

2020

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

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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 with the commercial structure divided in Nordic, respectively Central Europe. Group headquarters resides in Skanderborg, Denmark. Currently, Damstahl employs more than 310 people in several European countries; around 100 of these in Denmark. Damstahl is the leading stainless steel supplier on the Danish market, which 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.

Significant risks involve suppliers not supporting the Universal Declaration of Human Rights (UDHR). We, at Damstahl, pursue equal rights for all genders, 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 were not able to visit our suppliers during 2020. We are, however, in continuously close contact and thereby able to confirm that our suppliers are upholding the UDHR, 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



Environment and Climate

1% of our yearly emission of CO₂ comes from in-house operations, i.e., scope 1 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. Further, we want to contribute to reducing CO₂ emissions related to the scope 3 emission which is the largest area of our CO₂ footprint, meaning all the indirect impacting factors throughout our supply chain.

As an example, we have developed a CO₂ 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. In 2020, our planned upgrade of lorries for domestic transport from Euronorm 5 to 6 continued, and the mission was completed in February 2021.

During 2020, we also accomplished a range of power savings; in the office buildings ceiling light was changed into LED, and old refrigerators were changed into more sustainable models. Some wall lamps, a beverage machine and an IT battery back-up – all rather power guzzling - were removed, as were also some superfluous printers. Also outside, on the loading area light sources were changed.

Total annual savings in electricity amounted to 22,380 kWh ~ 11,000 kg CO₂.

Further details are elaborated in our Sustainability Report.

"We, at Damstahl, pursue equal rights for all genders, race, nationalities, ethnicity, language, and religion."

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. The number of such injuries within this fiscal year summarized to 4, with 14 days of related if absence being the maximum duration of the injury. We strive towards diminishing the risk for injuries by 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 2020 as in the previous year - also despite all challenges related to COVID 19.

Damstahl also values training and developing trainee positions to create the workforce of tomorrow. Unfortunately, due to the COVID 19-restrictions in 2020, we did not take in new trainees, as it was not possible to offer them the close introduction and support needed to comply with our standards.

Currently, 86% of the persons being employed with Damstahl at the beginning of 2020, remained at Damstahl

throughout the year. This is a reduction from 90% in the previous year, which can mainly be explained by a generational change as 4 of the employees who left us retired on pension. A total of 15 employees left during the year and 16 new joined us. These changes among other things reflect the impact on the competences needed to meet a new strategy with organizational changes as well as the implementation of a new ERP system.

During 2020, we had 4 student assistants working with us. One of them was employed on a permanent basis after having completed his master's degree.

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.

Damstahl has for many years had a zero tolerance towards alcohol and drugs. However, in 2020, prohibition against drinking alcohol at the Damstahl premises also after work hours was added to our policy in order 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 2020, Damstahl's local involvement was further amplified by offering donations earmarked to recipients/projects located in the municipality of Skanderborg.

Five very different applicants received each DKK 10,000. Though with different key functions, four of the applicants were characterized by being local fiery soles investing their time, soul and interests in projects for the benefit for the local population. The fifth applicant was a relative to a family heavily hit by a lot of challenges due to a long and strong cancer course.

Our company membership of Kræftens Bekæmpelse and Røde Kors is a natural part of our social responsibility. In 2020, this was among others added by donations to Sølund Musik-Festival, "Knæk Cancer" og Familier med kræftramte børn.



Anticorruption

One of Damstahl's main principles is a zero-tolerance policy regarding bribes or corruption. We do not accept 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 does not condone any such type of behaviour. All policies regarding anticorruption are informed to employees at their introduction as new employees at Damstahl, as well as information on this matter is also part of the introductory folder given to all new employees.

Gender Composition

Damstahl aim 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 NEUMO-Ehrenberg Group with 75% owner representation in the board of directors. The main principle for the board of directors is to have at least 25% of the minority gender present, which is fulfilled.

Furthermore, Damstahl has no pre-qualification criteria for management positions, 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 balancing 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.

COVID-19



The global pandemic of COVID-19 had a strong impact on our everyday life almost all the year of 2020. Damstahl acted in accordance with the government's propositions and regulations in order to support the collective effort to stop the pandemic. In many cases we have even been on the forefront of the regulations and among other things thereby we succeeded in creating a work environment free of the pandemic.

Damstahl also offered free testing of all employees onsite at Damstahl, which was accepted by the majority of the employees being present – and all test results were negative. Inevitably, COVID-19 was not totally avoided, as a very small number of employees were infected by COVID-19 or had close relatives who were infected. None of these incidents were job-related, and we have had no infections on duty at Damstahl.

Through an extreme and impressively responsible conduct shown by the involved persons, further spreading of the virus within our company was most efficiently avoided. We are extremely fortunate, and delighted, that our employees' behaviour and strong corporate policies helped keeping the impact of any outbreaks of the virus at a minimum.



Diversity

**“Embracing diversity forms
the main motivation for creating
optimal working conditions”**



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Damstahl - a member of the NEUMO-Ehrenberg-Group