



ESG

Report 2024 FunNordic

Release: 1st of April 2025

Management report



Dear Reader,

2024 marks an important and proud step for Fun Nordic as we publish our first ESG report. This report reflects our commitment to integrating sustainability, social responsibility, and good governance into our business strategy while embodying our core values of credibility and transparency towards customers and partners.

The creation of this report is not driven by legislative requirements but rather by a voluntary strategic decision. We believe in the importance of being aware of the impacts our company has on the environment, our employees, and our partners. From 2024, our focus on ESG has therefore increased, and we continuously strive to improve our data collection and reporting structures. As a company at the beginning of its journey towards greater sustainability and social responsibility, we are aware that challenges and ongoing work will persist after the publication of this report. This first ESG report is only the beginning of our long-term efforts, and we are committed to continuing to develop and improve our approaches in years to come.

We are simultaneously experiencing a demand for our ESG parameters in the market and among customers who have also undertaken the sustainability agenda. We always meet this demand, and with this report, we can address it on a more general level. We also hope that this report can inspire other companies to take their first ESG steps!

With this report, we explore our own interest in understanding how we impact our surroundings – both in terms of the environment, social conditions, and corporate behaviour. It will provide us with an identification of where our efforts make a difference and where our development potentials lie. We have been looking forward to presenting our report and hope that the reader's interest in our ESG activities is satisfied through it. Enjoy your reading!

Christian Leisner, Jan Hamann and Christian Ejlskov
The Board of Director

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Basis for preparation



This ESG report has been prepared according to the Basic Module of the voluntary SME standard for sustainability reporting, "EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME)", from December 2024. This report is Fun Nordics' first report on ESG parameters, hence figures from previous years are not included in this report. In accordance with the VSME, the report strives to present the company's ESG results in the most relevant, faithful, comparable, understandable, and verifiable manner possible.

The ESG report contains omissions due to classified or sensitive business information on the following disclosure points:

- Revenue
- Balance sheet total

The omissions are justified by the VSME itself. The omission of revenue means that Fun Nordic's actual CO₂e intensity cannot be measured. Instead, we have chosen to use the number of employees to calculate a measure of our CO₂e intensity, which can be used year-on-year to compare Fun Nordic's emissions. Therefore, the CO₂e intensity in this report is based on the average number of employees (FTEs) in 2024.

The report is prepared on an individual basis. This means that the report exclusively covers Fun Nordic ApS and not any subsidiaries.

The report is independently prepared by Fun Nordic ApS.

The report and its associated calculations regarding energy consumption and CO₂e emissions are based on the data foundation presented on page 12 of the report. Furthermore, an explanation of the connection between the report and the disclosure points from the Basic Module in the VSME can be found on page 13.

Company information

Company name:	Fun Nordic ApS
Legal form:	Private limited company (ApS)
NACE sector:	G46.4.9 (Wholesale of other household goods)
Number of FTEs (as of 31 st of Dec. 2024):	16,0
Average number of FTEs in 2024:	13,3
Office/showroom:	Rugkobbel 260, 6200 Aabenraa, Denmark, (55.02568, 9.40955)
Warehouse hotel:	Kliplev Erhvervspark 20, 6200 Aabenraa, Denmark, (54.93685, 9.38123)

Practices, policies and initiatives



At Fun Nordic, we work continuously and systematically with ESG across environmental (E), social (S), and governance-related (G) aspects. In addition to the specific efforts described below, we have an iterative approach to responsible business conduct. This means that we constantly evaluate and improve our practices to ensure that we remain relevant and can meet new requirements and expectations from customers and partners while still exploring new business opportunities.

- **Climate Change (E):** At a practical level, we work on measuring CO₂e emissions from products under our own brand Håws, and we have already provided such data to customers (see page 6).
- **Resource Consumption (E):** We strive to minimize the use of plastic in and around our Håws products, use FSC-certified wood, and make efforts to reduce packaging use and volume both for material savings and to transport products more cost- and sustainability-efficiently (see page 8).
- **Circular Economy (E):** We are part of the collective schemes for producer responsibility on electronics, batteries, and packaging (see page 8).
- **Workforce (S):** Our employee handbook serves as a central tool to ensure transparency and clear guidelines for all employees. It contains information about our values, policies, and procedures regarding working conditions, well-being, diversity, and ethical behaviour.
- **ESG Reporting (G):** The core of good governance and corporate behaviour is transparency and accountability. This is precisely the purpose of initiating our ESG reporting from 2024!

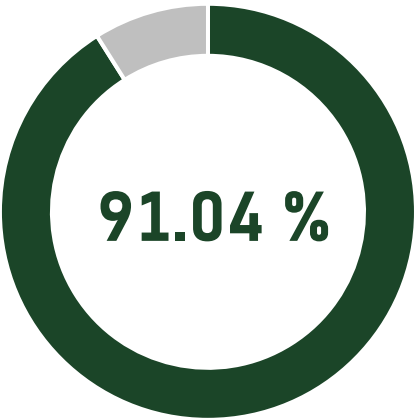
The above elements are our specific and measurable efforts and initiatives, which are mandatory to mention according to the VSME standard. It should be noted, in accordance with VSME requirements, that all initiatives are fundamentally public, but their specific policies and areas of work are private business matters. In the coming years, we aim to improve the above initiatives and set goals for them. Additionally, it is our goal to improve our data collection processes, as this is an important part of ESG reporting.

In addition to the specific efforts, we continuously work with both E, S, and G. Our ESG effort is not static – we consider it a dynamic process where we build on past experiences and adjust our initiatives as our company and the world around us evolve. This ensures that we not only meet current standards but that we are also prepared for future challenges and opportunities.

Energy consumption

Fun Nordic's energy consumption stems exclusively from the use of electricity from the Danish DK1 power grid, district heating from Aabenraa Fjernvarme (Fjernvarme = District heating), and fuel consumed in cars either owned or controlled by the company. It should be noted that Fun Nordic's fleet, now consisting of a total of 3 cars, was switched to either electric or hybrid cars during 2024 – this will result in a reduction in our use of fossil fuels from 2025.

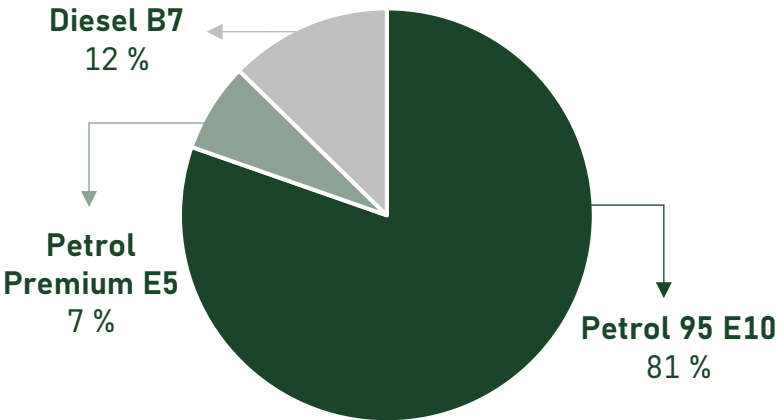
Energy consumption (2024)	Renewable consumption	Non-renewable consumption	Total energy consumption
Electricity	13.12 MWh	1.29 MWh	14.41 MWh
District heating	34.58 MWh	0.01 MWh	34.59 MWh
Fuels	0 MWh	9.48 MWh	9.48 MWh
Total	47.70 MWh	10.78 MWh	58.48 MWh



RE-share
of electricity in Aabenraa Municipality



RE-share
of district heating from Aabenraa Fjernvarme

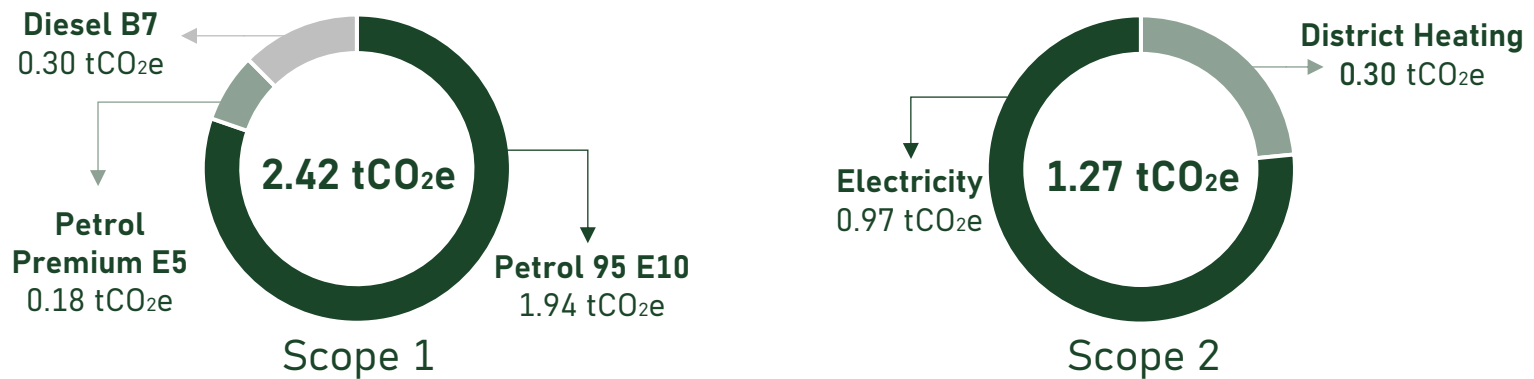


Consumption allocation
of fuels

CO₂e emissions

Fun Nordic's CO₂e emissions from operations are a result of the emission of CO₂e from fuels in the company's three controlled vehicles (Scope 1) and the emissions indirectly associated with the electricity and district heating consumed by the company (Scope 2). Emission factors for fuels are from DCC Energi, while those for location-based Scope 2 are from Aabenraa Fjernvarme and Energinet's Environmental Declaration for Aabenraa Municipality. Due to the high shares of renewable energy in both electricity and district heating in Aabenraa Municipality, the emission factors are relatively low.

As a wholesaler without production or processing of goods, we therefore have limited emissions at the Scope 1 and 2 levels. Although we are not required by the VSME to calculate our climate impacts in the value chain (Scope 3), we acknowledge our impacts in this regard. Therefore, we actively work on CO₂e calculations for products from our own brand Håws (see the fact box to the right).



CO ₂ e overview (2024)	CO ₂ e emissions
Scope 1 – Fuels in vehicles	2.42 tCO ₂ e
Scope 2 – Electricity and district heating	1.27 tCO ₂ e
Total	3.69 tCO ₂ e

Scope 3 efforts

Although we, as an SME, are not required to disclose Scope 3 emissions, we make a special effort at the product level to investigate the "Product Carbon Footprint" for our own brand Håws.

For some of our products from our own brand Håws, we have already successfully provided such CO₂e profiles to requesting customers, who have only given positive feedback. We see a future competitive advantage in being able to disclose our products' environmental and climate impacts, as well as a societal benefit in reducing them – therefore, we are actively making an effort here!

CO₂e intensity*

0.28 tCO₂e/FTE

*Based on Fun Nordic's average number of FTEs in 2024. The CO₂e intensity differs from a revenue-based intensity for this reason but can still be used for both internal and external comparison purposes.

Pollution, biodiversity and water



Pollution of air, water and soil

Fun Nordic neither burns, processes, produces, nor manufactures goods, which is why we do not pollute the environment in our operations. Therefore, we are not subject to disclosure requirements to authorities or any forms of environmental management systems.

Biodiversity

Just as it applies to pollution, due to our type of operations, we do not have a direct impact on our surrounding environment. Our rented office in Aabenraa has a total land use of 615 m² (0.06 ha). The plot, which includes the office, is located close to the biodiversity-sensitive Natura 2000 area no. 96. However, the plot only borders the area and does not affect the land use in the area. Our warehouse, located by a logistics partner, has on average used 5000 m² (0.5 ha) during 2024 and is not located in or near biodiversity-sensitive areas.

Sites (2024)	Use of land (m ² / hectares)	Implications with biodiversity-sensitive areas	Biodiversity-sensitive area
Office	615 m ² / 0.06 ha	Near an area	Natura 2000 area no. 96
Warehouse Hotel	5,000 m ² / 0.5 ha	Not near an area	N/A

Water

Fun Nordic's operations use no water for consumption (e.g. production or groundwater drainage purposes). Water is used exclusively for everyday activities such as toilet visits, cleaning, etc. Additionally, the office is located in an area without high water stress, resulting in minimal environmental impact.

Water (2024)	Water withdrawal	Water consumption
Total	27.27 m ³	0 m ³
From locations in areas of high-water stress	0 m ³	0 m ³

Resource use, circular economy and waste

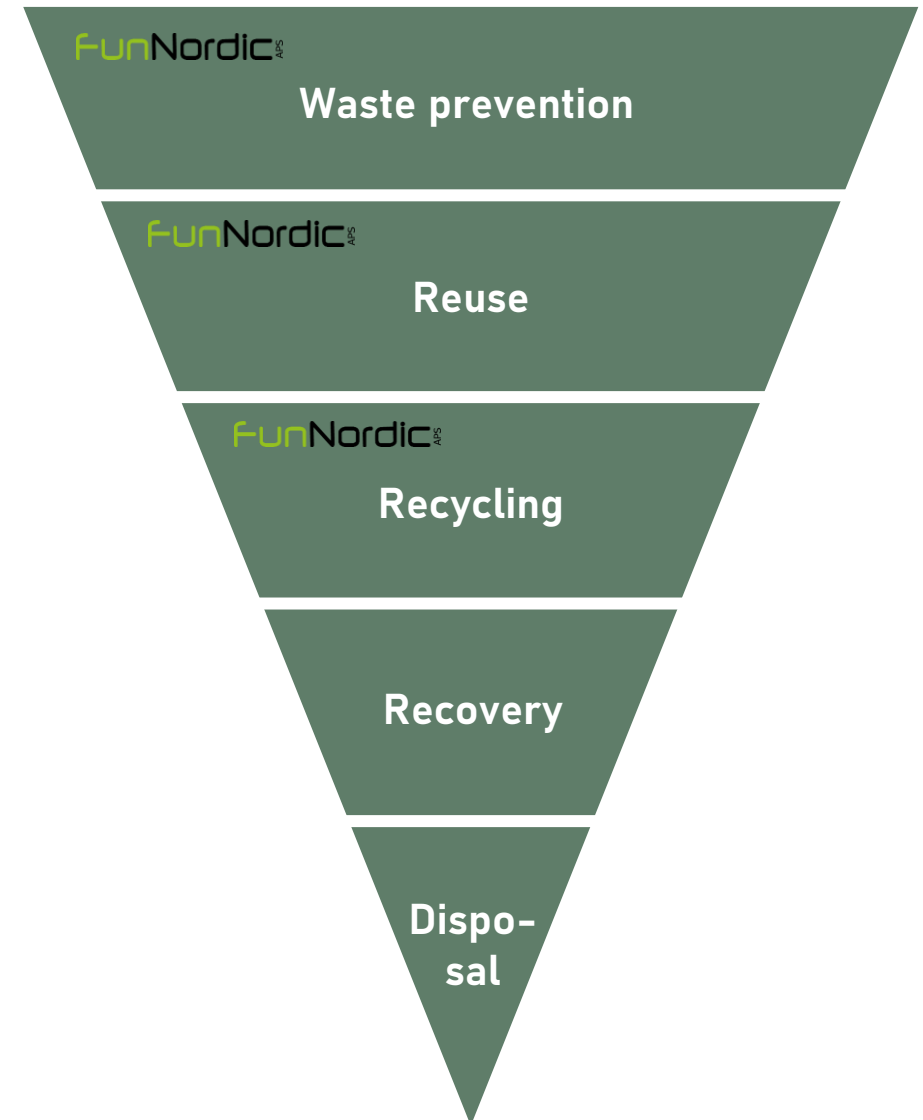
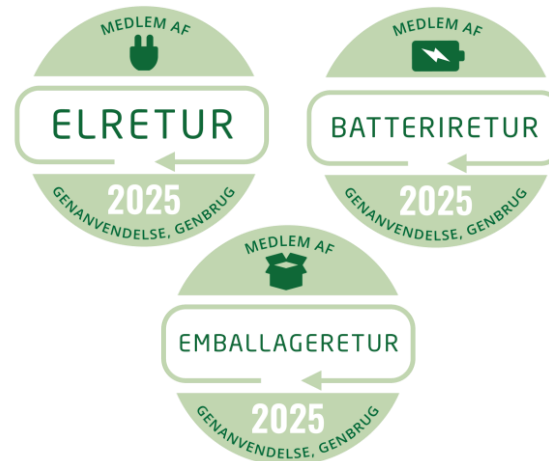
Circular economy and the waste hierarchy

At Fun Nordic, we generally apply principles of the circular economy in our operations and mindset, which involve utilising resources and materials most efficiently and sustainably. We work with the principles in the waste hierarchy with the highest positive impact on the environment: waste prevention, reuse, and recycling. Specifically, regarding circular principles, we work with:

- **Eliminating waste and pollution:** At Fun Nordic, we work to reduce waste and pollution in order to minimize the amount of materials released into the ecosystem. We do this, among other things, through the delivery of our Håws products, where we have worked on and are actively working to reduce packaging consumption on the products – this reduces both packaging consumption (and subsequent waste) and increases the number of items that can be transported per pallet (which reduces CO₂e emissions during transport).
- **Circulating products and materials:** We actively work to improve our Håws products in terms of their raw material content. We strive to use recycled materials in these products, some of which already contain, for example, recycled wood. Additionally, the wood in the products is FSC-certified, which means that the wood comes from well-managed forests and responsible sources.

Waste management

Generally, our operations only produce regular household waste or waste without specific collection agreements or reporting requirements. Therefore, we are not required to disclose waste quantities. Additionally, we have become part of the collective schemes for producer responsibility management regarding electronics, batteries, and packaging. Through these schemes, we are guaranteed legitimate waste streams and reliable ESG data. We look forward to including such data from the collective schemes in our waste management summary in next year's report (for 2025).



Workforce: General characteristics



As of December 31, 2024, our workforce consisted of a total of 16 FTEs, equally divided between men and women. We are a small but flexible and agile organisation, primarily composed of permanent and stable employees. Social inclusion is also important to us – we have one employee in a flexible job and 1 employee on a social exemption scheme, both of whom contribute to a robust organization. Additionally, in 2024, we expanded the organization geographically, so that 1 Swedish employee with a workplace in Sweden is also part of our workforce.

Our organization is characterized by an informal tone and a flat structure, where openness and dialogue are central. We believe that the best way to run a successful business is by creating a work environment where all employees feel heard and valued – regardless of title or seniority. With us, the doors are always open, and it is just as natural for a new hire to spar with management as it is to exchange ideas with colleagues across departments. We have a culture where good ideas and initiatives are valued, no matter who they come from. This means that employees have the freedom and flexibility to take responsibility and actively contribute to the company's development. The informal tone allows us to make decisions quickly, create solutions, and develop as an organization without bureaucratic intermediaries. At the same time, collaboration and helpfulness are a natural part of everyday life – we work as one team, where we lift together and share both challenges and successes.

For our workforce, we also have the following social initiatives to further ensure a balanced and pleasant work environment:

- A flexible approach to home offices and working hours, as we highly value the balance between work and private life for all employees
- Coffee, tea, and soda arrangements as well as shared breakfast every Friday
- Annual company events
- Loan of company trailer
- Opportunity for employee purchases

Employment type	Number of FTEs
Permanent contract	14
Flexible job	1
Social exemption scheme	1
Total	16

Country	Number of FTEs
Denmark	15
Sweden	1
Total	16

Gender	Number of FTEs
Men	8
Women	8
Total	16

Workforce: Health, training and remuneration



Health and safety

As we are a wholesale company that does not have any production of our own, our employees are generally minimally exposed to safety hazards. However, we still maintain a focus on the safety and health of our employees.

Work-related accidents	2024
Number	0
Frequency	0

Work-related fatalities	2024
As a result of work-related injuries	0
As a result of work-related ill health	0

Training and education

At Fun Nordic, we welcome new employees from diverse backgrounds and make an active effort to train new employees in both operational and social contexts.

There is no gender difference in a new employee's start regarding education and training. The training of a new employee is a continuous process that consists of initial meetings, training in the ERP system, side-by-side training, and a starting period with 'on-the-job' training – therefore, the estimate below is based on approximately one week's total sophisticated training.

37 hours

Average time of training of new employees

Remuneration

Our company does not have employees covered by collective agreements, but we naturally ensure that all employees receive a fair and competitive salary that reflects their skills, experience, and responsibilities, taking our geographical location into account. Our remuneration structure is based on market conditions and mutual understanding between the company and the employees.

Governance overview



Governance principles

Integrity, credibility, governance, and ethical business conduct are of great importance to Fun Nordic to create trust in the company for both customers and suppliers. Furthermore, strong governance enhances the oversight and management of our impacts and efforts regarding the environment and social responsibility. We have a competent management team with long tenure and experience in our industry and a board that iteratively works to improve the company's governance principles:

- **Control mechanisms:** At Fun Nordic, we have implemented an employee handbook, available to all employees, which describes the expected behaviour mutually between the individual employee and the company, as well as between employees.
- **Risk management:** The board continuously works on assessing business, operational, and strategic risks that may impact the company's behaviour both externally and internally.
- **Supplier management:** Fun Nordic's business model is built around strong, long-lasting, and sustainable supplier partnerships. From time to time, we map our suppliers in relation to various risks.

Governance indicators

Fun Nordic's robust governance structure is reflected through the following top-performing key indicators:

- **Corruption and bribery:** Fun Nordic has neither before nor in 2024 been involved in corruption, bribery, or lawsuits.
- **Credit rating:** Fun Nordic has attained the highest possible credit rating of AAA, which indicates financial stability, credible financial reporting, and the board and management's ability to manage risks and conduct responsible business.

Corruption and bribery

The company has neither in 2024 or before faced charges for corruption or bribery.

0

Number of fines and convictions

0 DKK

Total monetary sum of fines

Credit rating



HIGHEST CREDIT WORTHINESS

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Data foundation



Fuels (energy consumption and Scope 1 CO₂e emissions)

- Available consumption data from April to December, heating values for fuels, and Scope 1 CO₂e emission factors are based on supplier data from DCC Energi.
- The consumption in January to March is pro-rata estimated from the consumption in April to December.
- Fuel densities for diesel (0,830 kg/L) og petrol (0,721 g/L) are also given by DCC Energi.

Fuels	Consumption (April-December 2024)	Pro rata adjusted consumption (2024 total)	Scope 1 CO ₂ e emission factor	Lower heating value	Energy consumption	Scope 1 CO ₂ e emissions
Petrol 95 E10	673 L / 485 kg	896 L / 646 kg	2.17 kg/L	42.6 MJ/kg	27,499 MJ / 7.64 MWh	1.94 tCO ₂ e
Petrol Premium E5	58 L / 42 kg	77 L / 55 kg	2.29 kg/L	43.2 MJ/kg	2,388 MJ / 0.66 MWh	0.18 tCO ₂ e
Diesel B7	90 L / 75 kg	120 L / 100 kg	2.51 kg/L	42.7 MJ/kg	4,258 MJ / 1.18 MWh	0.30 tCO ₂ e
Total	821 L / 602 kg	1.093 L / 801 kg	N/A	N/A	34,145 MJ / 9.48 MWh	2.42 tCO₂e

Electricity (energy consumption and Scope 2 CO₂e emissions)

- The location-based emission factor for Aabenraa Municipality from Energinet's preliminary Environmental Declaration for 2024, using the 200% heat efficiency method, has been applied. The share of renewable energy in electricity in Aabenraa Municipality is also sourced from Energinet's Environmental Declaration (<https://energinet.dk/data-om-energi/data-til-dit-klimaregnskab/lokationsbaseret-deklaration-miljodeklaration/>).

Electricity	Consumption (2024)	RE-share in Aabenraa Municipality (2024)	Renewable consumption (2024)	Non-renewable consumption (2024)	Location-based Scope 2 emission factor	Scope 2 CO ₂ e emissions
Total	14.41 MWh	91.04 %	13.12 MWh	1.29	67.40 kg CO₂e/MWh	0.97 tCO₂e

District heating (energy consumption and Scope 2 CO₂e emissions)

- The location-based emission factor and the share of renewable energy in district heating are sourced from Aabenraa Fjernvarme A.m.b.a.'s District Heating Declaration 2024, which is also based on the 200% heat efficiency method (<https://portal.dfhservice.dk/TempusServa/mainpublic?command=dk.tempusserva.solution.dfhservice.Deklaration&DataID=81384>).

District heating	Consumption (2024)	RE-share at Aabenraa Fjernvarme (2024)	Renewable consumption (2024)	Non-renewable consumption (2024)	Location-based Scope 2 emission factor	Scope 2 CO ₂ e emissions
Total	34.59 MWh	99.97 %	34.58 MWh	0.01 MWh	8.60 kg CO₂e/MWh	0.30 tCO₂e

The Basis Module in the VSME



The Basic Module in the voluntary SME standard for sustainability reporting, "EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME)", from December 2024, contains 11 main disclosure points*. Our ESG report is based on the requirements for these specific disclosure points. Below is an overview of the disclosure points and where they are discussed in the report:

- B1** – Basis for preparation (Page 3)
- B2** – Practices, policies, and initiatives for transitioning towards a more sustainable economy (Page 4)
- B3** – Energy and greenhouse gas emissions (Pages 5 and 6)
- B4** – Pollution of air, water, and soil (Page 7)
- B5** – Biodiversity (Page 7)
- B6** – Water (Page 7)
- B7** – Resource use, circular economy and waste management (Page 8)
- B8** – Workforce: General characteristics (Page 9)
- B9** – Workforce: Health and safety (Page 10)
- B10** – Workforce: Remuneration, collective bargaining and training (Page 10)
- B11** – Convictions and fines for corruption and bribery (Page 11)

*Disclosure points from the latest published VSME standard (December 2024). EU legislation on ESG is currently changing, and it is expected that a 'final version' of the VSME will be published at the end of 2025 or early 2026. We continuously monitor such developments and adjust our future reporting to any changes in the standard.

Thanks for reading!

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