collected by HR Operations. Our production sites in Hungary and China provided detailed information about local environmental and health and safety initiatives and data. Corporate Procurement, Corporate Finance and People & Communications have also contributed significantly to the pages of this report. A separate data collection system has been established in order to systematise comments, indicate data responsibility and store documentation for the report. All data refers to financial years.

Our mission

Making life easier for people
with intimate healthcare needs

Our vision

Setting the global standard
for listening and responding

Our values

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

Ostomy Care
Urology & Continence Care
Wound & Skin 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, urology and continence care and wound and skin care. We operate globally and employ more than 7,000 people.

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