

2021

CSR Report

# Corporate Social Responsibility

Statement on social responsibility and gender distribution in the management, cf. sections 99a and 99b of the Danish Financial Statements Act (årsregnskabsloven).



**Damstahl®**  
stainless steel solutions



# Table of Contents

3	<b>Corporate Social Responsibility</b>
3	<b>Business Model</b>
3	<b>Human Rights</b>
4	<b>Environment and Climate</b>
5	<b>Anticorruption</b>
6	<b>Employee Relations and Social Conditions</b>
7	<b>Gender Composition</b>
7	<b>Whistleblowing</b>
7	<b>COVID-19</b>

## Corporate Social Responsibility

At Damstahl, we are extremely aware of upholding high standards of work ethics and social responsibility. We want to positively contribute to our community and to be the industry benchmark for a safe work environment, climate action and sustainability in general.

We want to create value for our stakeholders. This value is amplified through our corporate social responsibility (CSR) in combination with our commitment to UN's Sustainable Development Goals (SDGs).



## Business Model

Damstahl is a family-owned stainless steel distributor. During 2021, the structure was changed back from a "two division structure" into again being "One Damstahl" sharing the same strategy. Group headquarters resides in Skanderborg, Denmark. Currently, Damstahl employs more than 310 people in ten European countries; around 100 of these in Denmark. Damstahl is the leading supplier on the market, which, however predominantly through our well qualified people, enables us to be a preferred partner for many customers through our excessive knowledge sharing, logistics solutions and number of products available. Our core business model derives from logistics solutions, wholesale supplies within the stainless-steel product category and knowledge sharing.

Furthermore, our business model is based on complex or individual logistics solutions for customers to personalize the solution based on specific demands. As an example of our intention and ability to comply with our customers' requests, our digital service platform offers a range of services beyond also being a webshop with easy access to all our products.

## Human Rights

Working with UN's Sustainable Development Goals (SDGs), Damstahl wants to positively guard human rights principles. We also value applicable work environments, which protects the employees of our suppliers from work environments not suitable under UN's Global Compact initiative.

We, at Damstahl, pursue equal rights for all genders, sexual orientation, race, nationalities, ethnicity, language, and religion. Keeping a high standard of work environment and ethics contributes to our goal of eliminating any discrimination within our own and our partners' organization.

Due to COVID 19-restrictions, we only had very limited possibilities to visit our suppliers during 2021. We are, however, in continuously close contact and thereby able to confirm that our suppliers are upholding the UDHR (the Universal Declaration of Human Rights), which is a part of our Human Rights policy. These conditions relate to UN's Human Rights:

- Fair and favourable work conditions
- Social protection, adequate to the standard of living (country specific) to achieve the highest attainable standard
- Cultural freedom and scientific progress

With less restrictions as to travelling etc., we have already so far in 2022 visited more suppliers than the past two years and will attend selected exhibitions. This also opens the possibility for direct communication, and we will gradually revive our control assessment scheme.

We will also make a general mentioning of our whistleblowing portal which is mentioned later in this report.

# Environment and Climate

Less than 1% of our yearly emission of CO<sub>2</sub> comes from in-house operations, i.e., scope 1 and 2 emissions which we aim at reducing by 70% before 2030 compared to 2008. Not only do we want to reduce our scope 1 emissions; we also prioritize acting responsibly to reduce our Scope 2 emissions on which we have a direct impact and to contribute to reducing CO<sub>2</sub> emissions related to the Scope 3 emission which is the largest area of our CO<sub>2</sub> footprint, meaning all the indirect impacting factors throughout our supply chain.

As an example, we have developed a CO<sub>2</sub> calculator as a tool for our customers to get a clear picture of the different impact on the climate if they choose material from Asia or Europe. This is a part of our sustainable strategy to participate actively in reducing the global warming.

As for transportation and the lorries used, our focus still is on minimizing the impact of our logistics operations on the environment. By February 2021, we completed our planned upgrade of lorries for domestic transport from Euronorm 5 to 6.

During 2021, several initiatives were made with focus on environment incl. recycling and energy savings.

An external event targeted to customers and other business partners not only in Denmark, but also internationally was webinars informing about the sustainability role played by stainless steel that is up to 100 percent recyclable. Internally, in connection with a special greeting to all employees, we bought 120 units of Plant a Tree certificates and thereby support an event where trees are planted in Denmark in spring of 2022.

In our everyday life, we have implemented the concept Too good to Go in order to limit food waste.

We have also introduced routines for an increased recyclable way of waste sorting throughout our premises. Through an agreement for 'Circular IT' we purchase refurbished equipment where possible and also consider the next phase of our scrapped IT equipment. Literally, the solution means that we have a cabinet to put laptops, printers, access points, etc., which we do not need anymore, and that will be picked up for refurbishing.

During the replacement of all office furniture, focus was also on the environment. Instead of buying new equipment, all table frames were reused – CO<sub>2</sub> savings of 41 kg per table, and some 50 tables were replaced. A range of chairs and cabinets were re-painted and used again instead of being scrapped. Furniture that could not be reused at Damstahl was offered first to the staff for free pick-up and the few remainders were given to charity shops or recycling centres.

2021 was the first year with our Aura wind energy certificate by which we support the maintenance and further development of wind power in Denmark.

At our own location, we have accomplished significant power savings by continuing the process of changing ceiling lights into LED and by scrapping power consuming two IT battery back-ups that have been running 24/7 and in addition to that also a diesel generator that had been supporting these back-ups.

As of October 2021, six charging stations for electric vehicles have been available both for visitors and employees, and we had our first hybrid company car.

During 2022, we'll further increase our focus in maximizing sustainable waste handling and sorting. For each new leasing of company cars, the driving pattern will be evaluated to consider possible benefits in choosing a hybrid company car over a standard combustion engine car.

As more than 99% of our carbon emission is regarded as indirect, a major part of our focus is put in the value chain where we not only continue, but also intensify our communication about the differences between stainless steel from e.g. Asia and Europe. Our abovementioned CO<sub>2</sub> calculator is constantly being further developed and our employees trained in sharing our knowledge also on that point.



## Anticorruption

One of Damstahl's main principles is a zero-tolerance policy regarding bribery or corruption. We do not endorse such behaviour, nor do we incite to any questionable practices within our organization.

We uphold all laws and regulations and strive towards ensuring that all our partners offer the same ethical values. The main risk being the purchasing departments, where bribe can potentially occur, whilst none have been registered nor has it been a problem earlier. Unfair competitiveness and cartel formation are the major risk involved with corruption, and Damstahl do not condone any such type of behaviour. All policies regarding anticorruption are informed to employees at their introduction as new employees at Damstahl.

At present, a digital training session is being prepared to be shared as mandatory training for employees in positions that are considered especially exposed to corruption, i.e. purchase, sales, IT, and all managing positions. During these training sessions, the knowledge of each individual is tested, and on basis of that, we will evaluate if further follow up is recommended.

Our planned general mentioning of our whistleblowing portal will also open the doors for any relevant reporting and thereby enable us to intervene in possible specific cases.





# Employee Relations and Social Conditions

Diversity in the workspace is a key driver for Damstahl, with the accept of diversity being the main motivation for creating working conditions most optimal for all employees. We have a zero-tolerance policy regarding harassment, to protect all of our employees from unfair and harmful working conditions, which is the main risk concerning work environment and employee relations.

Through quarterly KPI reports, Damstahl continuously assesses injuries derived from some of the processes within our organization. In 2021 only one job related employee injury was registered with 3 days of related absence. Though zero would always be the target, we are content about this decrease from 4 in the year before. We also see it as a result of our focus on constantly sharing knowledge on security measures and working positions.

The overall absence due to illness amounted in average to 1.9%. Though we'll always strive for even further minimizing that rate, we are content to have succeeded in keeping the same level in 2021 as in the two previous years - also despite all challenges related to COVID 19.

Damstahl also values training and developing trainee positions to create the workforce of tomorrow. Despite the COVID 19-restrictions in 2021, we took in two new trainees and succeeded in offering them the close introduction and support needed to comply with our standards.

Currently, 89% of the persons being employed with Damstahl at the beginning of 2021, remained at Damstahl throughout the year. Compared with 2020, this is a minor increase. When considering only the administration colleagues the number is higher, namely 93%, whereas the number is 82% among the warehouse colleagues. All in all, 15 employees left Damstahl during the year, and 23 new joined us. As a total, we had an employee growth of 8 persons in 2021. These changes can partially be seen as reflection of the impact of the ongoing implementation of a new strategy with organizational changes and new types of competences needed.

Our cooperation with the universities in hiring student assistants is a success which has till now resulted in a permanent employment to support our Business Controlling. Due to COVID 19 restrictions, we were not able to make agreements with new student assistants during 2021. However, we want to further strengthen our Business Controlling as well as market research and analysis to be made by our Digital & Marketing team. Therefore, we have started 2022 by making agreements with four new student assistants.

All employees are offered a health insurance providing inspiration for a healthy lifestyle as well as professional assistance in relation to both physical and mental

problems, no matter if they are work related or not. The insurance also puts focus on sharing knowledge about preventive behaviour.

In 2021, our insurance provider offered a health screening with an individual report to each participant and a complete report to the management. 63%, i.e. 60 of 95 persons participated in the screening. The result of the report has given an insight in some focus areas which will be activated during 2022.

We also offered all employees a free influenza vaccine either onsite at Damstahl or locally near the employee's residence. 38 employees accepted that offer.

We succeeded in participating in a company running event. Due to COVID 19 restrictions, however, not with the number of participants expected, but it was an evening with socializing across departments.

Damstahl has for many years had a zero tolerance towards alcohol and drugs also after work hours to ensure a 100% safe environment.

In addition to our smoking policy, offering help to quit smoking, Damstahl also joins a partnership with Skanderborg municipality to create a smoke-free municipality before 2025.

In 2021, Damstahl's local involvement in both sport and culture was further amplified by offering donations earmarked to recipients/projects located in the municipality of Skanderborg.

Three very different applicants received each DKK 10,000. Common for all of them is a sustainable focus. In two minor local communities, our donation was spent for projects offering facilities to meet and be active together in across age, gender, interests, etc. The third applicant wanted to add sustainability with flowers and other plants to an area where a lot of people enjoy daily walks with their dogs.

Our company membership of Kræftens Bekæmpelse (The Danish Cancer Society) and Røde Kors (Red Cross) is a natural part of our social responsibility. This was in 2021 supplemented by a donation to the special Røde Kors event called "Alle vores børn" (All our Children), and as in previous years, we also supported "Knæk Cancer" og "Familier med kræftamte børn" (two official collection events to support the research on how to prevent and cure cancer) with donations.

# Gender Composition

Damstahl aims to have the most competent and applicable board members with no distinction between diversity, race, religion, or gender. Our employment process is made according to this principle.

Damstahl is a family-owned subsidiary of the NEU-MO-Ehrenberg Group with 100% owner representation in the board of directors. Over a period, a generational change in the owner family is being prepared. That means among other things the inclusion in the board of directors of the third generation of the Ehrenberg family. This inclusion phase started in 2020 with two members of the third generation attending board meetings as observers. Since May 2021, these two third generation members are full members of the board that now consists of 5 persons, all members of the Ehrenberg family. In this transition period, the main principle for the board of directors is to have at least 20% of the minority gender present special, which is fulfilled at the time of reporting.

Furthermore, Damstahl has no pre-qualification criteria for management position, only that each manager is the most capable individual with no notion towards race, religion, or gender.

On each organizational level, a notion is given towards the minority gender to be included in management. The recruitment process is affected by the purpose of balance-

ing gender composition within the organization. Currently, our managerial positions in Damstahl are represented by 18% female managers and 82% male managers in our upper management level.

The increased focus on gender composition is maintained by the board, which argues that the gender composition is developing as preferred, whilst also strengthening in the future.

As an example of the focus on relevant raising of the competence level, managers of both the over- and the underrepresented gender were offered and started supplementing managerial education in 2021. Further, we also started up building up a cross border networking development activity involving both male and female colleagues. This activity will be followed closely, and a more detailed reference will be part of our 2022 report.

## COVID-19



# Whistle-blowing

Though adhering to the whistleblowing directive will not be mandatory for us until in December 2023, we launched this possibility already in December 2021. Our whistleblowing portal is accessible from all Damstahl group websites and open for both internal and external reporting. The software is from an external independent company, ensuring individual anonymity.

By opening already now this possibility for employees, customers, suppliers, and other relations, we want to express our full support to the whistleblowing concept which is totally compliant with the Damstahl values and code of ethics. So far, we have not received any reports in our portal.

Also during 2021, the global pandemic of COVID-19 had a strong impact on our everyday life. Damstahl continued to act in accordance with the government's propositions and regulations to support the collective effort to stop the pandemic. As in 2020, we often even succeeded in being on the forefront of the regulations, e.g. by offering free testing of all employees onsite at Damstahl, later by allowing employees to be tested during working hours, demanding a valid corona pas by employees and visitors, etc. Inevitably, COVID 19 was not totally avoided, as some employees were infected by COVID 19 or had close relatives who were infected. By offering flexible tools to for instance distance work and with the support from all employees, we succeeded in maintaining operations in a safe and stable way.



# Diversity

**"Embracing diversity forms  
the main motivation for creating  
optimal working conditions."**



Damstahl a/s • Danmarksvej 28 • DK-8660 Skanderborg  
+45 8794 4000 • [damstahl@damstahl.com](mailto:damstahl@damstahl.com) • [www.damstahl.dk](http://www.damstahl.dk)

Damstahl - a member of the NEUMO-Ehrenberg-Group