

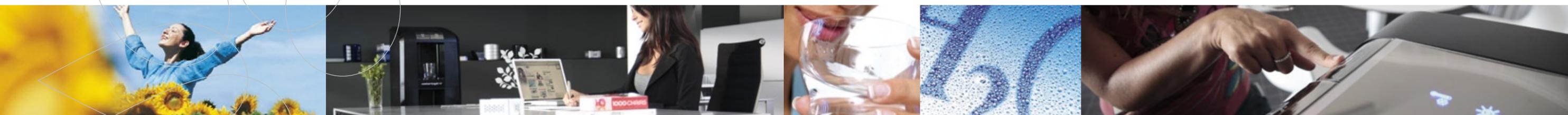


WATERLOGIC REMAINS FAITHFUL TO ITS LONG TERM
COMMITMENT TO THE UNITED NATIONS GLOBAL COMPACT





UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS



EXECUTIVE STATEMENT

Waterlogic remains faithful to its long term commitment to the United Nations Global Compact

For the third year running Waterlogic International is proving its long term commitment to social and environmental integrity through the United Nations Global Compact.

The relationship between companies, its employees and the environment in which they operate is of an enormous importance, we at Waterlogic know that the responsibility lies not only within but also our key stakeholders.

As part of our mission, we make sure that the environmental and social impacts of our activities are all monitored, followed and executed in every aspect of our business.

From our significant investment in research and development to develop products that are build with environmentally parts up to create a people friendly working environment of our employees.

It is because of the shared vision for a more sustainable and global economy that Waterlogic has opted to join this far sighted group of companies in this endeavor.

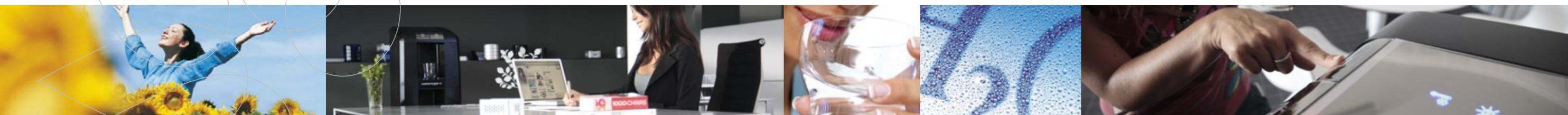
As a company, we continually strive to be a responsible and responsive global corporate citizen.

Sincerely,

Jeremy Ben-David
Group Managing Director



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HUMAN RIGHTS

BUSINESSES SHOULD:

1. Support and respect the protection of internationally proclaimed human rights

Within its sphere of influence, Waterlogic supports and respects the protection of all human rights. Exceptional work conditions are maintained in Waterlogic Chinese manufacturing facility, resulting in an extremely low employee turnover rate of less than 1%, a very important indicator reflecting the positive working conditions.

These exceptional working conditions are the result of careful consideration about every aspect of the factory's operations, from the 8 step quality control process to the ISO standards. In the factory, written guidelines exist concerning health & safety issues as part of standard operating procedure and ongoing employee training sessions take place on various topics such as safe work practices and hygiene in order to constantly improve the work environment. Additional safety measures include providing employees with safety shoes and uniforms for use on the job.

Regular bi-weekly internal inspections take place in the factory, with risk management discussions following each inspection, and audits by external 3rd parties also take place several times per year. Waterlogic China Manufacturing has been again awarded as an "Outstanding Foreign Direct Investment (FDI) Company" in the district of Ji Hong Tan, Chengyang City, Qingdao. Criteria for the "Outstanding FDI Company" award received includes: rapid growth, job creation, uncompromising attitude with respect to Chinese regulations, social responsibility and financial responsibility.

Waterlogic China not only met, but exceeded all of the benchmarks for these award criteria. The esteemed award has been presented on an annual basis for the past ten years and is testimony the Waterlogic commitment to create a humane working environment. The Waterlogic subsidiary in Sweden - Escowa participated in PLAN's Faddergalan event of charitable giving. Staff were also on hand to provide drinking water to participants at this event.

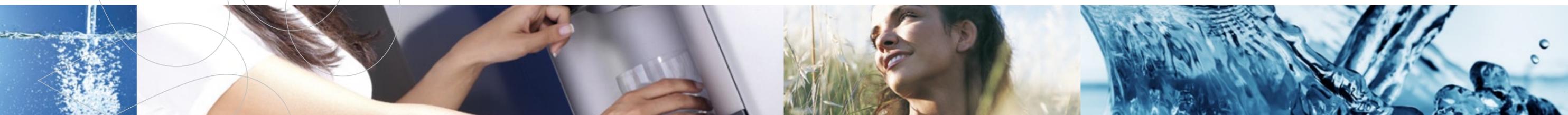


2. Make sure they are not complicit in human rights abuses

Waterlogic seeks to work with likeminded companies sharing its values with regards to suppliers, clients and distribution partners. All suppliers are carefully audited and must meet international certifications along with requirements for quality and employee training. Treatment of employees by potential and existing suppliers, and distribution partners will continue to be an important factor in the Waterlogic auditing process.



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LABOUR STANDARDS

BUSINESSES SHOULD UPHOLD:

3. The freedom of association and the effective recognition of the right to collective bargaining

Waterlogic does not in any way inhibit the freedom of association or the effective recognition of the right to collective bargaining. In fact, all Waterlogic contracts are drawn in accordance with local laws, including for instance in the French subsidiary the inclusion of a company union leader, and are open for candid and friendly two-way discussions.

4. The elimination of all forms of forced and compulsory labour

Waterlogic has a strict policy against forced or compulsory labour.

5. The effective abolition of child labour

Waterlogic has a strict policy against child labour. All Waterlogic suppliers and the supply chain are also carefully audited and vetted, and to the best of our knowledge, none utilise child labor.

6. The elimination of discrimination in respect of employment and occupation

Waterlogic is an equal opportunity employer. With subsidiaries, distribution partners, and clients around the globe, the company thrives from its employees' differences. Waterlogic further facilitates a workplace environment free from any form of discrimination or unfair treatment. Waterlogic not only recruits and hires the industry's best and brightest, without regards to race, age, gender, ethnicity, or religion but also views its people as a long-term asset, offers opportunities for employee training and development to maximise employee potential as well as providing a work environment which encourages individual career growth.

ENVIRONMENT

BUSINESSES SHOULD:

7. Support a precautionary approach to environmental challenges

Waterlogic is an environmentally conscious company which facilitates the proper use of available water supplies while actively minimizing the waste of resources in the process. Waterlogic actively addresses environmental considerations in numerous ways:

- **ENVIRONMENTALLY FRIENDLY FILTERS** - Carbon is Bio-Degradable
Waterlogic is pleased to announce the use of carbon bio-degradable filters.

The benefit of using biodegradable filters is that they will decompose naturally over short periods of time. This means that they won't sit in landfills when they get thrown out, and the matter of recycling them is less important.

They will turn back into natural substances, and unlike other filters today, they don't take hundreds or thousands of years to decompose. All of this translates into less waste, and a better outcome for the environment.

Furthermore, the plastic housings of filters are not just recyclable but designed for reuse. The plastic housings of our filters are not just recyclable they are reusable, hence will not sit in landfills. Hence the raw materials have a much longer life-span than many other products saving natural resources and dramatically reducing the environmental impact.

- **ECO-FRIENDLY COMPRESSORS** - Waterlogic compressors currently utilise non ozone depleting recycling refrigerant r134a. New and even friendlier refrigerants are also being examined and tested, such as CO₂.



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ENVIRONMENT

- **SLEEP MODE** - Certain Waterlogic models include a sleep mode option for reduction of energy use.
- **LOW ENERGY REQUIREMENTS** - Waterlogic units are designed for low energy consumption.
- **LEAK PROTECTION MECHANISM** - The leak protection mechanisms which are a feature of Waterlogic products, varying slightly by model, cut down on the waste of water.
- **RECYCLABLE PRODUCT MATERIALS** - All polymers and steels used in Waterlogic machines are fully recyclable.
- **RECYCLABLE UV LAMPS** - The UV lamps which are an integral part of the Waterlogic patented in-tank UV system are recyclable.
- **USE OF ENVIRONMENTALLY-FRIENDLY CHEMICALS** - All of the chemicals used by Waterlogic are non toxic and environmentally-friendly.
- **ROHS/WEEE Requirement Achieved to Address Electrical/Electronic Waste** - All electronics and wiring within Waterlogic products are ROHS compliant. Waterlogic also meets the requirements of the WEEE (Waste Electrical and Electronic Equipment). Directive concerning the collection, recovery & recycling of equipment. RoHS compliance is not assumed, but tested by third party laboratories to ensure full compliance with this directive.
- **PRODUCT CERTIFICATIONS:**
 - **CE CE** - In addition to other certifications, Waterlogic products bear several that pertain to environmental considerations including the CE Certification Marking, which is a manufacturer's declaration that the product complies with the essential requirements of the relevant European health, safety and environmental protection legislations
 - **WRAS** **WRAS** Approval - WRc-NSF Ltd. Certificate, certifies that the products do not cause waste, improper use, improper consumption or water resource contamination

- **COMPANY CERTIFICATION** - Waterlogic is commencing the process of attaining ISO 14001 and 18000 certifications, which give the requirements for an environmental management system (EMS), a tool for helping organizations to implement good environmental practice and to aim for continual improvement of their environmental performance. These certifications have become the international benchmark for EMS, implemented in 138 countries and now thoroughly integrated with the global economy.
- **RECYCLABLE PRODUCT PACKAGING** - The cardboard packaging that Waterlogic products are shipped in is 100% recyclable. In addition, the plastic bags with which Waterlogic products are wrapped are reusable and/or recyclable.
- **OVERALL RECYCLABILITY** - Waterlogic machines are made of a minimum 80% of recyclable parts.

The very nature of Waterlogic's products support a precautionary approach to environmental challenges as Point-of-Use dispensers are a disruptive technology replacing bottled water dispensers and promoting a positive effect on the environment in comparison to bottled systems by:

- Reducing fuel consumption and traffic congestion of delivery trucks on the road moving bottles
- Reducing wasted plastics from used bottles, which can only be re-used 4-5 times
- Reducing detergent use for bottle cleaning



RECYCLABLE
& REUSABLE
COMPONENTS



ENVIRON-
MENTALLY
FRIENDLY



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ENVIRONMENT

BUSINESSES SHOULD:

8. Undertake initiatives to promote greater environmental responsibility



Microsoft is a “leading” brand in many ways, and adopting sustainable business practices in all aspects of business is part of their brand “ethic”. No surprise then, that Microsoft turned to Watercompany a Waterlogic dealership which is the absolute leader in filtered tap water coolers in the Netherlands to assist with a solution. Microsoft installed Waterlogic dispensers in its Dutch office, which are produced in association with “Earth Water” a leading

charity dedicated to providing clean water for all. In addition to this Microsoft also provide biodegradable cups and reusable water bottles further eliminating any packaging waste.

Waterlogic was appointed as the drinking water provider for the COP 15 Climate Conference and supplied a number of mains-fed water coolers around the Bella centre which was used as the venue for the high profile Copenhagen conference.

9. Encourage the development and diffusion of environmentally friendly technologies

Waterlogic continuously strives to develop the most advanced new industry technologies, with much consideration given to the environment and reduction of resource waste. These are and will continue to be issues at the top of the R&D department’s list of requirements for all new machines and technology.

For instance, at the moment, Waterlogic is devoting great resources to identify and utilise new types of even more environmentally-friendly reffridgerant gas in its machines. Waterlogic is active in numerous industry associations, contributing to the advancement of the latest technology within the industry beyond a company level through industry leadership.

These memberships include:

WATER QUALITY ASSOCIATION - The Water Quality Association (WQA) is a not-for-profit international trade association representing the residential, commercial, industrial, and small community water treatment industry. WQA maintains a close dialogue with other organizations representing different aspects of the water industry in order to best serve consumers, government officials, and industry members. WQA is a resource and information source, a voice for the industry, an educator for professionals, a laboratory for product testing, and a communicator to the public.

EUROPEAN POINT-OF-USE DRINKING WATER ASSOCIATION, which has been formed “to promote, develop and maintain the highest standards of hygiene, safety and ethics within the European Point-Of-Use Drinking Water industry to the benefit of customers.”

LOCAL VENDING ASSOCIATIONS - through its subsidiaries.





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CORRUPTION

BUSINESSES SHOULD:

10. Work against all forms of corruption, including extortion and bribery

Waterlogic abides by a code of business practices which strictly forbids all forms of corruption including extortion and bribery.

Waterlogic further demonstrates its dedication to strong global citizenship through its various charitable activities, including but not limited to: participation through affiliate PHS UK in their partnership with The One Foundation.

The One Foundation funds PlayPump® water systems that use a specially crafted children's roundabout to pump water from deep underground. So, as children spin on the roundabout, fresh, clean water is pumped from a borehole into a storage tank for use by the entire community.

It's a simple idea but one that is changing the lives of thousands of African people. Now, instead of walking for hours to collect water, children can go to school and the entire community benefits from access to fresh drinking water. PHS Waterlogic customers take a Totalcare service package on a One branded watercooler, they generate a donation to help fund PlayPump® water systems that provide clean, safe drinking water to villages in Africa.



TO FURTHER PROMOTE THE UN GLOBAL COMPACT - WATERLOGIC HAS LAUNCHED NUMEROUS PAGES, ON ITS WEBSITE, DESIGNED TO COMMUNICATE INFORMATION REGARDING THE GLOBAL COMPACT AND ITS PARTICIPATION AS A SIGNATORY TO THE COMPACT.

