



# Sustainability report

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# CEO Comment

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**OUR BUSINESS** is based on environmentally friendly waste management solutions. We are in a unique position where our business offer by nature has an environmental sustainability focus. Provided products and services help our customers to act environmentally sustainable. This means that the credibility and the value in our trademarks are totally dependent on how we ourselves act.

**DURING 2018** company Proshop in Russia and Orca Group in France become a part of San Sac Group. Our business model and management philosophy is based on a set up with a lot of responsibility and authority in each operation. Decisions and actions should be taken close to the market. In line with this philosophy everyone has a high responsible and authority to act sustainable. Of importance is a management best practice behaviour. Our sustainability focus will be based on a culture of continuously improvements. We want sustainability to be a part of the local responsibility but combined with a group approach where all entities shall follow some common guidelines and regulations. Sustainability also goes hand in hand with our ambition to act long term. We have a long-term focus in our relationships with customers, suppliers as well as employees.

During 2018 a common San Sac Group Social Responsibility Policy was implemented as well as compliance with EU's new data protection regulation, General Data Protection Regulation (GDPR).

***Fredrik Jaginder***

CEO San Sac Group

# San Sac Group in brief

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**THE GROUP WAS** formed in 2014 when San Sac and its sister companies ILAB and Rubaek merged with EnviroPac. The following two years the group expanded when acquiring Orwak Group and Easi Recycling in the UK and starting the new subsidiary Orwak North America in the USA. Since a significant part of the growth strategy for San Sac Group are acquisitions the last years a couple of new entities have yearly become a part of San Sac Group.

During 2017 the Swedish companies ATS and Service Link were acquired and during 2018 the Russian company Proshop and the French company Orca Group.

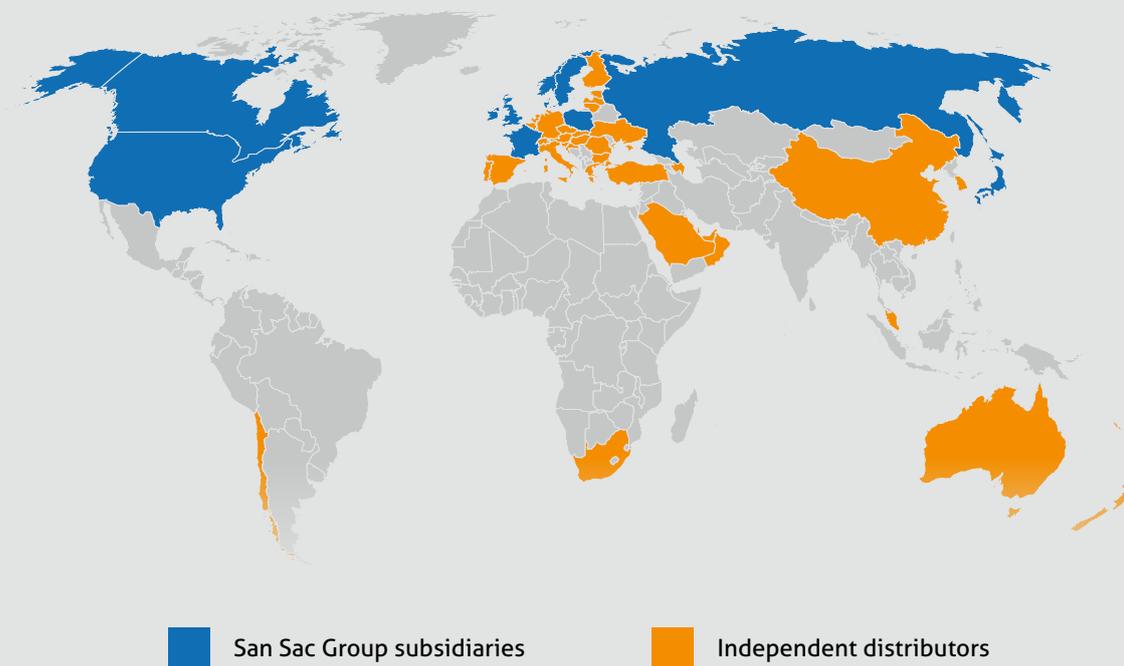
The common denominator for the Group is sorting and waste handling solutions for in and outdoor use. The Group operates with own legal entities in nine countries, with a majority of the turnover in Scandinavia. Distribution of products is however done worldwide via external partners.

**TOTAL TURNOVER** for year 2018 where 1 472 MSEK and total numbers of employees where at the end of the year 508. The head office is located in Linköping, Sweden, employing 6 persons. The overall organization structure is based on a management philosophy with responsibility and authority in each operation. Decisions and actions should be taken close to the market. This is valid for commercial as well as sustainability efforts.

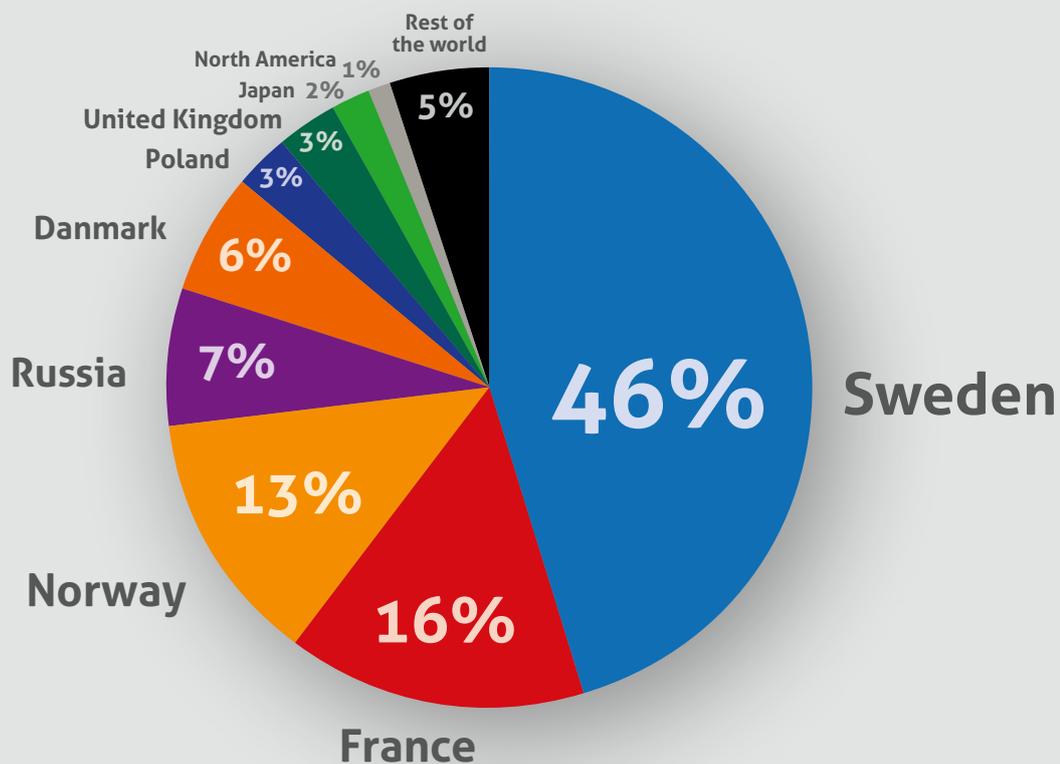
**THIS IS** San Sac Group's statutory sustainability report for the fiscal year 2018.

## MARKETS

Sales are conducted via own subsidiaries in nine countries and via independent distributors worldwide.



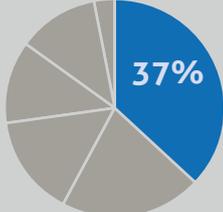
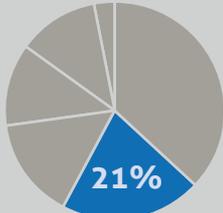
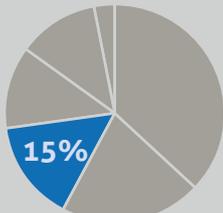
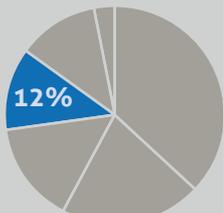
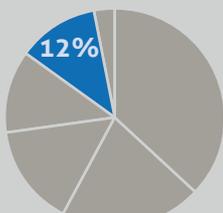
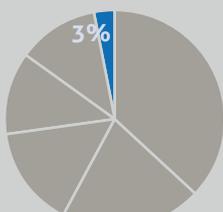
### Revenue per market



## PRODUCTS AND CUSTOMERS

The product offering is divided into six different areas. Within the area defined as machines own product development and production is conducted in Sweden and France for worldwide export. All other areas are buy and resell business.

CATEGORIES	TYPE OF PRODUCT/SERVICE	PRODUCT EXAMPLES
Machines	<ul style="list-style-type: none"> <li>• Vertical balers</li> <li>• Horizontal balers</li> <li>• Compactors</li> </ul>	
Equipment	<ul style="list-style-type: none"> <li>• Crane emptied receptacles</li> <li>• Bin enclosures</li> <li>• Bins</li> <li>• Outdoor furniture &amp; equipment</li> </ul>	
Containers	Containers for: <ul style="list-style-type: none"> <li>• Recycling points</li> <li>• Truck hook lifts</li> <li>• Industrial use</li> <li>• Hazardous waste</li> <li>•</li> </ul>	
Consumables	<ul style="list-style-type: none"> <li>• Bags</li> <li>• Sacks</li> <li>• Disposals for hospital waste</li> <li>• Straps</li> </ul>	
Rental	Rental solutions for waste compactors, balers and related equipment	<p>Rental solutions provided by SSG or third-party rental providers.</p>
Service	Service, maintenance, installation, repair and refurbishment of waste compactors, balers and related equipment	

	TYPICAL CUSTOMERS	SHARE OF TOTAL REVENUE
	<ul style="list-style-type: none"> <li>• Food retail</li> <li>• Non-food retail</li> <li>• Waste collection companies</li> <li>• Hotels and restaurants</li> <li>• Manufacturing industry</li> </ul>	
	<ul style="list-style-type: none"> <li>• Waste collection companies</li> <li>• Municipalities</li> <li>• Service sector companies</li> <li>• Housing co-ops</li> </ul>	
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## EMPLOYEES

Total numbers of employees at the end of 2018 where 508\*. Management team is defined as management for San Sac Group as well as management in each subsidiary.

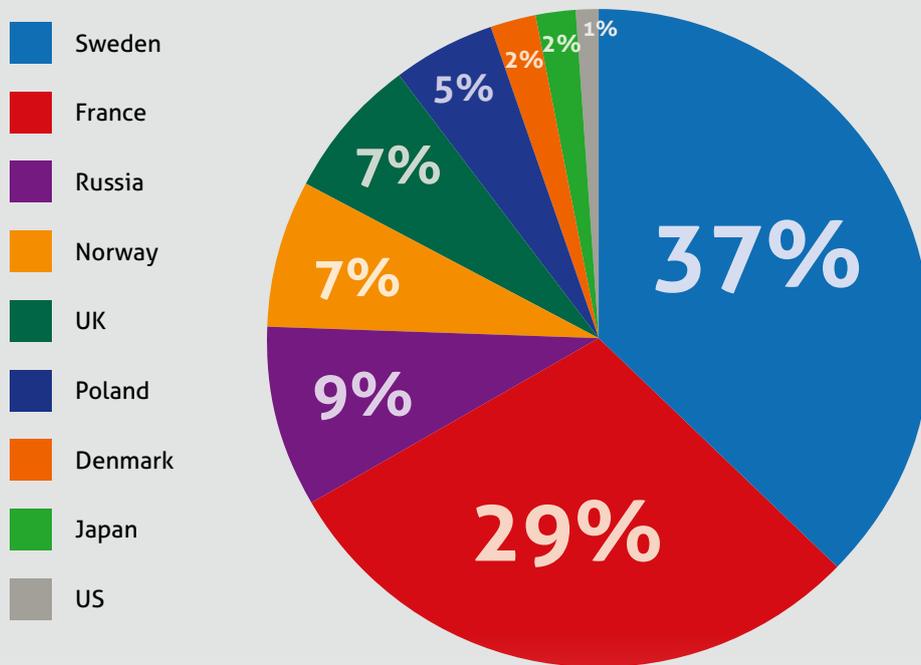
EMPLOYEE CATEGORY (FTE)	MALE	FEMALE	TOTAL
Executive management team	25	8	33
Employees	206	83	290
<b>Total number*</b>	<b>231</b>	<b>91</b>	<b>323</b>

EMPLOYEE CATEGORY (FTE)	AGE <30	AGE 30-50	AGE >50	TOTAL
Executive management team	0	18	15	33
Employees	41	152	97	290
<b>Total number*</b>	<b>41</b>	<b>170</b>	<b>112</b>	<b>323</b>

\*Reported average number of employees. Includes the during 2018 acquired Russian operation full year but the France operation acquired during 2018 is excluded.

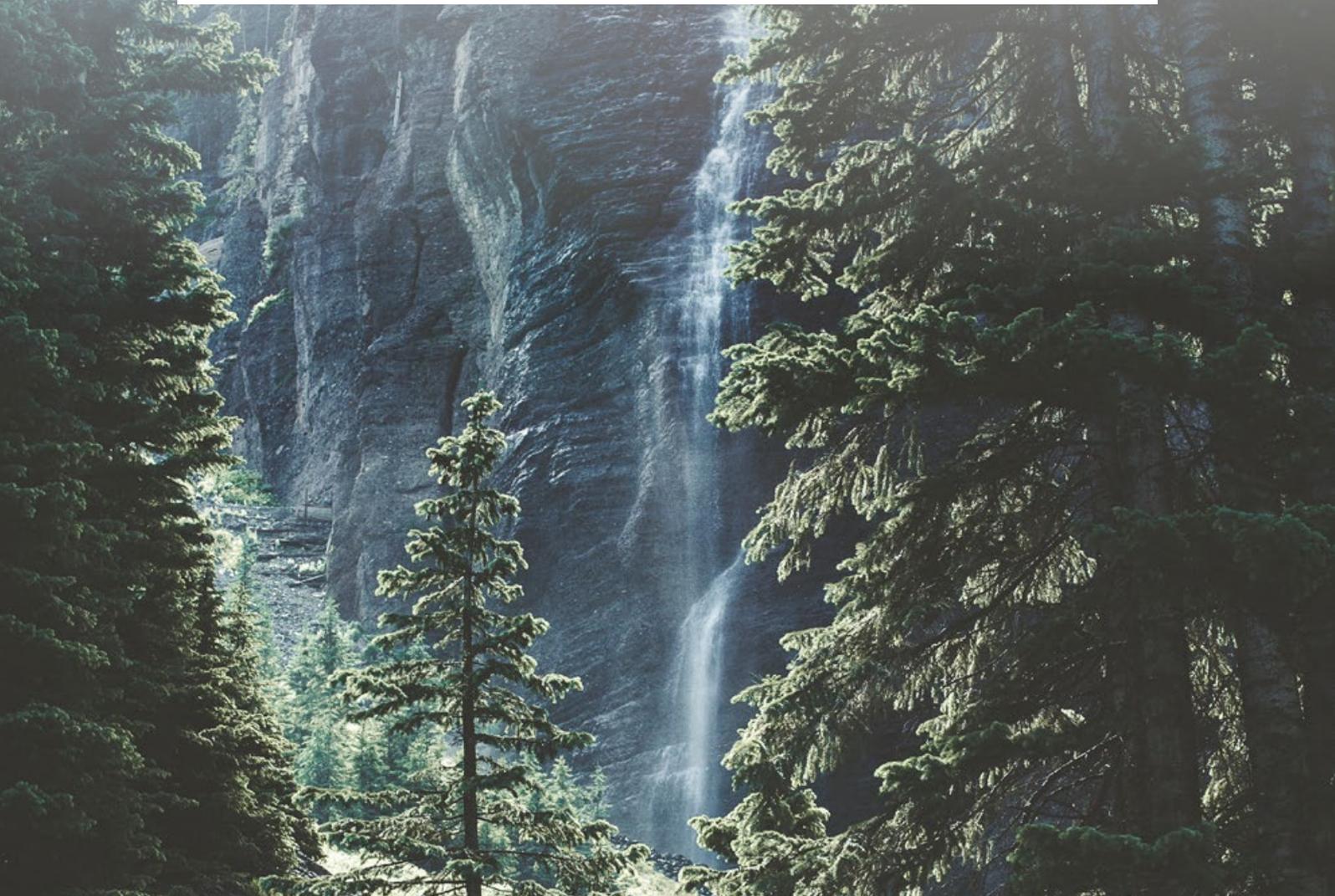


### Employees per country



# Sustainability priority, risk analysis and strategy

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## STAKEHOLDERS

San Sac Group decentralized organization and presence on several different geographical means an interaction with many different stakeholders. All are important but some have more influence than others. Identifying major stakeholders have been done by an analyse combining impact and interest. Three categories of stakeholders are regarded as more important than others:

- Employees
- Customers
- Suppliers



## STAKEHOLDER DIALOGUE

To be able to priorities the sustainability work in areas where it most important the stake holders must be involved. Via a web survey with participation from the major stakeholders the way forward has been determined. The survey where dived into three parts based on different sustainability aspects.

### Governance:

- Discrimination policies (gender, disability, ethnicity, religion or other belief, age, transgender identity or expression, sexual orientation).
- Sponsorship - donations, increased community involvement, charity.
- Customer requirements regarding sustainability/customer satisfaction.
- Anti-Corruption and Bribery.
- Prevent cartels.

### Environment:

- Sustainable materials in our products.
- Reduce emissions of carbon dioxide.
- Improve San Sac Group in-house recycling.
- Product selection for good environmental choice.
- Reduce energy consumption.
- Renewable/alternative energy sources.

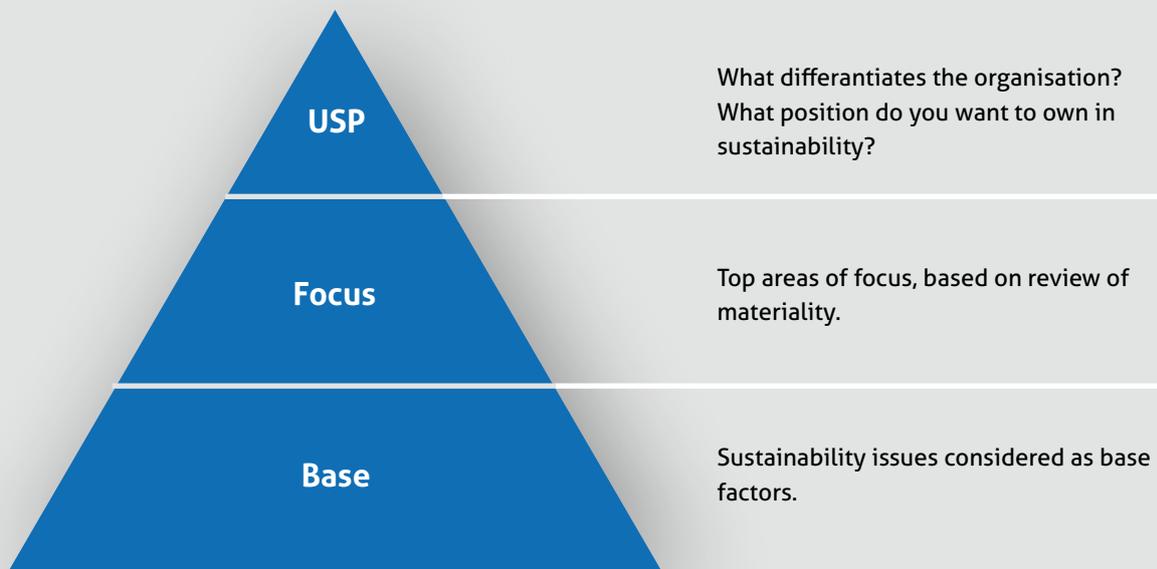
### Social:

- Freedom of association and collective bargaining.
- Health and Safety.
- Training of employees.
- Human rights for our employees and in the supply chain.
- Product safety for the users of our products.
- Diversity and equality.

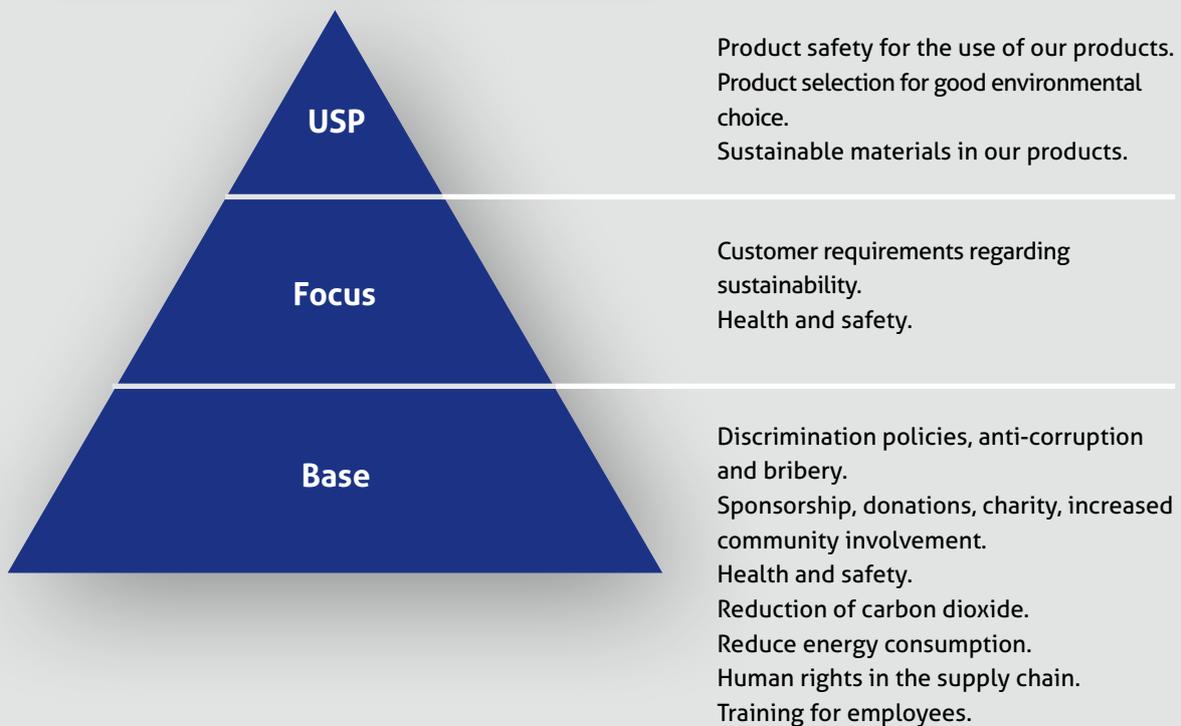
Discrimination/diversity, health and safety(H&S) and sustainable products were identified as focus areas by the stakeholders. H&S is important from two aspects, for employees in their daily work and for customers using our products.

## MATERIALITY PYRAMID

In addition to the stakeholder dialogue the theoretical model "Materiality pyramid" are used for the sustainability aspects prioritization.



Converted into San Sac Group's field of operation the materiality pyramid contains following:



Considering the history of San Sac Group, built by acquisitions of several different companies and a high degree of delegated responsibility, building the base of the pyramid is fundamental. Climbing upstairs in the pyramid is important but it must be done from the bottom.

## **RISK ANALYZE**

Based on San Sac Groups business model there are potential risks within the sustainability areas of environmental, employees and labor rights, human rights and anticorruption. The San Sac Group CSR-policy is an umbrella policy covering all these sustainability aspects. A new Group CSR-policy was implemented during 2018 which replaced the different operations local policies. A log confirm that all employees have read the CSR-policy and the policy is a part of the introduction for new employees.

## **ENVIRONMENT**

San Sac Group's impact on the environment and its preventative work regarding environmental impact are key issues for the Group. San Sac Groups's Environmental Policies expresses the intention that the Group must take its share of responsibility for reducing environmental impact and contributing to lasting sustainable development. San Sac Group must promote the development and spread of environmentally friendly technology. Its environmental work must be structured and, if justified, follow internationally recognized environmental management systems (such as ISO 14001). Environmental measures must be taken provided that they are technically feasible, reasonable from a business perspective and environmentally justified. All larger San Sac Group operations are certified according to ISO14001.

## **EMPLOYEES, LABOR AND HUMAN RIGHTS**

San Sac Group strives to be a respected employer – for current and potential employees alike. San Sac Group should provide a good working environment from both a physical and a psycho-social perspective. San Sac should also strive to be an attractive employer with regard to employees' professional and personal development. Relations with and between employees must be based on mutual respect and dignity, as well as on reasonable influence in the areas that affect the individual's work situation.

- The terms of employment offered to the Group's employees and subcontractors, including financial remuneration and working hours, must at least meet minimum requirements in national legislation or be in line with industry standards.
- San Sac Group does not accept forced labour, slave labour or other forms of involuntary labour at the Group's workplaces. Neither does the Group permit methods that restrict employees' free movement.
- San Sac Group does not employ anyone under the age of 15, and where local legislation sets a higher minimum age San Sac does not employ anyone under that age.
- San Sac Group gives all of its employee's equal opportunities irrespective of gender, disability, ethnicity, religion or other belief, age, transgender identity or expression or sexual orientation. The Group does not permit discrimination or harassment.
- San Sac Group recognizes employees' right to form or join union organizations and negotiate collectively in accordance with each country's laws and principles.
- San Sac Group must offer a safe and healthy working environment. Each Group company is responsible for ensuring that its work is conducted in such a way as to prevent injuries and ill health. Written health and safety instructions must be applied at the Group's workplaces.
- San Sac Group and its suppliers respect the UN Global Compact's Ten Principles and accept their responsibility to observe employees' and society's rights to the extent that they are affected by the Group's operations.

## ANTICORRUPTION

San Sac Group's operations are based on close, long-term relationships with customers and other business partners. San Sac wants to be perceived as a trustworthy, long-term and reliable business partner and must act professionally, honestly and ethically. The Group does not accept corruption, bribes or unfair measures that restrict competition. All sales and marketing of San Sac's products and services must comply with the relevant laws and rules in each country.

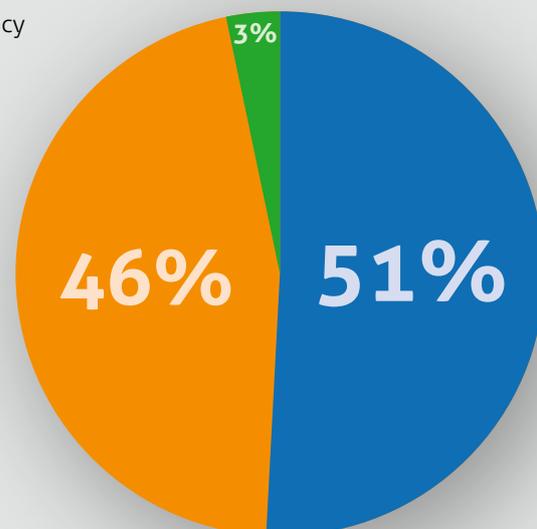
- San Sac Group does not take part in cartels or other prohibited collaborations with competitors, customers or suppliers that restrict or distort competition. If any company in the Group is contacted by a party proposing such a collaboration or has reason to believe that this is happening at one of its business partners, this must be reported to the Group CEO and the competition authority in the country in question.
- San Sac Group must not offer or give improper payment or other remuneration to any person or organization with the aim of persuading that person or organization to act contrary to its mandatory obligations in order to engage San Sac Group or retain assignments for the Group.
- San Sac Group must not – directly or indirectly – request or accept any form of improper payment or other remuneration given with the aim of persuading the Group to act contrary to San Sac Group's mandatory obligations. In order to avoid conflicts of interest, San Sac Group's employees must give or receive only gifts or services that are in line with general business practice, do not breach applicable laws, are not of major financial value and cannot reasonably be considered to be bribes.
- San Sac Group respects other companies' assets and protects all of the Group's tangible and intangible assets from loss, theft, infringement or abuse.

## SUPPLY CHAIN AND ANTICORRUPTION

The supply chain is very important from a sustainability aspect having hundreds of suppliers where of 80 with a purchase value higher than 500 kSEK yearly meaning a significant influence on total sustainability impact. A mapping of the supply chain based on purchase per geographical area according to Transparency International's Corruption Perceptions Index 2016 and our screening of suppliers the risk is regarded as limited.

Purchase per geographical region according to Transparency International's Corruption Perceptions Index.

- Index above 80. Majority is Sweden.
- Index between 60-80. Two suppliers in Poland represents nearly 90% of the 46%. These suppliers are visited several times per year and have signed CSR-policy.
- Index between 40-59. Two suppliers in northern Italy visited 1-2 per year and one in China visited and screened in 2017.



# Action plan

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Based on the stakeholder's dialogue, risks identified and legal requirements several actions are implemented:

- Common San Sac Group Corporate Social Responsibility Policy, CSR-policy. The policy is created and includes Suppliers Code of Conduct. It was implemented the first half year of 2018.
- Implementation of KPI's regarding environmental impact, diversity and H&S.
- Supply chain mapping.
- GDPR compliance.

# KPI's

## ENVIRONMENTAL IMPACT

KPI's for environmental impact consist of greenhouse-gas emissions and waste generation and separation.

The emission is based on three different scopes:

DEFINITION		TOTAL SCOPE
Scope 1 emissions	Greenhouse-gas (GHG) emissions, such as CO <sub>2</sub> e - derived from direct sources that are owned or controlled by the company, e.g. company owned/controlled cars.	976 tCO <sub>2</sub> e
Scope 2 emissions	GHG emissions derived from indirect sources such as purchased or aquired electricity, heating, cooling and steam consumed by the company.	181 tCO <sub>2</sub> e
Scope 3 emissions	GHG emissions derived from other indirect sources such as air travel, leased cars, rail travel.	1248 tCO <sub>2</sub> e
<b>Total San Sac Group emissions*</b>		<b>2405 tCO<sub>2</sub>e</b>

\*Includes the during 2018 acquired Russian operation full year but the France operation acquired during 2018 is excluded.

## WASTE

WASTE BY TYPE AND DISPOSAL METHOD	TOTAL ANNUAL WEIGHT OF HAZARDOUS WASTE	TOTAL ANNUAL WEIGHT OF NON-HAZARDOUS WASTE	METHOD FOR DETERMINING WASTE DISPOSAL METHOD	TOTAL AMOUNT
Reuse	0 kg	2 486 kg		2 486 kg
Recycling	2 201 kg	432 587 kg		434 788 kg
Composting	0 kg	0 kg		0 kg
Recovery, incl. energy	3 kg	49 333 kg		49 336 kg
Incineration	0 kg	1 990 kg		1 990 kg
Deep well injection	0 kg	0 kg		0 kg
Landfill	0 kg	10 069 kg		10 069 kg
On-site storage	0 kg	0 kg		0 kg
<b>Total amount*</b>				<b>498 669 kg</b>

\*Includes the during 2018 acquired Russian operation full year but the France operation acquired during 2018 is excluded.

## DIVERSITY

EMPLOYEE CATEGORY (FTE)	MALE	FEMALE	TOTAL
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## HEALTH AND SAFETY

LONG-TERM SICKNESS ABSENCE IN DAYS	MALE	FEMALE	TOTAL
Employees	798	382	1180
Workers	75	0	75
<b>Total</b>	<b>873</b>	<b>382</b>	<b>1255</b>
Total number of <u>days</u> scheduled to be worked by employees*			73 851
Total number of <u>days</u> scheduled to be worked by workers*			88 439

NUMBER OF INJURIES, FATALITIES AND OCCUPATIONAL DISEASES	MALE	FEMALE	TOTAL	RATE PER 1 MILLION WORKED HOURS
<b>Number of Injuries</b>				
Employees	4,00	1,00	5,00	8,74
Workers	4,00	1,00	5,00	7,51
<b>Number of Fatalities</b>				
Employees	0,00	0,00	0,00	0,00
Workers	0,00	0,00	0,00	0,00
<b>Number of Occupational diseases</b>				
Employees	0,00	1,00	1,00	1,75
Workers	0,00	1,00	1,00	1,5
Total number of <u>hours</u> worked by worked by <u>employees</u> during 2018*			572 087	
Total number of <u>hours</u> worked by worked by <u>workers</u> during 2018*			665 720	

\*Includes the during 2018 acquired Russian operation full year but the France operation acquired during 2018 is excluded.

## ANTI-CORRUPTION

Zero incidents regarding corruption were identified during 2018.

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SWEDEN

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