



2025

Sustainability Report

ESG

Contents

1.	Introduction	3
	Letter from the Executive Management Team	4
	2025 Key Achievements	5
	About Lyngsoe Systems Group	6
	Sustainability Governance & Strategy	9
2.	Environmental Impact	16
	Climate Action	17
	Leading with Sustainable Products	19
3.	Social Impact	21
	People and Culture	22
	Employee Health and Safety	23
	Customer Health and Safety	26
4.	Governance Impact	27
	Business Conduct	28
	Sustainable Supply Chain	29
	Tax Governance	29
	Sustainability Governance	30
5.	Assurance	32
	Accounting Principles	33

About the Report

This report provides an overview of our activities and covers the 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 from January 1 to December 31, 2025, unless otherwise noted. The report organizes topics relevant to our stakeholders into four main areas: introduction, environmental impact, social impact, and governance. The basis for relevant calculation methodologies and data limitations is explained where applicable – see also under 5) Assurance.

We base our reporting on the best available data. Methods and data collection processes are continually maturing and improving, which we will further develop.

For further information or questions regarding the Lyngsoe Systems Sustainability Report, please reach out to us. For more details about sustainability at Lyngsoe Systems, visit <https://lyngsoesystems.com/sustainability>.

1. Introduction

- **Letter from the Executive Management Team**
- **2025 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 serves as a testament to our dedication to environmental, social, and governance (ESG) principles, which are deeply embedded in the fabric of our DNA.

Key Milestones Achieved in 2025

In 2025, we achieved ISO/IEC 27001:2022 certification, strengthening our ability to meet customer obligations and comply with legal requirements. This milestone also establishes a solid foundation and keeping ahead of the game for continued enhancement of our information security management. At the same time, we are further strengthening our cybersecurity resilience, product quality and safety, and vulnerability mitigation—areas that are becoming increasingly critical in a rapidly evolving world.

We are pleased to report a 27% absolute reduction in total emissions. When measured relative to revenue, total emissions

decreased by 20% compared to 2024. This reflects our continued progress in bringing more energy-efficient products to market and our commitment to helping customers reduce their CO₂ emissions.

Throughout 2025, we maintained a strong focus on employee well-being through initiatives such as the introduction of quiet spaces, a talk on cognitive rest and mental recovery, and a CPR course. We also supported employee-driven activities including Lyngsoe Moves events, global step-counting campaigns, and padel and table tennis tournaments.

As we look ahead, we will continue to develop and expand these initiatives to address future challenges, reinforcing our commitment to a more sustainable and responsible future for all stakeholders.

Clear ESG Targets for 2026 and Beyond

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

Enabling Our Customers on Their Sustainability Journey

Our commitment to sustainability doesn't end there. We recognize that true material impact lies in coaching and enabling our customers. We are proud that our solutions have a 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 2026 and Beyond: As we look towards 2026 and beyond, we are committed to advancing our ESG initiatives through several key plans:

- **Renewable Energy Transition:** We aim to utilize renewable energy across all our geographical locations, targeting +70% by 2026 to reinforce our commitment to sustainable practices.
- **Transportation:** We aim to reduce the CO₂ impact of employee transportation by providing charging facilities for employees' and guests'

electric vehicles. In addition, we are reviewing opportunities to offset the environmental impact of Lyngsoe's business travel through tree planting initiatives or other CO₂ compensation activities.

- **Energy-Efficient Products:** We are excited to introduce innovative products designed to reduce energy consumption by up to 50%, significantly contributing to our sustainability goals.
- **Customer Solutions for Emission Reduction:** Our focus remains on empowering businesses to cut their CO₂ emissions through tailored solutions that drive efficiency and sustainability.
- **Recycling and Upcycling Policy:** We will implement a targeted recycling and upcycling policy to minimize waste and maximize resource efficiency across our operations.

A Call to Action

This Sustainability Report offers essential insights into Lyngsoe Systems' activities, key performance indicators (KPIs), and our future objectives. As we advance on our ESG journey, we invite you to join us. Together, we can create a more sustainable and responsible future—one where innovation, inclusivity, and environmental stewardship flourish.



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

2025 Key Achievements

Circular Business	Employee Satisfaction Score of 8	Net-Zero Journey	Total Emissions Reduction
Climate	Employee survey	Climate	Climate
We advanced our circular business practices through various initiatives, acknowledging their ongoing evolution within our operations.	Proud to maintain a satisfactory high score on 8 out of 10 possible in the 2025 employee survey.	Our journey to net-zero began in 2024 with a strong commitment to this ambitious goal. In 2025, we will define near-term targets and initiatives to support a net-zero future by 2050, including a 50% emissions reduction by 2030.	We are pleased to report a 27% reduction in total emissions compared to last year. We are dedicated to continue reducing emissions across all possible areas.
ISO 27001:2022 Certification	Employee Health Initiatives	EcoVadis Bronze Medal	Customer needs deeply integrated in new product development
Governance	Social impact	Sustainability rating	Customer focus
In 2025, we were proud to achieve the ISO 27001 certification. It is a crucial part of our commitment to IT and information security.	A main focus for 2025 was our employee's mental health which we supported through a variety of initiatives.	In 2025 we received an EcoVadis bronze medal.	It is important for us to understand and reflect customer experience and stakeholder relationships in all what we do.

About Lyngsoe Systems Group

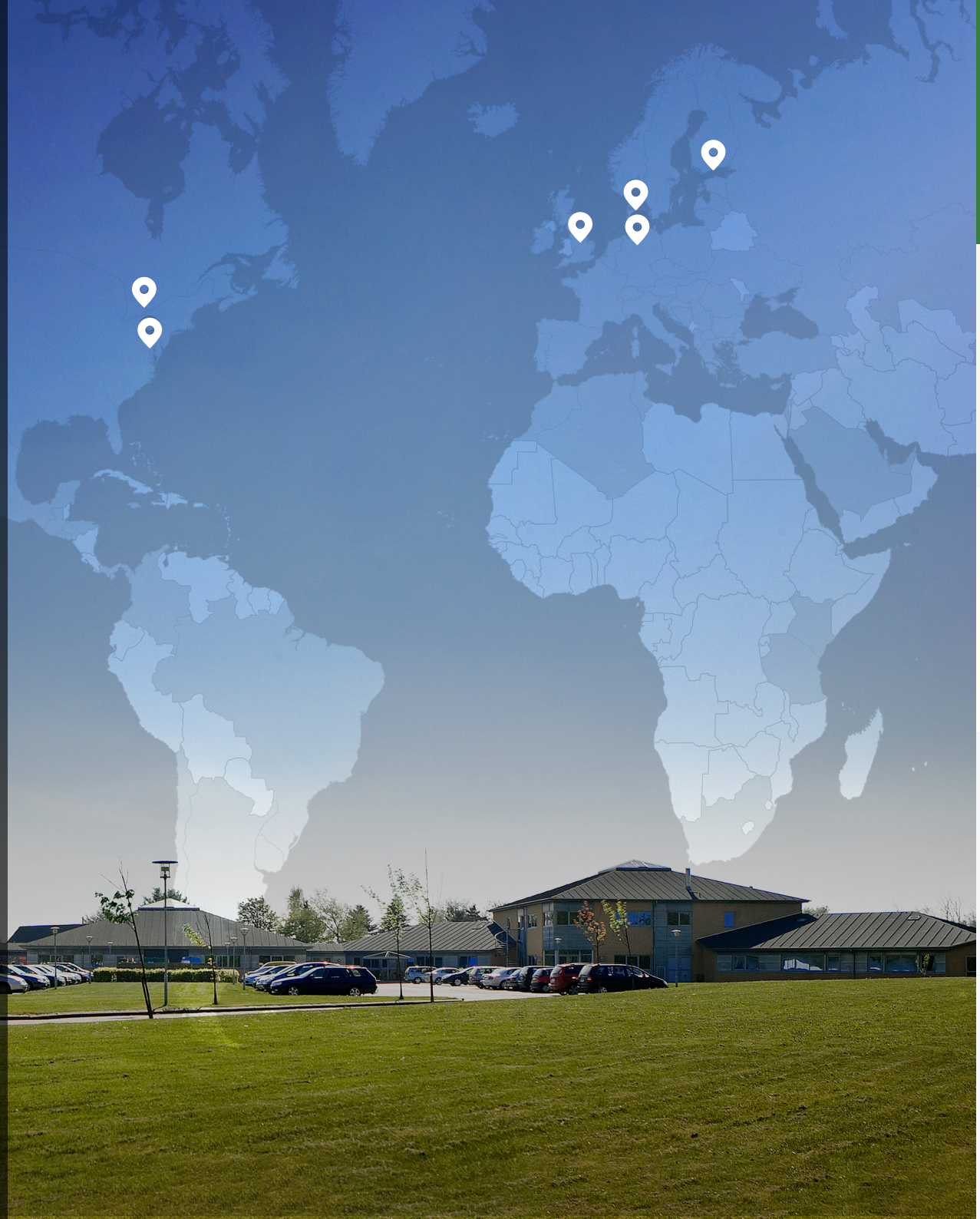
Founded in Aars, Northern Jutland, Denmark, Lyngsoe Systems has a rich history and a global presence. With approximately 250 dedicated employees, we operate across offices in Denmark, the United States, Canada, the UK, Finland, and Germany. We work closely with our customers to deliver technology that solves real challenges. Today, Lyngsoe Systems Group operates through two distinct companies, each with their own unique focus and expertise:

- **Library** - We are devoted to helping libraries gain more resources and time, supporting their vital role in local communities. Through reliable Automated Material Handling, Self-Service Equipment, and Intelligent Material Management Systems, we enable libraries to operate more efficiently and deliver better patron experiences.
- **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 404 m
Revenue**
**DKK 66,7 m
Run Rate EBITDA**

**Founded in
Denmark in
1952**

**More Than
15,000
Installations
Worldwide**

**+240
Skilled
Employees**

**Employee
Satisfaction
CSAT on 8.1
(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 enabling data-driven transparency across logistical operations. We support our customers in optimizing asset utilization, boosting operational efficiency, and enhancing customer satisfaction. Our expertise spans across traceability, automation, and data capture, with tailored hardware and software solutions for industries including postal services, healthcare, logistics, intralogistics, and transportation.

We specialize in the design, implementation, and maintenance of real-time asset and item tracking systems. These end-to-end solutions integrate seamlessly into existing processes and IT infrastructures, enabling our clients to achieve operational excellence at every stage. With more than 15,000 RFID-based logistics solutions deployed worldwide, we combine global

expertise with localized support to meet the unique needs of our customers across North America, Europe, Asia, and beyond.

From sourcing and manufacturing to warehousing and distribution, we provide the tools and insights needed to maintain full control over logistical flows. Through our dedicated teams, industry know-how, and collaborative partnerships, we deliver solutions that ensure visibility, traceability, and predictability throughout all logistical operations.

Our portfolio of technologies - including RFID, BLE, barcode, Wi-Fi, and GPS - supports the delivery of real-time locating systems (RTLS) and other advanced solutions. By streamlining manufacturing, supply chain, and distribution processes, we help businesses reduce costs, improve quality, and drive sustainable growth.



Lyngsoe Systems Library Solutions

At Lyngsoe Systems Library Solutions, we believe libraries deserve technology that works as hard as they do. Libraries play a vital role in their local communities, and the better equipped they are, the more they can offer the people who depend on them.

Specialized in developing, manufacturing, delivering, and servicing library solutions, we are trusted by libraries internationally. Our portfolio covers Automated Material Handling solutions, Self-Service Equipment, and Intelligent Material Management Systems. All designed to take the weight off daily operations, so staff can focus on what matters most: serving patrons.

Our three core solution areas each address a distinct operational challenge. Automated Material Handling releases staff from

the physically demanding, time-consuming task of handling materials. Self-Service Equipment empowers patrons to borrow and return materials independently, providing an improved patron experience. Intelligent Material Management Systems give libraries insight into their collections and help them optimize their material flow.

Our solutions are developed in-house by dedicated engineers and product teams, ensuring they are standards-compliant, practical, affordable, and built to last. Backed by our own network of solution experts and trained partners, we work closely with libraries around the world to deliver reliable technology that drives efficiency. Our ambition is to always offer a market-leading products that continue to meet the evolving needs of libraries.



Sustainability Governance & Strategy

Working Towards a Sustainable Future Through Responsible Practices

At Lyngsoe Systems, we aim to create lasting value for our stakeholders, including customers, shareholders, employees, and the communities we are part of. Sustainability plays an important role in how we approach our operations and business decisions, helping us deliver social, environmental, and economic benefits that align with long-term growth and responsible global development.

In recent years, we have strengthened our focus on sustainability by embedding it into our strategies and actions.

This commitment includes initiatives within our own organization as well as support for our customers in achieving their sustainability goals. Through our products and solutions, we help reduce environmental impacts, improve efficiencies, and contribute to broader societal progress.

Internal Sustainability Efforts

Internally, we address environmental, social, and governance areas to drive meaningful improvements. These initiatives include optimizing resource use, promoting employee well-being, and maintaining high ethical standards in all aspects of our operations.

External Sustainability Support

Externally, we support our customers to achieve their sustainability objectives by offering solutions designed to enhance traceability, efficiency, and environmental responsibility. By leveraging the sustainability attributes of our products and solutions, we help businesses reduce waste, lower emissions, and create positive outcomes for both society and the climate.

Lyngsoe Systems' Business Plan

Sustainability is an integral part of our business planning and decision-making processes. The Board of Directors and Executive Management team provide oversight and ensure alignment with our company's ESG goals. Sustainability targets are incorporated into business processes and monitored through quarterly reviews, allowing us to track progress and identify areas for improvement.

We believe that by combining internal initiatives with customer-focused solutions, we can contribute to a more sustainable future. For more information on our governance practices and sustainability performance, please see the "Governance Impact" section of this report.



Lyngsoe Systems wants to be known for
"Enabling our customers on their sustainability journey."

Sustainability Anchored in Our Business Platform

At Lyngsoe Systems, sustainability is deeply integrated into our business platform, guided by five key pillars: Employee and Partners, Environment, Security, Human & Labour Rights, and Anti-Corruption. Our commitment aligns with the United Nations Sustainable Development Goals (SDGs) 3, 4, 8, 9, 12, 13, and 16, as we strive to create lasting positive impacts for our employees, the environment, and society.

Related SDG Goals



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
- It 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

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



UK Modern Slavery Act



EcoVadis

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, 2023, 2024 and bronze in 2025.

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We have been a member since 2017. [Read EcoVadis Rating](#)

Worldfavor

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 .

UN Global Compact

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.

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.

UK Modern Slavery Act

We are committed to acting ethically, and with integrity, in all our business dealings and relationships. We want to make sure that modern slavery and human trafficking is not taking place within our business or its supply chains.



Living Wage

Lyngsoe Systems Ltd became a Living Wage accredited employer in 2024, ensuring fair pay for all employees.

Sustainable Development Goals

We align our frameworks with the Sustainable Development Goals (SDGs), prioritizing areas where we can drive positive impact and support sustainable development.



DNV

Lyngsoe Systems is certified accordingly to the ISO 9001:2015 and ISO/IEC 27001 standards.

Lyngsoe Systems Double Materiality Assessment (DMA)

In 2023, we conducted a comprehensive double materiality assessment that laid the groundwork for our sustainability initiatives. The prioritization of activities based on these findings allows us to focus effectively on our long-term sustainability goals.

Guided by the EU CSRD and the European Sustainability Reporting Standards (ESRS), our assessment

identified key material topics from various external sources. This list was refined through feedback from internal and external stakeholders, including key customers, who rated the significance of environmental, social, and governance (ESG) issues. The results were validated in a workshop with Lyngsoe Systems' management.

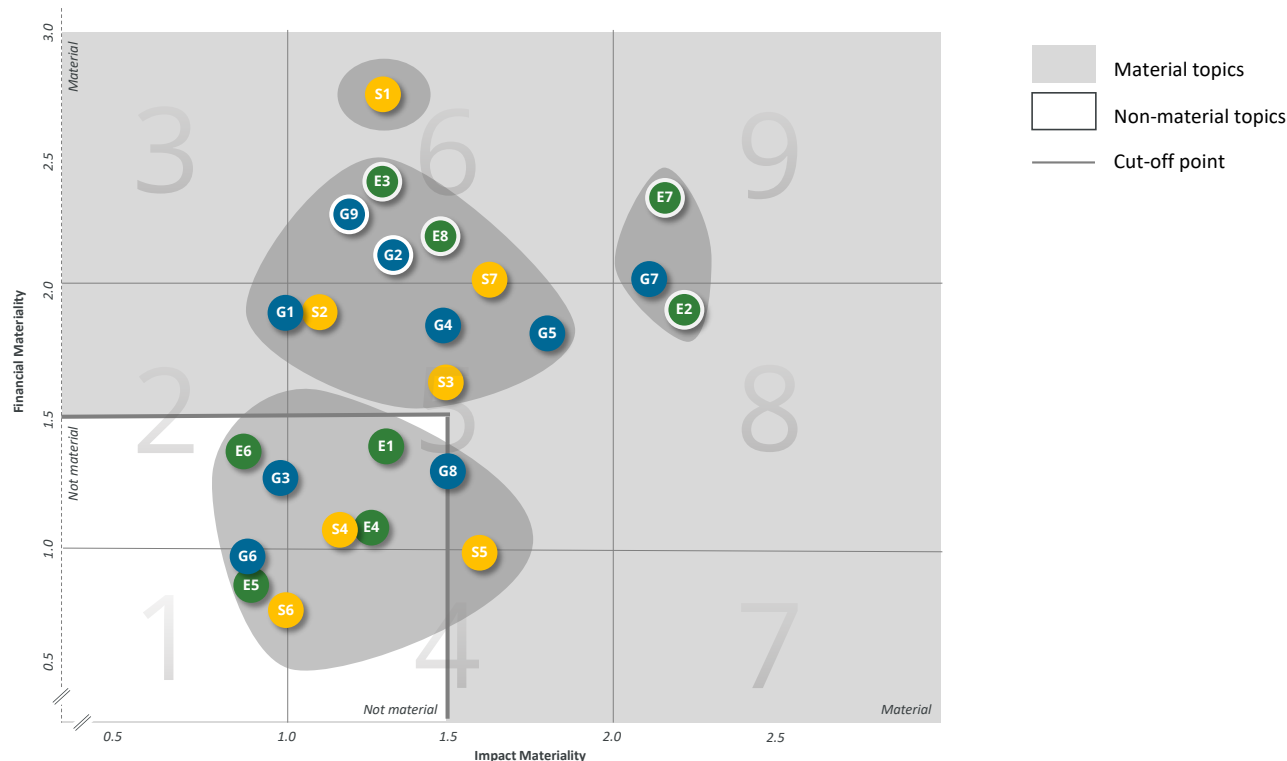
The analysis captured stakeholders' views on critical areas such as climate change and adaptation, workforce engagement and development, resource use, sustainable sourcing, energy consumption, and supply chain management. Additional important topics are detailed in the following overview.

We have reviewed the analysis and confirmed its ongoing relevance.

Looking ahead to 2026, we aim to deepen our focus on energy consumption with a commitment to renewable energy, further enhancing energy-efficient products, and improving our resource use and sustainable sourcing initiatives, ensuring we stay focused on our sustainability goals and make a meaningful impact in our organization and the communities we serve.

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.

Emissions related to scope 3.11 has been adjusted for the previous years do to reassessments of the energy consumptions for use of products sold.

We use 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	2025	2024	2023	2022	
						Baseline Ambition, Progress on target and other Comments
Number of employees	Headcount	250	244	247	239	
Revenue in MDKK	MDKK	404	441	376	384	
Number of reporting sites/ operations	Number	7	7	7	7	Operations, sites or locations
NACE Sector code	J 62.01					European sector- or industry code: Computer Programming
CO ₂ key metrics calculation						
CO ₂ per employee	t CO ₂ e	33	47	40	51	
CO ₂ per 1MDKK revenue	t CO ₂ e	21	26	26	32	
Environmental data						
Total emissions Scope 1, Scope 2 and Scope 3	t CO ₂ e	8,365	11,445	9,771	12,162	We aim to reduce emission by 2030 with 50% and net-zero by 2050
Total emissions Scope 1, Scope 2 (location based)	t CO ₂ e	157	195	202	198	
Emissions Scope 1	t CO ₂ e	16	45	72	55	Down due to less usage of company car in CA and a combination of more EV cars in UK and less usage
Emissions Scope 2 market based	t CO ₂ e	288	292	258	298	
Emissions scope 2 - location based	t CO ₂ e	141	150	129	144	Primarily due to less electricity used for heating
Emissions Scope 3	t CO ₂ e	8,208	11,250	9,569	11,963	
1. Purchased goods and services	t CO ₂ e	4,574	7,452	5,721	7,489	Fewer RFID tags purchased in 2025 1,626 tCO ₂ . Also, different mix of electronic and HW components 1,419 tCO ₂ .
2. Capital goods	t CO ₂ e	159	172	141	119	No company car investments in 2025 and fewer costs re. to buildings.
3. Fuel-and-energy related	t CO ₂ e	55	65	69	73	
4. Upstream transportation & distribution	t CO ₂ e	140	398	60	79	Lower emission level primarily due to 2024 impacted by tags transported by air
5. Waste generated in operations	t CO ₂ e	29	28	28	13	Less than 1% is classified as "critical waste" and is always handled with care
6. Business travel	t CO ₂ e	581	525	653	746	Higher activity level in US with more travel by air
7. Employee commuting	t CO ₂ e	375	431	578	561	Decreasing due to increasing use of electrical cars in 2025
8. Upstream leased assets	t CO ₂ e	0	0	0	0	Not relevant
9. Downstream transportation	t CO ₂ e	650	519	1,061	1,155	Up from 2024 due to more Library hardware deliveries. Emission reports from logistic firms have been used since 2024 (excl. the US)
10. Downstream processing of sold products	t CO ₂ e	0	0	0	0	Not relevant
11. Use of sold products	t CO ₂ e	1,612	1,628	1,237	1,706	Assumption used lifetime 12 years and in combination with productmix.
12. End-of-life treatment of sold products	t CO ₂ e	33	32	22	22	
Total Energy consumption (scope 2)						
National energy mix	Mwh	447	447	417	473	
District heating and cooling consumption	Mwh	704	774	670	654	
Total renewable energy	%	41.0	40.5	39.0	36.7	Target is that we reach +70% in renewable energy in 2026

Sustainability Data and Reporting

GENERAL DATA	Unit	2025	2024	2023	2022	
Social data						Baseline Ambition, Progress on target and other Comments
Gender representation						
Number of female employees	Number	43	42	37	40	
Proportion of female employees	%	17%	17%	15%	17%	We aim for 25% female representation in LS in 2030
Middle Management						
Number of female employees	Number	6	5	6		In 2025 total management consisting of 33 persons
Proportion of female employees	%	18%	16%	14%		We aim for having a 30% female employees in Middle Management by 2030
Employee training - extra on mandatory policies						
Employees who have undergone training	Number	250	249	250		Minimum 1 training sessions per employee per year. Same target also in 2025.
CPR first aid training	Number	16%				Target for 2025 was that 15% of all employees will take this course.
Report/ incidents of misconducts or discrimination	Number		0	0	0	SDG 16
Work-related injuries						
Total number of recordable work-related injuries	Number	2	1	0	0	All injuries. We aim for 0 occasions of physical work-related injuries
Cases of recordable work-related ill health	Number	3	2	0	0	While stress can be a result of work-related factors, we have noted three cases.
Number of days lost to injury, accidents or illness	Number	52	77	0	0	These 3 individuals experiencing stress accounted for 52 days lost.
Employee motivation and Satisfaction						
						Scores from Employee survey (every quarter)
Employee Satisfaction score (out of 10)	Score	8.1	8	8	8	We aim to keep a high score on 8. Supporting SDG 3.
People with disabilities	Number	6	5			In "Flexible positions" in Denmark. Help and part of their job training.
Customer Surveys						
CSAT	Score	8.7	8.7	8.4	8.4	Customer Satisfaction Score/ Overall satisfaction - score range from 1-10, 2025 number are from 2024 as we are changing the model for customer surveys
NPS	Score	64	64	46	49	Net Promotor Score - score range from -100 to +100

Sustainability Data and Reporting

GENERAL DATA	Unit	2025	2024	2023	2022	
Governance data						Baseline Ambition, Progress on target and other Comments
EcoVadis rating	Rate	Bronze	Bronze	Silver	Silver	
EcoVadis score	Score	69	59	57		Our overall score has improved since 2024, but rating is lower due to changed criteria by Ecovadis
Board of Directors						
Number of females	Number	1	1	0	0	The first female board member from 2024, The board consist of 4 members
Proportion of female board members	%	25%	25%	0	0	We aim for 40% female representation in LS in 2027
Violations on the UN Global Compact principles or the OECD Guidelines	Number	0	0	0	0	
Code of Conduct (CoC)						
Supplier CoC (SCoC) accepted and signed	%	80%	80%	80%		We aim to increase the total number of suppliers committing to our SCoC on a running basis. Suppliers representing 80% of spent have all signed
Anti corruption						
Total number of confirmed incidents of corruption	Number	0	0	0	0	
Number of public legal cases regarding corruption	Number	0	0	0	0	
Whistleblower						
Number of whistleblower cases	Number	0	1	1		Submitted through external whistleblower-function
Whistleblower cases resolved	Number	0	1	1		
Policies in place						
Code of Conduct (CoC)		Yes	Yes	Yes		
Supplier CoC		Yes	Yes	Yes		
Follows a anti-corruption and bribery policy		Yes	Yes	Yes		This is part of Code of Conduct
Whistleblower policy & external process		Yes	Yes	Yes		To report breaches of the Code of Conduct or other misconducts
Travel and meeting policy		Yes	Yes			Implementation in 2024. Motivate for minimizing travel, using more online meeting when possible
Health and safety policy		Yes	Yes			Implementation in 2024, Promote good work-life balance.
Diversity, inclusion & equality policy		Yes	Yes			Implementation in 2024
UK Modern Slavery Act		Yes	Yes			Implementation in 2024 in UK staff book
Accredited Living Wage member		Yes	Yes			Implementation from 2024 in UK
ISO/IEC 27001		Yes				Lyngsoe got the ISO2701:2022 certificate in 2025
Recycling or upcycling policy						Target implementation in 2026

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

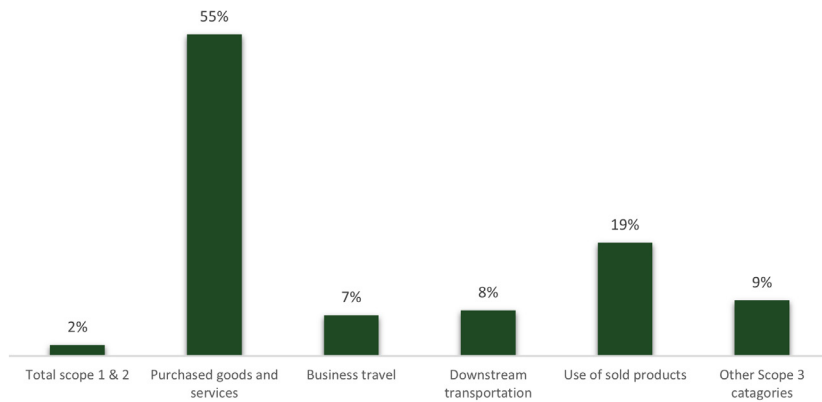
Lyngsoe Systems acknowledges the importance of reducing our climate footprint and has defined a list of activities to achieve lower emissions. Our Scope 1 and 2 emissions account for only 2% of our total greenhouse gas (GHG) emissions, primarily from electricity, heating at our locations, and our vehicle fleet. Despite this low share, we consider Scope 1 and 2 emissions material because they arise from operational activities we can directly influence.

In 2025, these emissions remain at 2% of total emissions but have decreased by 25%, or 38t CO₂e, compared to 2024.

Scope 3 represents 98% of our total GHG emissions, primarily related to the use phase of products and the purchased goods and services category. We have made significant improvements in reducing emissions primarily due to a change of product mix delivered in 2025. The largest emission categories remain “purchased goods and services” and “use of sold products”.

Lyngsoe Systems greenhouse gas emissions

by scope and category
100% in 2025 = 16,570 tCO₂e



The total CO₂e impact in Scope 1, 2, and 3 decreased by 27% from 2024 to 2025, while our revenue decreased by 9%. This means that CO₂ emissions per million DKK of revenue decreased by 25%.

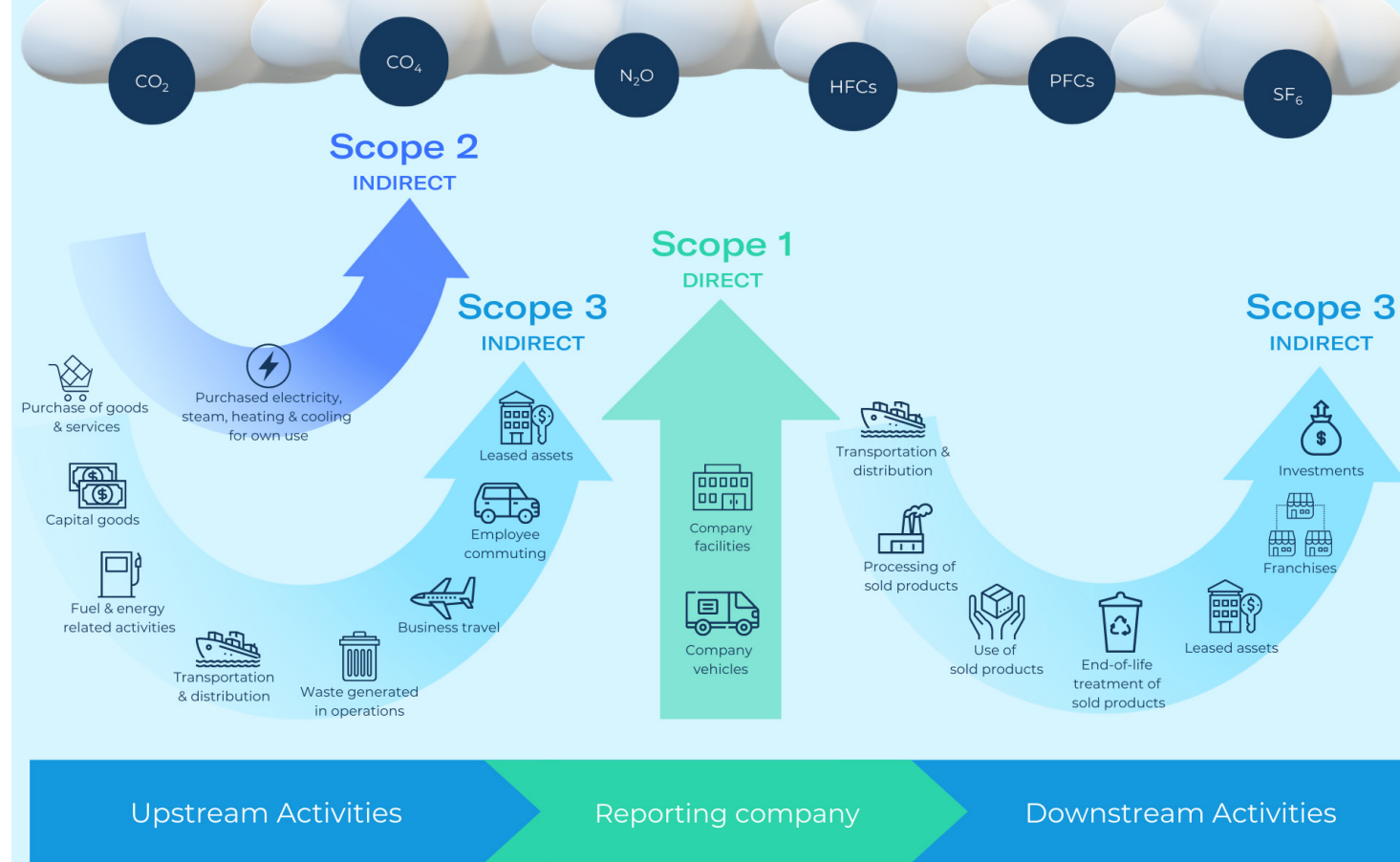


Reducing Scope 1 and 2 Emissions

From 2024 to 2025, we successfully reduced our Scope 1 and Scope 2 GHG emissions by 19%, bringing our total CO₂ emissions to 157 tCO₂e. We have continued our key energy efficiency measures, including transitioning to LED lighting and gradually replacing our fleet of company cars by EV cars. We are dedicated to reducing emissions across all areas and actively optimizing our processes to enhance our overall sustainability.

Accelerating Renewable Energy

Lyngsoe Systems is focused on accelerating our use of renewable energy, with the goal of achieving 75% of our total energy consumption from renewable sources by 2026. This initiative will be instrumental in our broader efforts to reduce total GHG emissions across our global sites.



Scope 3 Emissions

We have made significant efforts to encourage online meetings over physical travel through the implementation of a new travel and meeting policy, which has already produced positive results. Due to high activity level in US, business travel in 2025 did increase by 11% in emissions compared to 2024. Our goal remains to maximize virtual meeting opportunities. Additionally, employee commuting has reduced from 2024 to 2025 by 13% as increased use of electric-powered vehicles contributes to lower emissions in employee commuting.

Upstream Activities

In 2025, 55% of our total emissions were linked to purchased goods and services, equating to 4.574 tCO₂e, reflecting a 39% decrease from 2024. A large quantity of RFID tags sold in 2024 impacted emissions negatively, which compared to 2025 represents a reduction of 1.626 tCO₂e. Additionally, a different mix of components purchased in 2025 has influenced emissions positively.

Our product-related purchases are predominantly driven by electronic components including RFID tags and tag readers.

(We aimed to gather more supplier-specific data to improve accuracy and facilitate emissions reductions, and we achieved some success in this area. However, despite these advancements, the revenue growth in 2024 has led to higher CO emissions than the reductions achieved through improved accuracy.) Upstream transportation has decreased in CO₂e levels which is also related to fewer RFID tags shipped from China by air.

Downstream Activities

19% of our total GHG emissions are related to the use of sold products. We are pleased that our products have a long lifespan of 12-15 years. Although their electricity consumption is low over their lifetime, emissions during their use account for a significant portion of Lyngsoe Systems' total emissions. Our journey toward reducing GHG emissions is shared with our customers, as decarbonizing our value chain will also support their decarbonization efforts. It is essential for us to provide our customers with the most energy-efficient solutions, enabling their climate ambitions and actions.

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, we can lead with sustainable products and continue to satisfy our customer base. For us, 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

At Lyngsoe Systems, we are committed to integrating circularity principles across the entire lifecycle of our products. By focusing on refurbishment, retrofitting, and extending the usability of our technologies, we help customers reduce waste while maintaining operational efficiency. Working across multiple industries, we continuously explore ways to minimize environmental impact through sustainable product lifecycle management.

A key element of our approach is our Take-Back Solution, which has been in practice for many years, often in collaboration with a sector specialist such as Stena Recycling. These efforts depend on the specific needs of our customers and projects, but they consistently align with our goal of reducing electronic waste and reusing valuable materials.

Recycling RFID Tags

We successfully recovered and dismantled a substantial number of RFID tags for a postal operator, salvaging and reusing the electronic circuit boards while responsibly sorting and disposing of other materials, including batteries, foam, and plastic bags.

Repurposing RFID Tags

We initiated a program to take back RFID tags from customers who no longer needed them, replacing the batteries and repurposing the tags for new customers committed to sustainability. This initiative reduces the demand for new production and minimizes waste.

Upcycling RFID Readers for Healthcare

We repurposed several RFID readers from postal operations and integrated them into a healthcare installation to improve hospital logistics.

These efforts underscore our commitment to extending product lifecycles, reducing electronic waste, and contributing to a more sustainable supply chain. By embedding circular business practices into our daily operations, we continue to drive meaningful environmental impact while supporting our customers in their sustainability journeys.

Reducing Energy use Through Software Optimization

As part of our ongoing ESG journey, Lyngsoe Systems continuously evaluates how existing solutions can be optimized to reduce environmental impact. One recent initiative focuses on the phased shutdown of active RFID functionality on selected RTLS (Real-Time Location System) portals where the technology is transitioned towards passive RFID only.

Active RFID excitors historically consume approximately 13–15 watts per portal. Although many installations operate with motion sensor-controlled activation — meaning they do not run continuously — the cumulative energy demand across hundreds of RTLS portals remains significant. With the latest software and firmware release, customers now have the ability to completely deactivate active RFID modules.

Quantified Energy Savings and CO₂ Impact

An internal review of monitored RTLS installations indicates that the realistic immediate energy-saving potential is approximately 250,000 kWh annually. As additional customers transition away from active RFID functionality over the coming years, a further 100,000 kWh per year is expected to be phased out.

From an ESG perspective, this represents a meaningful reduction in our collective green footprint. Using a conservative European electricity

emission factor (approximately 0.2–0.3 kg CO₂ per kWh depending on energy mix), an annual reduction of 250,000 kWh corresponds to roughly 50–75 tons of CO₂ avoided per year.

Based on an average European passenger vehicle emission of approximately 2.0 tons CO₂ per year, this is equivalent to removing approximately 25–38 passenger cars from the road annually.

When the additional 100,000 kWh is realized, the total potential reduction increases to approximately 70–105 tons of CO₂ annually, corresponding to approximately 35–53 passenger cars removed from the road per year.

Contribution to ESG Governance and Lifecycle Optimization

From an ESG governance and reporting perspective, this initiative contributes to:

- Reduced operational Scope 2 emissions across customer installations
- Energy efficiency improvements within existing infrastructure
- Decarbonization through lifecycle optimization rather than hardware replacement

This initiative demonstrates how incremental, software-enabled improvements within existing RTLS infrastructure can translate into measurable and reportable climate impact when deployed at scale.

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 are committed to creating a fair, equal, healthy, safe, and engaging work environment for all employees. This commitment extends to respecting human rights throughout our value chain.

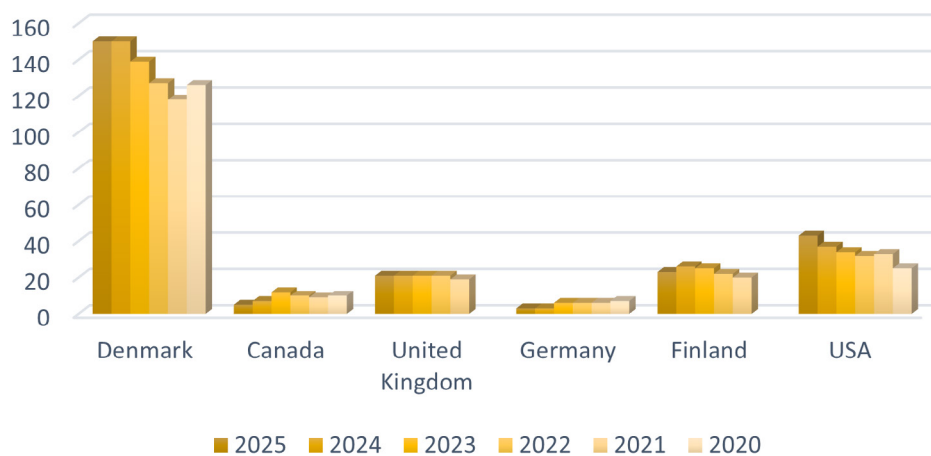
People and Culture

Our people are crucial to the successful execution and delivery of our business plan. By nurturing a culture of empowerment and collaboration, we are committed to creating long-term value for our customers, communities, and employees.

Workforce

As of 2025, we employ **245** people located across six countries.

A multicultural company with Danish heritage.
Numbers of FTE = 100% in 2025 = 245



Traditionally, Lyngsoe Systems has had more male employees than female, reflecting the gender composition in the software development industry.

We have set ourselves a target to increase this ratio from 15% of our employees being female in 2023 to 25% by 2030.

In 2026, the goal is to hire a second female board member, and remain committed to our target of having 30% of our middle management team made up of female employees by 2030.

Our Employees are Our Greatest Asset

Lyngsoe Systems utilizes an external survey system to assess employee satisfaction and engagement. We are proud to report a consistently high satisfaction level, with a score of **8** out of 10, maintaining the same level since 2021.

	2025	2024	2023	2022	2021
Employee Satisfaction Scale 1-10	8	8	8	8	8

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We believe that our employees are our greatest asset. Therefore, we conduct these surveys as an opportunity for gathering feedback and making improvements, encouraging everyone to share their anonymous suggestions, which provide us with valuable insights for action.

Feedback from our employees consistently highlights the importance of a workplace that supports both focus and wellbeing. In response, we have actively worked to create spaces that allow employees to recharge and concentrate.

This has included establishing a dedicated quiet working area, as well as a relaxation room where employees can meditate, stretch, or simply take a moment for themselves. We are also introducing more plants throughout the office, with the aim of creating a greener and more inspiring environment, which we expect will also

have a positive impact on air quality and acoustics. These efforts reflect our commitment to taking employee feedback seriously and continuously improving the workplace for everyone.

Diversity, Equity, and Inclusion (DEI)

Lyngsoe Systems is committed to fostering a diverse and inclusive workplace, where individuals feel valued, respected, and supported. We believe that our approach to diversity, equity, and inclusion (DEI) creates a competitive advantage. Our DEI policy, established in 2024, continues to guide our efforts today.

Our culture is based on collaboration and mutual respect, where all employees, regardless of background, are encouraged to take ownership and contribute meaningfully.

As part of our commitment to inclusivity, at our headquarters in Denmark we currently have 4 individuals in flexible positions. Within Logistics, we also welcomed a new employee through the Icebreaker scheme, a graduate program for people with disabilities, an initiative that has proven to be a great success.

Learning and Talent Development

Investing in the growth and development of our employees is central to how we operate. We are committed to ensuring that our people have the skills, knowledge, and opportunities they need to thrive, both in their current roles and in the future.

Competency Mapping

Across both businesses, we have begun taking a closer look at the competencies within our individual teams, assessing whether they have the skills needed to meet their goals. Library initiated this process in 2025, with Logistics set to follow in 2026. The findings will be used to inform and prioritize the training and development efforts that follow.

Knowledge Sharing & Exchange

We believe that some of the most valuable learning happens across teams, functions, and borders. In 2025, Library launched an internal exchange program, giving employees the opportunity to visit one of our international offices, gain insight into how colleagues work in different markets, and build relationships across the organization.

Also within Library, a US-based colleague has taken on a dedicated role in training European sales staff in automated sortation, including visits to the UK in 2025, with further sessions planned in Germany in 2026.

Student Partnerships

Our dedicated partnership with universities and educational institutions continues to grow, with an appointed individual responsible for facilitating collaboration with students, from high school level through to Bachelor and Master thesis programs. These partnerships bring fresh perspectives into our organization while giving students meaningful, real-world experience.

4 QUALITY EDUCATION



In 2025, Lyngsoe Systems engaged 15 student workers and interns, and conducted several school visits to generate interest in our industry and promote educational collaboration.

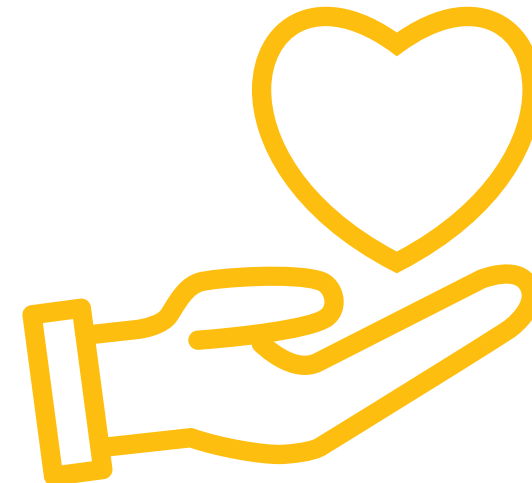
Employee Health and Safety

We are committed to prioritizing the health, safety, and overall well-being of our employees by creating a secure work environment, preventing injuries, and ensuring optimal physical and psychological conditions. To support this, we have appointed employee and management representatives responsible for helping us maintain a safe workplace, and we continuously work to eliminate hazards and minimize occupational health risks. As part of this, we provide ongoing training and equip employees with the necessary protective gear to ensure everyone can work safely.

Initiatives & Activities

To support our focus on health and safety, in 2025, we engaged in a number of key activities, including:

- **Employee-led Sports and Activities:** We support and encourage employee-initiated activities, including tournaments in padel and table tennis, as well as Lyngsoe Moves, a recurring event where employees participate in running, walking, and cycling activities together.
- **Mental Health:** In recognition of World Mental Health Day, we welcomed Hjernero for a presentation in November 2025, offering employees practical tools for managing overthinking, worry, and mental overload.
- **Quiet Spaces:** In response to employee feedback, we established a dedicated quiet working area and a relaxation room where employees can meditate, stretch, or simply take a moment for themselves.





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 our 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). Since 2024, our DEI (Diversity, Equity, and Inclusion) policy has been integrated

into the Staff Handbook, reinforcing our commitment to fostering a diverse and inclusive work environment.

Additionally, Lyngsoe Systems Ltd has been a living wage accredited employer since 2024, ensuring fair compensation for all employees.

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. 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 2025

Supplier Code of Conduct (SCoC)

Lyngsoe Systems recognizes that it can only make lasting sustainable changes through collaboration with our global network of suppliers. Our 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 was updated in 2023, and all our main suppliers have committed to this. We define our 'main suppliers' as those responsible for a minimum of 80% of our production-related purchases. Our SCoC forms part of all new agreements with suppliers in our production supply chain.

LIST OF CONVENTIONS AND PRINCIPLES COVERED BY THE LYNGSOE 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)

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 desk, Ergo Staff, 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 transporter units, namely Ergo Bin™ and Ergo Cart™, eliminate unnecessary bending and reaching, safeguarding staff from awkward angles and heavy lifting.

8 DECENT WORK AND ECONOMIC GROWTH



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.

To further support users, our self-service product line offers ergonomic and accessibility benefits. Lyngsoe's LibDeco™ F20 Self-Check Kiosk is height-adjustable and features assistive technology that makes it easy and safe to use for all patrons.

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: Improving Efficiency and Patient Care at Aarhus University Hospital

At Aarhus University Hospital (AUH), one of Denmark's leading super hospitals, keeping track of essential medical equipment, beds, and other resources across a vast 375,000m² facility was a growing challenge. With more than 800 beds and an annual capacity of 1 million patient visits, hospital staff often spent an average of 12 minutes per shift searching for critical items—time that could be better spent on patient care.

To tackle this, AUH implemented Lyngsoe Systems' RFID-based Real-Time Location System (RTL), which has significantly improved the hospital's logistics and daily operations.

1. More Time for Patient Care:

By providing instant visibility of essential equipment and assets, the solution drastically reduced the time staff spent searching for resources. This allowed healthcare professionals to focus on their patients rather than logistical tasks.

2. Better Use of Resources:

Real-time tracking has helped AUH optimize the use of medical devices, hospital beds, and consumables, ensuring they are available where and when they are needed. With greater control over resource allocation, the hospital can make data-driven decisions to improve efficiency.

3. Streamlining Workflows:

With a clearer overview of actual workflows, AUH has been able to identify and address inefficiencies. This has led to smoother operations, better coordination between departments, and an overall improvement in hospital logistics.

By using technology to enhance efficiency, AUH has created a smarter and more responsive hospital environment, benefiting both staff and patients. The project is a strong example of how digital solutions can help modern healthcare institutions overcome logistical challenges while improving patient outcomes.

See also: <https://lyngsoesystems.com/logistics/healthcare/cases/the-worlds-largest-healthcare-rfid-installation>

4. Governance Impact

- **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.



Business Conduct

Business ethics are a core component of our corporate culture and essential for long-term success. We understand that ethical behavior is not only a legal obligation but also vital for building trust and fostering a positive corporate culture.

Our Code of Conduct (CoC) guides employees through dilemmas they may encounter at work. Adherence to the CoC is mandatory for all employees, and any breaches will result in a formal investigation and appropriate action. Specific CoC topics are further detailed in relevant policies and guidelines.

Our CoC is updated on an ongoing basis, always with approval from Group Management and the Board of Directors. All employees will subsequently undergo mandatory training on the new CoC to enhance awareness and understanding.

We also prioritize diversity, inclusion, and equality, recognizing their importance to our 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

Whistleblower System

We want any reporting of concerns about ethical and compliance issues to be as easy as possible. Our 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 our 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 2025 was 0.



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.

We aim 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 enabling 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 our 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. We hold all suppliers responsible for ensuring that they meet the standards, and we will collaborate with suppliers to ensure this commitment is achieved and maintained.

Going forward, we will not only target onboarding more suppliers aligned to the SCoC, but also continue 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's management team and other key personnel also co-invested with the aim of developing the company through accelerated growth in close cooperation with Accent Equity.

Since 1994, Accent Equity has invested in private Nordic companies where it is believed that a new partner or owner can serve as a catalyst. Their ambition is to invest in and develop these companies to become Nordic, European or global leaders through a professional, hands-on, and long-term approach that delivers superior, sustainable returns.

See also <https://accentequity.se/>

The Board of Directors

The Board of Lyngsoe Systems is composed of representatives from Accent Equity: Carl Fürstenbach, Chairman of the Board; Lowe Rehnberg, Deputy Chairman of the Board; and Conny Franzén, Board Member. In April 2024, Na'Tosha Bard joined the board as its 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 clear expectations for ourselves and our portfolio companies. I'm pleased to acknowledge the significant, systematic steps we have taken toward sustainability."



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 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 support their organizations by offering sustainability in our solutions and the way in which we operate our business."

Henrik Kjeldgaard, CEO, Lyngsoe Systems, Library Solutions

"Sustainability is a key priority for Lyngsoe Systems, and we are strengthening how it is embedded in our governance and decision-making.

Our solutions support this agenda by reducing environmental impact across transportation, logistics, and intralogistics through improved accuracy, reduced mis-shipments, and optimized transport fill rates. In public healthcare, our solutions enable more efficient use of resources, supporting both operational effectiveness and reduced equipment needs.

We continue to improve our data, transparency, and internal processes to support informed decisions and long-term sustainable value creation."

Michael Vistisen, CEO, Lyngsoe Systems, Logistics Solutions

Simplified Annual Work Cycle of the ESG Agenda and Implementation

The sustainability agenda is anchored in the Executive Management of Lyngsoe Systems Group, which is responsible for its overall ambition, direction, prioritization, financing, and decision-making. Sustainability topics are discussed in Executive Group Management Reviews and Group Board Meetings, adhering to our established governance structure. Participants will deliver quarterly sustainability updates, including:

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

Other stakeholders are also involved in progress reviews and provide updates as required. To maintain a focus on sustainability efforts, we have established an annual reporting cycle divided into quarters. Reporting is presented to Accent Equity, Group Management, and other key stakeholders such as CDP, SEDEX, EcoVadis, and Worldfavor.

Q4:

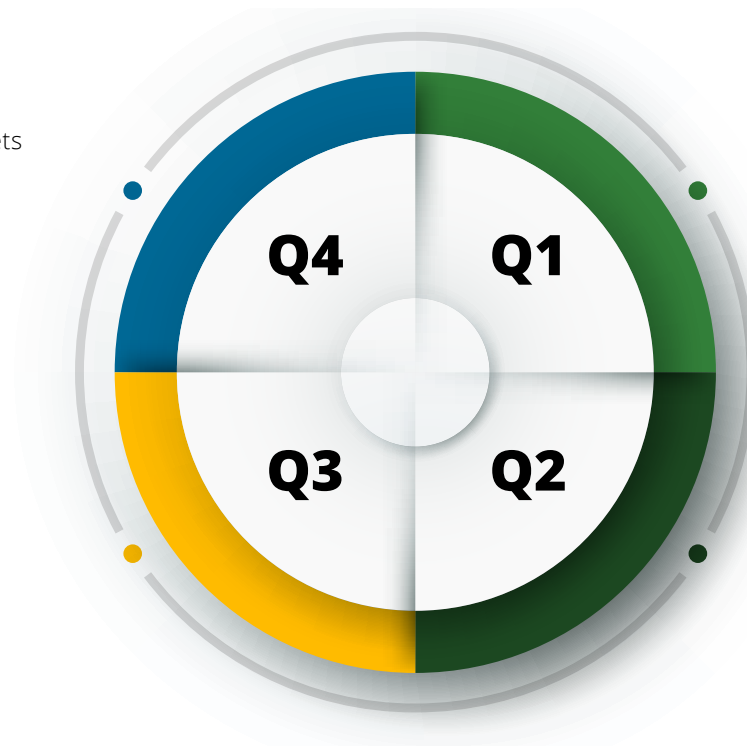
Sustainability Forum

- 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.

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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 our ERP-systems and collected from our suppliers where relevant.

2022 is used as the baseline year for our ongoing CO₂ accounting effort and is deemed representative. This ongoing effort builds on the initial baseline established in 2022, with estimates

for the 2024 report based on varying degrees of data maturity. For instance, we continue to rely on assumptions to identify the downstream use of sold products, which accounts for 45% of our total CO₂e emissions. Our products have a lifespan of 12 years, and we calculate the CO₂e emissions from their usage each year, consistently using the same set of assumptions for these calculations. However, it carries 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 follow the assumptions made by 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: based on logistical partner information
- Category 5: Facts from UK and DK plus Internal assumption for rest
- Category 6: Worldfavor standard reporting
- Category 7: Own internal assumptions used




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



**Lyngsoe
Systems**

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