

# UN Global Compact Report

## 2014



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

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Kamstrup is a world-leading manufacturer of energy meters and provider of solutions for energy metering.

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

A low-angle photograph of a dark, textured building facade. The word "kamstrup" is mounted on the wall in large, bold, red 3D letters. The letters are slightly tilted upwards to the right, matching the angle of the building. The sky in the background is a clear, deep blue.

kamstrup

## 2. Statement of support for the UN Global Compact

Society today faces many challenges. As an international player in the world energy 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. Constant development through parallel initiatives is how we create growth, and also how we improve our social and environmental performance; in this way the UN Global Compact helps us take us to the next level.

### Climate, fossil fuels and smart energy 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 systems, including distributed local power supply and storage, and smart grids for electricity distribution. Smart energy 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 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 meters. Data from the meters keeps our customers informed about how much energy 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 consumption clearly and accurately, our products encourage end-users to protect the environment by managing their use of resources.

Knowing  
+ Understanding  
= Saving



Per Asmussen, CEO

### Values

For over 60 years we have led our industry through breakthrough innovation and product development. We are committed to creating more intelligent and sustainable solutions for the benefit of nature and people. We are also committed to creating a working environment that supports and develops our people. Where they are encouraged to thrive and challenge our own standards and expectations to deliver even higher value for our customers. We never settle for second best and we expect our people to always seek better ways to do what they do.

Our values of inspire, lead and deliver define the very essence of what makes us unique and ensure that we always exceed expectations. We inspire through deep customer understanding, superior quality and breakthrough innovation. We lead by being committed to creating a brighter water and energy future, always turning vision into action. And we deliver on our promises, always measuring our success by the progress we create for others. We believe this is the way to develop our company and create long-term partnerships.

### 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. During 2013 and 2014 we have chosen to pay attention to development of environmentally friendly products and CSR audits at supplier's premises. We will continue working on all of the principles, with special emphasis on CSR audits and the mental working environment in 2014.

## 3. The Environment

### cf. principle 7, 8 & 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

### **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.

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 Certification body rules, the environmental system must be re-certified every three years. Next re-certification is in 2015.

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

### **3.2. Description of our environmental processes**

#### **Principle 7:**

Business should support a precautionary approach to environmental challenges

#### **3.2.1. 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 2014 in section 3.4.](#)

#### **Principle 8:**

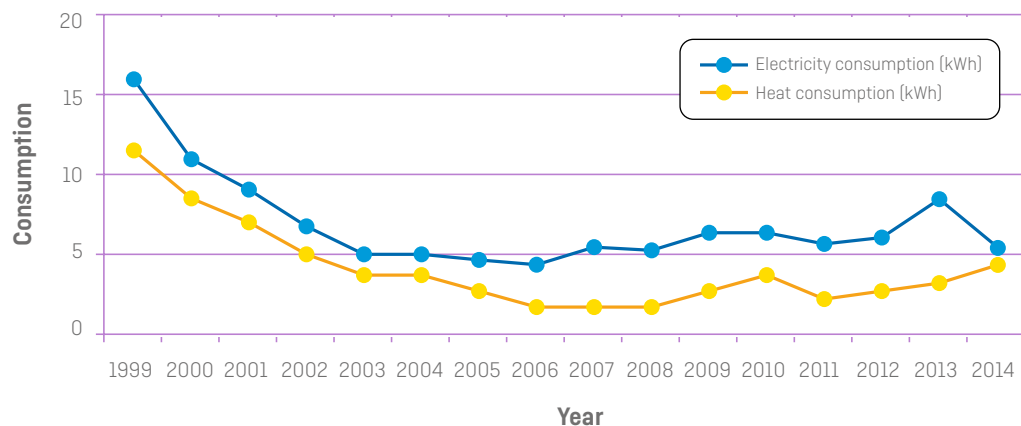
Undertake initiatives to promote greater environmental responsibility

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 (headquarter)

The graph below shows a generally steady drop in energy consumption per unit of production since 1998. During 2009 and 2010 there were a small increase 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. The actual decrease of the graph is due to the increase of the production. In 2012/2013 there was a small increase due to cold weather (heat) and new building activities (electricity).

Energy consumption per meter produced 1999-2014

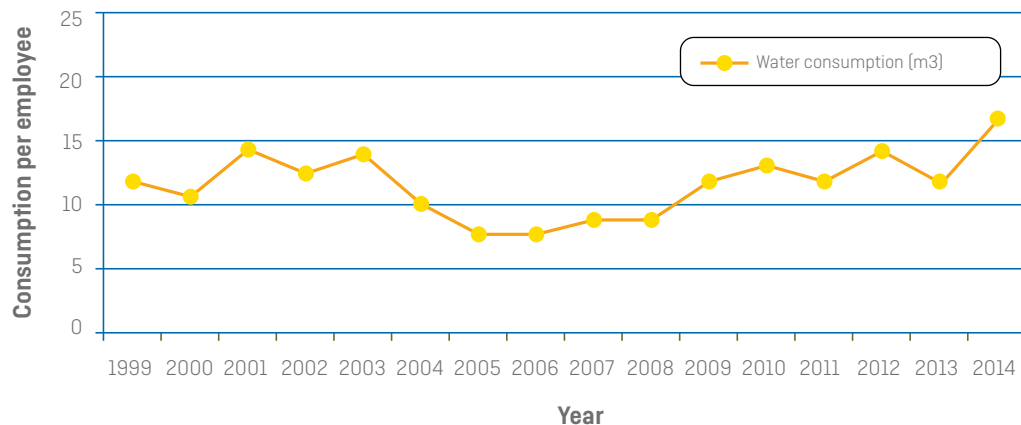


### 3.2.3. Water consumption (headquarter)

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 as drinking water and for sanitary purposes. Most of our washrooms now have taps with sensors and variable-flush cisterns.

In 2014 we have recorded an unexplainable increase of the water consumption – so in 2015 we will investigate the origins of that, in order to get it back on track.

Water consumption per employee 1999-2014



### 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 headquarter 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 within import of goods and improve their energy efficiency. Since our shipments towards customers mainly are delivered in small lots, we primarily optimise within import.

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 logistics chain of importing goods 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 item 3.3.2. Carbon Footprint.](#)

### 3.2.6. Recycling, incineration and deposit 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 deposit covering all the materials used at headquarters in Denmark. The figures show that from 2011 2013 we have moved 16% from incineration to recycling. This was due to increased focus on waste fractions that can be recycled. The setback in this development for 2014 is due to an unexpected large amount of various waste to incineration.

To get back on track with the development we saw in the period 2011 – 2013, we have set an environmental target for 2015 that says:

*Increase the amount of waste for recycling with 5% in 2015, compared with 2014.*

The waste that goes to incineration is being handled at an incineration plant that uses the heat to generate electricity and district heating.

Waste overview %	2010	2011	2012	2013	2014
Recycling	36	49	52	61	50
Incineration	63	50	47	38	49
Deposit	1	1	1	1	1



## 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 2014 we received 27 tonnes of old meters from our customers. When recycled, approximately 70% by weight of this material became new raw materials.

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 are using recycled cardboard in combination with 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 the section 6.](#)

## Principle 9:

[Encourage the development and diffusion of environmentally friendly technologies](#)

### 3.3. Environmentally friendly technologies

By showing energy 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 metering do much more than just measure: they provide remote reading, so minimizing vehicle use; they enable detailed analysis of consumption patterns, through which end-users can explore ways to reduce their energy 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/ materials (both in the product and in the production processes)
- are aware of the RoHS directive and the substances that the directive 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 the section 3.2.6. Recycling, incineration and deposit 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 CO<sub>2</sub> 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 EcolInvent database. The resulting calculations can be used to identify possible environmental improvements and so develop cleaner product technologies.



### 3.3.3. 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. In order to keep on complying with the RoHS directive, lead-free soldering was implemented in our PCB production during 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 & 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 a few of our modules, for which we are registered with the Danish agency DPA-System and will file appropriate reports as these modules are sold.

#### REACH – Registration, Evaluation and Authorisation of Chemicals

Kamstrup does not import substances, preparations or articles covered by the REACH regulation. And we running observe the "Candidate List of Substances of Very High Concern".

Since the Candidate List is a dynamic document, we read the official, and updated list on ECHA's (European Chemicals Agency) homepage.

#### 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 2014

We set up our own environmental action programme each year for the company.

#### 3.4.1. Energy & water consumption

During 2012 meters for monitoring of electricity, heat and water consumption were installed on selected locations in the headquarter buildings. During 2014 the results should have been analysed – but this was unfortunately delayed until 2015

#### 3.4.2. Lead free soldering

As mentioned in chapter [3.3.3. Product directives and regulations](#) all manufactured Kamstrup products must comply with the RoHS directive. Therefore, a lead free soldering project was initiated, and in 1 quarter of 2014, all products were Lead free.

### 3.5. Future focus areas

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

- Third party Energy review, in order to reduce energy consumption in our buildings at Head office in Stilling
- Establish environmental targets at all production sites in the Kamstrup Group
- Inspire to energy saving initiatives throughout the Kamstrup Group
- In March 2015, start collecting paper from all office work places, and having it recycled.
- New approach to our annual Environmental Report, which as of the report for 2014, will be based on the headings of our Environmental policy – how they have been implemented and what has been accomplished in 2014.
- Design and issue a leaflet describing Kamstrup's Supplier Environmental Requirements.
- Carry out local environmental initiatives according to our environmental action plans for 2015.



## 4. Suppliers cf. all principles incl. 1 & 2

During the last years Kamstrup has intensified and systematized its efforts within CSR and supplier management, focusing on the purchase of materials, semi-finished products, subcontracted activities and deliverables included in Kamstrup's product range.

### CSR Supplier Information

With reference to our [CSR policy](#), we have developed the document CSR Supplier Information including a CSR supplier statement covering the themes environment, anti-corruption, human rights and labour issues. In 2014 RoHS, Reach and conflict minerals has been added. The updated form will be used on new suppliers.

*Please see the statement in the fact box.*

All suppliers have received, signed and returned the document called CSR Supplier Information containing the CSR supplier statement.

### CSR supplier statements

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 and 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
- only delivers products in compliance with the RoHS II directive and is aware of the legal requirement that possibly prohibited materials and materials subject to declaration must without prior request be communicated to Kamstrup
- only delivers products not containing: Substances listed in the REACH Candidate List of Substances of Very High Concern for Authorisation – ECHA, as published at the [echa.europa.eu](http://echa.europa.eu) website "Conflict minerals" as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act

and also urge it's sub suppliers to observe the above principles.



### Supplier categorization

Kamstrup suppliers are categorized as shown in the below scheme. Horizontally the categorization is named Business Importance and based on the supplier's importance in proportion to the Kamstrup business; vertically it is named CSR Risk and based on country profiles provided by the Danish Ministry of Business and Growth.

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



### Supplier categorization scheme

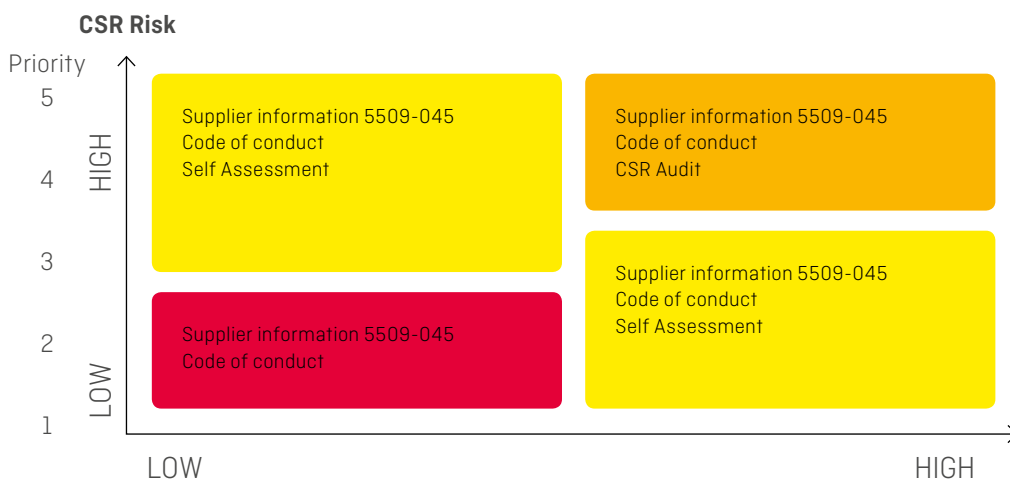
As described in the prioritization scheme, only suppliers with CSR Risk 1-2 as well as Business Importance S3-S4 can be approved by signing the CSR Supplier Information document.

Suppliers within the yellow area in the supplier categorization scheme must fill in a Kamstrup self-assessment report containing various questions within human rights, environment, health and safety etc. The report is subsequently evaluated by the Kamstrup purchasing departments, and if unsatisfactory or insufficient, a CSR audit

must be carried out. If the self-assessment report is fulfilled satisfactory, the supplier will be approved by responsible Kamstrup purchaser.

If the CSR Risk is higher than 3, and the supplier is placed under S1 or S2 within Business Importance, a CSR audit must be conducted.

If any doubt about a supplier's general CSR performance, a CSR audit can be carried out irrespective of geographical position and strategic importance.



### **Auditing effectuated by experts**

As clarified in the prioritization scheme, a CSR audit must be effectuated by all Chinese suppliers. Thus, we have entered into collaboration with an international company situated in London and specialized in CSR auditing. This company holds local Chinese offices which carry out CSR audits for Kamstrup resulting in workplace conditions assessment reports followed by action plans and evaluation of actions plan, if necessary. If a supplier doesn't possess the ability or will to collaborate on an action plan, where we concentrate on improving the CSR performance, Kamstrup will look for an alternative business partner.

A CSR audit effectuated by an external company serves to obtain a professional and objective evaluation according to local law and practice. The first Chinese audits took place mid 2014 and the results until end of 2014 have been evaluated satisfactory.

All audits performed by an external auditing company are coordinated by Kamstrup purchasing departments. During the audits a Kamstrup employee acts as observing party and coordinator between participating parties before, during and after audits. This includes follow-up audits. In 2014 we have introduced a new self assessment questionnaire, and started using a new audit template.

### **Future focus areas**

- In 2015 we expect to have conducted 1. CSR audit at all relevant suppliers
- In 2015 we will forward self-assessment questionnaires to all relevant suppliers
- In 2015 we will tighten our requirements to suppliers regarding Conflict minerals

#### **Principle 1:**

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

#### **Principle 2:**

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





## 5. Anti-corruption cf. principle 10

### **Principle 10:**

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

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".*

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 entering into corrupt agreements, the answer is always NO"*. Our intolerance for corruption is well known to everyone within Kamstrup who may face this issue.

### **Future focus areas**

We will continue our strong stand on this issue.

## 6. Working conditions

### cf. principle 3, 4, 5 & 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. 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 a standard occupational health and safety management system.

#### **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 headquarter.

#### **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.

#### **6.1.4. Certification**

Kamstrup's headquarter 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 categorized us in its highest 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. Some non-conformances were found and actions plans have been established. The majority of the action plans have been closed satisfactory and the ones remaining were evaluated as less important. Therefore, we still hold the OHSAS 18001 certification.



## 6.2. Working environment processes and initiatives at Kamstrup headquarter

### 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 even more than earlier in order to increase co-operation and management prioritization. In April 2013 this legislation was updated ranking the mental working environment in the same category as the physical. In order to live up to this new legislation we have carried out an employee satisfaction survey focusing on the mental working environment.

[Please read more about our employee satisfaction in section 6.2.6.](#)

#### [Works council](#)

The works council encourages co-operation across the organisation for the benefit of individual employees 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](#)

An occupational health and safety action plan is drawn up at headquarter 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 and are shipped to licensed contractors.

By the end of 2013 we started out a project mapping all chemicals used in the production. The purpose is mainly to replace all stuff possible with an environmental healthier product. Besides we want our colleagues as less exposure to the chemicals as possible and thereby healthier working conditions.

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

#### [Safety assessment](#)

The safety assessment has the purpose to systematically prevent and eliminate unsuitable indoor climate, noise and stress. During the yearly evaluation we make risk assessment in the production and have thereby, among others, reduced the heavy lifting, pushing and pulling significantly.

#### [Workplace assessment](#)

The workplace assessment is both about physical safety and mental work environment and is effectuated each third year. However, if we suspect a deviation from our safety and well-being, which cannot be corrected within 14 days, a workplace assessment must and will be executed at once.

## Accidents

The registration of accidents has been adjusted. Until and including 2012 we defined an accident as one that accounts for at least one day's lost work. Starting from 2013 we also register accidents without sickness absence.

By means of registration it is easier for us to take preventive action and so reduce the risk of future accidents. This also includes near-accidents.

### 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 employees have 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.

**Total of work accidents 2009–2014**

	Accidents	Near-accidents
2009	4	5
2010	6	6
2011	3	1
2012	3	1
2013	13 [6]	6
2014	6	7

### Co-regulation in production areas

Employees in the production area work in co-regulating groups which 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 possibility to get 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, whereas lean production methods were introduced 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

During 2010 we started carrying out employee satisfaction surveys for all Danish and Swedish employees. From 2011 employees in Norway were included, and from 2014 the employees in Germany, Austria and Switzerland were included.

The results of the 2014 survey were overall satisfactory and only a few focus areas were identified.

Compared to previous surveys there has been a general high level of employee satisfaction. However, a few focus areas were identified in different departments resulting in action plans for future improvement.

### Mental working environment

In 2013 the yearly employee satisfaction survey was complemented by one focusing only on the mental environment. The survey was executed in October 2014 at the Kamstrup head office. In order to be able to benchmark against other and bigger investigation, we chose to carry out a standard investigation. The survey resulted in analysis and action plans in the necessary working areas. The manager in each department is obligated to act on these action plans.

During fall 2014 a follow-up survey was conducted, in the divisions with points of criticism. The follow-up survey showed that there still are areas that have to be improved. Action plans are in place. The employee satisfaction survey focusing on mental health will be conducted for all employees at head quarters each 3 year at least.

### 6.2.6. Length of service

Compared to other Danish companies we have a low turnover of staff. Ultimo 2014 the average number of years of service amounted to approximate 8 years. 50 employees have worked for Kamstrup for more than 20 years. We see this as an indication of people being satisfied with working here.

### 6.2.7. Redundancies

During 2014 the number of staff has gone up from 850 to 890 employees. These figures apply for Kamstrup worldwide. In 214 Kamstrup has divested the Gas division in Holland including 40 employees who continue working for the new owners.



Good health means happier, more productive employees and a better working environment.





### 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 accidents insurances, 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 also includes an area with 15 Spinning Bikes. In this gym we offer team training in yoga, spinning and Combat fitness

In 2003, 2009 and 2013 we provided free checks of blood pressure, blood sugar, haemoglobin percentage, BMI, body fat, cholesterol and fitness rating. The 2013 health checks were done at the beginning and the end of the year, and had an effect in terms of good fitness rating, weight loss, lower BMI and body fat percentage through exercise and diet change. In 2014 started offering biweekly health checks to all employees.

Since 2003 we have worked on providing healthy meal choices in our canteen. In 2013 we opened a new canteen which, compared to earlier, has much more healthy food to choose from, and four to five times more vegetables are being consumed than before.

Furthermore, the canteen now is keyhole certified. Behind the Keyhole Certificate is [the Danish Veterinary and Food Administration](#), and the message is clear: Save fat, sugar and salt, and eat instead fibres and whole grain food. Since 2013 there have been yearly surveys among employee regarding the satisfaction with the canteen.

#### Healthcare Centre

In 2003 we began collaborating with the private company Danish 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 therapy, and advises on diet.

#### Dentist

In 2014 Kamstrup establish an in house dentist clinic. The dentist clinic is a full service clinic with exceptions of dentist surgery. The dentist clinic i open every other Thursday. Kamstrup pay for the regularly tooth examination, and employees receive a special discount if the need other dental work done.

#### [Hairdresser](#)

In 2014 Kamstrup establish an in house hairdresser. The hairdresser is open every Thursday and the employee can book the hairdresser in the company Outlook calendar.

#### [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.

#### [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](#)

Our Staff Association at headquarter makes a great effort to maintain good working conditions. Among others, the association arranges concerts, running, soccer and biking events and meditation classes. The association also arranges a spectrum of recreational activities from flower arranging to summer and Christmas parties.

#### [Life and career coaching](#)

From 2010 every employee has 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 2015 we will continue focusing on:

- Improving ergonomics by development of guidelines or procedures for arrangement of working spaces in the production and offices
- Development of action plans according to 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 Olieselskabet Danmark (OK) since 1990
- An export share of 80%
- Group turnover in 2014: DKK 1.3 billions
- Represented in 65 countries
- Approximately 850 employees world-wide
- Own offices and companies in 23 countries

We have our own offices and companies in following countries:

Holland, Poland, Norway, Sweden, England, France, Russia, Finland, Germany, Spain, Switzerland, Rumania, Serbia, The Czech Republic, Estonia, Austria, the US, China, India, Singapore, Dubai, South Africa and Chile.

In other countries we are represented by means of distributors.

**kamstrup**

Think forward

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**Kamstrup A/S**

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