



2023

Sustainability Report



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About the report

This report provides an overview of our activities and covers Lyngsoe Systems Group including all subsidiaries, unless otherwise noted.

Together with the Lyngsoe Systems Annual Report, our Sustainability Report ensures compliance with the requirements of Section 99a of the Danish Financial Statements Act on corporate social responsibility.

The data in this report covers the period between 1 January and 31 December 2023, unless otherwise noted. The report groups topics relevant to our stakeholders into four main areas: introduction, environmental impact, social impact, and our governance. The basis for relevant calculation methodologies and data limitations are explained where applicable – see also under 5) Assurance.

We base our reporting on the best available data. Methods and data collection are maturing and improving, which we will continue to development.

For further information or questions regarding the Lyngsoe Systems Sustainability Report, please reach out to us. For further information about sustainability at Lyngsoe Systems, visit [Lyngsoe Systems – Sustainability at Lyngsoe Systems](#).

1. Introduction

- Letter from the Executive Management Team
- 2023 Key Achievements
- About Lyngsoe Systems
- Sustainability Governance & Strategy



Letter from the Executive Management Team

From commitment to action

In the past year, Lyngsoe Systems has made significant strides in advancing our sustainability initiatives. This comprehensive Sustainability Report stands as a testament to our dedication to environmental, social, and governance (ESG) principles. These values are deeply embedded in the fabric of Lyngsoe's DNA.

Key Milestones Achieved in 2023

Double Materiality Assessment (DMA):

We conducted an exhaustive assessment to identify critical sustainability issues that matter most to our stakeholders and business operations. By understanding the material aspects of sustainability, we can focus our efforts where they have the greatest impact.

CO₂ Emission Baseline Calculation:

Establishing a baseline allowed us to

quantify our carbon footprint accurately. Armed with this data, we can strategically target reduction efforts and minimize our environmental impact.

Extensive Sustainability Awareness

Training: Every Lyngsoe employee received comprehensive training to foster a culture of sustainability. By empowering our team with knowledge and awareness, we continue to ensure that sustainability remains at the forefront of our actions.

Updated Supplier Code of Conduct:

We implemented and rolled out an enhanced code of conduct for our suppliers.

Clear ESG Targets for 2024 and

Beyond: Lyngsoe has set ambitious ESG targets, aligning our vision with global sustainability goals. These targets serve as our compass, guiding our actions toward a more sustainable future.

Empowering our customers on their sustainability journey

Our commitment to sustainability doesn't end there. We recognize that true material impact lies in coaching and empowering our customers, mainly due to the fact that our solutions have a very long lifetime. As we move forward, we will continue to provide solutions that directly and indirectly contribute to reducing CO₂ emissions.

For example:

- **Efficiency Improvements:** Our solutions optimize processes, reducing capacity needs and minimizing resource consumption.
- **Fuel Consumption Reduction:** By enhancing logistics and supply chain management, we help our customers operate more efficiently, ultimately lowering fuel usage.
- **Lost Item Prevention:** Our innovative technologies prevent losses, minimizing waste and promoting sustainable practices

Looking ahead to 2024

In the coming year, Lyngsoe Systems has exciting plans related to ESG:

Energy-Efficient Products: We are proud to introduce innovative products that reduce energy consumption by up to 50%.

Diversity, Equity, and Inclusion (DEI): Lyngsoe will implement a comprehensive DEI policy and provide training to foster an inclusive workplace. We believe that diverse perspectives drive innovation and strengthen our organization.

Renewable Energy Transition: We aim to exclusively use renewable energy across all our geographical locations.

Gender Diversity: Welcoming our first female board member.

Customer Solutions for Emission Reduction: Our focus remains on empowering businesses to cut their CO₂ emissions.



From left Lars Caspersen CFO, Michael Vistisen CEO Logistics Solutions, Henrik Kjeldgaard CEO Library Solutions

A call to action

This Sustainability Report provides valuable insights into Lyngsoe Systems' activities, key performance indicators (KPIs), and our future targets. As we continue our ESG journey, we invite you to join us. Together, we can build a more sustainable and responsible future—one where innovation, inclusivity, and environmental stewardship thrive.

2023 Key Achievements

| | | | | |
|---|--|--|--|--|
| Double Materiality Assessment (DMA) conducted | Board of Directors with female representation in 2024 | CO₂ Baseline in place | 11% emissions reduction | NPS: 46 CSAT: 8.4 |
| Risks and opportunities | Diversity, Equity, and inclusion | Climate | Climate | Compliance and customer safety |
| We completed the assessment which supports our ability to prioritize. In other words it helps us in aligning our long-term corporate strategies with the well-being of people and the planet. | In 2023, we made strides to onboard our first female board member. She will formally start from April 2024 | Now we can strategically target reduction efforts and minimize our environmental impact | Since the baseline year 2022, we have reduced CO ₂ e emissions by 11% | We are proud to see our investment in ensuring high customer involvement being reflected in high NPS and CSAT scores, reflecting satisfied customers. |
| Supplier CoC (SCoC) implemented | Employee mental well-being score of 8.2 | Employee motivation score of 7.9 | EcoVadis silver medal | Customer needs deeply integrated in new product development |
| Governance | Employee survey | Employee survey | Sustainability rating | Customer focus |
| We have developed, implemented, and rolled out an enhanced SCoC for our suppliers | Mental well-being on a high score of 8.2 in our 2023 employee survey – out of 10 possible | We are proud to reach an employee motivation score of 7.9/10 in our 2023 employee survey | In 2023 we received an EcoVadis silver medal. We're proud to retain this rating from last year | Empowering our customers on their sustainability journey. It is crucial for us to understand and reflect customer experience and stakeholder relationships in all what we do |

About Lyngsoe Systems

Founded in Aars, Northern Jutland, Denmark, Lyngsoe Systems has a rich history and a global presence. With approximately 250 dedicated employees, we've expanded our reach to include offices in the United States, Canada, the UK, Finland, and Germany. Our commitment to innovation and excellence continues to drive us forward. Today, Lyngsoe Systems operates as two distinct companies:

Library - Empowering libraries with cutting-edge technology, from self-service kiosks to advanced inventory management. Our goal is to transform the modern library experience, making it more efficient and user-friendly. From automated material handling to RFID-based asset tracking, we help businesses achieve frictionless operations.

Logistics - As global front-runners in automation solutions, we optimize logistics processes. We specialize in traceability, automation and data capture, providing hardware and software solutions across the logistics and supply chain, healthcare and postal markets.

Transforming Logistics and Libraries Worldwide

"Lyngsoe Systems provides solutions that can significantly minimize our customers' environmental impact. For instance, by replacing an existing library solution with new solutions that can reduce energy consumption considerably. We also provide logistic optimization solutions that can increase carriers' utilization rates significantly, thereby reducing capacity needs, fuel consumption and CO₂ emissions. All proven solutions give our customers the opportunity to improve their business' sustainability footprint."

- CFO Lyngsoe Systems, Lars Caspersen



DKK 376 m
revenue
DKK 45 m
run rate EBITDA

Founded in
Denmark in
1952

More than
10,000
installations
worldwide

+250
skilled
employees

Customer
Satisfaction
CSAT on 8.4
(on a scale of 1-10)

Installations in
more than
60 Countries

About our companies

Lyngsoe Systems Logistics

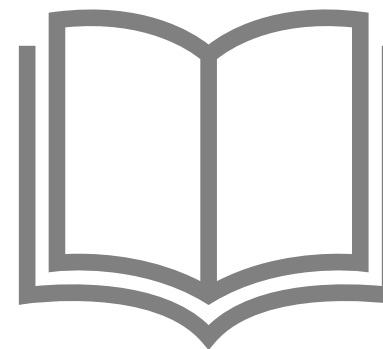
Lyngsoe Systems is a global leader in capturing data and creating transparency in logistical processes. We help our clients improve their asset and equipment utilization, operational efficiencies, and customer experience. We specialize in traceability, automation, and data capture, providing hardware and software solutions across logistical flows within the postal, healthcare, logistics, intralogistics, and transportation markets. We are experts in designing, deploying and maintaining real-time asset and item tracking systems, offering end-to-end solutions that can be easily implemented into all existing processes and IT infrastructure.

Our extensive reach includes the deployment of over 10,000 RFID logistics solution systems globally. With an international footprint that spans continents - North America, Europe, Asia, and beyond - we are

positioned to offer localized support and expertise, ensuring that our tailored solutions are always up to date.

From sourcing to manufacturing, warehousing, and distribution, having control over logistical processes is key to achieving success. Through our dedicated people, knowledge, and partner ecosystem, we offer comprehensive solutions that ensure full transparency, visibility, traceability, and predictability in all logistical operations.

With the delivery of real-time locating systems (RTLS), using a combination of RFID, BLE, barcode, Wi-Fi, GPS, and other technologies, we provide end-to-end solutions for any supply chain or other need a client may have. Our aim is to support growth by enhancing customer satisfaction, reducing costs, and improving quality through streamlined manufacturing, supply chain, and distribution processes.



Lyngsoe Systems Library Solutions

Lyngsoe Systems Library Solutions is devoted to helping libraries gain more resources and time. We support libraries in their vital role within local communities by helping them save crucial time on material handling. We specialize in developing, manufacturing, delivering, and servicing reliable library solutions and are trusted by libraries internationally to provide world-class Automated Material Handling solutions, Self-Service Equipment, and Intelligent Material Management Systems.

Automated Material Handling solutions increase the speed of service and reduce the physical strain from handling materials. Self-Service Equipment makes it possible for patrons to borrow and return books by themselves thereby freeing up staff time. Intelligent Material Management Systems create transparency in the material flow, allowing every item to be tracked, therefore optimizing the collection process.

Through our dedicated people and proven processes, we work closely with our customers to deliver reliable technology that drives efficiency.

Improved material handling releases staff time to engage in the increasingly diverse range of services that libraries provide to stay ever-relevant in an evolving community. We believe in the vital role of libraries to any community and understand the importance of our dedicated people and smart solutions to support the libraries in fulfilling their role.

Our solutions are developed in-house, standards-compliant, practical, affordable, and innovative. We have our own network of engineers and solution experts, as well as trained partners, dedicated to libraries around the world. Our ambition is to always offer a market-leading range of products aligned to our philosophy: "Working for Smarter Libraries."

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Sustainability Governance & Strategy

Advancing sustainability for a better tomorrow.

Empowering customers on their sustainability journey.

In recent years, we've raised our sustainability ambitions and increased our efforts for further positive impact. At Lyngsoe Systems, we strive to create a sustainable impact for all our stakeholders, including customers, shareholders, employees, and the communities we serve. This includes creating social, environmental, and economic value for both short and long-term business success and responsible global development. We work to integrate sustainability into our business model and operations, leveraging it as a source of innovation, efficiency, and growth.

Our commitment extends beyond our own organization. We want to contribute to the improvement of both our own sustainability footprint and that of our customers' businesses through the products and solutions we provide. We are dedicated to reducing our direct and indirect environmental impact, as well as improving areas related to social and governance. In other words, we continue to work to address and improve sustainability internally and externally, for and through our customers, by the inherent sustainability traits of our commercial offerings.

Internal sustainability: Internally, we carry out a range of initiatives within environmental, social, and governance realms to create and build a sustainable impact.

External sustainability: Externally, we aid our customers in realizing their sustainability ambitions. Through our products and solutions, we enable sustainability impact that contributes to creating a positive impact on society and the climate.

Lyngsoe Systems' business plan includes a commitment to sustainability, which requires sustainability to be integrated into processes and decision-making across the company. Oversight and governance of progress towards Lyngsoe Systems sustainability and ESG ambitions are anchored in the Board of Directors and in the top executive management team in the group. As part of its responsibility for execution of the business plan, the sustainability targets are integrated in business processes across the company and progress reported in quarterly business review meetings. See more in chapter "Governance Impact" later in this report.



Lyngsoe Systems wants to be known as
"Empowering customers on their sustainability journey."

Sustainability anchored in our Business Platform

Employees & Partners

- Healthcare plan
- Healthy work culture, supporting a good work-life-balance
- Accessibility
- Cooperation with universities

Environment

- Lyngsoe Systems aims to reduce the environmental impact from own operations to a minimum
- We deliver very durable solutions with a product lifetime of 12-15 years

Security

- Strong focus on IT compliance
- Security Board established
- Continuously monitoring and logging of cyber incidents

Human & Labour Rights

- Solid commitment to employee's physical and mental health and safety
- Strong culture implemented across the organisation

Anti-Corruption

- Being transparent, ethical and trustworthy is the only sustainable option
- Zero tolerance for corruption and bribery
- Strong focus on stakeholder trust and transparency

... combined with solutions' strong ESG value-add

Lyngsoe Systems' solutions assist end-customers in minimising their environmental impact



Lyngsoe Library's AMH solutions reduce energy consumption considerable. IMMS™ solutions are ensuring the clever use of resources

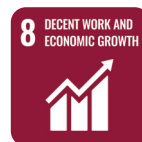
Lyngsoe Logistics' solutions reduce carbon footprint through optimisation of logistics processes and improved asset utilisation

Full transparency in supply chain can validate and ensure that items are compliant across ESG metrics

“Firms that do not invest in traceability will underdeliver on their sustainability ambitions and lag behind in growth and profitability. They also will be more vulnerable to supply chain disruptions and allegations about product safety or provenance”

- World Economic Forum, 2021

Related SDG goals



About Lyngsoe Systems, ESG ratings and frameworks

Lyngsoe Systems adopt and follow standards and guidelines that support the strengthening of our sustainability performance and encourage and provide transparency on progress.



worldfavor

EcoVadis assesses and monitors more than 100,000 global companies' performance and progress on ESG subjects annually and is considered the world's largest provider of business sustainability ratings.

Lyngsoe Systems sustainability assessment in EcoVadis was awarded with silver level in both 2022 and 2023.

We have been a member since 2017.

Since 2016, Worldfavor has been building a platform where companies can easily share and access environmental, social, and governance data.

Worldfavor help more than 30,000 companies worldwide lead the change by accessing insights that help fuel sustainable action and foster positive impact.

We have been using Worldfavor since 2022.



UK Modern Slavery Act

Since 2014, Lyngsoe Systems is affiliated with the UN Global Compact. Aligned to this we work actively on sustainability issues and report on this work to the UN.

At Lyngsoe Systems we marry ourselves to the UN Global Compact's 10 principles, which build on internationally accepted conventions on human rights, labor rights, environment and combating corruption.

accepted conventions on human rights, labor rights, environment and combating corruption.



Our focus is on the following SDGs where we strive to contribute to positive development.



Lyngsoe Systems is certified accordingly to the ISO 9001:2015 standard

Lyngsoe Systems Double Materiality Assessment (DMA)

We conducted a comprehensive double materiality assessment in 2023. Our prioritization of activities based on these findings gives us a competitive advantage, as we remain highly focused on the activities that contribute to our long-term sustainability.

Our assessment is primarily guided by the EU CSRD and the European Sustainability Reporting Standards (ESRS) and related topics. On completion of the double materiality assessment, Lyngsoe Systems started out with a long list of potential material topics which were ba-

sed on multiple external sources. This list, with potential material topics, has been scored via questionnaires from key internal and external stakeholders (e.g. key customers) rating how critical environmental, social and governance (ESG) issues are in relation to Lyngsoe Systems. Finally, the validation of the results has been done in a workshop together with Lyngsoe Systems' management.

The results of the analysis revealed that our stakeholders considered; climate change & adaptation, workforce enga-

gement and development, resource use and sustainable sourcing, energy consumption, and supply chain management to be the most important areas in Lyngsoe Systems' sustainability work. Others included can be found in the following overview.

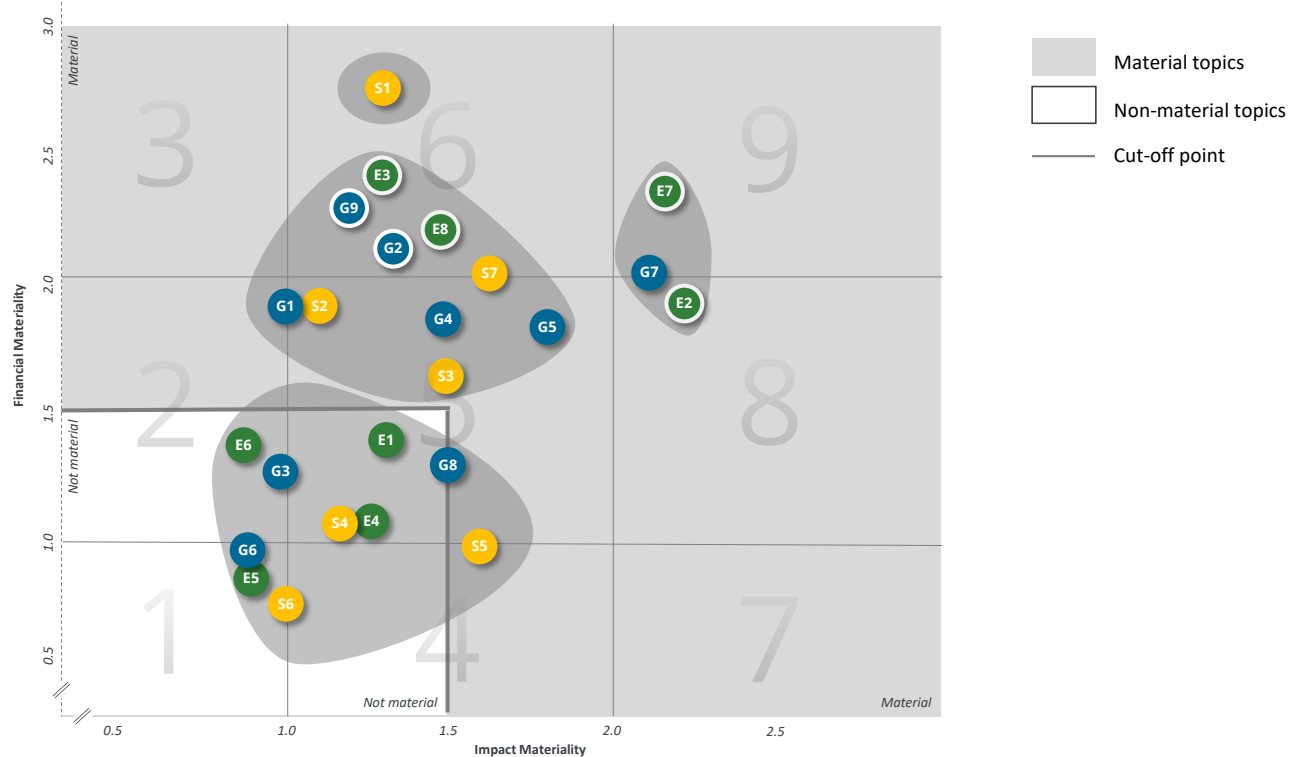
Although 2023 was our first time performing a double materiality assessment, we have already prioritized important activities around several of the highlighted materialities including risks and opportunity assessment. The work will continue during 2024.

Table showing Lyngsoe double materiality assessment.

Although 2023 was our first time performing a double materiality assessment, Lyngsoe Systems has already prioritized important activities around several of the highlighted materialities including risks and opportunity assessment. The work will continue during 2024.

Table showing Lyngsoe double materiality assessment

| | | |
|---|---|----|
| E | Climate change & adaptation | E1 |
| | Energy consumption | E2 |
| | GHG emissions | F3 |
| | Pollution and harmful substances | E4 |
| | Water | E5 |
| | Biodiversity and ecosystems | E6 |
| | Resource use and sustainable sourcing | E7 |
| | Waste | E8 |
| S | Workforce engagement & development | S1 |
| | Employee diversity & inclusion | S2 |
| | Workforce health & safety | S3 |
| | Employee pay & labour rights | S4 |
| | Conditions for workers in the value chain | S5 |
| | Affected communities | S6 |
| | Consumer engagement | S7 |
| G | Corporate governance | G1 |
| | Board/Exec diversity & inclusion | G2 |
| | Risk management | G3 |
| | Integrity, anti-corruption & bribery | G4 |
| | Anti-competitive behaviour | G5 |
| | Political engagement & lobbying | G6 |
| | Supply chain management | G7 |
| | Product quality and safety | G8 |
| | Customer and data privacy | G9 |



Sustainability data and reporting

Comprehensive and accurate data on sustainability efforts enable Lyngsoe Systems to monitor progress and identify opportunities for improvement. Timely and accurate ESG data is an essential foundation for balancing financial and ESG impacts in our business decisions.

Lyngsoe Systems strives to continuously improve data quality. Most of our KPIs have obtained reasonable assurance which you can see in the following tables.

Lyngsoe Systems is using Worldfavor for consolidation of the group ESG data which enables annual and quarterly group reporting. See more about this in our Governance impact chapter.

Sustainability performance overview

| General Data | Unit | 2023 | 2022 Baseline | Ambition, Progress on target and other Comments | Assurance level 2023 data |
|--|---------------------|---------------|------------------|---|------------------------------|
| Number of employees | Headcount | 247 | 239 | | Resonable assurance |
| Number of reporting sites/ operations | Number | 7 | 7 | Operations, sites or locations | Resonable assurance |
| Environmental data | | | | | |
| Total emissions Scope 1, Scope 2 and Scope 3 | t CO ₂ e | 16,570 | 18,614 | | |
| Total emissions Scope 1, Scope 2 (location based) | t CO ₂ e | 202 | 198 | | Resonable assurance |
| Emissions Scope 1 | t CO ₂ e | 72 | 55 | | Resonable assurance |
| Emissions Scope 2 market based | t CO ₂ e | 258 | 298 | Consumption of electricity down 10% but increase on heating. | Resonable assurance |
| Emissions scope 2 - location based | t CO ₂ e | 129 | 144 | Consumption of electricity down 10% but increase on heating. | Resonable assurance |
| Emissions Scope 3 | t CO ₂ e | 16,369 | 18,416 | | |
| 1. Purchased goods and services | t CO ₂ e | 5,721 | 7,489 | Based on direct spend | Limited assurance |
| 2. Capital goods | t CO ₂ e | 141 | 119 | | Limited assurance |
| 3. Fuel-and-energy related | t CO ₂ e | 69 | 73 | | Limited assurance |
| 4. Upstream transportation & distribution | t CO ₂ e | 60 | 79 | | Limited assurance |
| 5. Waste generated in operations | t CO ₂ e | 28 | 13 | Large increase in UK | Limited assurance |
| 6. Business travel | t CO ₂ e | 653 | 746 | Source from travel agents' reported data | Resonable assurance |
| 7. Employee commuting | t CO ₂ e | 578 | 561 | Based on ave. FTE per location and calculated emission factors | Limited assurance |
| 9. Downstream transportation | t CO ₂ e | 1,061 | 1,155 | Based on spend cost | Limited assurance |
| 11. Use of sold products | t CO ₂ e | 8,036 | 8,159 | | Limited assurance |
| 12. End-off-life treatment of sold products | t CO ₂ e | 22 | 22 | | Limited assurance |
| Total Energy consumption (scope 2) | | | | | Limited assurance |
| National energy mix | MWh | 416,710 | 472,796 | | Resonable assurance |
| District heating and cooling consumption | MWh | 670,254 | 653,709 | | Resonable assurance |
| Total renewable energy | MWh | | | Start to purchase in 2024. Targeting 75% of our electricity usage will be with renewable electricity by 2026. | |

Sustainability Data and Reporting

| General Data | Unit | 2023 | 2022 Baseline | Ambition, Progress on target and other Comments | Assurance level 2023 data |
|---|--------|------|---------------|---|---------------------------|
| Social data | | | | | |
| Gender representation | | | | | |
| Number of female employees | Number | 37 | 40 | | Resonable assurance |
| Proportion of female employees | % | 15% | 17% | We aim for 25% female representation in LS in 2030 | Resonable assurance |
| Middle Management | | | | | |
| Number of female employees | Number | 6 | | | Resonable assurance |
| Proportion of female employees | % | 14% | | We aim for having a 30% female employees in Middle Management by 2030 | Resonable assurance |
| Employee training - extra on mandatory policies | | | | | |
| Employees who have undergone training | Number | 250 | | Minimum 1 training sessions by year | Resonable assurance |
| Report/ incidents of misconducts or discrimination | Number | 0 | 0 | SDG 16 | Resonable assurance |
| Work-related injuries | | | | | |
| Total number of recordable work-related injuries | Number | 0 | 0 | All injuries. We aim for 0 occations | Resonable assurance |
| Cases of recordable work-related ill health | Number | 0 | 0 | Due to injury. We aim for 0 occations | Resonable assurance |
| Number of days lost to injury, accidents or illness | Number | 0 | 0 | Due to injury, or accidents. We aim for 0 occations | Resonable assurance |
| Employee Motivation and Satisfaction | | | | Scores from Employee survey (every quarter) | |
| Employee engagement score (out of 10) | Score | 7.9 | 8.0 | We aim to reach a score on 8 in 2024. Supporting SDG 3. | Resonable assurance |
| Mental wellbeing: | Score | 8.2 | 8.2 | We aim to reach a score on minimum 8,1 in 2024. | Resonable assurance |
| DEI (Employee Equity & Inclusion) | | | | We aim for implementing DEI policy in 2024 incl. mandatory training | |
| Customer Surveys | | | | | |
| CSAT | Score | 8.4 | 8.4 | Customer Satisfaction Score/ Owerall satisfaction - score range from 1-10 | Resonable assurance |
| NPS | Score | 46 | 49 | Net Promotor Score - score range from -100 to +100 | Resonable assurance |

Sustainability Data and Reporting

| General Data | Unit | 2023 | 2022 Baseline | Ambition, Progress on target and other Comments | Assurance level 2023 data |
|--|--------|--------|---------------|--|---------------------------|
| Governance data | | | | | |
| EcoVadis rating | Rate | Silver | Silver | | Resonable assurance |
| Board of Directors | | | | | |
| Number of females | Number | 0 | 0 | The first female board member to join in 2024 | Resonable assurance |
| Proportion of female employees | % | 0 | 0 | We aim for 40% female representation in LS in 2025 | Resonable assurance |
| Violations on the UN Global Compact principles or the OECD Guidelines | Number | 0 | 0 | | Resonable assurance |
| Code of Conduct (CoC) | | | | | Resonable assurance |
| CoC training for all employees | % | 100% | | Including topics on Integrity, anticorruption & bribery | Resonable assurance |
| Supplier CoC (SCoC) accepted and signed | % | 80% | | We aim to increase the total number of suppliers committing to our SCoC on a running basis. SCoC was updated during 2023 and suppliers representing 80% of spent in 2023 have all signed | Resonable assurance |
| Anti corruption | | | | | |
| Total number of confirmed incidents of corruption | Number | 0 | 0 | | Resonable assurance |
| Number of public legal cases regarding corruption | Number | 0 | 0 | | Resonable assurance |
| Whistleblower | | | | | |
| Number of whistleblower cases | Number | 1 | | submitted through external whistleblower-function | Resonable assurance |
| Whistleblower cases resolved | Number | 1 | | | Resonable assurance |
| Policies in place | | | | | |
| Code of Conduct (CoC) | | Yes | | Updated 2023 | Resonable assurance |
| Supplier CoC | | Yes | | Updated 2023 | Resonable assurance |
| Follows a anti-corruption and bribery policy | | Yes | | This is part of Code of Conduct | Resonable assurance |
| Whistleblower policy & external process | | Yes | | To report breaches of the Code of Conduct or other misconducts | Resonable assurance |
| Travel and meeting policy | | | | Implementation in 2024. To motivate for minimizing our travel emissions by using more online meeting facilities when possible | Resonable assurance |
| Health and safety policy | | | | Implementation in 2024, Promote good work-life ballance. | Resonable assurance |
| Follows a Diversity, inclusion & equality policy | | | | Implementation in 2024 | Resonable assurance |
| UK Modern Slavery Act | | | | Implementation in 2024 | Resonable assurance |

2. Environmental Impact

- **Climate Action**
- **Leading with sustainable products**

We strive to be aligned with the most up-to-date climate science to be able to track our performance against meaningful and impactful targets. At the same time, we work to develop and produce high-quality products that deliver value to our customers and all our other stakeholders.



Climate Action

Lyngsoe Systems acknowledges the importance of reducing our climate footprint and we have defined a list of activities we are pursuing to progress on fewer emissions.

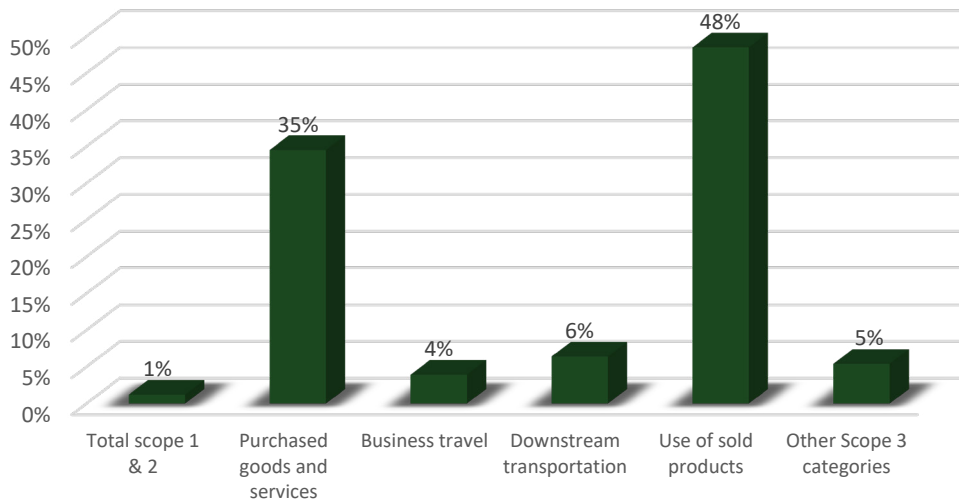
Lyngsoe Systems emissions in scope 1 and 2 cover only 1% of our total greenhouse gas (GHG) emissions, principally stemming from electricity and heating on company locations and the vehicle fleet of cars. Despite the low share of total GHG emissions

Lyngsoe Systems considers scope 1 and 2 emissions material because they stem from operational activities that we can influence directly.

Scope 3 represents 99% of total GHG emissions, principally relating to the use phase of products and to the purchased goods and services category. Consequently, we will focus mainly on these two categories to minimize its scope emissions.

Lyngsoe Systems greenhouse gas emissions

by scope and category
100% in 2023 = 16.570 tCO₂e



The total development of our CO₂e impact in scope 1, 2 and 3 from 2022 to 2023 **was a reduction of 11%**.



Reducing scope 1 and 2 emissions

From 2022 to 2023 we increased our scope 1 and scope 2 GHG location-based emissions with 2%. We actually had a lower electricity consumption but as we had a higher consumption for heating, the overall effect was an increase in the CO₂ impact on 2% from 198 tCO₂e in 2022 to 202 tCO₂e in 2023.

Key energy efficiency measures applied in 2023 include switching to LED lighting. Further internal campaigns to promote additional energy-saving initiatives were executed and will continue in 2024.

Accelerating renewable energy

With the purpose of reducing our GHG emissions, Lyngsoe Systems will as of 2024, establish the use of renewable energy at our different sites around the world. This will enable Lyngsoe Systems to reach 75% consumption via renewable energy by 2026.

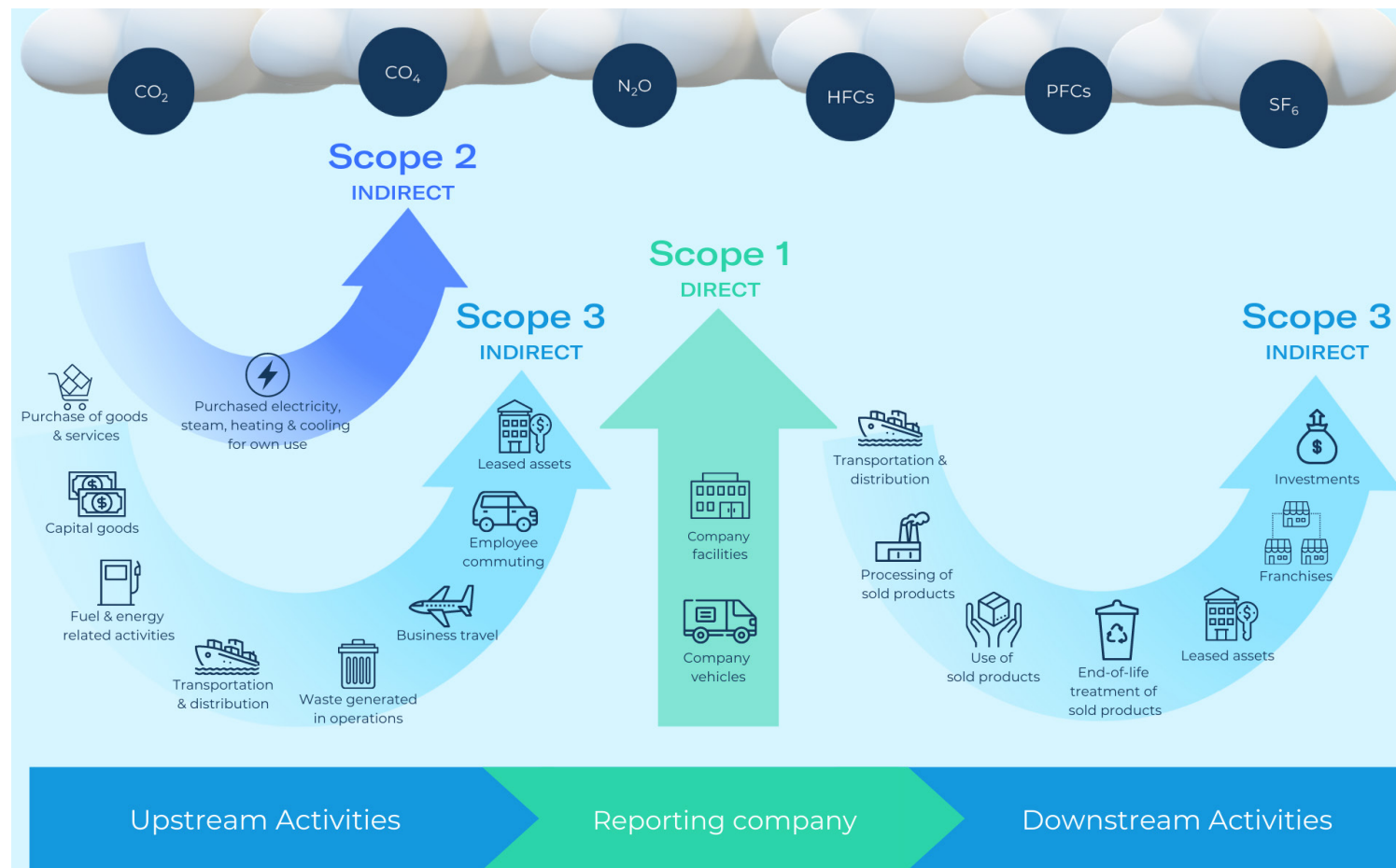
Working smarter

Lyngsoe Systems has been proactive in minimizing the need for physical travel by prioritizing online meetings and remote diagnostics. By leveraging virtual communication channels, we aim to reduce the mileage associated with sending technicians on-site. In line with our commitment to sustainability, Lyngsoe Systems will introduce a new policy in 2024 that emphasizes maximizing the use of virtual meeting opportunities.

Scope 3 emissions

Lyngsoe Systems calculated its 2023 baseline for GHG emissions. For Lyngsoe Systems scope 3 counts for 99% of total GHG emissions. There are two main emissions for Lyngsoe Systems.

Downstream - 48% of the total GHG emission is related to the use of sold products.



- Our hardware products have a lifespan of 12-15 years, and even though electricity consumption is low over the product lifetime, the emission is estimated to explain 48% of total Lyngsoe Systems emissions.
- Lyngsoe Systems' journey on the reduction of GHG emissions is therefore a shared journey with our customers as the decarbonization of our value chain will mean a

decarbonization for our customers in their operations. It is very important for Lyngsoe Systems to provide our customers with the most energy-efficient solutions and empower their climate ambitions and actions.

Upstream - 35% of the total emissions stem from purchased goods and services.

- Product related purchases are primarily driven by electronic components, including RFID tags and tag readers. Obtaining more supplier specific data, especially via RFID tags and other electrical components bought from suppliers, will likely improve accuracy, and enable us to lower emissions. Lyngsoe Systems will continue to investigate this topic further during 2024.

Leading with sustainable products



Designing safe, efficient, and durable products grounded in customer-centric innovation is part of Lyngsoe Systems’ DNA. By embedding sustainability into the product development process, Lyngsoe Systems can lead with sustainable products and continue to satisfy our customer base. For Lyngsoe Systems this is connected to our focus for SDG 12. We acknowledge that sustainability, consumption, and production are about promoting resource and energy efficiency with sustainable infrastructure, as well as providing access to basic services, green and decent jobs, resulting in a better quality of life for all.



Spotlight: Lyngsoe Systems’ AMH and IMMS system holds a significant impact potential across ESG dimensions for Sacramento Public Library

Sacramento Public Library is the fourth largest library system in California. The library focuses on early learning, technology, and creation. The library has 273 employees (FTEs) and serves 699,101 library card holders, further emphasizing its significant impact and reach within the Sacramento community.

This case explores how Lyngsoe Systems AMH and IMMS system solution can enable Sacramento Public library to increase the circulation rates, decrease the loss rates, and optimize the transport of books, while also decreasing the risk of injuries and improving the patron experience.

- Sacramento Public Library serves 1.5m residents annually and has 1.1 million annual visits.
- An annual 3.9 million books are in circulation by Sacramento Public Library.

- Sacramento Public Library represents a complex network of 28 library branches in the broader Sacramento region.

At Sacramento Public Library, sustainability is already integrated in their work. Sacramento Public Library has the mission to: “inspire our communities to discover, learn and grow.” The library does this by increasing awareness and usage of library services to meet community needs, effectively manage resources, create positive patron experiences, and engage the community through both online services and physical events. Furthermore, the Library has a large focus on social inclusion, diversity, and equity.

Estimated impact potential of Lyngsoe Systems’ AMH and IMMS;

| | |
|---|---|
| Estimated 66% reduction in average sorting time | By automating the sorting process, the average sorting time can be reduced from 3 days to 1 day. |
| Estimated 13% increase in circulation. | By reducing the sorting time, the books can be circulated up to 13% more, equivalent to being lent out three times more per year, resulting in a total of ~160,000 more books circulated annually. |
| Estimated 100 tonnes avoided CO ₂ e | An increase in circulation reduces the need for new book purchases, resulting in a potential of ~100 tonnes CO ₂ e total avoided Scope 3 emissions over a five-year period. Not counting the emissions avoided due to a decrease in book loss-rate or optimized transportation of items. |

See also [Lyngsoe Systems – Explore our Case Stories](#)

Circular Business

Lyngsoe Systems are constantly striving to embed circularity principles across the lifecycle of our products and reduce waste in our global operations. For Lyngsoe Systems, working across different sectors, retrofitting, and updating outdated equipment is part of our core business areas.



Highlight: Take-Back Solution

The Challenge

When Posten Norway embarked on upgrading their logistics RFID infrastructure, they faced a critical question: What would happen to the more than 500 RFID portals that were being replaced? These portals contained primarily electronic components and plastics materials.

Lyngsoe Systems' Solution

Lyngsoe Systems demonstrated true corporate responsibility by offering a take-back solution. Lyngsoe Systems received back the old RFID portals from Post Norway. We separated

the electronics from the plastic in the portals. This step ensured that valuable materials could be recycled and re-purposed efficiently.

Environmental Impact Averted

By taking responsibility for the portals' end-of-life phase, Lyngsoe Systems and Post Norway together in an Industry Collaboration model avoided environmental waste and ensured that re-useable electronics was re-purposed.

Read more here: [Lyngsoe Systems – Supporting Growth and Securing Quality of Service](#)

Take-back solutions have been practiced for many years, often collaborating with Stena Recycling. The Take-Back activities are dependent on the customer and the project.



3. Social Impact

- People and culture
- Employee health and safety
- Customer health and safety

Respecting human rights is an integral part of the way we do business. We act to create a fair, equal, healthy, safe, and engaging work environment for all employees. This also means a commitment to respecting human rights throughout our value chain.



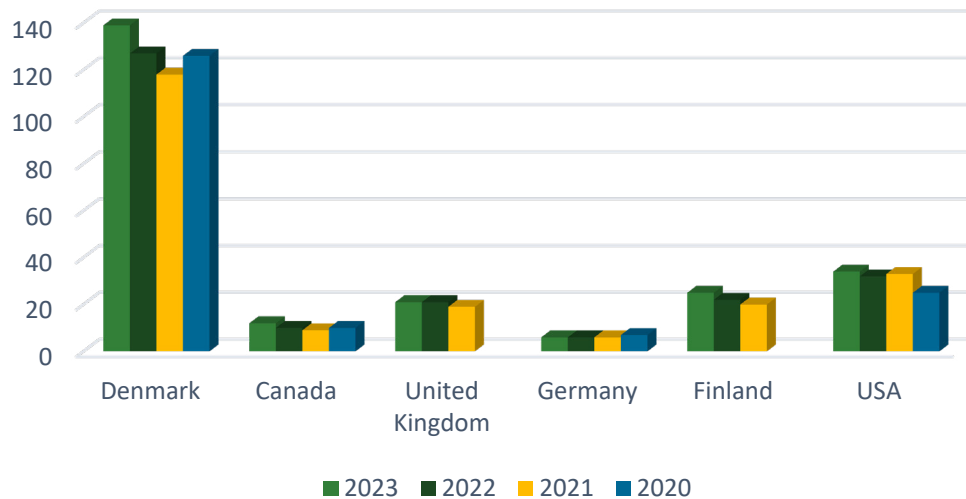
People and Culture

Lyngsoe Systems' people are essential to the successful execution and delivery of our business plan. By fostering a culture in which empowered people collaborate with a growth mindset, Lyngsoe Systems will develop long-term value creation for its customers, communities, and employees.

Own workforce

In 2023 Lyngsoe Systems employed 247 people across 6 countries. 10 people are project or temporary employed.

A multicultural company with Danish heritage.
Numbers of FTE = 100% in 2023 = 237



Traditionally, Lyngsoe Systems have had more male employees compared to female employees, reflecting the gender composition in the software development business.

We are targeting to change this ratio from 15% of all employees being female employees in 2023 to 25% in

2030. In April 2024 the first female will join the Lyngsoe Systems Board.

Furthermore Lyngsoe Systems have set the target of having 30% female employees in Middle Management by 2030.

Values: Lyngsoe Systems' DNA – people you can trust

The DNA of Lyngsoe Systems is the foundation of the culture and standards that we hold ourselves accountable to.

- We build on and invest in lasting customer relationships through expert knowledge, commitment, thoroughness, and trustworthiness.
- We have a proven ability to solve complex problems and deliver logistical solutions at the right time, cost, and quality.
- We have a strong customer focused, dedicated workforce with a high level of competence, and second-to-none innovation skills.

Diversity, Equity, and Inclusion (DEI)

Lyngsoe Systems wants to continue to create a culture that champions respect and fosters a diverse and inclusive workplace, where people feel valued, respected, and supported. We believe our approach to diversity, equality, and inclusion (DEI) builds a competitive advantage. This is also why we will develop and implement a DEI policy in 2024.

Inclusion is not an end goal but a journey, and it starts with our employees. Our culture is one of empowerment, mutual respect, and continuous growth, all fueled by a diverse team.



At Lyngsoe Systems, we are dedicated to enhancing healthy lives and promoting well-being across all age groups. Our ambitious agenda addresses a wide spectrum of global health challenges, ensuring positive well-being not only for our employees but also for the end users of the solutions we provide.

Policy framework for Lyngsoe Systems own workforce

All Lyngsoe Systems employees have been trained and are committed to reading and complying with the Lyngsoe Systems Staff Handbook. This handbook is mandatory knowledge and is accessible on our intranet for all employees. It provides information about Lyngsoe Systems' employment policies and practices.

The Lyngsoe Systems Staff Handbook also includes our Business Code of Conduct, which applies to all employees, external consultants, and management. Our policy prohibits all forms of forced labor (in accordance with the UK Modern Slavery

Act), child labor (in alignment with the labor standards defined by the UN Global Compact Labor Principles 3, 4, 5, and 6) and corruption in any form (Principle 10).

At Lyngsoe Systems, we ensure fair work hours, wages, and benefits, respecting local legislation. Our commitment extends to providing a multicultural, safe, and healthy workplace where employees freely exercise their rights to engage (or not) in collective bargaining and join labor unions. Furthermore, we are dedicated to offering equal opportunities based solely on individual merit. We maintain a workplace that actively prohibits harassment and discrimination, as outlined in our Business Code of Conduct and related policies.



Lyngsoe Systems adheres to the UN Global Compact guidelines, actively addressing sustainability issues. Our policies align with the UN Global Compact's 10 principles, which are grounded in internationally accepted conventions related to human rights, labor rights, environmental protection, and anti-corruption efforts. At Lyngsoe Systems, our dedication to these principles drives our actions and shapes our commitment to a better world. They are:

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labor law

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Reference: <https://unglobalcompact.org/what-is-gc/mission/principle>

Lyngsoe Systems has not registered any breach of our Business Code of Conduct during 2023

Supplier Code of Conduct (SCoC) updated during 2023

Lyngsoe Systems recognizes that it can only make lasting sustainable change through collaboration with our global network of suppliers. Lyngsoe Systems' SCoC mirrors the requirements of giving clear behavioral guidance on topics like climate and environment, health and safety, and labor rights, diversity, and inclusion.

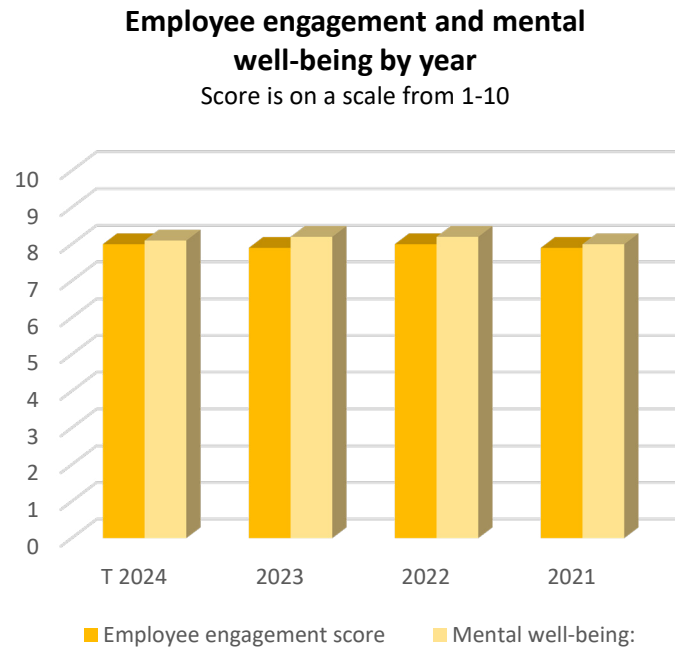
Lyngsoe Systems' SCoC has been updated during 2023. Our main suppliers have already committed and signed our new updated SCoC. With "main suppliers" we define the suppliers that in total are responsible for minimum 80% of our production related purchases. Our SCoC is a part of all new agreements with current and future suppliers in our production supply chain.

LIST OF CONVENTIONS AND PRINCIPLES COVERED BY THE LYNDSOE SYSTEMS' SUPPLIER CODE OF CONDUCT

| | |
|--|--|
| Adequate compensation | <ul style="list-style-type: none"> • C100 Equal Remuneration Convention • 1951 C131 Minimum Wage Fixing Convention, 1970 |
| Prevention of forced or involuntary labor | <ul style="list-style-type: none"> • C29 Forced Labor Convention, 1930 • C105 Abolition of Forced Labor Convention, 1957 |
| Prevention of child labor and protection of young workers | <ul style="list-style-type: none"> • C138 Minimum Age Convention, 1973 • UN Convention on the Rights of the Child, 1990 |
| Freedom from discrimination and harassment | <ul style="list-style-type: none"> • harassment C111 Discrimination (Employment and Occupation) Convention, 1958 • C183 Maternity Protection Convention, 2000 |
| Working hours and adequate rest | <ul style="list-style-type: none"> • C1 Hours of Work (Industry) Convention, 1919 • C14 Weekly Rest (Industry) Convention, 1921 • R116 Reduction of Hours of Work Recommendation, 1962 |
| The right to collective bargaining and freedom of association | <ul style="list-style-type: none"> • C87 Freedom of Association and Protection of the Right to Organize Convention, 1948 • C98 Right to Organize and Collective Bargaining Convention, 1949 • C135 Workers' Representatives Convention, 1971 • C154 Collective Bargaining Convention, 1981 |
| Regular employment and protection of vulnerable groups | <ul style="list-style-type: none"> • C143 Migrant Workers (Supplementary Provisions) Convention, 1975 |
| Health and safety | <ul style="list-style-type: none"> • C155 Occupational Safety and Health Convention, 1981 |
| Corruption | <ul style="list-style-type: none"> • United Nations Convention against Corruption |
| Environment | <ul style="list-style-type: none"> • The Rio declaration on Environment and Development • EU directive on Waste from Electrical and Electronic Equipment (WEEE) |
| International Guidelines | <ul style="list-style-type: none"> • OECD Guidelines for Multinational Enterprises • United Nations Guidelines on Business and Human Rights |
| UN Global Compact | <ul style="list-style-type: none"> • The UN Global Compact ten principles (see the 10 principles separately) |

Our employees are our greatest asset

Lyngsoe Systems uses an external employee survey system to conduct our employee surveys four times a year. We are proud to report that our employees consistently maintain a high engagement level, scoring between 7.9 and 8.0. Our goal for 2024 is to achieve an engagement score of 8.0 (out of 10).



Simultaneously, we have seen positive trends in mental well-being. In 2023 and 2022, our general mental well-being score reached a stable level of 8.2. For 2024, our target is to maintain the 2023 level.

These surveys also serve as an opportunity for improvement. We encourage everyone to share their anonymous improvement proposals, which provide valuable insights to act on.

The employee surveys showed a great desire for training and learning.

Therefore, the target was set to launch Lyngsoe Systems Academy in 2023 – Which we did, and the Lyngsoe Systems Academy has been very well received!

Learning and Talent Development

In 2023 we successfully launched the Lyngsoe Systems Academy. With a commitment to continuous learning and embracing professional development, this initiative aims to empower every member of the organization. The Lyngsoe Systems Academy resides on our SharePoint platform offering a suite of training modules, covering diverse topics relevant to our business. This includes insights into where our skilled employees will actively contribute by sharing best practices. Whether it's innovative offering solutions, technical expertise, mandatory code of conduct training or IT security training, their insights will enrich the learning experience. There is also an opportunity for individual investment as Lyngsoe Systems encourages each employee to allocate at least one full working day for company-relevant training.

Leadership education internationally

Lyngsoe Systems Leadership Education is a tailored program which has been running since 2022 and designed to empower the managers across the organization. Two classes, comprising 24 managers, have already completed the program in 2022 and 2023. Regardless of their geographic location, our managers have engaged in comprehensive training modules as we recognize the critical role that effective leadership plays in our

4 QUALITY EDUCATION



success. The investment in our managers' development reflects our commitment to fostering a skilled and capable leadership cadre. By enhancing their competencies, we aim to drive organizational growth and cultivate a positive workplace culture.

Lyngsoe Systems embrace working with students, and employees with relevant, technical, and vocational skills. At Lyngsoe Systems, we are continuously collaborating with universities and other educational institutions to bridge the gap between universities and businesses, encouraging students to work with real world data and challenging our mindset. We run regular student-worker programs, as well as Bachelor and Master thesis programs, which are a valued part of our culture.

Employee Health and Safety

At Lyngsoe Systems, our unwavering ambition is to prioritize the health, safety, and overall well-being of our valued employees. We achieve this by fostering a secure working environment, proactively preventing injuries, and ensuring optimal physical and psychological conditions.

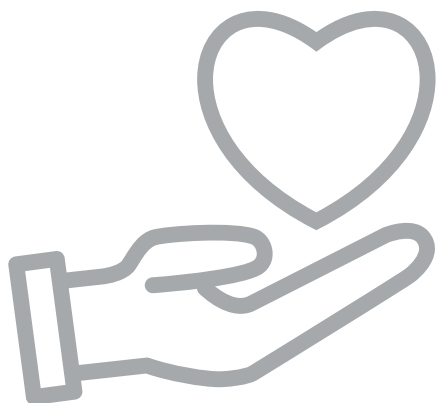
Every member of our team is dedicated to safeguarding their own health and that of their colleagues. To meet the diverse needs of our workforce and promote equal opportunities, Lyngsoe Systems has appointed employee and management representatives who are specifically tasked with maintaining a safe work environment.

Our proactive approach includes the continuous elimination of hazards and the minimization of occupational health and safety risks for all. We provide ongoing

training and equip our employees with the necessary protective gear to ensure their safety.

Furthermore, we have a strict policy in place: employees are prohibited from reporting to work under the influence of drugs or alcohol, or in any condition that may compromise their performance or safety, as well as that of their peers.

In 2023, Lyngsoe Systems reported no work-related injuries which resulted in no absences. As from the table on employee engagement and general well-being, we are proud of the high scores from our Employee Survey, and we aim minimum to stay at this level.



Customer health and safety

We will continue to highlight the ergonomic choices we offer to libraries across all the markets Lyngsoe Systems and our customers service.

Enhancing Librarians' Wellbeing Through Ergonomics

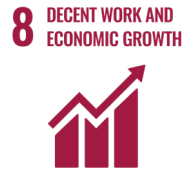
Ergonomically designed products play a crucial role in streamlining workflows and minimizing workplace injuries. Our products are specifically crafted to create a more ergonomically friendly work environment for librarians, thereby reducing the risk of workplace injuries and promoting overall health and productivity.

Our product line is designed with flexibility and adaptability in mind, catering to various workstations. For instance, our adjustable standing desks within the Automated Material Handling System allow librarians to customize their workspace according to their unique needs and preferences. By aligning with the natural posture and movements of the human body, our products effectively reduce strain and fatigue, resulting in improved comfort, productivity, and work quality.

Our ergonomic book transporters, namely Ergo Bin™ and Ergo Cart™, eliminate unnecessary bending and reaching, safeguarding staff from awkward angles and heavy

lifting. Additionally, the Lyngsoe Library Clerk™ ensures that librarians can access shelves without bending or stretching excessively. The result? A more comfortable and healthier work environment, leading to increased job satisfaction, enhanced work performance, reduced absenteeism, and lower healthcare costs.

At Lyngsoe Systems, we consider Sustainable Development Goal 8 (SDG 8) a paramount objective. SDG 8 focuses on promoting inclusive and sustainable economic growth, employment, and decent work for all. We recognize that sustained economic growth, coupled with inclusivity, drives progress, creates meaningful jobs, and elevates living standards.



Spotlight: How Aarhus University Hospital (AUH) successfully addressed logistical challenges. Streamlined workflows. And improved patient care through the implementation of RFID technology from Lyngsoe Systems

AUH faced a significant logistical challenge, with hospital staff spending an average of 12 minutes per shift searching for essential resources. As one of the new generation super hospitals, AUH's vast size and scale amplified the risk of increased time wasted locating beds, equipment, patients, and staff. With an extensive campus covering 375,000m², with state-of-the-art equipment and systems it has more than 800 beds and an annual capacity for 100,000 inpatients and 900,000 outpatients, AUH needed to find a solution to mitigate these challenges and optimize resource allocation.

The implementation of the RFID-based RTLS solution brought about remarkable benefits for AUH, revolutionizing its logistics and operations:

1. Reduction in Time Wasted: Hospital staff experienced significant time savings by

efficiently locating assets and colleagues. The 12-minute search time per shift was drastically reduced, allowing them to focus more on patient care.

2. Optimized Resource Utilization: The real-time insights into asset and equipment locations enabled AUH to effectively utilize medical devices, beds, consumables, and space. The hospital could now make informed decisions, ensuring resources were where they were needed most.
3. Streamlined Workflows: With improved real-time insights into actual workflows and logistic processes, AUH could identify bottlenecks and inefficiencies. This streamlined approach enhanced overall productivity and responsiveness.

See also: [Lyngsoe Systems – Explore our Case Stories](#)



Customer Survey measures the overall perception of Lyngsoe Systems

At Lyngsoe Systems we consider NPS and CSAT as social impact factors because they relate to our customer experience and stakeholder relationships. Lyngsoe Systems includes them under the social category as it emphasizes how our customers feel about how we interact with them and how well we respond to their needs. For example, we make sure that customers receive their contract

related documents on time, we respond to any questions in a timely manner, and we help empower our customers on their sustainability journey.

We are proud that our customers value our work and awarded us a CSAT of 8.4 out of 10 and a NPS on 46 in 2023.

| | Customer Satisfaction Score (CSAT) | Net Promoter Score (NPS) |
|------------------------|--|--|
| Score in 2023 | 8,4 | 46 |
| Scale | 0-10 | -100 - +100 |
| Question behind | Based on your overall experience with Lyngsoe Systems, how satisfied are you with Lyngsoe Systems? | Based on your experience with Lyngsoe Systems, how likely would you be to recommend Lyngsoe Systems to others? |

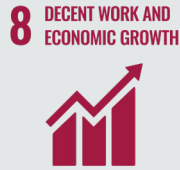
4. Governance Impact

- **Quality, Product, Compliance and Customer Safety**
- **Business Conduct**
- **Sustainable Supply Chain**
- **Tax Governance**
- **Sustainability Governance**

Good governance is fundamental to our daily interactions with customers, suppliers, business partners, and other stakeholders. Lyngsoe Systems is committed to promoting integrity-centric behavior throughout the company.



Quality, Product, Compliance and Customer Safety



Quality is at the very core of our solution, brand, value propositions, and how we work and think. By upholding high-quality standards, we continuously work to ensure compliance of all products, as well as our customers' safety when using the products.

Our solutions help make our customers' businesses more efficient, supporting them to achieve improved working conditions. For example, ergonomically friendly work environments with reduced

risk of mental wellbeing issues such as stress.

We are proud that our hardware solutions last for 12-15 years. Furthermore, as the offering from Lyngsoe Systems, including the software solution, is an integrated part of our customers' business process' and safety, it is important that the customer avoids any downtime.

It is essential for Lyngsoe Systems to continuously be close to our customers

and understand the megatrends in their industry. Also, in this way it continuously helps empower our customers on their sustainability journey.

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Business Conduct

At Lyngsoe Systems, we see business ethics as a fundamental aspect of our corporate culture and long-term success. Our continued commitment to the sustainability agenda and our international presence means we need to always act responsibly. Business ethics is the framework that guides conduct in the business world. At Lyngsoe Systems, we recognize the importance of ethical behavior, not only as a legal and regulatory requirement, but also as a fundamental aspect of building trust, fostering a positive corporate culture, and sustaining long-term success.

Our Code of Conduct (CoC) provides guidance for our employees in dilemmas or situations they may face as part of their job. All employees at Lyngsoe Systems are required to adhere to the CoC. Should any breaches of our

CoC be reported, we will conduct a formal investigation process and take appropriate action. Several of the CoC topics are elaborated further in policies and guidelines.

In 2023, our Code of Conduct was updated and approved by Group Management and the Board of Directors. All employees conducted hereafter mandatory training in this new and expanded CoC to enable awareness and understanding of the elements in the CoC.

Lyngsoe Systems are approaching diversity, inclusion, and equality in various ways as it is essential for culture and business.

Policies we follow:

- Ensuring fair competition
- Data and customer privacy
- Cyber security
- Anti-corruption and bribery
- Conflicts of Interest
- Anti-discrimination
- Harassment prevention

In 2024 Lyngsoe Systems will develop and implement – two new policies into the CoC;

- Health and safety policy
- Diversity, equity & inclusion policy

Highlight:
Lyngsoe Systems will in April 2024 welcome the first female member of the board of directors.

Whistleblower system

Lyngsoe Systems wants any reporting of concerns about ethical and compliance issues to be as easy as possible. Our new whistleblower system, established in 2023, gives all employees and third parties cooperating with Lyngsoe Systems as well as other relevant stakeholders a channel to report suspected breaches or non-compliance with Lyngsoe Systems' CoC. The system is hosted by an external company, ensuring confidentiality, as well as anonymity if the whistleblower prefers.

The total number of reported whistleblower cases in 2023 was 1.

We received one case in 2023, and our whistleblower system handled this case correctly, following the policy. It was concluded that the case was actually spam or not correct in the Lyngsoe Systems whistleblower system. It should never have ended up in our whistleblower system.

Sustainable Supply Chain

We recognize that lasting, sustainable change can only be achieved through collaboration with our global network of suppliers. As described in our social Impact chapter, the Lyngsoe Systems Supplier Code of Conduct (SCoC) was updated during 2023, aligning with our policy framework. Additionally, we have secured commitment from our primary suppliers.

Lyngsoe Systems aims to improve our customers' operational efficiency and sustainable performance. As such, we are committed to taking responsibility for our entire supply chain impact across human and labor rights, environmental protection, and governance dimensions. This necessitates close collaboration and transparency with our suppliers. The Supplier Code of Conduct (SCoC) defines standards for fair, safe, and healthy working conditions, and environmental responsibility throughout our supply chain.

"We want to be the leading provider of logistics visibility and automation solutions in our business areas, improving our customer's operational efficiency and sustainability. This includes a focused vision on empowering customers on their sustainability journey."

The SCoC adheres to universally accepted principles of fair labor standards, human rights, and environmental protection, as documented in The International Labour Organization (ILO) Conventions, The Universal Declaration of Human Rights, as well as UN Global Compact's principles of responsible business, which Lyngsoe Systems is a signatory to since 2014.

The SCoC outlines corporate responsibility standards that Lyngsoe Systems' suppliers must comply with concerning environmental protection, labor standards, anti-corruption, and similar legal and ethical requirements. These standards underpin our broader commitment to being a responsible business, abiding by government laws and regulations, providing employees with a safe and healthy working environment, treating employees with dignity and respect, and promoting sustainable practices to help reduce the environmental impact of the business activities of Lyngsoe Systems' value chain.

The standards apply to the entire supply chain, including sub-suppliers and -contractors. They equally apply to permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly paid, legal young workers (minors), part time, night, and migrant workers.



Looking forward

Compliance with the standards is an ongoing condition of doing business with Lyngsoe Systems. Lyngsoe Systems holds all suppliers responsible for ensuring that they meet the standards, and Lyngsoe Systems will collaborate with suppliers to ensure this commitment is achieved and maintained.

Looking forward, Lyngsoe Systems is not only targeting onboarding more suppliers aligned to the SCoC, but also continuing to evaluate risks and opportunities in the supply chain. Furthermore, we will need to work even closer with the suppliers on sustainability, reaching a higher level of accuracy in the CO₂ emissions of the products we source, to do the utmost in minimizing our scope 3 emissions.

Tax Governance

Lyngsoe Systems recognizes the importance of taxes, giving back to local society, and of contributing to the sustainable development of the countries where Lyngsoe Systems does business. Lyngsoe Systems acknowledges that tax payments are important contributors, both directly and indirectly, to achieving the UN Sustainable Development Goals.

As a group, the operational accountability for management of taxes sits with the Chief Financial Officer (CFO), who ensures the appropriate people, processes, and systems are in place to comply with local and international tax laws.

Sustainability governance

We are constantly getting wiser, and we look at Lyngsoe Systems sustainability journey as one of perpetual improvement. To smoothen reporting and future calculations, we are working to improve our data maturity across the business and are looking at optimizing local processes.

About ownership of Lyngsoe Systems

In August 2022, Swedish private equity fund Accent Equity acquired Lyngsoe Systems. Lyngsoe Systems' management team and other key personnel did also co-invest with the aim of developing the company through accelerated growth in close cooperation with Accent Equity.

Accent Equity has since 1994 invested in private Nordic companies where a new partner or owner can serve as a catalyst. Their ambition is to invest in and develop the companies to be Nordic, European or Global leaders through a professional, hands-on, and long-term oriented approach that results in superior and sustainable returns. See also accentequity.se.

The Board of Directors

The board of Lyngsoe Systems is composed of representatives from Accent Equity; Carl Fürstenbach, Chairman of the Board and Lowe Rehnberg, Deputy Chairman of the Board. Conny Franzén is also a Member of the Board. As of April 1st 2024 Na'Tosha Bard will join the board as the first female member.

The Chairman of the Board, Carl Fürstenbach, points out: "Accent Equity believes in the importance of genuine, sustainable improvements and our Sustainability Policy sets the expectations we have to ourselves and to all our portfolio

companies. And I am happy to note the major steps Lyngsoe Systems systematically has taken on sustainability."

The sustainability agenda is anchored in Lyngsoe Systems Group Executive Management

Executive management on the group level is responsible for the overall ambition and direction of the sustainability agenda at Lyngsoe Systems, including prioritization, financing, and stop-go decisions.

Topics related to sustainability are discussed in Executive Group Management Reviews and Group Board Meetings where we are following the existing business governance review structure in Lyngsoe Systems.

The participants will also drive the quarterly sustainability updates. The participants include:

- Henrik Kjeldgaard, CEO at Lyngsoe Systems, Library Solutions
- Michael Vistisen, CEO at Lyngsoe Systems, Logistics Solutions
- Lars Caspersen, CFO at Lyngsoe Systems

Other stakeholders are involved in progress and reviews on a per need basis.

To drive and develop Lyngsoe Systems' sustainability work we have established an annual cycle divided into quarters as below.

Reporting to Accent Equity, Group management, Annual Report, CDP, SEDEX, EcoVadis, Worldfavor and other stakeholders.



From left Michael Vistisen CEO Logistics Solutions, Carl Fürstenbach Chairman of the board, Na'Tosha Bard Board member, Conny Franzén Board member, Henrik Kjeldgaard CEO Library Solutions

"Libraries, by nature, are pillars of sustainability by offering equal access to knowledge and a free space for all, and like us they are increasingly focused on making the right, informed, sustainable choices in how they operate, as well as taking on an active role in educating the community. We are very happy to serve these like-minded customers and to support these organizations a smarter choice by offering sustainability in our solutions and the way we operate our business."

Henrik Kjeldgaard, CEO, Lyngsoe Systems, Library Solutions

"At Lyngsoe Systems, we recognize the global importance of sustainability. Our solutions play an essential role in this agenda. In transportation, logistics, and intralogistics, we reduce carbon footprints by preventing misshipments and optimizing transport fill rates. For public healthcare, our solutions enable hospitals to direct more staff time to patient care and reduce equipment needs. We take pride in our commitment to sustainability and will continue innovating for the benefit of our planet and its inhabitants."

Michael Vistisen, CEO, Lyngsoe Systems, Logistics Solutions

Simplified annual work cycle of the ESG agenda and implementation

Q4:

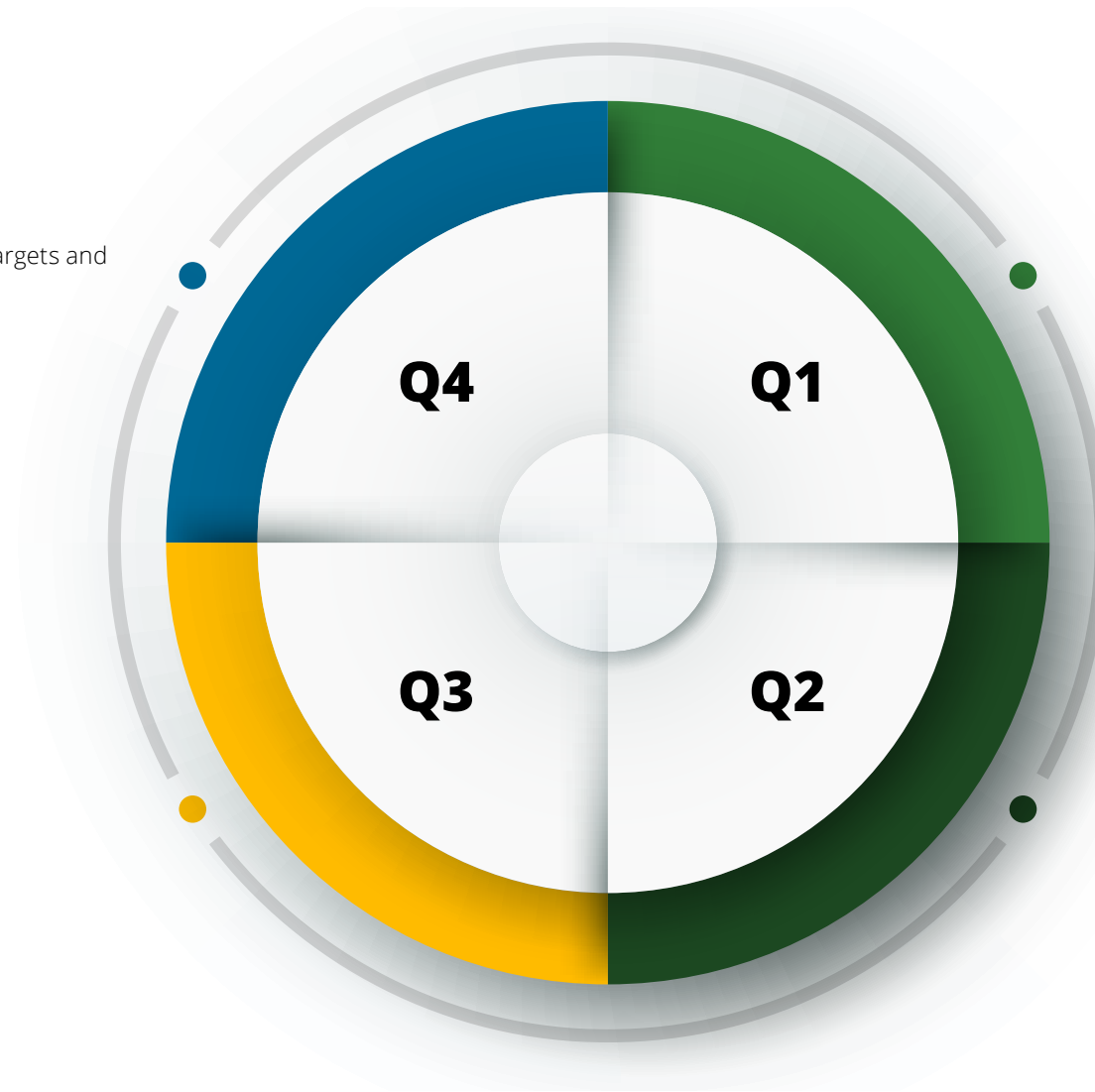
Sustainability Forum

- Summary Q3 on targets
- Next year sustainability targets and budgets

Q3:

Sustainability Forum

- Summary Q2 on targets
- Business Strategy update



Q1:

Sustainability Forum

- Report to Worldfavor
- Annual summary & follow-up on targets incl. update of Baseline
- Presentation to Lyngsoe Systems Board of Directors and Executive management
- Annual Report including Sustainability Report

Q2:

Sustainability Forum

- Summary Q1 on targets

5. Assurance

- Accounting Principles

As part of our value creation for all stakeholders, Lyngsoe Systems is committed to offering transparency on environmental, social and governance impacts of our business.

E

S

G

Accounting Principles

Methodology, Greenhouse Gas Protocol

Lyngsoe Systems' CO2e baseline is based on The Greenhouse Gas (GHG) Protocol – the world's most widely used greenhouse gas accounting standard. Specifically, our baseline follows the practice outlined in "The GHG Protocol Corporate Accounting and Reporting Standard" and "The Corporate Value Chain (Scope 3) Accounting and Reporting Standard".

Boundary setting and consolidation approach

At Lyngsoe Systems, we use the operational control approach to set the organizational boundary. This means that we strive to account for all the GHG emissions from operations over which we have operational control. Aligned with the GHG Protocol, some scope 3 categories have not been included in the baseline calculations as they have been deemed not relevant.

Calculation method Emissions have been calculated by combining activity or supplier specific data, the so-called average data method, and the spend-based method dependent on data availability, maturity and size of categories as defined by the GHG Protocol. Data has been extracted from Lyngsoe Systems' ERP-systems and collected from Lyngsoe Systems' suppliers where relevant.

2022 is used as baseline year and is deemed representative. This is Lyngsoe System's first CO2 accounting effort and as such the estimates are based on

varying degree of data maturity. As an example, Lyngsoe Systems has made assumptions to identify product-related purchases and more specifically RFID tags and readers, which is a critical assumption for estimating category 3.1, purchased goods and services, and with a significant degree of uncertainty.

Another source of uncertainty is bound to the classification of transportation as upstream or downstream, and the corresponding assumptions made regarding the mode of transportation utilized for each category. Finally, Lyngsoe Systems' emissions resulting from employee commuting (Category 7) are based on extrapolation.

Emission factors

Emission factors have been collected through various sources:

- UK Department for Environment, Food & Rural Affairs (DEFRA).
- US Environmental Protection Agency (EPA)
- Association of Issuing Bodies (AIB)
- For energy-related emissions, International Energy Agency (IEA)

Data quality management

At Lyngsoe Systems, we are committed to maintaining a high standard of data quality. We are constantly working to improve our data collection and analysis process. Our ongoing efforts include regular review of data sources and collaboration with relevant stakeholders to ensure the accuracy and reliability of our data.

Explanation

- Scope 1: Direct emissions from sources owned or controlled by Lyngsoe Systems (e.g. diesel consumption for company vehicles)
- Scope 2: Indirect emissions from the generation of purchased energy (e.g. electricity and district heating to operate)
- Scope 3: Indirect emissions in Lyngsoe Systems' value chain both up- and downstream (e.g. production and transport of RFID tags sold by Lyngsoe Systems)
- Outside of scope: biogenic carbon (not CO2e) emissions from combustion of biomaterials used in fuel controlled and electricity purchased by Lyngsoe Systems

The aim is to further increase the completeness and accuracy of Lyngsoe Systems (following LS) ESG data within a single platform, continuing our journey towards reasonable assurance. All our environmental and safety data is consolidated in the Worldfavor platform. Human resources related data is collected in our own HR platform.

CO₂ emissions and energy consumption

Our energy consumption stems from the use of:

- Electricity
- Heat and steam
- Natural gas
- Nuclear power

Further to SCOPE 1, 2 and 3;

Emissions Scope 1: using assumptions and data from our ERP system and other collected data.

Emissions Scope 2: market-based and location-based emissions are following the assumptions made from TFF – the external consultancy agency doing our baseline. TFF is an abbreviation for "The Footprint Firm".

Emissions Scope 3:

- Category 1: TFF assumptions
- Category 2: TFF assumptions
- Category 3: Worldfavor standard reporting
- Category 4: TFF assumptions
- Category 5: TFF assumptions
- Category 6: Worldfavor standard reporting
- Category 7: Own internal assumptions used = average FTE per location calculated per year (=TFF assumptions)
- Category 9: Worldfavor standard reporting
- Category 11: assumption model from TFF used.
- Category 12: assumptions model from TFF used.

National energy mix and district heating and cooling consumption (MWh) is identical with our standard reporting.

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