

UNITED NATIONS **GLOBAL COMPACT**



2013



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



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1. NATURE OF BUSINESS



Kamstrup is a world-leading manufacturer of system solutions for energy and water metering.

Our meters measure heat, cooling, water, electricity and gas. We also develop automated solutions for managing energy and water meters, collecting meter readings and billing. For some customers we look after the entire process of installing and maintaining energy and water meters, and providing technical support.

Our products are known for their reliability and high quality. Our quality, environmental and IT certifications speak volumes about the service we deliver.

We have more than 40 years of experience in collaborating with utility companies of all sizes. So far we are represented in 65 countries worldwide by Kamstrup sales and subsidiary offices and by our distributors.

2. STATEMENT OF SUPPORT FOR THE UN GLOBAL COMPACT

Society today faces many challenges. As an international player in the world energy and water market we want to help to create a more balanced society and a cleaner environment.

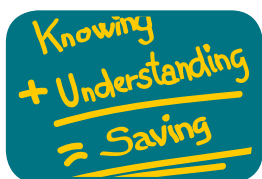
We joined the UN Global Compact in January 2010. The reporting associated with the UN Global Compact helps us to understand where we stand as a sustainable company, and to see what we should focus on in the future.

Climate, fossil fuels and smart energy and water meters

Climate change and the long-term availability of fossil fuels are subjects of worldwide concern. Both of these issues are driving the development of more efficient energy and water systems, including distributed local power supply and storage, and smart grids for electricity distribution. Smart energy and water meters are a vital part of this development.

New metering applications include charging stations for electric vehicles, metering of local solar power production, district cooling consumption and many more. As utility meters become more advanced they will increasingly connect to home automation and grid control systems, as well as being read remotely. These and other market developments will call for new solutions from Kamstrup, and we will do our best to deliver. After all, one of our two main values is customer orientation.

Knowing-Understanding-Saving



To save energy and water you need to understand how you are consuming it, and that in turn is only possible if you have appropriate meters installed. This is the essence of Kamstrup's smart energy and water meters. Data from the meters keeps our customers informed about how much energy and water they consume over different periods and across different appliances. For instance, information from all of a household's utility meters – heat, water, electricity and gas – can be shown on a single display. By showing energy and water consumption clearly and accurately, our products encourage end-users to protect the environment by managing their use of resources.

Empowerment

We design our products to help customers minimise their use of water and energy; when it comes to our colleagues, however, we want to spread as much positive energy as possible. A positive work environment is essential to our success.

Kamstrup has two main values: customer orientation and empowerment. Empowerment is about being professional, taking initiatives, taking responsibility, making use of your skills and constantly developing them. I want Kamstrup to be a good and challenging place to work with a pleasant environment. The fact that almost all Kamstrup employees stay here for several years shows me that we have already largely achieved this.

The 10 universal principles

This report shows what we have achieved, and what we plan to achieve in the future, in adopting the Global Compact's 10 universal principles. In 2012 and 2013 we chose to pay attention to developing environmentally friendly products and to CSR audits at suppliers' premises. For 2014 we will continue working on all of the principles, with special emphasis on CSR audits and the mental working environment.



Per Asmussen, CEO



Henrik Rom, CFO

p.p. Henrik Rom, CFO

3. THE ENVIRONMENT (PRINCIPLE 7, 8 AND 9)

Principle 7:

Businesses should support a precautionary approach to environmental challenges

Principle 8:

Undertake initiatives to promote greater environmental responsibility

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies

In other words, we have received this certification because we are working to shrink the environmental footprint of our business and reduce the pollution and waste we produce.

According to Danish Standard (DS) rules, the environmental management system must be re-certified every three years. Our last re-certification took place in 2012.

The following sections explain in more detail how we aim to reduce our environmental impact.

3.1. Environmental commitments

3.1.1. Legal

Within Kamstrup we have developed an environmental management system which ensures that we comply with national and local environmental legislation across all areas, from product development to recycling. Among other things, this system obliges us to audit our legislative compliance every year.

3.1.2. Environmental policy

Beyond the requirements of Danish law we also have an [environmental and occupational health and safety policy](#) which says that we want to affect the environment as little as possible. Please use the link above to read the complete policy statement, which covers pollution, damage, accidents and work-related illness right across the company's activities and products, plus many other commitments.

3.1.3. Certification

Kamstrup's headquarters has held ISO 14001 certification since 1997. Fischer-Kamstrup in Denmark and our subsidiaries in Norway, Sweden, Germany, Finland, Switzerland and the Netherlands are also ISO 14001 certified.

ISO 14001 specifies the requirements for an environmental management system which enables an organisation to develop and conform to appropriate environmental policies. The standard does not itself state specific environmental performance criteria, but instead shows how the organisation can set its own environmental goals, taking into account the law and those aspects of environmental protection which it can influence.

3.2. Description of our environmental processes

3.2.1. Precautionary approach to environmental challenges

Principle 7:

Business should support a precautionary approach to environmental challenges

In our [environmental and occupational health and safety policy](#) we state: "Kamstrup aims to affect the surrounding environment as little as possible".

To map, evaluate, prioritise and provide an overview of our current environmental performance we publish an environmental report each year. The report shows our current level of environmental responsibility and how we have advanced over the last year. Each year we also set out an environmental action programme for the company. Please read about the action programme for 2013 in section [3.4. Environmental actions during 2013](#).

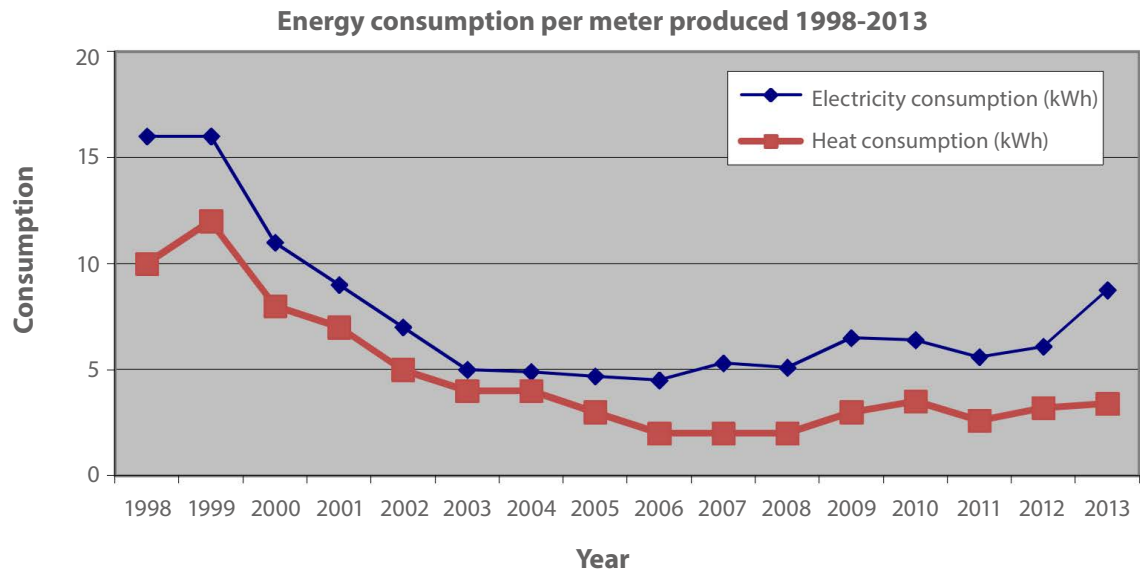
Principle 8:

Undertake initiatives to promote greater environmental responsibility

In our [Corporate Social Responsibility \(CSR\) policy](#) we stress that: "We shall be open towards global environmental problematics and strive to improve our opportunities for positive impact on solutions". Subsequently we point out our intention to use energy, water and raw materials with care.

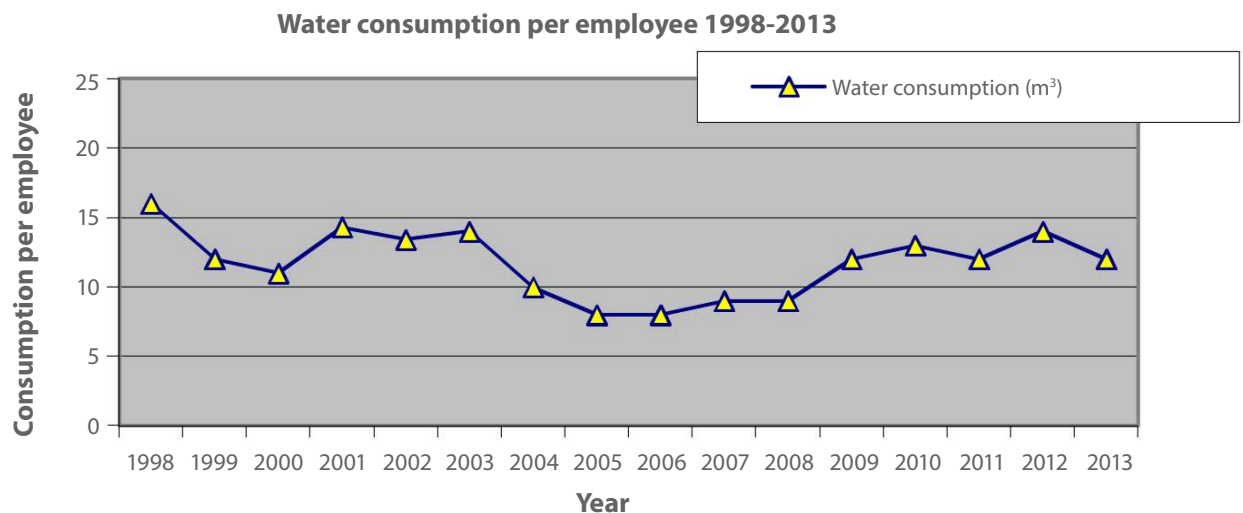
3.2.2. Energy consumption (headquarters)

The graph below shows a generally steady drop in energy consumption per unit of production since 1998. 2009 and 2010 saw small increases in energy use per unit because production fell during the recession; as a result, the fixed component of our energy consumption increased as a proportion of the total. Our building stock increased by 3000 m² in December 2012, and during 2013 we welcomed 80 new colleagues; both of these changes are reflected in the increased amount spent on electricity and heat last year. Unusually cold weather at the beginning of 2013 also resulted in extra heating costs.



3.2.3. Water consumption (headquarters)

Our water consumption per employee has followed a similar trend to that of the energy use curves above.



In our production facilities the only water we use is for calibrating meters, and this is reused. The great majority of our water is therefore used for drinking and sanitary purposes. Most of our washrooms now have taps with sensors and variable-flush cisterns.



3.2.4. Air pollution, noise, smell and visual impacts

The company complies with all the requirements of the law and of our company policy to control levels of noise, smell, visual impact and air pollution. We receive no complaints about any of these nuisances.

In our production at headquarters we do have a few operations capable of causing air pollution. Thanks to extraction systems and exhaust filters, however, the actual emissions from these operations are below measurable levels.

Our maintenance database ensures that the systems we rely on to control air pollution and noise are regularly checked and maintained.

3.2.5. Logistics chain of importing goods

We work continually to optimise our shipping operations for goods and materials that we buy, and thereby improve their energy efficiency. Since our shipments to customers are mainly delivered in small lots, purchases are our main target for improving logistics.

Within Denmark, vans are our primary means of transport. For overseas transport we use ships wherever possible, because compared to air freight they are less environmentally damaging as well as cheaper. Everybody involved in the import logistics chain is aware of the need to plan our orders of raw materials and deliveries of finished goods so that as far as possible we avoid urgent deliveries requiring air transport.

Transport is one of the factors we take into account when calculating the carbon footprint of our products – the total greenhouse gases, measured as tonnes of CO₂ equivalent, associated with a product through its entire life cycle. For more information about carbon footprint refer to section [3.3.2. Carbon footprint](#).

3.2.6. Recycling, incineration and landfill

Production

We comply with the legal requirements for production waste. We have the necessary permits for the transport, storage, recycling and disposal of hazardous waste, and we use only licensed contractors.

Every year we compile statistics for recycling, incineration and landfill covering all the materials used at headquarters in Denmark. The trend is clear: the percentage of recycling increases steadily, the figure for incineration goes down, and the amount sent to landfill stays at around 1%. Our incineration is done at a plant which provides electricity and district heating.

Products

Our [CSR policy](#) states that: “When practically possible, all products and packaging shall be recyclable”.

All our products are completely recyclable apart from their lithium batteries. We dispose of lithium batteries at an authorised facility and ask our customers to do the same.

Most of our customers are in European countries with their own laws covering recycling. However, we also offer to recycle any products returned to us by our customers. In 2013 we received 13.5 tonnes of old meters from our customers. When recycled, approximately 70% by weight of this material became new raw materials such as copper and plastic.

Recommendations for the disposal of worn-out products are always included in our technical manuals and product catalogues.

Packaging

Packaging is one of our focus areas. We always aim to use as little packaging material as we can, and to make it as recyclable as possible. Our choice of packaging is continually updated, and we always consult packaging experts when designing new packaging.

Our electricity meters are packaged mainly in recycled cardboard which can be recycled again after use. For heat and cooling meters we also use expanded polystyrene packaging, which can be recycled in most countries.

The majority of our water meters are packaged in polyethylene terephthalate (Amorf PET). For some products in our water meter portfolio we use a combination of recycled cardboard and expanded polystyrene.

We enclose technical manuals and product catalogues whenever the product standards require this (cf. EN 1434-1 Clause 12 et al.). However, we only supply the specific language version needed for each customer, and we aim to cut the amount of printed material by providing electronic documentation via our website.

Safety

A full set of emergency procedures, plans, equipment and training is in place to protect health and safety. For more information please see section 6. **WORKING CONDITIONS (principle 3, 4, 5 and 6).**

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies

3.3. Environmentally friendly products (principle 9)

By showing energy and water consumption clearly and accurately, our products encourage end-users to manage their use of resources and protect the environment. And our system solutions for energy and water metering do much more than just measure: they provide remote reading, so minimising vehicle use; they enable detailed analysis of consumption patterns, through which end-users can explore ways to reduce their energy and water consumption; and they reveal leaks which can waste valuable resources.

In our [CSR policy](#) we stress: “Environmental considerations shall be central to our product development and to how we plan our production with the purpose of reducing harmful impact on the environment, internally as well as externally”.

3.3.1. Product development

We work on the production and sale of environmentally friendly products. During product engineering, our development and purchasing departments co-operate to find the best possible materials and components, taking their environmental impact into account. We also collaborate with universities and other research institutes when selecting materials.

During product development we:

- use as few different materials as possible, and prefer materials that can be recycled
- avoid dangerous or poisonous substances and materials (both in the product and in the production processes)
- are aware of the RoHS Directive and the substances that it prohibits in electronic products.

We also do our best to recycle our products. All the materials we use, apart from lithium batteries, can be recycled. Please see section [3.2.6. Recycling, incineration and landfill](#) for more information.

3.3.2. Carbon footprint



Since 2010 we have calculated the carbon footprint of our products. Carbon footprint is the total amount of greenhouse gases, expressed in tonnes CO₂ equivalent, generated by a product through its entire life cycle. To carry out this initiative we have bought

the life cycle analysis tool SimaPro, including the Ecolnvent database.

The stage gate model that we use when developing new leading products requires a carbon footprint to be specified. The resulting calculations can be used to identify possible environmental improvements and so develop cleaner product technologies.

3.3.3. Mean time between failures (MTBF)

The mean time between failures (MTBF) also forms part of the stage gate model for new leading products. The methods used to predict MTBF are calculation, accelerated life tests, and feedback about products that are already in operation. MTBF provides evidence that Kamstrup products have a long working life, which in turn reduces their impact on the environment.

3.3.4. Product directives and regulations

At Kamstrup we are careful to comply with all the EU directives and other regulations which apply to us.

RoHs – Restriction of Hazardous Substances

RoHs is a directive limiting the use of certain hazardous substances in electrical and electronic equipment. To stay in compliance with the RoHs directive, we will convert our printed circuit board (PCB) production to lead-free soldering in the first quarter of 2014.

WEEE – Waste Electrical and Electronic Equipment

The WEEE directive deals with the producer's responsibility for the disposal of waste from electrical and electronic products. Based on guidelines from

the Danish Environmental Agency and Frequently Asked Questions on RoHS and WEEE issued by the EU, we have determined that Kamstrup's products do not generally fall within the scope of WEEE.

The only exception is our Wireless M-bus module, for which we are registered with the Danish agency DPA-System and will file appropriate reports as this module is sold.

REACH – Registration, Evaluation and Authorisation of Chemicals

Kamstrup does not import substances, preparations or articles covered by the REACH regulation.

Battery Directive

The Battery Directive regulates the manufacture and disposal of batteries in the EU, with the aim of improving the environmental performance of batteries and accumulators. We comply with the Battery Directive.

3.4. Environmental actions during 2013

We set up our own environmental action programme each year for all our offices that also have production facilities attached.

3.4.1. Energy and water consumption at headquarters

During 2012, meters for electricity, heat and water were installed in selected locations in our headquarters buildings. Analysis of the results in 2013 indicated that a lot of energy was consumed in the flow laboratory.

Flow benches in the factory at head office

In the past, a lot of energy was consumed in heating and cooling the water required to test and calibrate our flow sensors. This is because the water was held in individual closed flow measurement systems, where it was heated and cooled as required. Now we are working to add basins and connections between the flow benches, so that cold and warm water can be reused without having to change its temperature. We have also added an outdoor ventilation system to cool the water, instead of having to use cooling elements that require power.

Lower cooling consumption in PCB production

In PCB production, the extraction duct which removes fumes heated the room unnecessarily: handling air at a temperature of around 70°C, the duct acted like a radiator. To reduce the need for cooling, the duct was made smaller while new machinery was being installed.

Change of lighting

When the old canteen was being renovated to create a new office facility, we changed the lighting equipment to reduce energy use.

Heat recovery from air compressors

We use compressed air in many different parts of our production, from PCB production to the flow laboratory. We are now recovering waste heat from the compressor plant and using this to help heat the buildings. We have also carried out an ultrasound survey to locate leaks in the compressed air system. In total, this has given us a yearly saving of roughly 100,000 kWh.

3.4.2. Climate partnership

In 2012 Kamstrup signed a climate partnership agreement with the municipality of Aarhus with the overall scope of helping to develop sustainable energy solutions so that the city could become CO₂-neutral by 2030. We will do this by providing intelligent metering solutions for water and heat that will allow people and businesses to reduce their consumption.

Steen Schelle Jensen, Head of Product Management, says: *"It is time to act. We believe that the necessary technologies have now developed to such an extent that the key issue consists in bringing the parties together to create concrete and useful solutions".*

3.4.3. Lead-free soldering

As mentioned in section 3.3.4. *Product directives and regulations* all of Kamstrup's manufactured products must comply with the RoHS directive. A lead-free soldering project was therefore started, and the changeover to lead-free soldering will take place in the first quarter of 2014.

3.4.4. Actions in Kamstrup sales offices with factories

Dutch office

During 2013, lamps in the production area of our office in the Netherlands were changed to reduce energy consumption. Once again, we also refreshed our Dutch employees' awareness of energy consumption and instructed them to switch off power when possible. Our goal was to cut electricity use by 15%, and we managed 14%. The shortfall was due to the difficulty in predicting the extent to which we could influence user behaviour, and in forecasting the weather accurately.

Swedish office

For several years the Swedish office has seen a steady reduction in the amount of waste sent to landfill. From 2012 to 2013 this declined from around 100 kg to 50 kg.

3.5. Future focus areas

Driven by consumers' needs and values we will continue to develop energy- and water-saving meter solutions. Besides this, we will continue to:

- Calculate the carbon footprints of our products
- Check the possibility for reducing energy consumption further in our buildings, including adding a 6 kW solar cell system
- Establish overall environmental targets for the company
- Carry out local environmental initiatives according to our environmental action plan for 2014.

4. SUPPLIERS (ALL PRINCIPLES INCL. 1 AND 2)

In recent years Kamstrup has intensified and systematised its efforts in CSR and supplier management to focus on semi-finished products, sub-contracted activities, and deliverables included in Kamstrup's product range.

CSR Supplier Information

With reference to our [CSR policy](#) we have developed the document known as CSR Supplier Information. This includes a CSR supplier statement covering the themes of environment, anti-corruption, human rights and labour issues (see box).

All our suppliers have received, signed and returned the CSR supplier statement.

CSR supplier statement

The undersigned with the necessary authority to sign these statements hereby confirms that the below-mentioned company:

- makes sure it is not complicit in human rights abuses
 - does not use any form of forced or compulsory labour
 - does not use child labour
 - does not discriminate in respect of employment and occupation
 - complies with all relevant environmental and occupational health and safety laws
 - works against corruption in all its forms, including extortion and bribery
- and also urges its sub-suppliers to observe the above.

Supplier categorisation

All Kamstrup suppliers are evaluated and categorised. For this we use country profiles provided by the Danish Ministry of Business and Growth, among other sources of information.

As well as requiring all our suppliers to sign the CSR supplier statement, we evaluate them by means of self-assessment reports and CSR audits. If we have any doubt about a supplier's general CSR performance, a CSR audit can be carried out irrespective of country profile or other criteria.

Where	Priority
Europe	2
North America	2
South America	3
Africa	5
Southwest Asia	4
Central Asia	4
North Asia	4
East Asia	4
South Asia	4
Southeast Asia	4
Oceania	2

Country profile provided by the Danish Ministry of Business and Growth ¹⁾

Auditing by experts

To ensure that we get reliable CSR audits for suppliers in unfamiliar cultures, for example China, we are collaborating with an international company based in London which specialises in CSR auditing. This firm carries out CSR audits for Kamstrup from its Chinese offices. These result in workplace conditions assessment reports, followed if necessary by action plans and evaluations. If a supplier cannot or will not collaborate on an action plan to improve its CSR performance, Kamstrup will look for an alternative business partner.

A CSR audit carried out by a competent external company results in a professional and objective evaluation according to local law and practice. All the audits performed by our external partner are coordinated by Kamstrup purchasing departments. Before, during and after the audits a Kamstrup employee acts as observer and coordinator between the participants (this includes follow-up audits). The first Chinese audits took place in mid-2012, and the results up to the end of 2013 have been judged satisfactory.

Future focus area

In 2014 we will concentrate our efforts on self-assessment reports and CSR audits.

Principle 1:

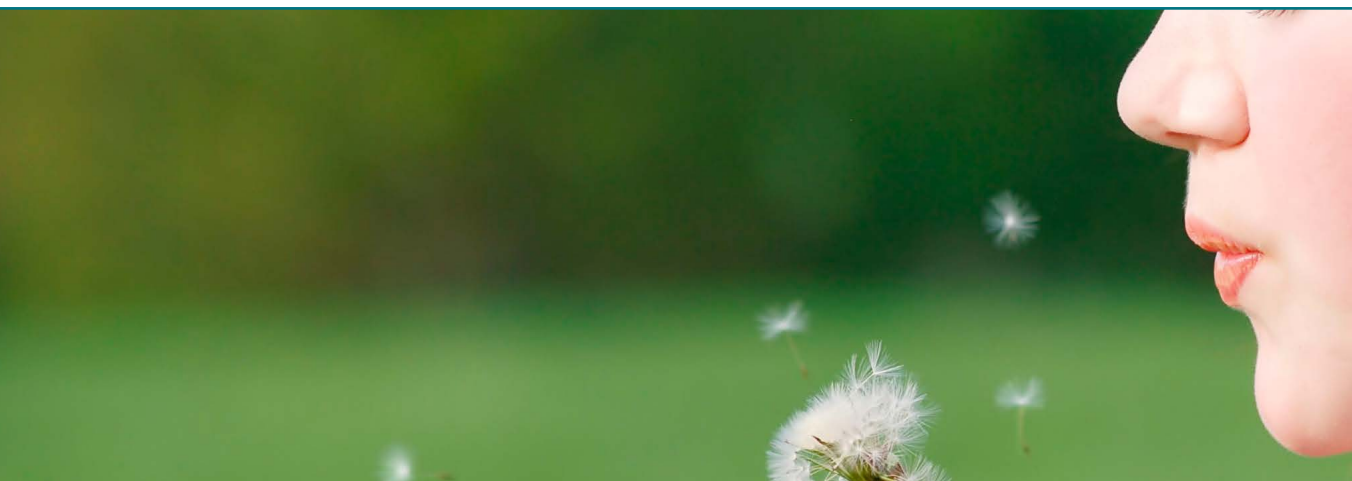
Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2:

Businesses should make sure that they are not complicit in human rights abuses

¹⁾ Source: <http://csrcompass.com/phase-2-risk-assessment>

5. ANTI-CORRUPTION (PRINCIPLE 10)



Principle 10:

Business should work against all forms of corruption, including extortion and bribery

We do not have a separate policy covering anti-corruption measures for the simple reason that we have not seen the need for one so far. Our CEO Per Asmussen stresses: *"If we are offered the chance to enter corrupt agreements, the answer is always NO"*. Our intolerance for corruption is well known to everyone within Kamstrup who may face this issue.

In Kamstrup corruption is never acceptable. Our [CSR policy](#) says: *"...none of Kamstrup's employees may receive or give gifts, loans, payment or other remuneration which may incite dishonesty or illegal acts, or which may be seen as an attempt to influence the objectivity of commercial decisions"*.

Future focus areas

We will continue our strong stand on this issue.

6. WORKING CONDITIONS (PRINCIPLE 3, 4, 5 AND 6)

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4:

The elimination of all forms of forced and compulsory labour

Principle 5:

The effective abolition of child labour

Principle 6:

The elimination of discrimination in respect of employment and occupation

6.1.3. CSR policy

In our [CSR policy](#) we state: "At Kamstrup... we shall contribute to creating working conditions complying with these principles [principles 3, 4, 5 and 6 in the UN Global Compact] and observe applicable legislation and regulations... All employees shall be given the opportunity to develop skills required to handle the tasks and for future career options".

Kamstrup wants to be an attractive workplace. As mentioned below, one of our two core values is Empowerment. We work in a decentralised environment where each employee must make use of and develop his or her skills, taking responsibility and action whenever needed. Kamstrup's management stands behind the actions of its employees.

6.1. Our commitment to good working conditions

6.1.1. Legal

We always comply with relevant occupational health and safety legislation. To make sure of this we use an occupational health and safety management system based on OHSAS 18001.

6.1.2. Environmental and occupational health and safety policy

Our [environmental and occupational health and safety policy](#) says: "Kamstrup aims to be a company with a high level of health, safety and well-being among the employees... Kamstrup will prevent pollution, damages, work-related illness and accidents related to the company's activities and products."

Our dedication to a healthy work environment is ensured, among other ways, through a certified occupational health management system at our headquarters.

Kamstrup value: Empowerment

We appreciate active responsibility from our employees. "Take the initiative instead of waiting for your superior to do it".

It is important for us that each employee makes use of his or her personal skills. "If there is a need to do something, then do it".

If an employee meets with obstacles which hinder them from performing their job correctly, they can always inform their superior, who will see to it that the obstacles are removed.

All Kamstrup employees must obtain a thorough knowledge of the action plans within their field of activity.

The management responds quickly to changes in the market and displays empowerment and resoluteness in day-to-day business.

Dividing lines between departments must not prevent our employees from taking action.

6.1.4. Certification

Kamstrup's headquarters has been OHSAS 18001 certified since December 2007. OHSAS ("Occupational Health and Safety Assessment Series") 18001 is an international specification for occupational health and safety management systems.

In spring 2008 the Danish Working Environment Authority placed us in its highest category – a standard which is only given to companies who make a special effort to create a good working environment.

The latest recertification audit from Danish Standards took place on 3–6 November 2013. Action plans were then established for the few non-conformances that were found. The majority of the action plans were closed satisfactorily, with the remaining ones evaluated as less important. As a result we continue to hold OHSAS 18001 certification.

6.2. Working environment processes and initiatives at Kamstrup headquarters ²⁾

6.2.1. Councils

Working environment committee

The purpose of the working environment committee is to ensure safety and a good working environment. All the employees elect a working environment representative for each unit and the management also elects a representative. Frequent checks ensure high working environment standards.

From October 2010 Danish industrial safety legislation broadened its approach to cover occupational health to an even greater extent than before in order to increase co-operation and management prioritisation. In April 2013 this legislation was updated to rank the mental working environment in the same category as the physical environment. To meet the requirements of the revised legislation we have carried out an employee satisfaction survey focusing on the mental working environment. Read more about it in section [6.2.5. Employee satisfaction](#).

Works council

The works council encourages co-operation across the organisation for the benefit of individual em-

ployees and the company as a whole. Among the members of the works council are the shop stewards who represent the employees in dealings with management.

6.2.2. Collective agreements

Kamstrup in Denmark is a member of the organisation DI (Danish Industry). Through DI, Kamstrup has a collective agreement with employees represented by the Central Organisation of Industrial Employees in Denmark (CO-industri).

6.2.3. Safety

Our production processes are such that there is no special risk of environmental harm from unforeseen incidents.

Occupational health and safety action plan (OHSAS 18001)

An occupational health and safety action plan is drawn up at headquarters each year. We put effort into the safe handling of chemicals and other materials, for instance by ensuring that our environmental contact personnel are more involved in recording which materials are used where. Safety equipment provided for people handling chemicals has also been improved.

Dangerous substances

Kamstrup has never had a fire, explosion or handling accident with environmental consequences. Oil, chemical waste and flammable liquids are stored in special safe rooms and lockers. Used lithium batteries are stored in a dry place before being shipped to licensed contractors.

Project mapping, and thereby having a complete overview of all chemicals used in production, is a matter of course to us. Since the end of 2013 we have also been using the ChemiControl project mapping system, which ensures that we always have up-to-date information about chemicals. ChemiControl is an internet-based system for management and exchange of documents relevant to the registration and control of chemicals. The implementation of this user-friendly system has allowed all employees to look up chemical information on the Kamstrup intranet.

²⁾ If the information is valid for more than Kamstrup headquarters it is mentioned in the text. About 2/3 of the employees work at headquarters.

During 2014 we will also evaluate all the chemicals we use and if possible replace them with products that are better for the environment.

An environmental instruction booklet is handed out to all external personnel who carry out any kind of work at Kamstrup's locations in Stilling, Denmark.

Safety assessment

The aim of the safety assessment is to systematically prevent and eliminate unsuitable indoor climate, noise and stress. During the yearly evaluation we carry out a risk assessment of production operations. This has resulted in a significant reduction in heavy lifting, pushing and pulling, among other things.

Workplace assessment

The workplace assessment is about both physical safety and the mental work environment, and is carried out every third year. However, if we suspect a deviation from our standards of safety and well-being, and this cannot be corrected within 14 days, a workplace assessment must be performed at once.

Accidents

We have recently changed the way we record accidents. Until the end of 2012 we defined an accident as an event that accounts for at least one day's lost work from an employee. From the beginning of 2013 we have expanded this definition to include incidents that do not give rise to lost time for medical reasons. As a result, the number of recorded accidents increased considerably in 2013; 6 out of the 13 accidents involved sickness absence.

This expanded definition makes it easier for us to take preventive action and so reduce the risk of future accidents. The recording system also includes near-accidents.

Total of work accidents 2009–2013		
	Accidents	Near-accidents
2009	4	5
2010	6	6
2011	3	1
2012	3	1
2013	13 (6)	6

6.2.4. Empowerment through employee development

A skilled and well-educated workforce is essential to Kamstrup. All new employees go through a tailored induction programme when they join the company. Every established employee has a personalised education and training plan that is reviewed regularly.

At least once a year every salaried employee has a personal development review with his or her manager. This meeting is an opportunity to discuss the job, relationships with other employees and progress towards targets, and to plan future development in the employee's career, education and training. Hourly-paid employees take part in group development dialogues instead. Anyone leaving the company is offered a farewell dialogue with a manager.

Job rotation

Job rotation is welcome in Kamstrup, as our CEO Per Asmussen has explained:

"Job rotation is revitalisation. Learning keeps us young and mentally agile. Quite often there is more new learning in a new job than there is in the old job – and often more fun too. Kamstrup needs to be a dynamic company with wide opportunities for career development. Changes in responsibility, function and geography should all be possible. This is one of the ways to ensure that Kamstrup is a challenging and attractive place to work."

It is important for us to be open about this. Seeking a job in a different department is not a breach of loyalty to an employee's present manager. It is a token of loyalty to Kamstrup, and a new job is a token of loyalty from Kamstrup to the employee.

Every manager must support job rotation across the company. A good manager will earn credit for developing employees who can move on to make valuable contributions in other departments. The only valid objection to a particular job rotation rests on the issue of timing: sometimes a job shift must be timed to suit the needs of an ongoing project.

We have decided not to have any specific procedure for job rotation. Any employee may ask for a change of job, after which management will support the move if it is appropriate to the business.

Co-regulation in production areas

Employees in the production area work in co-regulating groups whose members plan the work day themselves.

Within each group, tasks rotate so that, for example, an employee does not spend an entire day on manual assembly. This cuts the risk of repetitive strain injuries, encourages flexibility and creates a better working environment. Each week, everyone is given the chance to take on new areas of responsibility. One of these responsibilities is to act as a contact person, or overall coordinator, for the week. The process works well because our production employees are well-educated and open-minded.

“Co-regulating groups make great demands on the individual. We have to use our heads as well as our hands, but it makes for a more enjoyable working day. Besides, each group is involved in the appointment of new colleagues to ensure the right chemistry,” says a manager in one of our production units.

Co-regulation was introduced to the production areas in 1993, followed by lean production methods in 2005. The result has been a continuous series of small improvements driven by the production crew themselves. As a result we have made good progress without the stress that rapid change can bring. Each group has a trained Lean coordinator who drives the day-to-day work.

6.2.5. Employee satisfaction

General employee satisfaction survey

In 2010 we started carrying out employee satisfaction surveys for all Danish and Swedish employees. From 2011 employees in Norway were included too.

Since we started measuring our employees' satisfaction, the results have been very encouraging. Compared to earlier surveys, the one carried out in January 2014 gave slightly poorer scores from Denmark and Sweden, though results improved in Norway. The decline in 2014 was very small indeed, however, and general satisfaction is still at a very high level in terms of management, colleagues and collaboration, job content, conditions of employment, values and culture.

Mental working environment

In October 2013 a mental environment satisfaction survey took place at the Kamstrup head office. Based on a standard from the [Danish National Research Centre for the Working Environment](#), the survey allowed us to benchmark Kamstrup against other and bigger organisations. The survey resulted in analyses and action plans which department managers are obliged to act on.

In autumn 2014 we will carry out a follow-up survey, at least in those areas showing points of criticism in the October 2013 survey. We will repeat the mental environment satisfaction survey at headquarters at least every three years.

6.2.6. Length of service

Compared to other Danish companies we have a low turnover of staff. At the end of 2013 the average length of service was more than eight years. 46 employees have worked for Kamstrup for more than 20 years. We see this as an indication that people are pleased to work here.

6.2.7. Redundancies

During 2013 the number of Kamstrup staff worldwide has gone up from 818 to 850.

6.2.8. Health

Health insurance and pensions

As required by current legislation, all employees are covered by occupational injury insurance. The company pays for accident insurance, and we also encourage all employees to join a health insurance scheme at their own expense.

Employees covered by collective agreements have a compulsory retirement pension scheme. Employees who make their own pension arrangements can have their contributions deducted automatically from their pay.

Fitness and diet

Good health means happier, more productive employees and a better working environment. We therefore support health-promoting activities and support employees who wish to change their lifestyles.



In December 2012 we established a new and bigger exercise room which includes 15 stationary bikes. In this gym we offer team training in yoga, competitive team-based indoor cycling and self-defence.

In 2003, 2009 and 2013 we provided free checks of blood pressure, blood sugar, haemoglobin percentage, BMI, body fat, cholesterol and fitness. The 2013 health checks were done at the beginning and the end of the year, and had a measurable effect on employees' fitness rating, weight loss, BMI and body fat percentage through exercise and diet change.

Since 2003 we have worked on providing healthy meal choices in our canteen. Since 2010 a canteen committee has given employees the chance to have a bigger say in the running of the canteen, including the choice of meals. In 2013 we opened a new canteen which has much more healthy food compared to the old one. As a result, canteen users are eating four to five times more vegetables than before. The canteen is now certified under the widely-recognised Keyhole scheme administered by the [Danish Veterinary and Food Administration](#), showing that it offers healthy food choices.

Healthcare Centre

In 2003 we began collaborating with the private company Dansk Healthcare to provide employees with physiotherapy, massage, chiropractic and acupuncture. The Healthcare Centre at Kamstrup's headquarters prevents and treats work-related injuries through guidance, exercise and the-rapy, and advises on diet.



Alcohol and drugs

It is statistically inevitable that some of our employees will have problems with alcohol or drug abuse. Intractable addiction will lead to dismissal, but before we take this drastic step we will do our best to support employees who want to change their way of life and keep their jobs.

Employees with dependency problems can always talk to their managers in confidence. A manager who suspects an addiction has a duty to discuss the issue with the employee in question. In either case, the aim is to decide whether action is needed, and if so, to acknowledge the problem and start work on a solution.

Kamstrup will pay for initial consultations with a clinic specialising in the treatment of substance abuse, in the expectation that the employee concerned is motivated to continue the process. A co-worker who himself has recovered from abuse problems can also provide support within the company.

Psychotherapy

Any employee with psychological problems can always contact the daily manager of the working environment committee or a people manager, who will arrange contact with a psychologist.

6.2.9. Other employee benefits

Staff Association

The Staff Association at our headquarters makes a great effort to maintain good working conditions. Among other activities the Association arranges concerts, running, soccer and biking events, plus

a spectrum of recreational activities from flower arranging and meditation classes to cycling and karate. Employees receive subsidies for gym membership and discounts on car washes, paint, vacations abroad etc. At the head office we have our own hairdresser, a dry cleaning service and a bike repair service.

During a labour dispute between Danish schoolteachers and their employers, children were excluded from school. Overnight, Kamstrup took the initiative in taking care of employees' children during the month the lockout lasted.

Life and career coaching

From 2010 every employee has had the opportunity to receive coaching at Kamstrup's headquarters to develop his or her private or professional life. The confidential coaching helps employees to, for instance, have more energy, change direction in their lives, lose weight, reduce stress, quit smoking, or use their potential differently.

6.3. Future focus areas

Our future success lies in the continuous development of our employees and our organisation as a whole. In 2014 we will continue to focus on:

- Improving ergonomics by developing guidelines and procedures for the layout of working spaces in production areas and offices
- Developing action plans according to the results of the employee satisfaction survey
- The mental working environment.

7. GENERAL INFORMATION ABOUT KAMSTRUP



- Founded in 1946 by Olaf Kamstrup
- Family owned business until 1990
- Owned by the Danish oil company Olieelskabet Danmark (OK) since 1990
- An export share of 80%
- Group turnover in 2013: DKK 1.3 billion
- Represented in 65 countries
- Approximately 850 employees worldwide
- Own offices and companies in 23 countries

We have our own offices and companies in the following countries: Netherlands, Poland, Norway, Sweden, Great Britain, France, Russia, Finland, Germany, Spain, Switzerland, Romania, Serbia, Czech Republic, Estonia, Austria, USA, China, India, Singapore, Dubai, South Africa and Chile. In other countries we are represented by distributors.

