



**DANCOVER<sup>®</sup>**

**.com**



Sustainability report 2021

## CEO statement

Welcome to Dancover's first official sustainability report. This report has been a natural step for us, in taking our sustainability work to the next level. Although many of the values of sustainability, are already an integrated, and important part, of our business today.

With this report, the work that came before it, as well as the work that will follow it, we wish to contribute to the society, not only by directly reducing our CO2e emissions, but also by reducing waste, keeping our focus on developing sustainable materials and by maintaining our focus on good and healthy working conditions.

Despite the global pandemic, we have managed to navigate through the crisis and create a strong foundation for our future business and markets.

We have intensified our focus on new products, to meet the demand for a greener future and a more self-sufficient way of life. Furthermore, we chose to downsize our office space during the pandemic, due to most employees working from home, which turned out to be the right solution for us and enabled us to get well through the pandemic. We have managed to keep each other safe and at the same time, our employees continued their exceptional service to our customers, as well as collaborations with our suppliers and other stakeholders.

I am excited about the path ahead for Dancover. It is a path full of opportunity, now, and for years to come. We are dedicated to play a part in helping the world, as we continue to develop solutions to address climate change.

We see this task of sustainability and green transition, as our corporate responsibility, and as we continue with our transformation, we are excited for what the future holds.

Henrik Boserup

CEO

## About Dancover

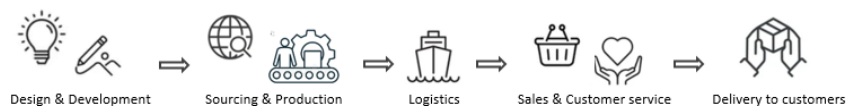
Established in 2003, Dancover A/S is the leading European supplier of a wide selection of products and equipment for event, party, garden-life, incl. party tents, gazebos, greenhouses, and various storage solutions, for both private customers and professionals.

We have combined our many years of experience and knowledge, with highly specialized and dedicated product development. For many years, this strong combination has made Dancover the natural choice for thousands of happy customers all over Europe. As the leading supplier within many product categories, we set the standard in high quality, price, and service.

Dancovers head office, as well as warehouse, are located in Denmark. We see ourselves as an international company, and meet our clients personally, in both language and service experience. With well over 60 dedicated employees, you can always expect a great personal experience when buying from Dancovershop.com Our main suppliers are located in the far east, and across the European supplier landscape.

As we have gained momentum and experience as an international e-shop, we have launched many of our own, registered brands. We are proud to have brands such as FleXtents®, CosyLifeStyle®, ProShed® and Modularo® among many others. These popular brands include a large selection of quality products within most of our main categories such as Garden, Storage & Covering, Event and Party.

In our value chain, we operate from design & development to sourcing & production, as well as sales and customer service. It can be illustrated as follows:



## Sustainability strategy

As we acknowledge Dancovers impact on both the environment and the climate, it is essential for us to work towards sustainable solutions for the future of our company.

Our sustainability work is a transformational journey, and not a process done overnight, and we seek to minimize our carbon footprint through various initiatives. It will be a continuous work, with benefits, for both people, and the planet.

We will heighten the green awareness throughout our value chain, for both our suppliers, our customers and employees and we intend to increase this, through different focus areas. These areas range from a continued focus on developing sustainable and recyclable materials for our products, to planting trees when our customers buy a tent, as well as implementing sustainable processes and mindsets in general, throughout the company.



We will keep our employees informed and involved in our sustainable initiatives by continuously sharing our progress through internal newsletters.

For our customers, we see a future in offering them products that are produced with a focus on sustainable materials, as well as products that support self-sufficiency at home.

We wish to optimize our sustainable packaging, from both production to consumer, to ensure durability during transport and to lower our impact on the environment.

Our project Tents4Trees, where we plant trees in Myanmar for every tent sold, helps our customers, to contribute to sustainable initiatives.



In 2021 we  
planted 26.124 trees



Further, it is our intent to implement an ESG Supplier Code of Conduct, that will address important matters related to working conditions and environmental issues, with our suppliers. We plan to initiate this to both our existing and new suppliers, within 2022 or by the beginning of 2023 the latest.

With our sustainability work, we wish to contribute to this very important and necessary work of reducing CO2e emissions, as well as keeping a good and safe working environment in the company.

We have selected several UN Sustainable Development Goal (SDG) targets, which are currently our focus areas, as these are the goals that are strongest associated with our business activities in Dancover.

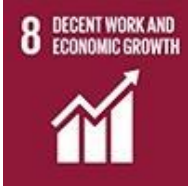
SDG target	Description of target	Contribution
<p>15</p> 	<p><i>Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests and halt biodiversity loss</i></p>	<p>Each time you buy a tent from Dancover, we plant a Mangrove tree. We do this to help restore the forests and to help protect the land and the population.</p> <p>Mangroves or “miracle trees” are incredible for storing carbon – they store up to four times as much carbon as other tropical forests, including rainforests. Two mangrove trees sequester up to 1 ton of CO<sub>2</sub>.</p>
<p>12. 5/12.8</p> 	<p><i>Substantially reduce waste generation</i></p> <p><i>Promote universal understanding of sustainable lifestyles</i></p>	<p>Investigate and implement different solutions to help decrease waste, expand our sorting scheme and to increase the amount of reusable and recyclable materials.</p> <p>Increase green awareness throughout our operations; from ESG supplier code of conduct to sustainable product ranges for</p>

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our customers and to a green focus in the company in general.

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**8.5/8.8**



*Equal pay for work of equal value*

*Protect labour rights and promote safe and secure working environments for all employees.*

Continued equal pay for equal work, depending on qualifications and seniority, and not gender differentiated

Encourage to a good and healthy work environment at the Dancover head office and warehouse as well as at our suppliers, through our forthcoming ESG supplier code of conduct.

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## Environment

As part of our commitment and our development journey, to reduce CO2e emissions, we have a continued focus on developing and sourcing products and materials that are sustainable and recyclable. Sustainability concerns us all and we aim to set a green standard, with both our suppliers and our customers.

Over the past few years, we have developed the concept "Tents4trees", where we support the Yangon Coastal Region of Myanmar, in restoring much-needed mangrove coastal forests. In close cooperation with Global Climate Institute, Dancover is now helping to restore the coastal forests to prevent further erosion to protect low-lying farmland and protect the food supply for the population of Myanmar. When you buy one or more tents from Dancover, you receive a personal certificate showing information about the specific tree and the project in general.

*Tents4trees* is a continuous project, that we plan to expand, to increase our positive impact. In 2021 we planted 26.124 trees, and we plan to increase to 45.000 trees a year in 2023.



Reducing waste is also something that is important to us. We will continue to investigate how we can reduce waste in Dancover, as well as expanding our waste sorting scheme and to increase recyclability.



Packaging of our products, from both our suppliers and from us to our customers, is also a subject we will address. We wish to find green solutions for packaging but also to investigate the possibility of a reduction of packaging, e.g., are there some of our packaging that we eliminate. Further to this, also to increase the durability of the packaging, to keep our products safe throughout transportation.

To lower our emissions, we plan to dispose 3 petrol and gas cars in the company in 2022, as well as changing 3 gastrucks to electric trucks within the next couple of years.

## Green Initiatives - What we will do in 2022 / 2023

- ☞ Increase the number of trees planted in our project Tents4trees from 26.124 a year in 2021 to 45.000 a year in 2023
- ☞ Eliminate gas and petrol company cars
- ☞ Lower amount of gastrucks in our warehouse, from 3 to 0 before the end of 2024.
- ☞ Compile an ESG Supplier Code of Conduct for our suppliers
- ☞ Continue focusing on developing and sourcing sustainable materials, products, and packaging
- ☞ Investigate solutions to optimize our waste and garbage sorting scheme
- ☞ Keep a high degree of safety at our warehouse, and to maintain LTI at 0.
- ☞ Increase gender diversity at the board, from 0% to 20% in 2023
- ☞ Relocate to a new and modern headquarter facility

## Risks and opportunities

Dancover is facing several risks and opportunities, which is listed in the table below. The risks and opportunities have been categorized in accordance with the recommendation of the TCFD framework (Task Force on Climate related Financial Disclosures).

### TCFD risk assessment

Type of risk	Sub-category	Description of risk	Materiality level	Time horizon	Describe current mitigation activities
Transitional	Market	An increase in cost of raw materials.	High	Short	We continuously research to find less expensive alternatives and adapt to the market condition.
Transitional	Political/legal	Charge of PVC taxes in the EU.	High	Short	The PVC tax has been adapted into our general pricing to cover the cost.
Physical	Acute & Chronic	Both acute and chronic conditions will affect Dancover in different areas of the company. An increase of extreme weather conditions can cause disruption/delays in the supply chain.	Medium	Long	An increase of the temperatures will force us to monitor and develop, higher heat and UV-resistant materials.  Near sourcing will become a larger part of our supply chain.
Transitional	Reputation	Change of customers buying behavior and preferences for more sustainable products.	High	Short	We constantly monitor and evaluate the demands of the market to ensure that our products meet the expectations for sustainability and low emission options.  Currently, a high degree of our products are recyclable.

Type of opportunity	Sub-category	Description of opportunity	Materiality level	Time horizon	Describe current mitigation activities
Opportunity	Products	Shift in consumer preferences	High	Medium	Better competitive position to reflect shifting consumer preferences, resulting in increased revenues.
Opportunity	Products	Development of low emission goods using sustainable and recyclable raw materials	High	Medium	Sourcing process continuously for alternatives to existing materials.
Opportunity	Markets	Larger warehouse capacity and sourcing products close to our markets to avoid major disruptions in the supply chain caused by unknown and uncontrollable factors.	High	Medium	Expanding the warehouse and sourcing products close to our home market will impact our delivery time and we will not be as exposed to disruptions

## Social

As our sales and services covers the whole of Europe, it has been a natural part of our company identity, to have great diversity amongst our employees.

At Dancover we wish to grow an inclusive and diverse workplace, that reflects the societies we are part of, and at the same time, provide the best service to our customers.

We do not tolerate discrimination based on religion, race, colour, gender, disability, age, nationality, sexual orientation, or political views, and we believe that all employees have the right to an accepting, open and including work environment.

We value every employee and believe that every one of them, is important to the company and to the continuous success of Dancover.

Our informal tone in the company, encourages to an open dialogue and an innovative atmosphere. We believe that opinions matter because people matter. We treat each other with respect, and we are committed to being an employer with proper terms of employment and working conditions.

A safe and healthy working environment is something we have worked intensely on. In particular to build a strong safety culture and reduce accident frequency at our warehouse. With many large products in our portfolio, we have a big responsibility for our employees in ensuring correct and healthy work methods, and we continuously seek to optimize the ergonomic workload, with internal safety courses, to prevent injuries.



In 2021 we had  
0 LTI reported



Our LTI (Lost time injury) was at 0 for 2021, which was very satisfying, and our goal is to keep this positive result in the years to come.

Due to the current low unemployment rate in the society we, as many other companies, are facing a risk regarding the attraction and recruitment of the best people to our company.

Lack of space at our warehouse during our high season, is an issue we continually seek to solve and optimize as well.

The health and well-being of our employees are essential for us. We recognize there is a higher risk of a larger workload throughout our high season, which is why we keep a close eye on our employees to prevent stress.

At Dancover, we feel it is important to contribute to the education of youth, therefore, we regularly have trainees employed, in some of our departments and we plan to expand this further in the forthcoming years.

We have a well-balanced mix of both men and women in the company, in 2021 we employed approximately 45 % women and 55 % men. As for women in management positions, 33% are women. The gender diversity is something we will monitor on all levels going forth, to make sure we aim for a natural balance between genders, when possible.

<sup>1</sup>Every few years, we implement a workplace assessment/employee survey, which enable us to improve both Dancover and the wellbeing of our employees. Also, to make sure our employees thrive and develop. Further to this, we have organized a group of employees, who meets a few times a year, to identify areas of improvements, to plan improvement changes and to follow up on the implementation and effect of these.

**95 % of the employees at  
our HQ feel they contribute with an  
important work effort\***



The employee turnover ratio of 31% in 2021 appears rather high, however, this due to the hiring of high season employees, that are let go again at the end of the season.

Upon employment at Dancover, new employees are presented with an Employee handbook, which covers different areas of information about Dancover; policies, rules, "nice to know" etc. This ensures that our newly employed colleagues become informed of the values of Dancover and about the more practical aspects of the company.

Every year we donate to one or more charity organizations close to our heart. In the last few years, we have made donation to Danish Hospital Clowns, the fight against Breast cancer and the Bos Foundation (*Borneo Orangutan Survival*).

In support of the refugees of Ukraine, we also support Red Cross, UNICEF and UNHCR (the UN Refugee Agency) and MSF (Médecins Sans Frontières/Doctors without borders).

It means a lot for us, to be able to contribute to those in need.

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\*85 % feel they contribute greatly with an important work effort  
10 % feel they contribute with a somewhat important work effort  
5% feel they, to a small degree, contribute with important work effort  
Percentages comes from our latest work assesment report from March 2022



## Governance

At Dancover we do not accept any form of bribery, corruption, or participation in money laundering.

We support and respect internationally recognized human rights as formulated in the UN Human Rights Declaration.

Dancover does not accept child labor, forced labor or any form of human trafficking. When starting business with new suppliers, we always make on sight inspections, to ensure that the working conditions are in accordance with the human rights.

We are in the process of preparing an ESG Supplier Code of Conduct that includes expectations and requirements related to human rights and labour rights, environment, and anticorruption. We plan to initiate this to both our existing and new suppliers, within 2022 or by the beginning of 2023 the latest.

The board of Dancover currently consist of all male members, however we plan to change this by 2023 the latest, so that at least one woman will join the board.

As mentioned previously, we consider Dancover to be a diverse workplace, and we wish to reflect this also on the board, by having greater gender diversity in the future.

The corona pandemic forced us to rethink the structure of our company and our normal work practices. Any changes, always comes with risks, and we acknowledge the challenges that the new work-from-home structure gave. We were no longer in daily contact with our employees, and we had to approach our workdays differently, as did many other companies. There was risk of employees losing motivation and felling isolated as well as losing the day-to-day sparring with colleagues. However, we found our way and managed to come through it in a positive way. Ahead of us, lies another exciting journey when we are welcoming our employees back in our new relocated and renovated office space, and we all must adjust and adapt to working together again in the same physically place, as we have been previously.

## Sustainability key metrics

The report covers the environmental impact of direct GHG emissions, as well as indirect emissions from scope 1 and 2. For scope 3, we have included emissions related to business travel and water supply. As this is Dancovers first year of monitoring our emissions, we do not have any historical numbers for comparison.

We acknowledge that there are emissions from both upstream and downstream missions related to scope 3, that are essential to focus on. The largest topics being emissions related to purchased goods, and end of life treatment for our products.

Performance on KPI'				
	2023 targets	2021	Accounting practice	Comments
Scope 1 emissions (ton CO2 e)	See comments section	11,93	All direct GHG emissions from operations in Denmark, including fuel for all company cars and LPG gas for all gastrucks  Greenhouse gas reporting: conversion factors 2020 - GOV.UK (www.gov.uk)	As we are relocating in 2022, it is difficult to assess a realistic target for 2023.
Scope 2 location-based *emissions (ton CO2 e)	See comments section	28,18	Indirect GHG emissions from purchased electricity and heating in our office and warehouse  <a href="https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2020/AIB_2020_Residual_Mix_Results.pdf">https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2020/AIB_2020_Residual_Mix_Results.pdf</a>	As we are relocating in 2022, it is difficult to assess a realistic target for 2023.
Scope 2 market-based** emissions (ton CO2 e)	See comments section	84,33	Indirect GHG emissions from purchased electricity and heating.  <a href="https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2020/AIB_2020_Residual_Mix_Results.pdf">https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2020/AIB_2020_Residual_Mix_Results.pdf</a>	As we are relocating in 2022, it is difficult to assess a realistic target for 2023.
Scope 3 emissions (ton CO2 e) (optional)	See comments section	3,07	<a href="https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020">https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020</a>  <a href="https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021">https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021</a>  <a href="https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2020/AIB_2020_Residual_Mix_Results.pdf">https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2020/AIB_2020_Residual_Mix_Results.pdf</a>	As we are relocating in 2022, it is difficult to assess a realistic target for 2023.
Total emissions market based (ton CO2e)		99,33		
Tents4Trees project	45.000	26.124		Target for 2024 is 65.000 trees planted.

Waste			We don't have any figures yet, but we will look to monitor our waste, to subsequently be able to lower each year	
Board diversity (%)	20	0	Amount of female employees / Board members (in percent) of total number of employees / Board members	
Management diversity (%)		33		
Employee turnover (%)		31	Total number of voluntary and involuntary employee resignations within the reporting period / total number of employees within the reporting period, including seasonal employees.	The high percentage is due to season workers that are hired at the beginning of our high season and let go again at the end of the season.
Lost Time Injury Rate	0	0	Number of injuries of employees leading to a loss of at least one day off work / number of available working days	

\* Location-Based: Factual emission across the grid. Average emissions of all electricity sources on the grid, doesn't take certificates into account

\*\* Market-Based: Average emissions from the grid without green energy sold as certificates

## For the people and for the planet

We want to be a part of the solution and we want to increase sustainability in our daily operations, to not only increase awareness, but to contribute to a healthier environment.

Our sustainability work is dynamic and as we reach some of our goals, we will continue with others. Furthermore, we will keep seeking for areas to improve.

We are working long term, for a positive change, not only for ourselves but for our future generations as well, as we care about people, and we care about the planet



*Dancover, May 2022*