

ESG-report 2024 – LS Control A/S

Presentation of LS Control

LS Control A/S is an electronics company founded in 1969 that develops and manufactures control and regulation solutions based on its own technology platforms—primarily for the ventilation industry.

New products are created in close collaboration with customers across many industries, and the cornerstone of our business has always been energy optimization and long-lasting products. With our own development department, production, and test facilities, we ensure that all products are thoroughly tested and, at a minimum, comply with applicable requirements and standards (e.g., the EU's Ecodesign directives). We make it a priority to stay ahead of new rules and regulations, so customers always receive knowledgeable guidance—whether it concerns developing a new product or advice on using our standard solutions.

Our business and value creation are built on three business areas, each of which contributes to our profile:

Standard products: Finished products (primarily for ventilation) supplied through wholesalers.

OEM products: Standard products that are configured to the individual OEM customers' needs, reducing development time and cost. Products developed from the ground up in close collaboration with the customer and to their specifications—these products are then manufactured and delivered by us.

Online services: Services that enable configuration and remote service of products via PC or app solutions.

Quality, environmental consideration, and employee well-being have always been core values for us. As part of our sustainability journey, we are hereby presenting our first ESG report, providing a transparent insight into our efforts and results within environment (E), social conditions (S), and corporate governance (G).



Our in-house developed products are marketed under the three trademarks shown above, as well as through other product lines that are not branded under these trademarks.

Managing Director's Statement

As Managing Director of LS Control, I am proud to present our first ESG report. Since 1969, we have focused on delivering high-quality products with energy efficiency in mind, and we continue to carry that legacy forward today in every aspect of our business. We have always known that long-lasting solutions and responsible operations benefit both our customers and the environment—now we can also document these efforts in a structured way through ESG reporting.

2024 marks a key step for us. As part of the NIBE Group, which is covered by CSRD reporting, we actively contribute to the Group's sustainability goals while maintaining our local focus here in Herlufmagle. We have achieved several milestones—from installing solar panels on the factory roof and adding extra insulation to the buildings, to introducing our first electric company car. But the journey has only just begun. We have set ambitious targets to reduce our energy consumption and CO2 emissions, and we are investing in new initiatives such as biogas certificates, heat pumps, and circular initiatives that will help us do even better.

Our employees are at the heart of our success. Their commitment to quality and continuous improvement has made it possible to get to where we are today. We focus on the working environment and promote a healthy workplace, with well-being and development at the center. I would like to thank all employees for their efforts, and our customers for sharing the vision of working towards sustainable solutions. With this report, we commit to communicating our progress and challenges openly. We see ESG as a continuous improvement process—and we are dedicated to doing our best, every year.

— Per Nielsen, Managing Director, LS Control A/S



B1 – General Information

This report has been prepared in accordance with the voluntary standard for ESG reporting for SMEs (VSME), basic module B1–B11. The report covers **LS Control A/S** (CVR no. 15288205), which operates within the electronics/industrial sector (NACE code C 26.51). In 2024, the company had **51 employees** and total assets of **DKK 84,552 thousand / EUR 11,350 thousand**; annual revenue is exempt from disclosure for confidentiality reasons.

Location and geolocation of significant assets and facilities owned, leased or managed by LS Control A/S (paragraph 24(e)(vi), (vii), paragraphs 73-76)					
Location	Address	Postal Code	Town/City	Country	Geolocation (coordinates)
Main Office	Industrivej 12, Gelsted	4160	Herlufmagle	Denmark	55.29957414460363, 11.756472405630804
Production & Warehouse	Industrivej 4, Gelsted	4160	Herlufmagle	Denmark	55.29982914327302, 11.755887683939847
Development & Test	Industrivej 10, Gelsted	4160	Herlufmagle	Denmark	55.29919240700961, 11.756568965144718



LS Control A/S has been certified to **ISO 9001** (quality management) since 2009 and **ISO 14001** (environmental management) since 2021 (and upgraded to ISO 9001:2015 the same year). These

certifications ensure that we maintain a constant focus on quality, optimize our processes, manage non-conformities effectively, and continuously improve our environmental efforts, especially in production and product development.



In 2023, LS Control became part of **NIBE AB**. The NIBE Group is covered by the EU's CSRD requirements, and from the 2024 fiscal year we therefore provide ESG data for the Group's overall sustainability reporting. 2023 was also the year in which we completed the Confederation of Danish Industry's course "Klimaklar Produktionsvirksomhed" and prepared our first **climate accounts** using Klimakompasset (covering scopes 1, 2 and 3). Since 2023, we have also been active on **EcoVadis**—a global, independent platform that assesses companies' sustainability performance within environment, labor and human rights, ethics, and procurement.



B2 – Our ESG Journey, Policies and Initiatives

Historically, we have worked according to principles of high quality and energy efficiency in our products. All products are designed for a long service life so they can last for many years and be repaired rather than discarded. Sustainability is therefore nothing new to us—but in recent years we have formulated clear policies, targets, and systematic initiatives to strengthen our ESG efforts even further.

Environmental policy: We want to contribute actively to the global effort to protect and improve the environment. Through our efforts, we will:

- **inspire** our customers to find the most environmentally friendly solutions,
- **work** to identify technologies and designs that place the least possible burden on the climate,
- **minimize** scrap and waste from production and ensure the best possible reuse and waste handling,
- **avoid** using environmentally harmful substances in production, and
- **optimize** transport of goods to and from the factory to minimize the climate impact.

Environmental targets 2025: We have set ambitious environmental targets for 2025 that commit us to tangible improvements:

- Reduce the company's **energy consumption** (supplied energy, scope 1) by at least 10% per DKK of turnover compared with the previous year.
- Implement at least **4 innovative technology or component choices** that reduce energy consumption or environmental impact on our products.
- Implement at least **2 new process changes** that reduce energy consumption or environmental impact on our operations.
- Reduce the company's **CO2 emissions** (scope 1 + 2) by at least 20% per DKK of turnover compared with the previous year.

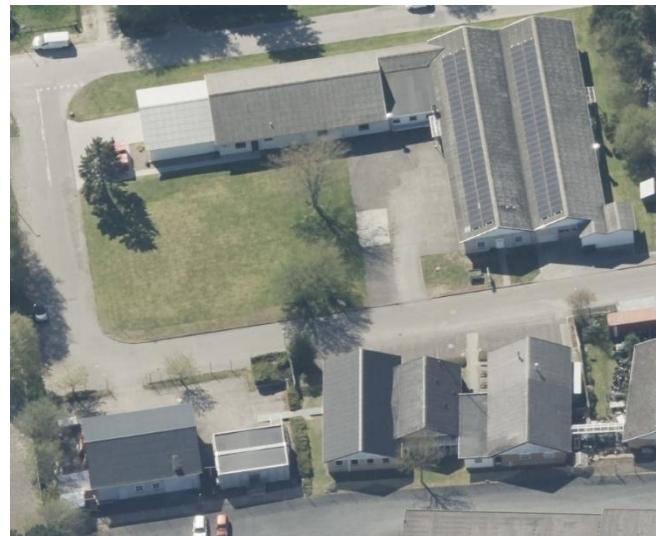


To achieve these targets, we work systematically with data and improvements. Since 2022, we have recorded our scope 1 and 2 CO2 emissions in **Klimakompasset**. This helps us monitor energy consumption and calculate emissions in line with recognised standards, so we can document progress against our targets. In 2023, we began the extensive work on **scope 3** (indirect emissions in the value chain), and we continuously improve the underlying data.

Throughout 2023 and 2024, we have put extra focus on building knowledge and capabilities within ESG. We actively participate in several **networks and knowledge forums**—both nationally via the Confederation of Danish Industry and locally through Ressource City in Næstved. Here, we gain inspiration and discussions on everything from sustainability and reporting to the green transition. We strive to continuously improve our data and initiatives: in 2024–25, for example, we are participating in a Klimaklar program on **circular economy**, and we have been a case company for students on DTU's LCA course—so we also contribute to research-based knowledge about our products' life cycle.

A selection of our initiatives to date:

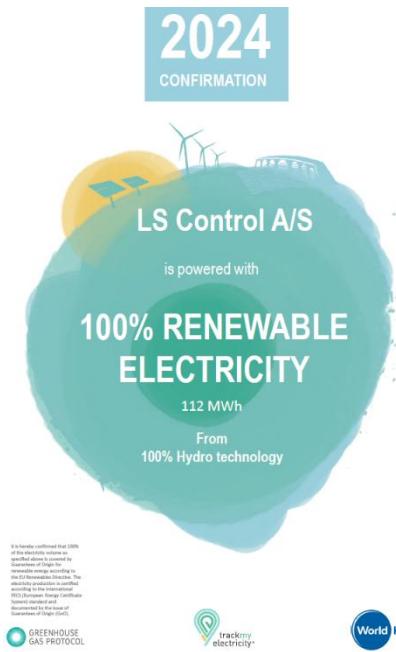
- **2022:** We added extra insulation to our buildings to reduce heating demand. As a result, our natural gas consumption for heating fell by more than 20% in 2022 compared with the previous year.
- **2023:** We installed solar panels on the roof of the production building, meaning that part of our electricity consumption is now covered by renewable energy (approximately 16% of total electricity consumption in 2023).
- **2024:** Through our parent company, NIBE, all purchased electricity was covered by renewable energy certificates (based on hydropower). We thereby climate-compensated 100% of the CO2 emissions from our electricity consumption in 2024.



To ensure a robust business, we also work actively with **risk analysis**. We continuously identify and assess risks and opportunities across all relevant areas—environmental, social, and governance. Each risk factor is evaluated based on likelihood and potential impact, and a responsible person is appointed to manage the risk and implement the necessary actions. This systematic approach to risk management helps us prevent issues and proactively seize opportunities for improvement.

B3 – Energy and CO2e Emissions (Scope 1 & 2)

Energy, especially electricity, is the most significant resource in our production and day-to-day operations, as all our production machines run on electricity. We have a policy that company cars should switch to **electric vehicles** as they are replaced; in 2024, we also got our first electric company car.



Our electricity consumption increased in absolute terms in 2023 because we commissioned an **additional SMT production line** (where previously we only had one). Despite this expansion, the increase in energy consumption from 2019–2024 has been, in percentage terms, lower than the company's growth measured by revenue and number of employees. In other words, our **energy efficiency** has improved at the same time as the company has experienced significant growth. (*LS Control was named a “Success Company” in 2022 and 2023 by Spar Nord and BDO, and in 2024 received Børsen’s Gazelle award as one of Denmark’s fastest-growing companies.*)

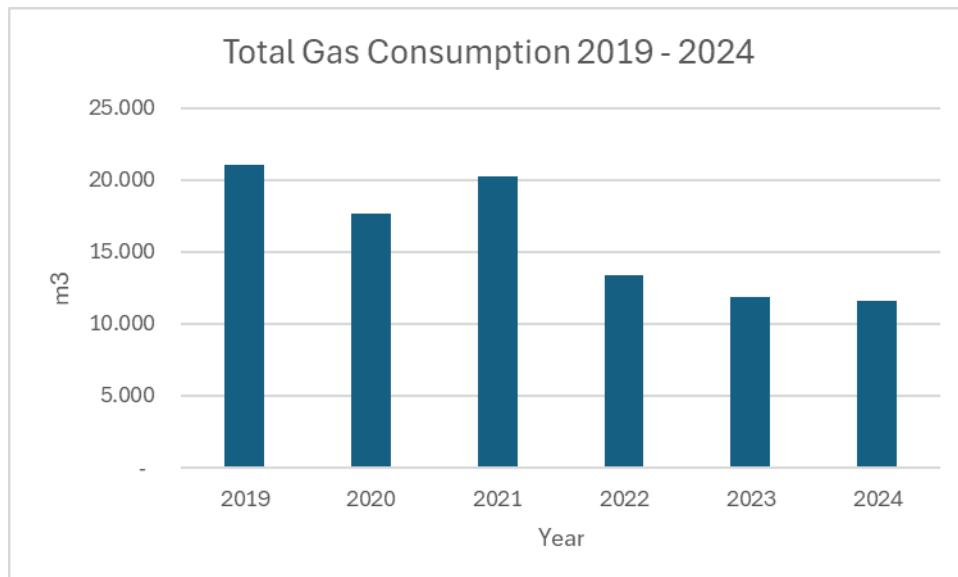
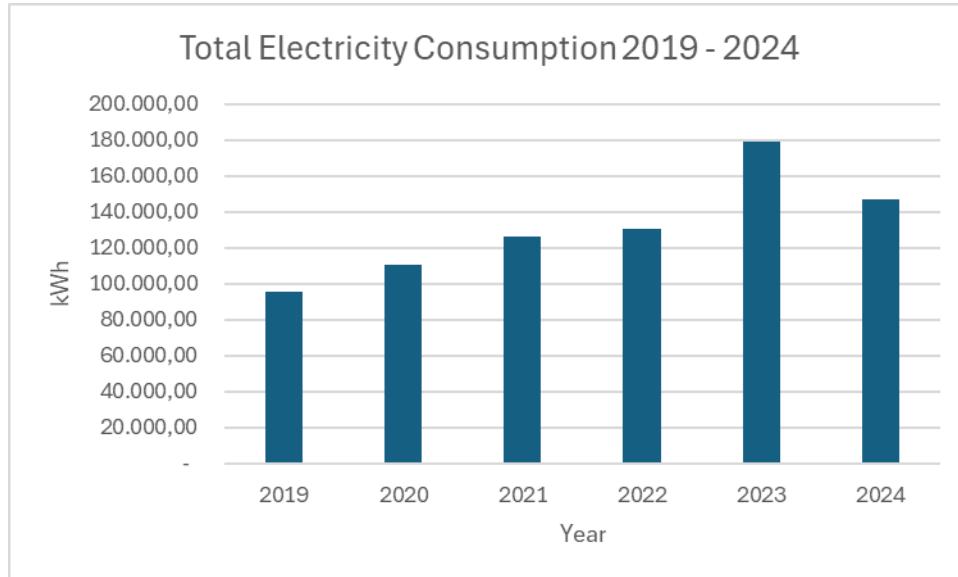
In 2024, our new solar PV system supplied approximately **24% of total electricity consumption** (compared with around 16% in 2023). We buy the remaining electricity as green power: after 2024, we purchased **renewable energy certificates** corresponding to our entire purchased electricity consumption (112 MWh in 2024), meaning the electricity we use is based on renewable sources.

Energy consumption in MWh (paragraph 29)			
	Renewable	Non-renewable	Total (MWh) [2024]
Electricity	35,09719 MWh (Solar Panels)	111,57094 MWh	146,66813 MWh
Fuels: Gas		11.588 m3	11.588 m3

On the heating and fuel side (scope 1), we use natural gas to heat the factory. We are working to compensate for this via biogas certificates. Our total direct and indirect CO2e emissions (scope 1+2) are calculated annually in the climate accounts using Klimakompasset, ensuring consistent and standardized emission factors. This data forms the basis for tracking our CO2 reduction targets and implementing additional energy-saving measures where necessary.

Greenhouse gas emissions (paragraph 30) after purchase of green electricity certificate (Guarantee of Origin)	Year 2024
Scope 1 CO ₂ eq emissions	32,10 tonnes CO ₂ e
Scope 2 CO ₂ eq emissions (location-based)	0,05 tonnes CO ₂ e
Total CO ₂ eq emissions from Scopes 1 and 2	32,15 tonnes CO ₂ e

Development in our electricity and gas consumption since 2019:



B4 – Pollution of Air, Water and Soil

We do not have any processes that cause direct pollution of the surrounding environment. Our production does **not emit harmful substances** to the air, water, or soil. The only process energy we use in production is electricity, and any emissions related to our energy consumption are addressed in the climate section (B3). We therefore do not consider this topic material to our business and do not report further on it.

B5 – Biodiversity

Our activities do not directly affect biodiversity in the local area. We are in an industrial zone that has not been designated as vulnerable or of particular value for biodiversity. We have no production processes that discharge into nature, and biodiversity is therefore not identified as a material ESG matter for us currently. Should our activities change, we will of course reassess our impact on biodiversity.

B6 – Water

We use **extremely limited amounts of water**, as our production processes do not consume water. Water is used primarily for sanitary purposes, in the kitchen, and cleaning. We monitor our water consumption as a matter of good practice, but since it relates solely to normal consumption in office and staff facilities, we do not consider water consumption to be a material environmental impact from our business. We nevertheless always strive to avoid unnecessary use of this resource.

Water withdrawal (paragraph 35)	Year [2024]
Total for all locations	208 m ³

B7 – Resource Consumption, Circular Economy, and Waste Management

Resource consumption: Our production involves purchasing and using a range of raw materials and components. Some of the most significant materials include printed circuit boards (PCBs), coils, integrated circuits (ICs), plastic, and aluminum. To quantify our resource consumption, we calculate consumed quantities based on the number of units purchased multiplied by the unit weight (estimated where precise weights are not available). We acknowledge that there are uncertainties in this data, and we are continuously working to improve our ERP system and data registration, so our material consumption calculations become as accurate as possible. This focus also helps us identify opportunities to reduce consumption or substitute materials with more sustainable alternatives.

Key materials in LS Control A/S (paragraph 38(c))	Annual mass-flow 2024
IC's	2,34 tonnes
Power-modules	1,09 tonnes
PCB's	9,45 tonnes
Plastic	23,45 tonnes
Coils	22,83 tonnes
Connectors	21,16 tonnes
Capacitors (incl. Electrolytic Capacitors)	9,73 tonnes
Wires	4,84 tonnes
Relays	3,69 tonnes
Aluminium (Cooling Plates, enclosures etc)	6,52 tonnes

Waste management: We generate several waste types from production, but **hazardous waste** is virtually non-existent. We use a small number of chemicals (e.g., solder flux), but in such small quantities and within controlled processes that the resulting waste does not pose a significant issue. General production waste is sorted as far as possible; we have a particular focus on **increasing recycling** and reducing the share of mixed combustible waste. We have initiated initiatives to further improve waste sorting, so more waste can be sent for recycling rather than incineration.

Total annual generation of waste		
	Total generation of waste (paragraph 38(a))	Waste diverted to recycle or reuse (paragraph 38(b))
Non-hazardous waste		
Combustible	4,37 tonnes	-
Paper & Cardboard	5,63 tonnes	5,63 tonnes
Electronics etc from production	0,6968 tonnes	0,6968 tonnes

Circular principles: Quality and long service life are key concepts in our approach to production and product design, and these principles align with the circular economy. Specifically, we apply the following circular measures:

- **Service life:** All our products are designed to last as long as possible—it is not uncommon for an LS Control unit to operate flawlessly for 15–20 years or more. Long product lifetimes reduce the need for frequent replacements and therefore reduce resource consumption and waste with time.
- **Repair:** As a rule, we repair all products that can be repaired. This applies both during the warranty period (for complaints/claims) and after the warranty, in dialogue with the customer. We only discard defective products if they are uneconomical or impossible to repair. The products we do have to discard are **sent for recycling** so the materials can enter new cycles rather than wasted.
- **Reuse & waste:** All electronic scrap as well as metal waste from production is **collected for recycling** through authorized channels. Cardboard and paper waste is also sorted and sent for recycling. One of our fixed principles is that surplus components and materials from production are not simply thrown away—if they could potentially be used in the future, we store them with the aim of finding an application in new projects or products, rather than letting them end up as waste.
- **WEEE responsibility:** Since 2009, we have been a member of **Elretur**, the collective scheme for electronic waste in Denmark. Through this membership, we contribute to the correct collection and treatment of end-of-life electronic products, so valuable raw materials can be recycled, and environmentally harmful substances are handled responsibly.

B8 – Employees

Our **employees** are our most crucial resources, and we prioritize a good working environment as well as retaining local jobs. With both our development department and production based in Herlufmagle in South Zealand—and with most of our employees living in the local area—we are proud to be able to offer skilled jobs locally and thereby make a positive contribution to the community.

To ensure a continuous pipeline of talent and ongoing development, we regularly have **apprentices and interns** with us, for example, electronics technician apprentices and engineering students. After completing their education, several of our apprentices and interns have chosen to continue their careers with us, which reflects the good development opportunities we offer.

We place emphasis on well-being and a sense of community. Every year, we hold both a summer party and a Christmas party for all employees. In addition, we arrange various social events or teambuilding activities throughout the year. As an extra employee benefit, we also offer voluntary free **influenza vaccination** to all employees every year to promote health and help minimize sick leave during the winter months.

We want to be an attractive workplace where employees thrive, develop, and feel valued. That is why we also go a long way in adapting the workplace and tasks so that our most senior employees—and those who are temporarily or chronically affected by illness—can continue to feel a sense of belonging to us.

In addition to our social events and health initiatives, we aim for an open dialogue culture and employee involvement, so everyone can contribute ideas for improvements—both in work processes and the working environment.

In 2024, the employee composition was as shown below; the two temporary positions refer to our two apprentices.

Type of contract (paragraph 39(a))	Number of employees (headcount or full-time equivalents)
Temporary employment	2
Permanent employment	49
Total number of employees	51

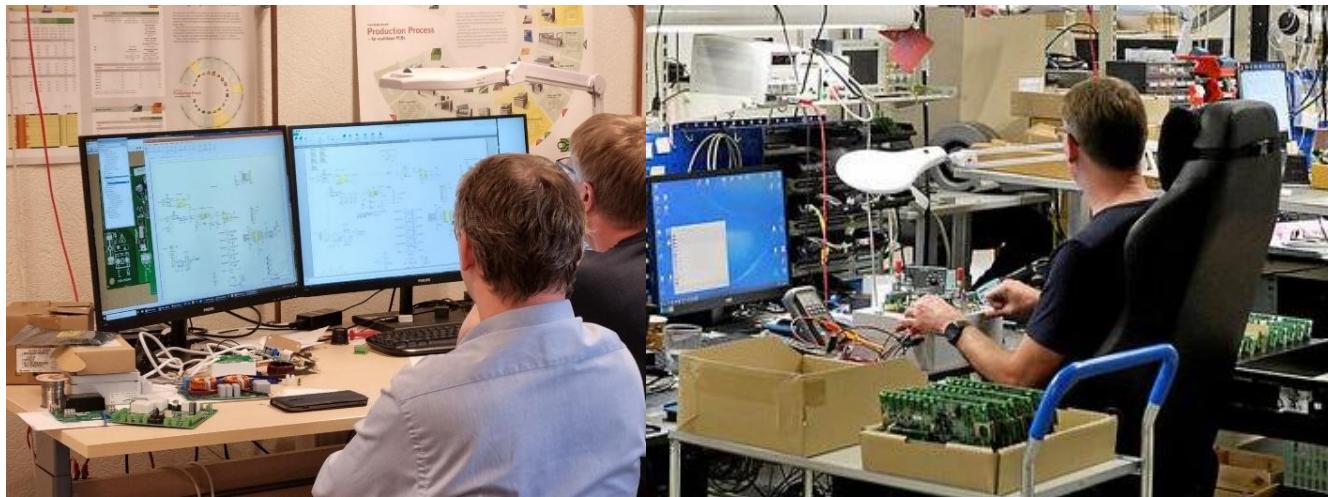
Gender (paragraph 39(b))	Number of employees (headcount or full-time equivalents)
Male	33
Female	18
Total number of employees	51

Employee turnover rate (paragraph 40)	2024
	9,8 %

B9 – Health and Safety

A safe and healthy working environment is essential to us. We follow our **health & safety policies** closely and update them continuously as we identify opportunities for improvement or new risks. Whenever an incident or a “near miss” occurs, we investigate the root causes thoroughly and implement preventive measures to avoid repetition. This initiative-taking approach helped ensure that we had **0 workplace accidents** among our employees in 2024.

We make sure that the physical working environment supports employees’ health: for example, all office employees have ergonomic sit-stand desks and can receive extra monitors or other equipment as needed. In production, we focus on good ergonomics at workstations and on varied work tasks to avoid one-sided repetitive work.



In addition, employees are offered health insurance (see the next section) and other preventive initiatives such as the above-mentioned influenza vaccinations. Overall, we strive for a **zero-accident culture** and a workplace where good employee conditions are a priority.

B10 – Pay, Collective Agreement and Development

We offer fair pay and working conditions that both meet applicable requirements and enable us to attract and retain skilled employees. Our production employees are covered by the **Industriens Overenskomst** (the industry-wide collective agreement), which provides clear frameworks for pay, working hours, pay-supplements, etc.

Collective agreement (paragraph 42(c))	Year 2024
Percentage of employees covered by collective bargaining agreements	55%

All permanent employees—regardless of position—are also covered by a **pension scheme** and have company-paid **health insurance**. We pay at least the agreed **minimum wage** (or above), and salaries are adjusted continuously in line with collective bargaining renewals and individual agreements, so they reflect competencies and performance.

Skills development is another key focus area. All employees can take relevant **continuing education** and attend courses that can strengthen both their professional and personal development.

We offer a range of mandatory and voluntary online courses via a dedicated learning portal, which is available to employees in the relevant departments. In 2024, employees actively participated in these courses—some more than others, depending on individual preferences and needs. The statistics below on training hours per employee by gender could indicate that male employees spend significantly more time in the learning portal than female employees. However, the statistics only reflect time spent, not the number of courses completed. It is therefore not possible to conclude whether one group is more interested in the online courses than the other.

Average number of annual training hours per employee (paragraph 42(d))	Year 2024
Male employees	27,75
Female employees	11,85

In addition to the courses on the learning portal (where time spent is recorded), our employees also undertake continuous professional development, for example through participation in in-person courses, seminars, networks, webinars, further education, etc.

Daily sparring with colleagues and ongoing development work—both internally and in collaboration with our customers—should not be underestimated. Time spent on this type of skills development can be challenging to quantify, and we have not yet found a method for recording it; therefore, it is not included in the figures above.

Our philosophy is that learning should be accessible and flexible so it can be adapted to the individual—and we encourage everyone to keep developing their skills.

B11 – Business Conduct

We run our business with **high integrity and strong ethical standards**. We comply with both our own internal policies and the NIBE Group's policies on responsible business conduct. These policies cover, among other things, anti-corruption, responsible supplier management, and employee-related guidelines. Specifically, we have policies on:

- **Anti-corruption and bribery** – all employees have received training in preventing corruption.
- **Human rights** – we have a human rights policy, which all employees have also been trained in.
- **Health and safety** – we follow a clear Health & Safety policy with procedures for safe practices.
- **Information security** – a policy to protect data and knowledge (including IT security and confidentiality).
- **Insider trading** – an insider policy that ensures proper handling of internal information in relation to the parent company's listed status.
- **Privacy / data protection** – a policy for managing personal data in accordance with GDPR and Group requirements.
- **Responsible sourcing** – a policy for responsible supplier management and sustainable procurement (Responsible Sourcing).

We have also established an **anonymous whistleblower scheme** where employees can confidentially report suspected misconduct. This scheme is available to all employees, and as a subsidiary we are also covered by the NIBE Group's central whistleblower portal.

We have **never experienced cases of corruption or bribery** in the company's history, and there were no reports of breaches of our ethical guidelines in 2024. We believe our preventive efforts and strong values are contributing factors. To maintain this, we will continue to train employees in ethical business conduct, stay up to date with relevant legislation, and monitor compliance with the policies.

Transparency and accountability at every level of the business are crucial—because it is the right thing to do for our customers, partners, and employees.

Contact: LS Control A/S – Industriej 12, Gelsted, 4160 Herlufmagle, Denmark. Phone: +45 5550 5550. E-mail: lsc@lscontrol.dk – website: www.lscontrol.dk.
