



# 2015

CSR report

#### COMPANY

Sanistål A/S  
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Denmark

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Established: 18 June 1926  
Registered office: Aalborg

#### GROUP

**Sanistål A/S**  
Aalborg, Denmark

**Serman & Tipsmark A/S**  
Brønderslev, Denmark

**Max Schön GmbH**  
Lübeck, Germany

**Sanistal Spolka z.o.o.**  
Szczecin, Poland

**UAB Sanistal**  
Kaunas, Lithuania

**Sanistal SIA**  
Riga, Latvia



Sanistål has 28 defibrillators at selected locations. The defibrillators are registered at [www.hjertestarter.dk](http://www.hjertestarter.dk) so you can always find the location of the closest defibrillator



We retained our two Crowned smileys – for the central warehouses in Taulov and Billund – at the two periodical recertifications in 2015



Carbon emissions from Sanistål's central warehouses were reduced by 11%

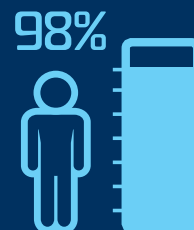


Our Danish stores were awarded green smileys at all inspections in 2015

1.500



The Sanistål Group has more than 1,500 employees



98% of Sanistål's employees agree that the workplace makes a big effort to prevent occupational accidents



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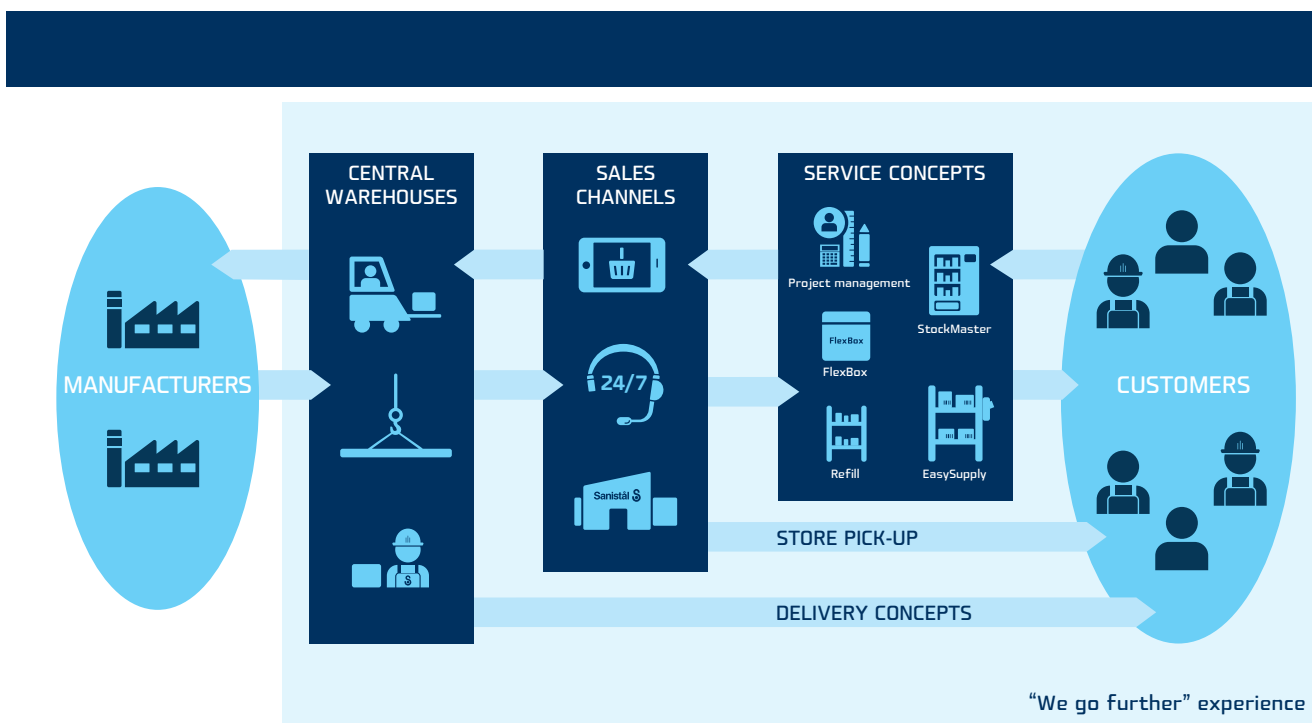


# 100%

In 2015, Sanistål achieved both its target of nothing but green smileys from the Danish Working Environment Authority at inspection visits and also retained the Crowned Smileys at the two central warehouses, Taulov and Billund. Sanistål and the entire OHS organisation make an ambitious, targeted effort to promote the working environment



# Business model



Sanistål is a wholesale and service business creating added value for our customers and enhances their competitiveness.

Sanistål works on the B2B market and, through strong service concepts, serves as the value-creating link between manufacturers and our customers. With a wide range of strong service concepts and a broad international product range, we provide our customers with one-stop shopping: at Sanistål!

## SERVICE CONCEPTS

Our numerous service concepts help to streamline our customers' business. Sanistål makes it possible for our customers to focus on their core areas of expertise, while we make sure that the products are available at all times.

Digitisation is becoming increasingly important in our daily routines, and the

constant development of our digital platforms ensures our attractiveness as a business partner. Sanistål provides many flexible solutions, high reliability of delivery and the market's widest selection of services to meet our customers' needs.

## SALES CHANNELS

Sanistål wants to be available round the clock and provide the best service to our customers. The use of e-business is becoming increasingly widespread, making the Sanistål App and our web-shop important sales channels to ensure efficient business transactions with our customers.

Personal advice, accessibility and local presence create close relations with our customers and also mean that our internal sales representatives and stores are important sales channels.

## CENTRAL WAREHOUSES

At our two large, efficient central warehouses in Denmark, in Billund and Taulov respectively, we have a complete range of

more than 130,000 products, and our steel warehouse at Taulov is one of the most modern of its kind in northern Europe. We also have central warehouses in Rostock, Germany, and Riga, Latvia. The central warehouses ensure reliability of supply to our customers – either directly, via our sales channels or via our service concepts.

We always seek to give our customers a “we go further” experience. For further details about Sanistål and our many service concepts, please go to [sanistaal.com](http://sanistaal.com).

# Ambitious objectives generate solid results



Responsibility is a catchword at Sanistål. This applies both to the way we take care of one another in our daily activities, and the way we make a targeted effort to reduce our carbon emissions, as well as when we impose ethical requirements on our suppliers.

## ATTRACTIVE AND RESPONSIBLE WORKPLACE

Feedback from employees in the employee satisfaction survey for 2015 was clear: Sanistål is a good workplace. A total of 92% of employees took part in the survey. The survey questions were divided into nine main groups and there was a sizeable improvement in the level of satisfaction compared to 2014. The highest-scoring main groups in 2015 were again "Strategy" and "Working Environment". Both are all the way up at 93% and reflect that employees are familiar with and agree on Sanistål's strategy and agree that Sanistål makes a big effort to create a good, safe working environment. Looking at the responses in more detail reveals two top scorers: 98% of employees agree that Sanistål is a nice place to work and the same high percentage agree that they feel they make a difference to the company. Our vision in terms of our employees is clear: employees perceive Sanistål as an attractive, responsible and stimulating workplace.

Top priority is given to having a good and safe working environment at Sanistål. Sanistål employees make a big effort to avoid occupational accidents. Unfortunately, we recorded 19 occupational accidents resulting in absence in 2015, a large percentage of which were lifting injuries. Therefore, we are making a targeted effort to help implement correct lifting techniques. Our goal is clearly defined: we work every day towards a goal of zero occupational accidents.

Our OHS efforts are also reflected in the year's responses from the Danish Working Environment Authority, where Sanistål qualified for green smileys at all inspection visits. At the same time, the OHS certifications of our central warehouses in Billund and Taulov have enabled us to retain our Crowned Smileys.

It is essential to Sanistål's development that our employees have business-supportive skills. Therefore a large number of training days are provided through our internal training academy, Sanistålskolen.

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Strong concepts and a focused effort by our skilled employees have a positive impact on our business."

Christian B. Lund, CEO

Supplementary training contributes to the development of both the individual employee and Sanistål. This is clearly evident in our employee survey where the main group "Development" is a top performer. This group reflects whether employees perceive their work to be challenging and stimulating, whether they receive the equipment and support they need to do their job and the opportunity for supplementary training, courses, etc.

#### **ETHICAL REQUIREMENTS OF OUR SUPPLIERS**

At Sanistål, we are keenly focused on ensuring that our suppliers comply with the same ethical guidelines that we comply with in our day-to-day work. In 2015, we carried out a risk assessment of our supplier portfolio. The risk assessment was based on the commercial significance of each supplier to Sanistål, and whether there is a risk, and how great this risk is, that the supplier will violate basic guidelines and principles.

The risk assessment shows that our efforts should primarily target our supplier portfolio in Asia and eastern Europe. Therefore, we will pay visits to all our suppliers in Asia during 2016. The visits to eastern Europe will be done as random sample inspections to ensure compliance with our Code of Conduct.

#### **REDUCING OUR ENVIRONMENTAL IMPACT**

We make a targeted effort to reduce our carbon emissions. We succeeded in reducing carbon emissions from our two central warehouses by 11% in 2015. This means that our aim to reduce carbon emissions from our two big entities has been achieved one year earlier than anticipated. At the same time, we also achieved our goal of reducing the average number of grams of carbon emitted per km by Sanistål's company vehicles one year earlier than stipulated in our goal.

Our efforts to reduce carbon emissions continue on several fronts. In collaboration with our three external distributors, we charted our carbon emissions from the distribution process and are working on business initiatives that will make it attractive for customers to combine orders to increase volume and reduce the number of transports, thus enabling us to reduce the number of kilometres driven. At the same time, we are involved in compiling a portfolio of possible energy-optimising efforts within Sanistål.

In late 2015, we commissioned our new lidding machine at the Billund central warehouse. The machine remedies inefficient working positions and optimises our box sizes which improves filling ratios.

we reduce the volume of filler in the boxes and are switching from paper-based filler to more eco-friendly and decomposable plastic air cushions, at the same time that we are making it possible to open boxes without having to use cutting tools at our customers.

There are ongoing efforts to integrate CSR into the everyday routines of our subsidiaries, and we look forward to being able to integrate the results from this process into our future CSR reports.

At Sanistål, we are continuing our value-creating CSR efforts. We are setting clear targets, action plans and time schedules, and we are systematically following up on our efforts.



Christian B. Lund  
CEO

**98%**

98% of our employees agree that Sanistål is a nice place to work

**882**

Risk assessments of 882 suppliers were carried out in 2015

**11%**

We reduced our carbon emissions from the central warehouses by 11%













↔ 52

In 2015, 52 employees switched to a different position in-house. Sanistål is a large organisation with many opportunities for employees to develop themselves and take on new challenges



# Objectives and Action Plans

OBJECTIVES		TIME FRAME	ACTION PLAN/EFFORT
Zero occupational accidents		Every year	<ul style="list-style-type: none"> <li>&gt; Focus on correct lifting techniques</li> <li>&gt; Continue to register risk factors</li> <li>&gt; OHS managers visit all locations on a regular basis</li> </ul>
Register more near-miss accidents as well as accidents without absence		Every year	
100% green smileys from the Danish Working Environment Authority at inspection visits		Every year	
Retain Crowned Smileys at the central warehouses		Every year	
Uphold employee job satisfaction		Every year	<ul style="list-style-type: none"> <li>&gt; Uphold Sanistål's strong culture, as well as invest in training, physical framework, events, etc.</li> </ul>
At least 3% of Sanistål's staff have reduced working capacity		2016	<ul style="list-style-type: none"> <li>&gt; Continue efforts to employ individuals with reduced working capacity at the Billund central warehouse</li> <li>&gt; Retain employees who are unable to perform their normal job duties</li> </ul>
Ensure that our suppliers in high-risk countries comply with Sanistål's Code of Conduct		2016	<ul style="list-style-type: none"> <li>&gt; Train our staff to carry out site visits focused on processes which ensure compliance with our Code of Conduct.</li> <li>&gt; Visit all suppliers located in countries assessed as "high risk"</li> </ul>
Ensure that our suppliers in medium-risk countries comply with Sanistål's Code of Conduct		2016	<ul style="list-style-type: none"> <li>&gt; Perform random inspections of selected factories in countries assessed as "medium risk"</li> </ul>
Reduce carbon emissions relating to energy consumption at Sanistål's central warehouses by 5% before the end of 2016		2016	<ul style="list-style-type: none"> <li>&gt; Implement ongoing improvements for more energy-efficient solutions</li> </ul>
Reduce carbon emissions relating to energy consumption at Sanistål's office facilities by 5% before the end of 2017		2017	<ul style="list-style-type: none"> <li>&gt; Ongoing improvements for more energy-efficient solutions at office facilities</li> </ul>
Reduce by 10% the average number of grams of carbon emitted per km by Sanistål's company vehicles		2016	<ul style="list-style-type: none"> <li>&gt; Switch to more eco-friendly vehicles on a ongoing basis</li> </ul>
Reduce the volume of "empty" packaging sent out to Sanistål's customers		2016	<ul style="list-style-type: none"> <li>&gt; Meet the expected effect of the commissioned lidding machine at the Billund central warehouse</li> </ul>

# Employees

Our workplace must be safe, healthy and motivating for our employees! Sanistål's focused HR efforts can be divided into two areas in terms of CSR:

- OHS and employee well-being
- Diversity and staff development

## RESULTS IN 2015

### OHS & EMPLOYEE WELL-BEING

Sanistål's OHS strategy arises from Sanistål's overarching strategy. The essential feature of the OHS strategy is our systematic approach to injury prevention. The areas of focus at the warehouses and stores include ergonomics, internal transport, correct handling of machinery and prevention of cutting injuries. At our offices, the focus is on the indoor climate and the psychological working environment. In 2015, we regrettably saw an increase in the total number of occupational accidents leading to absence: from 10 in 2014 to 19 in 2015. Most of the accidents took place at our two central warehouses during the lifting and moving of goods. Therefore, in addition to weekly training aimed at strengthening muscles and ensuring correct lifting techniques, we have intensified our efforts at the workstations with the help of an occupational therapist. We focus on the details that make a big difference. In 2015, we continued working on registering near-miss accidents, and we have launched a pilot project involving the registration of

risk factors in stores to prompt an even earlier intervention against occupational accidents. This resulted in 214 registered near-miss accidents and 75 risk factors, all of which have been responded to with preventive measures. We continue working towards our goal of zero accidents.

Our OHS efforts are reflected in the feedback we receive from the Danish Working Environment Authority. In 2015, we achieved our goal of qualifying for nothing less than green smileys at inspection visits. In addition, our two central warehouses in Taulov and Billund have been periodically recertified and retained crowned smileys. A crowned smiley shows that the company has made an extraordinary effort to maintain high OHS standards. For both recertification processes, we received very positive feedback about our praiseworthy measures in the reports from the certification bodies.

The annual employee satisfaction survey provides us with an important indication of our employees' well-being. A total of 1,039 employees took part in 2015. All employees reply to the questions in the employee survey on the same day – our job-satisfaction day. This gave us a high response percentage of 92% in 2015, and thus a sound basis on which to take the pulse of all departments in Sanistål. On a scale of 0 to 100%, 91% agree that there is a healthy psychological and emotional working environment, and all of 98% agree

that Sanistål makes a big effort to prevent occupational accidents and that this improves workplace safety. The combined level of satisfaction, in terms of all parameters measured, was better than in 2014. We systematically follow up on the results of the employee survey and intervene wherever improvement is possible.

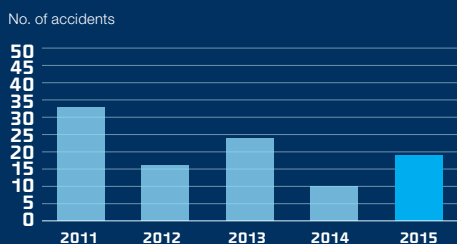
In 2015, we launched a "nudging" project for office and store employees where we endeavour to have a positive impact on employee behaviour. We do not lay down rules for do's and don'ts, but instead give employees a nudge in the right direction. Initially, we focused on the body which benefits from varying one's working positions and from stretching. In continuation of the nudging project, we retook the initiative about the possibility of resistance-band training and renewed energy.

A safe, healthy and motivating working environment exerts a positive influence on work attendance figures. As a result, absence due to sickness or injury was 2.8% in 2015, compared to 3.0% in 2014.

### DIVERSITY & STAFF DEVELOPMENT

We make a targeted effort to have an accommodating workplace because we believe that diversity is a strength and makes a positive contribution to our enterprise and society in general. We focus on creating flexible workplaces and take account of employees with reduced

## OCCUPATIONAL ACCIDENTS



## TRAINEES EMPLOYED





working capacity. Through an initiative in Billund aimed at employing persons with reduced working capacity and our efforts to prevent sick-leave when an employee is unable to attend to his/her normal job duties, we have increased the percentage of employees with reduced working capacity to 3.7% of the total staff. This means that we are achieving our target of at least 3.0%.

At Sanistål, we consider it a natural aspect of our social responsibility to be teaching others what we know and laying the groundwork for the sector workforce going forward. To achieve this, nine trainees completed their traineeships at Sanistål in 2015. Seven of them were subsequently employed by Sanistål. In addition, we would very much like to help young students on their way and have had an average of 54 students in part-time student jobs in 2015, equating to 11 full-time positions.

We give priority to enhancing employee skills in all departments at Sanistål. In 2015, we registered 1.5 training days on average per full-time position, equivalent to more than 1,600 training days carried out at Sanistål. The employee survey showed a high level of satisfaction in response to the statement concerning "possibility for supplementary training". Skills must be developed in keeping with Sanistål's strategy and needs and with employee wishes, which has enabled 52 switches to other positions in-house in 2015.

## OBJECTIVES & ACTION PLANS

### OHS & EMPLOYEE WELL-BEING

Safety is paramount in our daily work because it involves people. We continue our active efforts in 2016 to achieve a goal of zero occupational accidents.

In terms of our OHS efforts, we have a solid basis for our work at our central warehouses, and we have incorporated good routines into our network of stores in 2015. Our 2016 efforts are aimed at continuing our work at the warehouses and stores and also include new initiatives aimed at our sales representatives on the road, which focus on preventing occupational injury and traffic accidents. In addition, we maintain focus on encouraging office staff to stretch and vary their working positions. At the same time we will work to fully retain all our green smileys achieved at inspection visits by the Danish Working Environment Authority.

In 2016, we will again focus on supporting health-promotion in the company. The project will be introduced in January 2016 with offers to work out a health profile and a four-month health process with inspiration for exercise regimens, dietary changes, etc. The process will conclude at the steeped-in-tradition employee sports event "Sanistål get together" in June 2016. Through our ambitious OHS goals and our efforts aimed at health and

employee well-being, we wish to achieve an average work-attendance percentage of 97 at Sanistål.

### DIVERSITY & STAFF DEVELOPMENT

Diversity involves heterogeneity and we regard diversity as a strength. Our work involving diversity is a systemic effort which conceptually integrates several perspectives to create a commercial impact. For instance, we are involved with an accommodating and inclusive workplace by making room for employees with reduced working capacity. In 2016, we will uphold our target of having at least 3% of the total workforce comprised of employees with reduced working capacity.

At the same time, Sanistål helps to continue training the workforce of the future by recruiting 14 new trainees in 2016. In addition, 11 trainees will complete their traineeships as planned in the summer of 2016.

We continue our efforts to identify our employees' development needs through job appraisal interviews. The interviews help us to assess the extent to which skills enhancement will strengthen the employee and Sanistål. Once again, our training initiatives in 2016 will target all departments at Sanistål.

3.7%

Employees with reduced working capacity comprised 3.7% of the total workforce in 2015

97.2%

A work attendance ratio of 97.2% reflects a safe and healthy working environment

92%

The response rate to the employee survey was 92% in 2015

# Events of the Past Year

50,000

Sanistål donates DKK 50,000 to the Danish Fundraising Campaign



Individualised dietary and exercise processes

JANUARY

FEBRUARY



The central warehouse in Taulov switches to LED lighting

MARCH



"More-than-you-expect" tour 2015 for Sanistål employees

APRIL



Sanistål supports the Danish Red Cross and its "Discard Clothing Denmark" campaign

**PFA**  
PENSION

Pension-scheme focus/ campaign

MAY

JUNE



JULY



Sanistål hires 9 new trainees

AUGUST



Sanistål celebrates the completion of training by 9 trainees

SEPTEMBER



OHS campaign: nudging. Stretch out – whenever and wherever you can



Defibrillators purchased for 28 locations



Employee satisfaction survey

OCTOBER

50,000

Sanistål donates DKK 50,000 to the Cancer campaign

NOVEMBER



Lidding machine commissioned at the central warehouse in Billund

70,000

Sanistål donates more than DKK 70,000 to the UN World Toilet Day

DECEMBER



Risk assessments of Sanistål's suppliers



First-aid kits in all vehicles

# Suppliers

## We require our suppliers to take responsibility

Sanistål's efforts in the supplier area primarily revolve around our work involving our Code of Conduct and the requirements we impose on our suppliers to take responsibility.

One of the three pillars of our vision is to have customers and suppliers experience Sanistål as a value-creating business partner. We are continuously working on our supplier portfolio, and we unwaveringly focus on the importance of choosing the right partners. The requirements we impose on our suppliers and their external suppliers include manifesting good ethics in relation to employees and our natural environment.

At Sanistål, we work to:

- develop the collaboration with our suppliers for the benefit of both parties
- select responsible suppliers who reflect and share the same values and attitudes that we do
- ensure that our employees know and comply with Sanistål's set of ethical values, so we act responsibly throughout our value chain.
- meet expectations concerning social and environmental responsibility in accordance with internationally recognised principles and rights, as defined by the UN, etc.

## RESULTS IN 2015

Due to our targeted effort in the previous years, our Code of Conduct is now fully integrated into Sanistål's contractual basis. We continuously follow up on whether all new suppliers have signed our Code of Conduct.

In 2015, we carried out a risk assessment of our primary and strategic suppliers in relation to violations of human rights, working conditions, environment and corruption. For the risk assessment, we classified our suppliers in the following groups: high-risk countries, medium-risk countries and low-risk countries.

Based on the results of the risk assessment, we are primarily focused on our suppliers in Asia who represent most of the suppliers in high-risk countries. Our employees in our China office are charged with the important task of ensuring that our suppliers comply with our Code of Conduct.

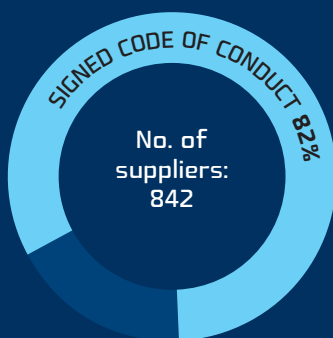
Basically, most of the suppliers in medium-risk countries are in eastern Europe. Most of these companies are affiliated with a major multinational group focused on Corporate Social Responsibility at group level and local level at the individual factories.

## OBJECTIVES AND ACTION PLANS

Working in the sphere where a wide diversity of cultural and social factors converge at our suppliers on the global market will require us to maintain high standards for our efforts in the near future as well. The priority is to focus keenly on our suppliers in Asia. Therefore, our goal is for all suppliers in Asia to have been visited on site by a Sanistål employee in 2016. Employees in China will be trained to carry out company visits where we review the processes which ensure compliance with our Code of Conduct. We require all our suppliers in Asia to have filled in our self-assessment form before the visit. For suppliers in the medium-risk category, we will carry out the company visits as random sample inspections to ensure compliance with our Code of Conduct.

We have a healthy culture at Sanistål, but we operate in a global market where corruption and bribery can be more widespread than in Denmark. Therefore, we will draft an anti-corruption policy in 2016.

### LOW-RISK COUNTRIES



### MEDIUM-RISK COUNTRIES



### HIGH-RISK COUNTRIES







The new lidding machine at Sanistål's central warehouse in Billund ensures a better fill ratio, which benefits the environment. At the same time, it improves the ergonomic quality of our employees' working positions



↓ CO<sub>2</sub>

Sanistål's central warehouse in Taulov replaced 636 lamps with LED lighting. After replacing the lamps in March 2015, the warehouse saved 800,000 kWh and reduced its carbon emissions by 275,000 kg. In addition, the light is more natural and pleasant to work in





# Environment

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## We make a targeted effort to reduce our carbon emissions

As a wholesaler, Sanistål does not have energy-intensive manufacturing processes. Our carbon emissions primarily come from the energy used in our buildings, including our two large central warehouses in Billund and Taulov respectively, as well as carbon emissions related to the distribution of products to our customers.

In 2013, Sanistål drafted objectives for the company's environmental tasks in effect until 2016.

### RESULTS IN 2015

#### ENERGY CONSUMPTION

We refurbished the lighting at the steel warehouse in Taulov by replacing no less than 636 lamps in the ceiling of the steel hall. From now on, these many luminaires will be LED lamps. In all, this major investment resulted in the saving of 800,000 kWh in 2015 at the steel warehouse in Taulov and improved the lighting quality at the same time. In 2015, the energy consumption of the two central warehouses, adjusted for degree days and converted into carbon emissions, amounted to 1,846 tonnes. In other words, there was a striking measurable reduction compared to 2014 where we calculated our emissions to be 2,085 tonnes and the reduction compared to 2013 was 11%. Thus we have taken giant strides and have already achieved our goal of reducing carbon emissions related to energy consumption at Sanistål's central warehouses by 5% in 2015.

The energy used at Sanistål's office buildings in Denmark has been charted over the past two years. The consumption of electricity and heat in these buildings, converted into carbon emissions, totals 970 tonnes, which is on a par with consumption in 2014, which was calculated to be 969 tonnes. A number of initiatives primarily concerning the indoor climate were carried out in 2015 at our office facilities to improve the working conditions. Moreover,

several of our stores have carried out a number of eco-friendly initiatives by switching to LED lighting sources, painting roofs white and installing exterior blinds. These efforts are part of improving the indoor climate in an eco-friendly manner.

#### DISTRIBUTION & INTERNAL TRANSPORT

Sanistål's carbon emissions relating to our distribution of goods primarily occur through three external distribution partners. We receive a monthly specification of the actual carbon emissions, and 2015 marked the first time that we have a complete picture of our carbon emissions, which total 2,940 tonnes. We are continuously working to optimise distribution and thus reduce our carbon emissions. Our distribution partner is working on a number of initiatives aimed at reducing the average number of grams of carbon emissions per distributed kilo. We are also endeavouring through business initiatives to make it attractive for our customers to combine orders to reduce our number of deliveries and thus reduce the number of kilometres driven.

In 2015, we already succeeded in achieving the objective of reducing the average number of grams of carbon per km emitted by Sanistål's company vehicles by 10%. The average number of grams of carbon has been reduced from 132 per km to the present 116 per km, equating to a 12% reduction. With employees at more than 50 locations throughout Denmark, driving to and from meetings is unavoidable. To reduce the number of kilometres driven, we encourage employees to use Skype meetings and video conferences to the greatest extent possible.

#### PACKAGING

We are continuously working to optimise our packaging without compromising function or quality. In 2015, we purchased and installed a lidding machine at our central warehouse in Billund. The investment in the machine takes due account of several of our wishes. We have a better possibility of optimising our box sizes and thus increasing our fill ratios. A higher fill ratio is expected to

reduce the filler used in boxes and reduce the disposal of waste at our customers. At the same time, we improve ergonomics and thus reduce "lifting injuries" at our Billund warehouse. It is also possible for customers to open the boxes without having to use a knife or cutter.

### OBJECTIVES AND ACTION PLANS

#### ENERGY CONSUMPTION

At the end of 2015, the first mandatory energy inspection was launched at Sanistål. Based on the energy inspection, a combined portfolio of our activities was prepared. The scenarios outlined in the activity portfolio will describe in brief the nature of the effort, the required investment and the potential savings. The energy inspection will provide input for objectives and efforts going forward. We continue to work towards the goal of reducing energy consumption at our central warehouses by 5% before the end of 2016. For our office locations, we are sticking to the goal of reducing energy consumption by 5% before the end of 2017.

#### DISTRIBUTION & INTERNAL TRANSPORT

During 2015, we made great strides in charting the carbon emissions of our deliveries through external distributors. Our external distributors are major layers in the distribution sector and are conscious of their responsibility to work to reduce carbon emissions. The initiatives being worked on include: high goods-capacity utilisation, optimising of driving in major cities, focus on eco-friendly transportation equipment and the use of the latest, most eco-friendly technologies. Where internal transport is concerned, we continue to replace our vehicles with more eco-friendly vehicles.

