

# ESG statement

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## Our Philosophy – a vision of circular economy & stringent governance

We recognise the importance of contributing to leaving the world in a better state for future generations.

In 2021 we initiated our sustainability journey to improve on our impact, going beyond simply complying with all applicable legislation in the markets where we operate.

We are constantly evaluating new initiatives and setting ourselves goals to be able to offer continuous improvement on our products.

DAN-FORM is not directly subject to legislation such as the Corporate Sustainability Reporting Directive (CSRD), however we acknowledge that our clients, or business relations, can be, and as such we are now preparing to deliver data on all applicable ESG aspects.

### Our initiatives are based on our philosophy to:

- continuously improve on our impact on our surroundings
- supply full transparency on all products
- comply to all applicable legislation
- have a circular economy approach

Through this ESG Statement, we aim to describe status quo and key milestones, and present our plans and focus areas for how to reach our vision.

We have aligned our ESG initiatives with the following 4 UN Sustainable Development Goals (SDGs):



#### **5. Gender Equality**

We aim to have gender diversity across the organisation with no age discrimination and equal opportunities for all employees.

#### **8. Decent Work and Economic Growth**

For DAN-FORM, employees' health and well-being is a top priority. This includes safe and secure working environments and protective labour rights. We have in place regular workplace evaluations to ensure employees' well-being.

#### **12. Responsible Consumption and Production**

DAN-FORM is managing chemicals through our compliance project where we evaluate and substitute specific chemical components present in our product composition.

#### **13. Climate Action**

As a start, DAN-FORM is gathering all BOMs per product to enable us to measure CO2 emissions and from there report on the CO2 footprint of each of our products.

## Current status - establishing an ESG foundation

To support our customers with relevant information regarding our environmental impact, incl. our CO2 equivalent (CO2e) emissions, we have a strong focus on circular economy and stringent compliance management.

Mapping components and materials to ensure that each and every aspect of our furniture is chosen with care for both humans and nature is vital to our understanding of producing safe and functional furniture, and to provide insight and transparency for our many customers and clients.

We have already made huge leaps in our data collection and levels of documentation.

Our lower limit for documentation has been set to 0,1% on all components, which are currently being mapped by our diligent quality team. We expect to have this work completed by early 2025.

This stringent data collection will, once completed, provide a basis for the future of our ESG reporting.

### ***FSC™ certification supports traceability***

Supporting transparency and traceability is the FSC™ certification we achieved in 2021 (license code C171164).

The certification ensures the use of wood from responsibly managed forests and good working conditions for those working in the forests. It also allows us full traceability through our supply chain.

To uphold the certification, we adhere to strict documentation rules through the full supply chain and are subjected to a third-party audit once a year.

DAN-FORM has committed to using only FSC certified wood in our new product designs from 2022, and to continue the work to switch current models to FSC certified wood as and when appropriate.

### ***Moving towards lower impact materials in our production***

In the last few years we have opted for upholstery materials that are either recycled or produced using as few chemicals as possible.

This includes our RPES fabric made from recycled plastic, all our bouclé fabric which is certified and free from harmful substances, and our faux leather, which significantly reduces water consumption during production and uses no solvents.

Our product line will continue to be developed with upholstery that is more environmentally friendly and over time, we expect to be able to phase out the less environmentally friendly options.

### ***Code of Conduct – for us and our partners***

Through our Code of Conduct, we have defined guidelines as to how we intend to ensure a healthy and professional work environment in all steps of the supply chain.

Our Code of Conduct has been extended to include a Partner Code of Conduct, which we require all our producing facilities to sign and adhere to.

Our Partner Code of Conduct is in line with the BSCI Code of Conduct.

As part of the BSCI, producers are audited annually to ensure that working conditions of the employees are gradually and continuously improved.

*DAN-FORM will remain a Business Partner with Amfori BSCI and has chosen to become RSP (responsible) for all our partner production facilities.*

*This entails that DAN-FORM is in charge of booking monitoring inspections from third party verified inspectors. Any non-conformities that arise will lead to a Corrective Action Plan (CAP) to ensure that risks are mitigated in a stringent manner.*

### ***Commitment to continuous improvements on our impact***

Our partner factories are also working under BEPI - the Business Environment Performance Initiative. The programme is developed to ensure our partner factories report on their energy consumption and are focused on enhancing on their environmental footprint over time.

### ***An inclusive work environment***

Every day, we aim to have an open working environment where we welcome people of all origin, gender & age and we hire exclusively based on qualifications, experience and where we find that candidates match our philosophy.

Furthermore, we hold several yearly get-togethers as an organization where we focus on the well-being of all employees, and to ensure that everyone is involved and up to date in our current projects and development

We also encourage healthy, physical activities such as playing paddle together, and we have made time around lunch hour for employees to do an optional walk.

### ***Furniture donations to charitable organisations***

Every year we donate our surplus discontinued and sample furniture to charitable organisations such as Danish Red Cross.

## The future – data driven actions

It is essential for DAN-FORM that we maintain the certifications already achieved, and that we continue our focus on capturing detailed component, ensure adequate control and corrective measures are taken in regards to our partner factories, and that we continually support our ambitions to stay inclusive in our approach to our employees.

In addition to the above, **by mid 2025, we expect to have mapped the CO2e emissions of our product components and internal resources enabling us to present CO2e figures for scopes 1, 2, and 3.**

The detailed mapping will include the entire lifecycle of our products, from raw material extraction to manufacturing, distribution, and end-of-life disposal.

This will be a key milestone for DAN-FORM in our pursuit to supplying ESG data to our customers, and become fully transparent as to our products' CO2 footprint.

Being able to measure our CO2 emissions, will also allow us to identify key areas where we are able to reduce our carbon footprint and implement more sustainable practices throughout our operations.

Even without the exact data foundation incl. our Co2e figures, we recognise that our environmental impact is primarily made up of 3 pillars: **Production - Distribution – End of life**

To address these 3 stages, we have selected the following focus areas of improvement:

### ***Focus 1: Improving product lifespan***

By monitoring our production process and components on a continuous basis, we create the foundation for optimisation by allowing us to select quality materials, fittings and production methods.

We will also work to ensure our products can be waste sorted appropriately and materials can be reused and recycled many times over, preferably as one whole furniture.

*DAN-FORM recognizes that certain components – mainly composite materials i.e. MDF and foam, can be hard to separate into a distinct recycling fraction, or to recycle entirely.*

*We are working to find more suitable materials that will allow additional components and materials to be reused and recycled, and to find more optimal schemes for existing materials]*

## ***Focus 2: Reducing the impact of production***

**Energy & water consumption** in production facilities at our partners will continue to be a focus for us.

The BEPI we have in place with all partners, allows us to ensure they continually improve and reduce their energy consumption.

### **Chemicals**

In addition to our commitment to improve our sourcing to find high quality and low impact materials, we work with target actions, directly linked to UNSDG's specifically 12.4 regarding "the environmentally sound management of chemicals and all wastes throughout their life cycle".

We may not be able to sign international agreements, but we will be able to ensure that we are aware of the chemicals we use in production and the substances contained in the materials we work with.

## ***Focus 3: Near Market Sourcing***

Near-market sourcing and distribution for our primary markets in Europe, Asia and North America is a priority in order to reduce transportation emissions.

By sourcing materials and manufacturing products closer to our key markets, we can minimize the environmental impact of long-distance shipping.

## ***Focus 4: Monitoring and complying to new legislation***

Regulatory affairs are moving rapidly, with major revisions to GPSR and EUTR transitioning to EUDR, as well as introduction of CSRD, CSDDD and similar ESG-related legislative demands.

We will continuously monitor and implement changes to adhere to new legislation.

As a vital part of this, we will keep our customers and shareholders updated on how we implement new regulatory requirements in our products as and when necessary.