

ESG

Sustainability report 2023

DANCOVER[®].com

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CEO Statement

Our commitment to sustainability encompasses a perspective, extending from the well-being of our employees and support for local communities to collaborative efforts with customers and partners in making sustainable choices. A crucial aspect of our approach is to act where we can make an impact now, as well as ensuring a focused work with the sustainability topics that hold the utmost relevance for us and our stakeholders in the future.

With the release of our third Sustainability Report, our accomplishments in 2023 can be found in the pages to come. However, we acknowledge that there is significant work ahead, especially in navigating and adapting to the evolving regulatory landscape and integrating sustainability principles throughout our organization. We are very dedicated to this endeavor, recognizing its significance for the benefit of our customers, partners, stakeholders, society at large and of course; our planet.

Over the past years, sustainability has transitioned from an occasional topic to a critical element in many companies' operations, reflecting a broader acknowledgment of its significant impact. The heightened focus on sustainability underscores diverse benefits, including factors like resource efficiency, brand reputation, and long-term viability. As businesses address environmental challenges and societal expectations, integrating sustainability into core strategies, has become essential.

In this transformative period, companies increasingly recognize sustainability as both a moral obligation and a strategic necessity for long-term competitiveness.

We recognize that the journey toward sustainability is ongoing, and we remain committed to continuously improving our ESG and sustainability performance. We aim to expand these efforts in the forthcoming years

2023 was a year where we celebrated Dancovers 20th anniversary, as well as a planned retirement of Dancover's founders; CEO and CFO Henrik and Lene Boserup, after more than 20 years on the posts.

We are happy to carry the torch into the future together with all the great colleagues of Dancover.

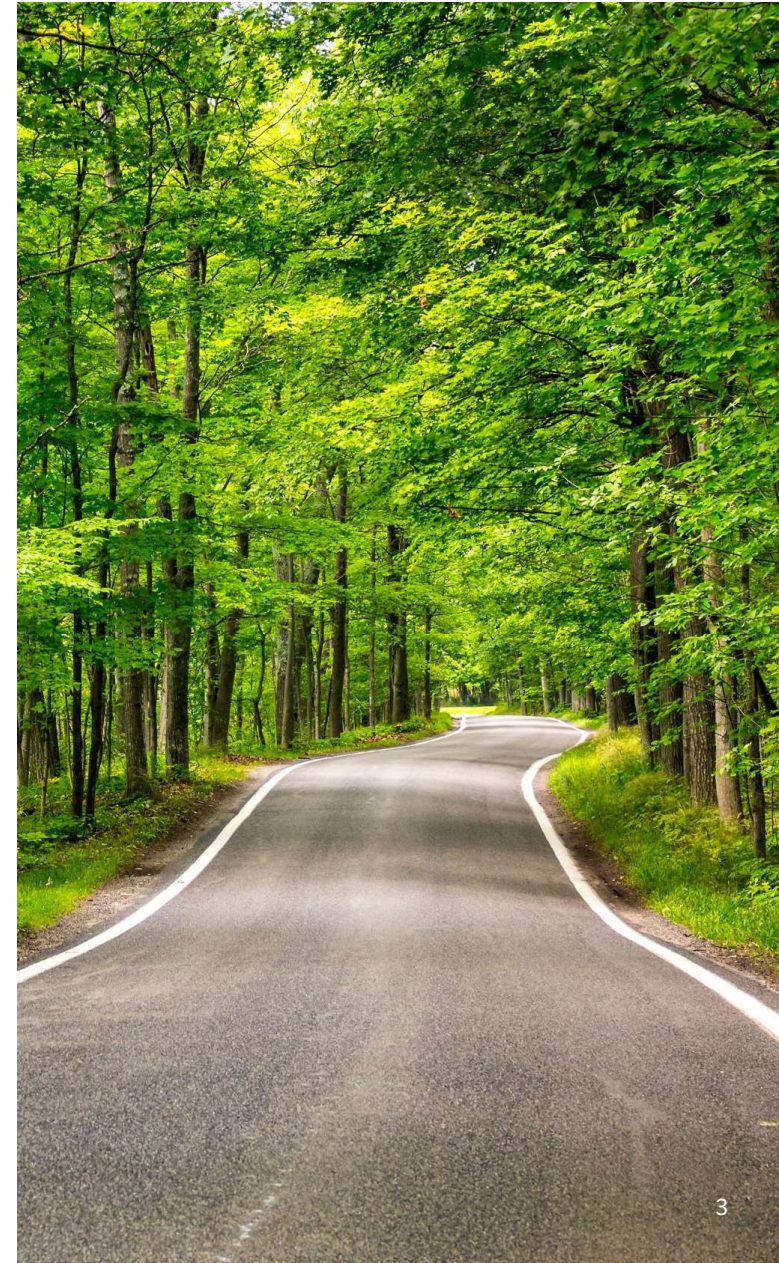
Hellebaek, Denmark, April 2024

Sven-Eric Nilsson

CEO

Xin Zhuo

CFO



About Dancover

Founded in 2003, Dancover A/S has secured its place as a key player in the European market, specializing in a diverse product range tailored for events, gardens, and parties. The portfolio spans a wide spectrum, from party tents, gazebos, and greenhouses to innovative storage solutions. These products cater to both individual enthusiasts and professionals in the industry.

Years of hands-on experience and a commitment to product innovation have been instrumental in building the brand's reputation. This dedication is reflected in the positive feedback and trust from the European customer base.

The operational backbone of Dancover A/S, including the head office and primary warehouse, is situated in Denmark. This centralized location ensures efficient logistics and product distribution. At the same time, the company emphasizes a tailored customer interaction experience, adapting to language preferences and specific service needs, which is operated from both the HQ in Denmark alongside with our customer service center in Spain.

Behind the scenes, a cohesive team of dedicated professionals collaborates with a network of leading suppliers from the Far East to Europe, ensuring the quality and excellence of each product in the lineup.

An integral part of Dancover A/S's growth narrative is the development and introduction of proprietary brands such as FleXtents®, CosyLifeStyle®, ProShed®, and Modularo®. These brands have carved a niche for themselves, exemplifying quality and versatility across the primary product categories.

In essence, Dancover A/S stands as a testament to European excellence in the realm of events, gardens, and parties.



Sustainability strategy

As the world progressively adopts an increasing number of sustainable initiatives, the opportunities to effect positive change become more accessible and tangible for companies globally. Possibilities expand, exerting a significant influence on the operational paradigms of businesses, ultimately contributing to the establishment of a world where a sustainable approach is seamlessly integrated into the corporate mindset rather than being a response to societal demands.

In a world characterized by persistent change, corporate engagement in sustainability and the willingness to actively participate are more critical than ever and we constantly strive to develop and enhance our sustainability initiatives.

Aligned with our business strategy and impending regulatory requirements, we plan to further intensify the integration of sustainability into our business development throughout the years to come. The main Sustainable Development Goals we focus on in Dancover is 5, 8, 12 and 15, which we will elaborate on, on the pages to come.

At Dancover, prioritizing responsible employment practices is of utmost importance to us. We are committed to safeguarding the well-being of our workforce through workplace assessments, employee development interviews and through the daily contact throughout our operations.

We thrive to focus on developing solutions and refining processes to reduce emissions. Through ongoing investigation and exploration, we seek to implement measures that gradually decrease our environmental impact. This includes seeking actions to optimize our products, transportation, and distribution methods.

As part of our commitment to sustainable and responsible business practices, we are working towards aligning our strategies and operations with the Ten Principles of the United Nations Global Compact since 2022. We are committed to respecting human and labour rights, safeguarding the environment, and working against corruption in all its forms. The UN Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment, and anti-corruption and to take action in support of UN goals and issues embodied in the Sustainable Development Goals (SDGs).

We look forward to continuing our journey towards a more sustainable and responsible future.



Prolonging the lifespan of our products

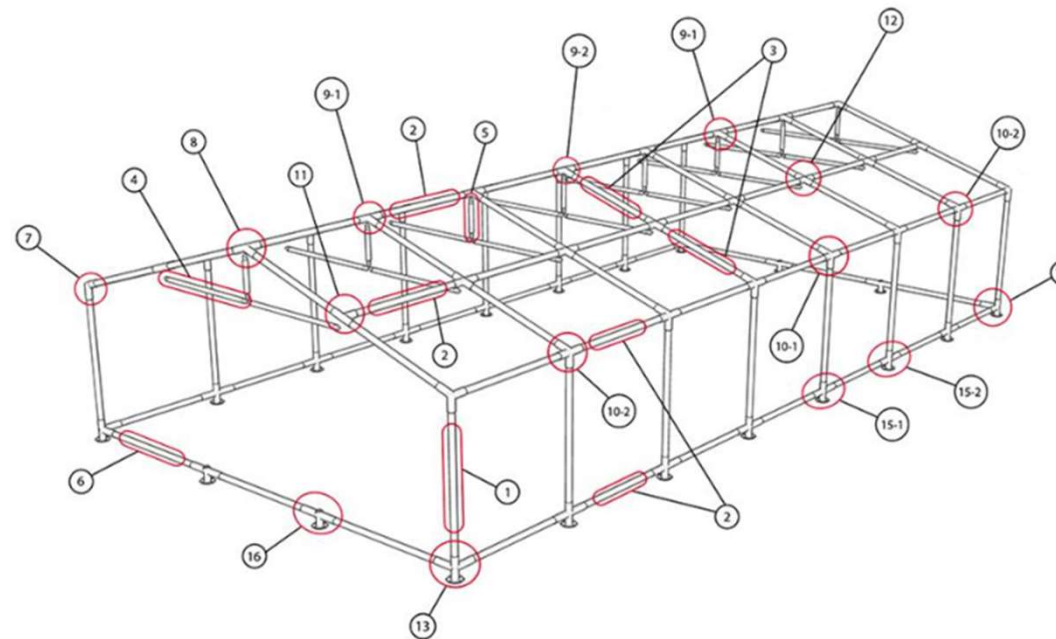
At Dancover, we offer a wide selection of spare parts for many of our most popular products. By expanding the range of available spare parts for our customers, we can prolong the lifespan of our products by enabling repairs over time, if necessary.

This approach minimizes waste and unnecessary consumption.

Our customer service is always ready to guide our customers regarding product maintenance. Additionally, some of our manuals provide tips and advice for optimal care, ensuring that our products have the longest possible lifespan.

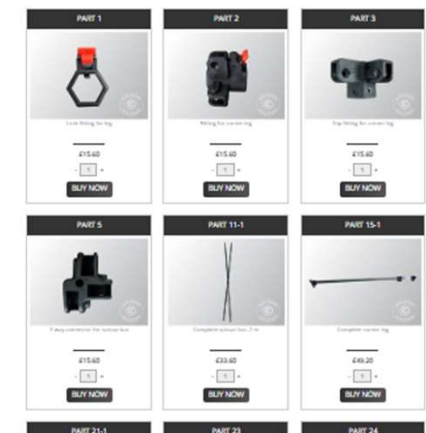
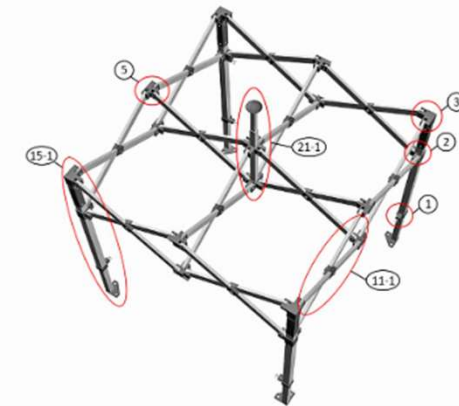
PURCHASE SPARE PARTS FOR

Marquee, SEMI PRO Plus CombiTents® 7x14 m 5-in-1, White



PURCHASE SPARE PARTS FOR

Pop up garden Marquee Steel Rod in Black





A caring culture

In Dancover we strongly believe in taking good care of our employees. Not only regarding a safe work environment but also in the smaller details that will make our employees feel appreciated.

Dancover is an international company, which is particularly reflected in the diversity among the employees. We have many different nationalities employed, and we believe that the cultural differences, the differences in opinions, knowledge, and skills, help to develop the company, and to maintain Dancover's continued success. Our informal tone in the company and our positive and innovative atmosphere encourage an open dialogue where there is room and respect for, different opinions. Psychological safety is a priority. We are an inclusive workplace where there is room for all.

We value development, growth, and humor very highly – and we love a good laugh.

We take pride in succeeding together and we embrace change and adapt quickly to new needs. We seek simplicity and strive to create productive and efficient ways of working.

At Dancover, going to work must be both enjoyable and fun.

Due to our caring culture, we have many employees who have been with us for numerous years. This is something we deeply value and strive to protect.

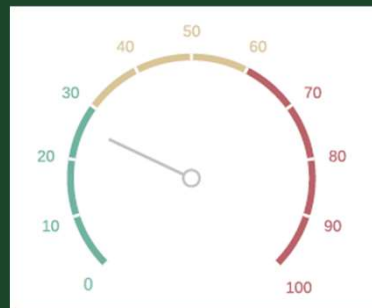


Some of the small but caring details

- Health insurance
- Hot and cold lunch spread
- Organic fruit and snacks
- Birthday present + celebration with breakfast or cake
- Easter chocolate
- Summer party
- Chocolate advent calendar in December
- Christmas gift
- Christmas dinner
- Sanitary pads + tampons at restrooms

Dancover workplace assesment from 2023 at HQ shows a score on 26% which is a good result in the "green area"

To the question "Do you feel like you're making an important contribution?", 76% answered yes very much so and 20% answered yes to some extent.



Diversity & Inclusion

We believe in the importance of having an inclusive and diverse workplace, where all colleagues feel a sense of belonging. It has always been a natural part of Dancover's identity to have a diverse workforce. The cultural differences, the difference in opinions, knowledges, and perspectives, helps to develop, and retain talent, generate innovation, and help fulfill the demand and expectations of our customers. We are committed to providing equal opportunities regardless of race, ethnicity, national origin, religion or belief, gender, sexual orientation, gender identity or expression, age, disability, marital or family status, or any other characteristic. We do not accept any form of intimidating or disrespectful behavior, bullying, harassment, unwanted sexual advances, or unlawful discrimination



As a small, but inclusive step, the restrooms at Dancover HQ are now gender neutral and not separated in "men & women". By doing this small act, we embrace differences and hope to make everyone feel welcome at Dancover, no matter how they identify.

Every year we have the Dancover Summer party and the Dancover Christmas party, which gives all employees a chance to get together in an informal setting and socialize across departments. These evenings are a festive celebration of Dancover as a workplace and always includes delicious food and dancing.



Dancover x Eden Reforestation projects

Dancover has for some years been part of a project restoring mangrove estuaries in Mahajanga in Northwest Madagascar. In cooperation with Eden Reforestation Projects, we have helped restoring the coastal forests to prevent further erosion to protect low-lying farmland and protect the food supply for the population of Madagascar.

Now, the focus is on the Akalamboro restoration area, which also is located on a lowland mangrove forest in Northwest Madagascar on the edge of the Baie de Baly National Park. This mangrove estuary connects to an extensive freshwater river system which serves as a habitat for marine life and provides livelihood opportunities for the local community.

The project supports local communities in planting and managing mangrove forests on community land surrounding the town, offering employment and livelihood options to local communities.

At the time of writing, we have planted well over 160.000 trees in total. This achievement and the participation in the reforestation project is something we take pride in and are very grateful to be a part of. Not only by supporting the local community and land, but none the least that the Mangroves are incredible at storing carbon – they store up to four times as much carbon as other tropical forests, including rainforests, to the benefit of the planet.





WE PLANT A TREE FOR EVERY PURCHASE

THE GOALS OF THE PROJECT:

- Mangrove reforestation
- Providing stability against erosion
- Improving ocean health
- Promote economic development locally
- Create more biomass to store CO₂.



Carbon neutral shipment option at www.dancovershop.com

When shopping at www.dancovershop.com, orders can be sent with the **UPS Carbon Neutral** shipping option.

By choosing this option, UPS calculate the total carbon footprint of these shipments, using their proprietary and certified methodology.

They subsequently retire an equivalent number of offsets from verified carbon reduction projects, effectively neutralizing the climate impact of our shipments.



DANCOVER AS

On behalf of your company, UPS has mitigated **235,62** metric tons of CO₂e during the period January 2023 - December 2023

Thank you for staying neutral,

Chris Staples

Chris Staples
President of UPS Customer Solutions



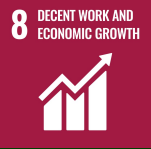

The UPS carbon neutral and Carbon Offset program have been verified by Société Générale de Surveillance (SGS).



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UN Sustainable Development Goals

Our selected UN Sustainable Development Goal (SDG) targets to focus on:

 SDG 15	 SDG 12.5 / 12.8	 SDG 8.8	 SDG 5.5
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests and halt biodiversity loss	Substantially reduce waste generation. Promote universal understanding of sustainable lifestyles	Protect labour rights and promote safe and secure working environment for all employees	Achieve gender equality and empower all women
<p>We have now planted +160.000 trees. Together with Eden Reforestation Project we help restore forests and help protect land and population.</p> <p>In 2023 we joined World Land Trust and became Corporate Partners to support their work ensuring the protection of tropical forest habitat for wildlife.</p> <p>UN-DO is another initiative we have supported with the aim of removing CO₂e permanently from the atmosphere using enhanced rock weathering.</p> <p>Through several years we have supported the "Save the Orangutan" foundation, which helps orangutans in distress, protect Borneo's pristine rainforest and its wildlife, restore degraded rainforest and help Borneo's indigenous people who live in and around the rainforest.</p>	<p>Extension of our products lifespan by making more spareparts available for our products, so our users can repair our products over time, if needed. And by that, increase the length of life for our products.</p> <p>Expansion of sorting our waste has increased the quantity of waste that can be reused and recycled.</p> <p>Minimum of food waste from our company lunch.</p> <p>Product development of materials with less impact.</p>	<p>Encourage to a good, healthy and inclusive work environment at the Dancover head office and warehouse as well as at our suppliers.</p>	<p>Focus on female leadership to be seated in the board of directors. In 2024 increase from 0% women to 17%.</p>

In 2023 Dancover continued to actively support numerous initiatives, both locally and globally.



Eden Reforestation Projects

We have now planted +160.000 trees. Together with Eden Reforestation Project we help restore forests and help protect land and population.



World Land Trust

We have joined as a corporate partner to support their work ensuring the protection of tropical forest habitat for wildlife.



Danmarks Indsamlingen (Denmark's fundraising)

The support covers help to a wide range of children in need, including victims of war, persecution, famine and natural disasters. All projects contribute to achieving SDGs.

UN-DO

We have supported UN-DO's initiative that aims to remove CO2e permanently from the atmosphere using enhanced rock weathering.



Danske Hospitalsklowne (Danish hospital clowns)

is working every day across the Denmark to strengthen the joy and courage of sick and vulnerable children at different hospitals.



World Animal Protection

World Animal Protection Denmark is part of a global animal protection organization that works with the UN and advises governments around the world and have efforts to help animals in around 50 countries.



Save the Orangutan

We support to help save and protect the critically endangered orangutan and its last remaining habitats in Borneo.



Risks & opportunities (TCFD)

Following the framework provided by the Task Force on Climate-related Financial Disclosures, we have conducted a risk evaluation to comprehend, control, and communicate the effects of climate change on our operations. By understanding the potential future risks and their expected timelines, we can plan actions to mitigate these risks, thereby minimizing adverse impacts and possibly transforming these risks into opportunities.

Type of risk	Sub-category	Description of risk	Materiality level	Time horizon	Describe current mitigation activities
Transitional	Policy & legal	Increased regulations and policies on carbon emission taxation and climate related fees on packaging and selected products. – The extend varies from country to country.	Low	Medium	Decrease CO2e emissions by investing in sustainable products.
Physical		Climate related natural catastrophes can be a threat to our supply chain	Low	Long	Dancovers HQ and warehouse are in DK with limited natural disasters. Dual suppliers and/or near sourcing to secure stock in relation to suppliers.
Transitional	Market	Change in customer preferences to more sustainable products	Medium	Medium	Research and development of sustainable materials and products to meet the demand of the market and the customers.

Type of opportunity	Sub-category	Description of opportunity	Materiality level	Time horizon	Describe current mitigation activities
Market demands	Products / Market	Increased interest and demand from customers for sustainable materials and products	Medium	Medium	Research and development of sustainable materials and products to meet the demand of the market and the customers.
Lowering own consumption, increase reuse and recycling, increase products lifespan	Resources	Increased focus on minimizing CO2e emissions and compensation	High	Long	Various initiatives: increase waste sorting scheme so more can be reused, planting trees to help absorb emissions and increase biodiversity, increase our products lifespan



Environment

One of the projects we have been working on in relation to the environment and sustainability, is introducing products to the market with less environmental impact. We have been researching and developing a new material suitable for some of our products, aiming to offer our customers options with less impact, as well as taking a conscious step towards decreasing our emissions. We expect to launch these products during 2024 and hope they will be well received by our customers.

We continue our journey of planting trees and have now planted more than 160,000+ trees. We have chosen to plant Mangrove trees as these are incredible at binding CO₂. We have done this in collaboration with our customers, as we plant a tree every time they buy in our shop. Our customers then receive a certificate in return, including GPS coordinates to where “their” tree is planted.

In 2023, we also supported enhanced rock weathering in collaboration with the company UN-DO, which specializes in this field. Enhanced rock weathering is a process that aids in removing CO₂ from the atmosphere. This process typically takes hundreds of thousands of years, but UN-DO has discovered a method to enhance and expedite this process. The CO₂ then remains sequestered for hundreds of thousands of years, or, from a human perspective, permanently.

Further to this, we have joined World Land Trust as a Corporate Partner. We support their work ensuring the protection of tropical forest habitats for all the wildlife that depends on it and taking action against climate change. Our specific target area is Kenya’s Dakatcha Woodland, which is a landscape of remarkable conservation value. These forests lie within a global biodiversity hotspot – the Coastal Forest ecoregion of eastern Africa – and are a crucial area for birds and biodiversity in general. Some of the most essential ways WLT partners ensure a project’s success are securing ownership of the area, working with local people throughout the conservation process, and managing and monitoring the area to help the resident species thrive.

Packaging plays a fundamental role in getting our products from one location to another without causing any damage. This remains a continuous priority and focus area for us. Improving and strengthening our packaging helps us to protect the products during transportation.

In 2023, we implemented a waste sorting scheme and incorporated waste monitoring (efficiency of reuse) as a key metric. We continue to focus on minimizing our food waste, as also described in our 2022 report.



Social

At Dancover we keep an informal and humorous tone that encourages to an open dialogue. We are a diverse workplace with many different nationalities. This mix of nationalities not only provides qualified service to our international clientele but also contributes to various perspectives and an inclusive atmosphere.

In 2023 we made our restrooms at the HQ gender neutral, as to previously when they were separated in male and female. This is a small step with a significant meaning.

We value respect and a safe working environment very highly. Each year we have employee development interviews where we have a thorough review of the wellbeing as well as development opportunities for each employee, combined with the day-to-day . We have a work environment organizations, which throughout the year work with different aspects of optimizing the work environment – both the physical framework and psychological.

The Danish organization “Danske Hospitalsklovne” (*Danish hospital clowns*) is working every day across the country to strengthen the joy and courage of sick and vulnerable children at different hospitals. This is a cause we have supported for several years. We also support various other initiatives i.e. “Danmarks indsamlingen” (*Denmark's fundraising for the world's vulnerable children*) – as mentioned on page 12.



Governance


Sustainability is fundamental for creating a competitive edge, enabling business growth, and generating value for our business and customers, as well as for all our stakeholders.

We support and respect internationally recognized human rights as formulated in the UN Human Rights Declaration. At Dancover, we do not accept any form of bribery, corruption, or participation in money laundering. We do not accept child labour, forced labour or any form of human trafficking.

We collaborate closely with our suppliers and have implemented a Supplier Code of Conduct with all our suppliers. The Supplier Code of Conduct reinforces our ethical way of working and how we relate to subjects such as child labour, non-discrimination, health & safety, as well as protection of the environment and anti-corruption. The primary purpose of this is to ensure all workers involved in making our products have fair and decent working conditions and that sustainability is taken into consideration.

The board of Directors at Dancover has consisted of all male members, but in 2023 a women joined the board and increased the gender diversity percentage to 17 %.

What we did – What we will do

What we did - 2023		What we will do - 2024
<ul style="list-style-type: none"> ❖ Continued our tree planting project ❖ Development of products with less environmental impact to our existing product mix ❖ Implemented carbon neutral shipment option ❖ Established a Diversity & Inclusion policy ❖ Donated and supported charities, rainforest conversation and initiatives to absorb Co2e ❖ Focused on increasing our products lifespan. (i.e., improvement of packaging + increase in Spareparts.) ❖ Transitioned to organic fruit and milk ❖ Expanded our waste sorting scheme ❖ Gender neutral toilets at HQ ❖ Installed LED light in warehouses ❖ Replaced electric radiators and fan heaters with heat pumps at the warehouse ❖ Upgraded workstations at the warehouse to improve efficiency and work environment ❖ A woman joined the Board of Directors 		<ul style="list-style-type: none"> ❖ Continue our tree planting project ❖ Implementation of products with less environmental impact to our existing product mix ❖ Donations and support to charities and organizations. ❖ Continue increasing our products lifespan. (i.e. improvement of packaging + increase in Spareparts.) ❖ Continue and expand the R&D of materials used for both products and packaging to optimize towards sustainable solutions. ❖ Investigate further sustainable initiatives in general

Sustainable key metrics

Key metrics	Unit	Target 2026	2023	2022	2021
Environmental					
Scope 1*	Ton of CO ₂ e	**	29,7	20,3	11,93
Scope 2 – Location based	Ton of CO ₂ e	**	28,8	36	28,18
Scope 2 – Market based	Ton of CO ₂ e	**	91,4	114,2	84,33
Scope 3*	Ton of CO ₂ e	**	24.952,4	37.242,8	3,07
Waste reuse / recycling efficiency	%	**	55	48	-
Social & Governance					
Tents4Trees project	Pcs.	**	55.000	70.000	26.000
Employee diversity	% women	**	49	51	-
Management diversity	% women	**	17	40	33
Board diversity	% women	**	17	0	0
Employee turnover – Salaried employees	% of employees	**	22	19,38	31
Employee turnover – Hourly paid employees	% of employees	**	173	38,76	
Full time employees	No. of employees	**	60	61	-
Sickness absence – Salaried employees	%	**	3,6	4,8	-
Sickness absence – Hourly paid employees	%	**	2,1	7,14	-
Lost time injury rate / LTI		**	0	0	0
Whistleblower reports	Pcs.	**	0	0	0

Coverage period is from 01.01.2023 to 31.12.2023

*2022 numbers has been adjusted to be comparable to 2023 numbers

** We are working on targets for 2026 - TBA

Comments on selected 2023 sustainable key metrics

Environmental

Scope 1 Emissions:

The increase in Scope 1 emissions is primarily attributed to the addition of company cars.

Scope 2 Emissions:

The reduction in emissions under Scope 2 is due to the optimization in our warehouses. Specifically, we have replaced conventional light bulbs with energy-efficient LEDs, resulting in decreased electricity consumption. In addition, electric radiators and fan heaters have been replaced with heat pumps, resulting in a positive impact on our energy consumption.

Scope 3 Emissions:

In 2023 we had a lower purchase volume than in 2022, which directly contributed to the reduction of Scope 3 emissions. Additionally, this decrease in purchase volume had a corresponding impact on inbound transportation emissions, hence the lower emissions.

Emissions for 2023 versus 2021 is higher due to the expansion of details now included in our scope 3 reporting.

Social & Governance

Tents4Trees:

We continue our work with Eden Reforestation project on planting trees.

Sickness absence for hourly paid employees:

Is high due to a turnaround and optimization at our warehouses that has been going on for the past two years. This, as well as the hiring of seasonal employees for our high season, is the reason for this percentage.

Accounting practice

KPI	Accounting practice	Comments
Scope 1 emissions	All direct GHG emissions from operations in Denmark, incl. fuel for company car, LPG gas for gastrucks and natural gas for heating at the head office. www.klimakompasset.dk	
Scope 2 emissions	Indirect GHG emissions from purchased electricity and heating at the headoffice and warehouse. www.klimakompasset.dk	
Scope 3 emissions	Travel by car, air travel, water supply www.klimakompasset.dk https://travelimpactmodel.org/ Upstream transport: Emissions report from transporter (WTW) Downstream transport: Emissions reports from transporter (WTW) Purchased goods: www.klimakompasset.dk	Only water supply from warehouse is included, as data for HQ is unavailable. Purchased goods: Data is comparable but is subject to high uncertainty
Environmentally, Social & Governance		
Tents4Trees	When you buy one or more tents in our shop, we plant a tree	
Board diversity	Amount of female board members/total number of board members	
Management diversity	Amount of female managers/total amount of managers	
Employee diversity	Amount of female employees/total amount of employees	
Employee turnover	Total number employee resignations within the reporting period/total number of employees within the reporting period (separated in hourly paid employees and salaried employees)	
Lost time injury	Number of employees leading to a loss of at least one day of work/number of available working days	
Sickness absence	Days with sickness absence/number of workdays	
Reuse efficiency	Waste sent to reuse/total amount of waste (kg)	Confirmed by waste handling companies

Thanks for reading

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