

# CSR Report

## Corporate Social Responsibility at Dencon



When we produce and sell furniture, we do not just think about the people who work every day in an office environment from Dencon. We think about everyone in the entire process from when the tree is felled until the furniture is delivered to the customer. The reason why: It is the absolutely right thing to do.

Therefore, we have an attitude towards the environment and CSR in a broad sense. For example, this means we ensure that there is a proper working environment - when the tree is being felled and processed and when the furniture is being produced and that throughout the process, the employees have access to the correct safety equipment. At the same time, we also have an attitude towards, for example, education, and the number of women in the workplace - because it is only fair.

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## 1. Introduction

Every day we at Dencon take an active and ethical responsibility for the environment and people. Sustainability and circular thinking are important parts of our business. From production to disposal, recycling, resale and donation. Our responsible actions are guided by respect for the earth's resources and for our fellow human beings. In this report, we focus on how we practically take responsibility for and contribute to a greener and more sustainable world. The report is an addition to the management report. There's a lot to report on. There is the demand for sustainable products and services. It is gratifying that together with our customers and partners, we can create better conditions for the environment and our common future.

## 2. Profile of Dencon and our work with corporate social responsibility (CSR)

### 2.1 Profile of Dencon's business

Dencon is a major company in the sale of commercial furniture in Northern Europe. Our product portfolio includes: Desks, tables, chairs, office chairs, storage, lounge furniture, acoustics and boards, lighting and accessories. Our services embrace widely but are all rooted in many years of experience and unique competencies.

#### Dencon offers:

##### Technology

- SE:Connect: Facts about the behaviour of your company to be able to optimize interior design

##### Project advice

##### Circular economy

Dencon works focused with sustainability in the furniture industry through:

- Renovation and resale
- Donation
- Environmentally friendly disposal
- Select raw materials incorporating recycled goods
- To select sustainable materials, when designing furniture
- Design with as few components as possible
- Utilize raw materials with the least possible waste when designing furniture
- Select high quality on electronic components and moving parts
- Minimize discarding by not having a component stock of plate and wooden parts

##### Special solutions

- Furniture solutions tailored to the customer's needs

##### Online shop

- Sale of new and used furniture (on the planningboard)

**Mission:** To provide the professional user with ergonomically correct and functional workplaces in an attractive design and price level.

## **2.2 Our work with corporate social responsibility (CSR) in practice.**

Our goal is to be the frontrunner towards a sustainable transformation of the furniture industry. In this, it is a guiding principle for Dencon to protect the environment as much as possible. In recent years, there has been an increasing demand from customers in terms of sustainability, social responsibility and circular economy. Therefore, we see sustainability as an essential foundation in all our business activities and work ambitiously to further develop the company in this direction. We continuously work to optimise production according to sustainable principles, we continuously work to get our furniture to meet the best quality and environmental standards and certifications, and we expand our service portfolio to be able to match the environment and social responsibility we want to take.

## **2.3 The UN Sustainable Development Goals as a strategic tool**

As part of our work on sustainability, we see the 17 Sustainable Development Goals (SDGs) of UN as a strategic tool. The pressure on the resources of the planet, the impact of climate change and a rapidly growing population increase the focus on the environment and demand sustainable production and thus also new demands on our business. Dencon's position is that every serious company must take responsibility and work ambitiously with the SDGs for several reasons. And here it becomes complex. There is not only one reason why the SDGs are relevant to the world's companies. It's not just to strengthen the bottom line. And certainly not in the short term. It's about a lot more. Of course, economics plays a major role, and let us just confirm right away that there is a competitive advantage in working seriously and professionally with the SDGs. Customers demand it. Dencon supports all the UN Sustainable Development Goals but has chosen to focus on the goal where we can make the biggest positive difference – namely goal number 12.

### **2.3.1 SDG #12 – Responsible consumption and production**

Dencon's primary focus is SDG #12 Responsible Consumption and Production. We want to work on circular economic principles to safeguard our resources in a way that harms the environment as little as possible. To ensure sustainable consumption and production, we focus on materials and people, and want to create the best and most sustainable conditions for both in Dencon. Based on our quality, environmental and OSH management and underlying policies, as well as our sustainable focus, we treat everything as a resource. A resource that forms part of a larger circuit and that we must take care of. Both now and in the future. It is crucial that we convert our current perception to production and consumption, and we have launched several efforts to make changes in our way of offering furniture to our customers. In practice, we are in the process of transforming our business from linear to circular.

When purchasing from FSC certified suppliers, the principles and criteria of FSC are ensured:

1. Principle 1: Compliance with the law

The forest owner must comply with all applicable laws, regulations and nationally ratified international treaties, conventions and agreements.

2. Principle 2: Workers' rights and conditions of employment

The forest owner shall maintain and/or improve the social and economic well-being of workers.

3. Principle 3: The rights of indigenous peoples

The forest owner shall identify and respect the legal and vested rights of indigenous peoples to possess, use and manage land, territories and resources affected by operational activities.

4. Principle 4: Relations with the local community

The forest owner must contribute to maintaining or strengthening the social and economic well-being of local communities.

5. Principle 5: The forest goods

The forest owner must manage the forest property's many products and services effectively in order to ensure or strengthen economic sustainability and environmental and social benefits.

6. Principle 6: Environmental values and impact

The forest owner shall maintain, preserve and/or restore the forest property's ecosystem services and environmental values and avoid, restore or mitigate adverse environmental impacts.

7. Principle 7: Operational planning

The forest owner must have an operating plan that reflects the policies and objectives of the forest owner. The plan shall be proportionate to the scale and intensity of the operation and the risks associated with it. The operational plan shall be kept up to date with information from the monitoring in order to ensure flexible operation that can be continuously adapted to the actual conditions. Documentation on planning and procedures shall be sufficient to instruct staff, inform stakeholders concerned and justify operational decisions.

8. Principle 8: Monitoring and assessment

The forest owner must be able to demonstrate that monitoring and evaluation in relation to achieving the operational objectives takes place, as well as the consequences of the operation. The effort shall be proportionate to the scale and intensity of the operation and the risks of operation. The purpose is to implement a flexible operation.

9. Principle 9: High conservation values

The forest owner shall maintain and/or promote high conservation values within the forest property by following the precautionary principle.

10. Principle 10: Carrying out operations.

Activities carried out by or for the forest owner on the forest property shall be selected and carried out in accordance with the economic, environmental and social policies and objectives of the forest owner and in accordance with the principles and criteria of the FSC.

## **2.4 Organisation of corporate social responsibility (CSR) in Dencon**

To ensure the quality and development of our work with CSR, Dencon has set up a CSR group. The CSR group is composed horizontally across departments and functions and includes 4 people:

The Sales Manager

Production Manager

IT Manager

The Director

The group is led by Dencon's Sales Manager and meets regularly for work and information meetings that ensure development and progression in the tasks as well as strategic further development of sustainability in the furniture industry. During the period covered by the report, the Group focused on:

- To create an overview of the group's many activities
- Mapping of work areas
- Collection and qualification of certifications, standards and policies

To ensure quality and necessary care in the work, the group works on the following management systems:

ISO 9001, ISO 14001

## **2.5 Social responsibility themes and primary stakeholders**

In addition, we see in particular these themes relevant to the CSR work associated with the upgrade of Dencon and the process that comes with it. It is held together with our primary stakeholders and the impact we see in those relationships.

### **Employees:**

The employee group consists primarily of salespeople and production people, but also a larger number of white-collar employees in internal functions such as finance, administration, marketing and various development areas. Here, the CSR themes are that they have experienced a calm and progressive daily life, which has probably affected the working environment. The focus is to improve the working environment at all stages of the organization and reduce near-misses in production.

### **Customers:**

The establishment of Dencon Fyn has affected many of our customers, as they have sensed the reorganisation of people and responsibilities in relation to the old business, but overall they benefit from the fact that Dencon is now a larger business with more competencies and opportunities for them. To them, the themes are that we must continue the development of our circular business models, continue the upskilling of certified and eco-labelled materials and products so that we can offer them higher quality and thus the furniture industry's best range of sustainable solutions.

### **Suppliers:**

Our supplier portfolio is stable. Here are the themes, to maintain an overview and to ensure compliance. In general, we have had a stable portfolio of suppliers. We must strengthen rule compliance, so that we ensure responsible supplier conditions.

### **Locally in Skive:**

We set aside a stable footprint on the city in terms of jobs, tax revenues and thus have a stable role to play in the local community. Here, the themes are to ensure good relations through local engagement and act environmentally soundly so that Dencon protects the environment locally.

## **2.6 Targets for 2020/2021**

- Strengthen CSR compliance and governance
- Strengthen CSR data base
- Continue mapping areas for the CSR Group

## **3. Sustainability in practice**

The following chapters address our principles, actions and forward-looking actions with CSR in the areas: Environment and Climate, Employees, Social Engagement and Partnerships.

## **4. Environment and climate**

Like any other manufacturing company, we recognize that with our furniture manufacturing we emit a significant amount of CO<sub>2</sub>. This has a negative impact on our environment and climate, for which we take responsibility by working both strategically and concretely to develop the business in a sustainable direction. This work supports in particular UN Sustainable Development Goals #12 (#13+#15), where we want to strengthen responsible consumption and production.

### **4.1 Policies and principles for the environment and climate**

We want to be able to measure our turnover in relation to the impact we have on the environment and society - positive as well as negative. At the time of writing, we do not have the data to make the specific calculations, but it is a goal to get to where we can make an actual CO<sub>2</sub> accounting. To ensure environmental responsibility in our procurement and production, we work with quality and environmental management. This ensures that we continue to act properly and responsibly in relation to all our stakeholders; internal as well as external. This is included in our CSR politic and of course includes our customers, suppliers, employees, owners, authorities, the environment and the surrounding community. We continuously work to improve our management system so that we can be continuously certified according to internationally recognized standards.

#### **Our head office in Skive is certified in:**

Environmental Management (ISO 14001)

FSC

Ecolabel

Meets Danish environmental and health and safety legislation  
and international standards in the field.

### **4.2 CHALLENGES AND RISK ASSESSMENT**

The primary risks to the climate and environment associated with furniture production relate to the extraction and processing of raw materials for components and products and are therefore found in the



supply chain. The most commonly used materials in furniture production are wood, metal and textiles, which is why an environmental impact assessment associated with the extraction and production of these materials is relevant. In relation to wood, deforestation without the possibility of restoration poses the greatest environmental and climate risk, as this can lead to the destruction of biodiversity and ecosystems, the relocation of local communities and contribute to global warming. In the extraction and processing of metals, the main climate and environmental risks of mining are found, where high water and energy consumption and air pollution are particularly problematic. When machining metal, the main risks are found in surface treatment, where galvanization, lacquering and painting can emit harmful substances to the environment and working environment. Textiles can be divided into natural (cotton, wool, etc.) and synthetic (polyester, nylon, etc.) where the environmental impact is different depending on the textile concerned. For example, the effect of cotton production is about high water consumption and the use of fertilizers, pesticides and dyes, which can result in drying out lakes and bodies of water, water pollution and dangerous working conditions due to the use of chemicals. In the production of synthetic textiles, the environmental impact is about high energy consumption in the extraction of crude oil for the production of polyester, where this energy often comes from burning fossil fuels. In addition, there is the same use of colouring matters in the processing of textiles, which here too can result in water pollution and dangerous working conditions.

### **4.3 Actions - Responsible Production**

At Dencon, we work systematically with quality, the environment and climate. The work is based on the restrictive Danish environmental regulations and applies everything from phasing out dangerous chemistry in production to replacing the fluorescent lamps in the lighting to the most environmentally friendly alternative. Among other things, we focus on reducing the main environmental and occupational safety and health impacts, preventing pollution and making the best use of raw materials, excipients and energy. Wood is the company's primary resource in production, therefore it is also our focus to reduce environmental impact in this area. We do this primarily by purchasing FSC-certified wood, as this ensures that no more wood is felled than the forest can reproduce, while at the same time also providing a guarantee that the forest animals and plant life will be protected. For further processing of wood, heat, pressure and binders are used, which is why the energy consumption and chemistry used are the focus of this process. Among other things, we focus on reducing the amount of formaldehyde in binders and ensuring proper working conditions for the employees involved. Dencon also keeps up to date with ECHA's "REACH candidate list for particularly problematic substances" and periodically reviews all chemical products used. The chemistry we use in production has also been selected according to the mantra of minimum pollution in the environmental and working environment. The best thing we can do in metal conditions is to work towards our suppliers living up to the environmental requirements of Ecolabel to ensure the least possible environmental impact. Here, the list of approved metal products is constantly being expanded. Our approval work has resulted in 2/3 of our purchased metal products at the end of the reporting period coming from suppliers, where we are engaged in an Ecolabel labeling of all or part of the products they supply to us. The list of approved metal products is constantly being extended. In the furniture industry, we work especially with the strategy of slowing, as the environmental impact of furniture is greatest in production (80-90% of CO<sub>2</sub> emissions in the life cycle of furniture). It is estimated that in the European furniture industry, 10 million tonnes of furniture are disposed of each year, of which 80-90% are sent for incineration or landfill, while only about 10% are recycled and very few furniture is refurbished or recycled. We see great potential in reusing and recycling furniture in Europe, and we in Dencon want to lead this transition. Therefore, Dencon actively works with circular economic models.

Several years ago, we have chosen to secure our furniture for future changes by making the flex frame construction generic.

OEKO-TEX is the world's leading textile health label – more common than other similar labels and can cover all aspects of production. OEKO-TEX is our guarantee of safe production.

#### **4.4. Circular economy - what and how**

Many companies have built their business model around selling a product, and when it breaks or the customer throws out the product, the company can sell a new device to the customer. In response, the circular economy has emerged, where resources and products must remain in orbit, thus creating a use-and-use-again culture. A circular economy basically consists of three different resource-flow strategies, which together can support a transition to a circular economy.

1. Narrowing circuits is about traditional resource efficiency, and thus using fewer resources in the production and consumption of the product.
2. By extending the life of products and materials, the flow of resources can be slowed down, thereby avoiding new production. This is done through repair, reuse and refurbishment, and/or using service models that extend or intensify the use phase of the product.
3. Traditional recycling where materials are recycled when the product has served its life. Here, for example, metal is melted down to be included in new production.

#### **4.5 ACTIONS - CIRCULAR ECONOMY**

Our work with circular economy in Dencon is reflected in several different parts of our business, elaborated below.

##### **4.5.1 HIGH QUALITY FURNITURE**

As part of our work with quality management, (ISO 9001), we focus on continuously implementing quality improvements so that all our products and services continuously meet the quality requirements of the market in order to take the leading position in the market segment we serve. This focus on high quality products is supportive of a circular economy, as high quality often results in long service life.

**To this end, Dencon has worked with the following:**

##### **Employee involvement:**

We have made it easy for employees to report their ideas for improvement through weekly board meetings and in the management system.

##### **Digitization:**

Well-implemented IT systems that support our processes help reduce the risk of errors, thereby ensuring customers that orders are delivered in the right quality and quantity as well as at the right time.

##### **New technologies:**

SE-Connect: Maps use, movement, experience and flow in space, and we can thus find out how space is being utilized. This allows us to optimize space utilization, support workflows and processes, and improve the user experience in the room.

#### **4.5.2 Circular furniture**

As the environmental impact is greatest in the production of furniture, it makes perfect environmental sense to extend the life of the furniture and thus postpone or avoid the production of new furniture. To promote longevity, repair, recycling, refurbishment and recycling of furniture, Dencon works with circular design. We work with our frame system for sit-stand tables, which can make mounting sit-stand tables simple and flexible. We are developing a tool to support circular design of furniture, which can also be used to assess our existing product portfolio in relation to circular principles. The tool should help to assess the circularity of products in a transparent, transparent and easily usable way. We want to create design guides that can help standardize circular economy in the furniture industry and make it easy and transparent to work with circular economy.

#### **4.5.3 Used furniture**

As part of our business concept, we have partnered with JK Office, where we offer our customers to dispose of their used furniture in a sustainable way. This includes acquisitions, resales, donation to charity, rental of furniture and environmentally friendly recycling by fragmentation.

##### **Resale:**

The big challenge of systematic recycling is to ensure that the end-of-life products come back into circulation when consumers have finished using them. This is called a take-back system and here the challenge is often that the return logistics cost more than the acquisition of new materials. With Dencon Revital we have introduced a take-backsystem where we offer our customers to buy their furniture for a fair fee. The furniture is resold through our webshop. Often furniture is resold directly, other times it requires refurbishment and repairs before the furniture is again of high enough quality to be sold. The sale of recycled furniture gives the furniture a longer lifespan. This means that the customer's furniture needs now do not have to be met by new furniture, where nature pays the price for production. In this way, our business concept demonstrates a socially responsible and sustainable approach to consumption and production. When disposing of furniture for large companies, we always make an environmental report in which we document which furniture was donated, recipients of the furniture, how much was discarded, as well as links to mention of the donation in the media.

##### **Donation:**

However, it is far from all customers' used furniture that can be resold. To do so, we have established a donation network in Denmark that schools, institutions and NGOs can join free of charge. Furniture that would otherwise have been thrown out is now being given to charity. When we donate furniture away instead of throwing them out, we benefit the environment by reducing the production of new furniture, thereby saving resources, energy and environmental impact.

##### **Environmentally friendly disposal:**

Discarding and disposing of furniture is a last resort, which is why JK Office always tries resale, refurbishment or donation first. If furniture and furniture are collected, which no longer have utility value,

it is sorted according to the Danish environmental authorities' rules, and environmental taxes are of course paid on incineration. This ensures that all discarding takes place in the most sustainable way.

#### **4.5.4 RENTAL OF FURNITURE**

In the year 2021, Dencon will launch an initiative to rent furniture, thus incorporating the circular economic model "product as a service". Through rental solutions, we now offer furniture as a service during the period the customer needs the furniture, after which we take them back and can use them again – and again. This is a crucial step towards limiting unnecessary production, as the furniture's return to the company provides a financial incentive for furniture manufacturers to design high-quality products suitable for recycling. The customers' advantage is a very limited liquidity tie-up and the maintenance service we offer. Rental solutions in the furniture industry are a relatively new idea for consumers, and we therefore see that more customers need to get used to the idea before they can see the economic and environmental benefits. We see great potential in this mindset and expect a positive development in the market over the next few years.

#### **4.6 Targets for 2020/2021**

We have been working with circular economy and sustainability for several years, and our goal in the future is to tighten up the projects we already work with and experiment more, so we look at e.g. that raw materials and product development are sustainable going forward, and that more of our furniture can be recycled and separated properly. We therefore have many plans for our work on circular economy and sustainability:

##### **Energy audit:**

A review of the energy consumption of buildings, process plants, production and transport, which can form the basis for optimizing the energy economy. The result creates a baseline for our energy consumption, so we can make concrete plans and KPIs for optimizing and reducing energy consumption.

##### **Get the different data and data systems mapped:**

- Create a one-way registration in a single system · Be able to assess environmental and resource risks and potentials for development.
- Possibility of making an actual CO2 account in the long term.
- Basis for making KPIs going forward.

##### **Expand the range of Ecolabel and FSC-branded products:**

With such a comprehensive product portfolio, it's more of a marathon than a sprint-but Dencon believes it's an important message for the industry to continue to be a leader in environmentally friendly manufacturing. Through its work with Ecolabel, Dencon also influences our suppliers to act more environmentally soundly, as new products are evaluated against Ecolabel's criteria so that these are ready for certification.

##### **FSC certified wood:**

In addition to this, it is the ambition to ensure that we use 100% FSC certified wood at Dencon from 1/5 2020.

**Environment and social impact:**

- By 2025, we must be able to make an inventory of our climate impact, including the CO2 associated with Dencon's work.
- We must be able to measure our turnover in relation to the impact we have on the environment and society, positive as well as negative.
- Our economic performance must therefore be equated with our positive and negative impact on society and the environment.
- We will also learn more about the impact our business and solutions have on the people who produce, handle and use our products according to UN Sustainable Development Goal #12.

**Circular furniture:**

- We will continue our work to develop furniture design with alternative materials to reduce the use of new raw materials in collaboration with suppliers and other stakeholders. Below we will examine how our own and customers' residual materials can be used in the production of new furniture.
- We will make a proposal for a standardized circular design guide for furniture, so that it becomes transparent across the industry to assess circularity.

**Waste:**

- In order to reduce the amount of waste and increase the amount recycled, waste streams and quantities must be mapped, after which concrete targets can be set for individual fractions.
- Overall, we want to reduce the combustible fraction, eliminate landfill and increase recycling, and the first step in the journey is to establish baseline measurements to assess relevant actions. Our first focus area in this process is wood in 2020-2021 as it is one of the largest fractions in Dencon.
- To reduce the amount of waste, we are also working to develop furniture of residual material.

**Donation Network:**

We are expanding our donation network to include Norway, with which we can strengthen the circular part of the business outside the borders of Denmark.

**5. Employees**

In Dencon, we create "Space", and this does not only apply to our customers. It is fundamental value for the company to protect our employees and create good and developing working conditions for them. This applies to everything from balancing the gender composition of workplaces to reducing near-misses in production.

**5.1 Policies and principles for employees**

To ensure due diligence, Dencon has a number of policies in the area of employees. This requires us to work systematically with the working environment. We live and respect the ILO Declaration on Fundamental Principles and Rights at Work, which is part of the UN Global Compact and we have a Quality and Environment and Working Environment Policy. We have an internal policy for employees and gifts, to avoid bribery and corruption. The policy does not allow employees to accept or give gifts if it may affect

their or the gift recipient's decision-making. In addition, we have a "Code of Conduct" – a code of conduct that ensures ethical and sound action in relation to all stakeholders. The Code covers all employees of Dencon. It is the individual manager's job to ensure that the content of Dencon's "Code of Conduct" is known and complied with within his or her area of responsibility, and at the same time to be an example to compliance. Non-compliance with the document's policies, rules and practices may have consequences for the employment relationship.

## 5.2 Challenges and risk assessment

There are some changes to be prepared.

## 5.3 Actions for employees

We have a staff association that all employees are a part of. Dencon pays 70% of the cost. The association stands for social events that can contribute to a good community and thus be part of a solid working environment. Dencon's work on maintenance and improvement of the working environment is driven by the Working Environment Committee, which holds safety rounds, risk assessments, well-being measurements, etc. Corruption is managed in accounting terms, where we have attachments on all expenses and costs. At the same time, a personnel policy against offensive acts has been under way. It must help ensure a safe working environment where there is clarity about boundaries and what good colleague behaviour is. This policy also aims to be finalized in the period 2020-2021. For us, responsible consumption and production is about people as well as materials and production. Therefore, we focus on improving the working environment and on creating the best conditions in general for our employees. On the production side, as a preventive strategy, we have had an increased focus on the registration of near-misses, which should hopefully be able to result in a reduction in accidents at work.

År	Ulykker	Nær-ul.
2016-2017	0	0
2017-2018	0	0
2018-2019	0	0
2019-2020	1	0

## 5.4 Gender composition

Dencon works purposefully to increase the number of female employees, and in recent years has increased the number of women. At the end of the period there were 60 employees, 40 of which were men and 20 were women. This gives a percentage distribution of 67% men and 33% women. In order to increase the number of women in the workplace, we have an ambition that there should be women at all levels.

## 5.5 Targets for 2020/2021

Continue efforts to provide employees with the necessary training, training and training, as well as the tools necessary to carry out their tasks.

- Continue efforts with ongoing injury prevention and work-related illnesses.
- Have risk assessments carried out in the individual workplaces, after continuous reshuffling over the last year or so, both in production and in the administration's offices
- Continue efforts to reduce accidents at work
- Continue the efforts with the registration of near-misses as a preventive effort

- Continue the work of the Working Environment Committee
- Continue to support the work of the Staff Committee
- Finalize personnel policy counter-offending actions

## **6. Social engagement and partnership**

We believe that cooperation and partnerships are the way forward, both to achieve sustainable development, but also to create the best solutions. In relation to our core product, we also see that solutions for furniture will greatly merge more. Therefore, we focus on collaboration and relationships in our value chain, where we focus on suppliers in particular. As mentioned earlier, we also see partnerships in general as an opportunity to achieve even more ambitious goals than we could alone. Our focus on UN Sustainable Development Goal #17 on Partnerships gives us strategic weight to work broadly with partnerships both nationally and internationally.

### **6.1 Policies and principles of social engagement and partnership**

In order to ensure due diligence, we have a number of policies and principles in this area. We comply with EU legislation in this area. We follow our "Code of Conduct" which ensures we act ethically and responsibly in relation to all stakeholders. We live and respect the ILO Declaration On Fundamental Principles and Rights at Work. We adhere to good practice in accounting, and get external audit audits. We relate to the fact that we shop all over the world and therefore have to make demands on our suppliers, as the conditions with them may be different from those of us in Denmark. The company's focus is on our suppliers signing our Supplier Code of Conduct. In order to ensure the best possible conditions for follow-up and cooperation in the supply chain, we will investigate and decide on a method of systematic follow-up of the value chain. We support and respect the protection of internationally declared human and labour rights and do our part to ensure that we do not contribute to the violation of these rights. As mentioned in the introductory chapter, SDG #17 on Partnerships is a focus for Dencon. We believe that sustainable change requires diverse competences and know-how within different industries. We assume that our dedication to partnerships will contribute to innovative and long-term solutions to the climate and social challenges the world is facing today. Therefore, it is a value for us to seek out new synergies, knowledge parts and explore alternative collaborations across industries and disciplines. It is a principle for Dencon to be socially engaged both locally and abroad. We want to make a positive impression with the stakeholders and areas we work in and with. As the group grows, we also see that our responsibility to ensure sustainable development and social progress is increasing. This means that we are outreach on opportunities to contribute know-how and the concrete resources we have available in the company, usually have contribution focal point in furniture.

### **6.2 Challenges and risk assessments**

The supplier has been accustomed to stability. This will come under change in the coming year.

### **6.3 Actions for partnerships and social engagement**

#### **6.3.1 Supplier compliance with human rights and anti-corruption**

We primarily ensure compliance by requiring our suppliers to comply with applicable national law – the supplier signs this for contractual purposes and breach of this may result in us canceling the contract. In addition, the supplier must answer whether they have ethical and social guidelines as well as pending cases

with the authorities before they can become a supplier to us and several of the suppliers are visited before we establish a collaboration and a visitor form is filled out there to ensure that we do not contribute to child labour, forced labor and the like. At the same time, essential suppliers must sign our Suppliers Code of Conduct (SCOC). Before the merger, we used different methods and systems to track supplier compliance with our policies. That is why we have been examining the range of programs and systems so that we have a common approach going forward. This work needs to be completed in the next reporting period so that we find a system for monitoring our suppliers. Through the FSC certification, our wood-based suppliers pledge that they are not involved – directly or indirectly – in: Illegal harvesting or trafficking of illegal timber and timber products. Breaches of traditional rights and human rights in the forestry industry. Destruction of high conservation values in the forest industry. Significant transformation of forest into plantations or non-forestry. Introduction of genetically modified organisms into forestry. Breach of some of the ILO Conventions defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1998.

### **6.3.2 KNOWLEDGE SHARING**

Knowledge is a crucial parameter in the development of new and sustainable solutions. Therefore, we cooperate widely and offer internship collaboration with various educational institutions.

### **6.3.3 Sustainable business**

We want to be involved in the debate on sustainability, circular economy and corporate social responsibility and based on our own knowledge of circularity and sustainability, we have a great desire to also inspire and contribute to other people's knowledge of the area.

### **6.3.4 Cross-border cooperation**

#### **-Events at Interior Post.**

Dencon annually run events at Interior Post, a recurring hub for furniture industry players. We believe that it makes us wiser about trends, processes and product and concept development and at the same time we want to contribute to our partners in the industry getting the same opportunities.

#### **- With customers about Ecolabel:**

Dencon is happy to work with our customers to develop new and sustainable solutions tailored to the customer's needs.

## **7. About the report and its data**

In this part of the report, relevant data and factual facts from the contents of the report are elaborated.

### **7.1 Period of the report**

The report reports from the period 1 May 2019 to 30 April 2020. That is, goals and future bets relate to the next financial year period, which will go from May 1, 2020 to April 30, 2021.

### **7.2 Period and calculation of waste management**

This applies to fractions registered as corrugated cardboard and cardboard collected in the category cardboard, and registered as combustible and large combustible, which are assembled in the category combustible.



### **7.3 Facts about Furnitree**

#### **Calculation of CO2 emissions for a workplace:**

In 2011, the British Furniture Industry Research Association (FIRA) published a report calculating average CO2 emissions for the production of a range of furniture, including office chairs, storage furniture and desks. This report and its calculations are used as a basis for estimating CO2 emissions associated with the production of an office workplace (desk, chair, storage furniture) for a single employee. It will always be an estimate, as we cannot know for sure everything about production, transport, etc., but we believe that an estimate is better than nothing. It is therefore estimated that a new office workplace for a single employee costs somewhere between 150-250 kg of CO2 to produce. Professor Palle Madsen from the Forest School of the University of Copenhagen has calculated that one and a half beech trees will be able to neutralize 150 kg of CO2 in 30 years. Therefore, within 30 years, five trees can neutralize about 500 kg of CO2, which is the number we calculate per workplace, when customers want to buy CO2 compensation for their purchase of workplaces.

#### **7.4 Note on the date of the report**

Therefore, we have chosen to include only the data that involves Dencon as a company, which in some thematic areas gives a weak picture of the CSR work. It is a goal for the next period to have data mapped on the "new" company, so that we have a solid data base for the future to build the CSR work around.

#### **7.5 Data on purchased metal goods**

Based on our total purchases of metal goods, xx % of suppliers are approved by Ecolabel against the xx % of our purchased metal goods that are not. The data has been drawn from 1/5 2019 to 30/4 2020.

#### **7.6 Certificates**

Our certificates can be found on our web-page: [dencon.dk](http://dencon.dk)