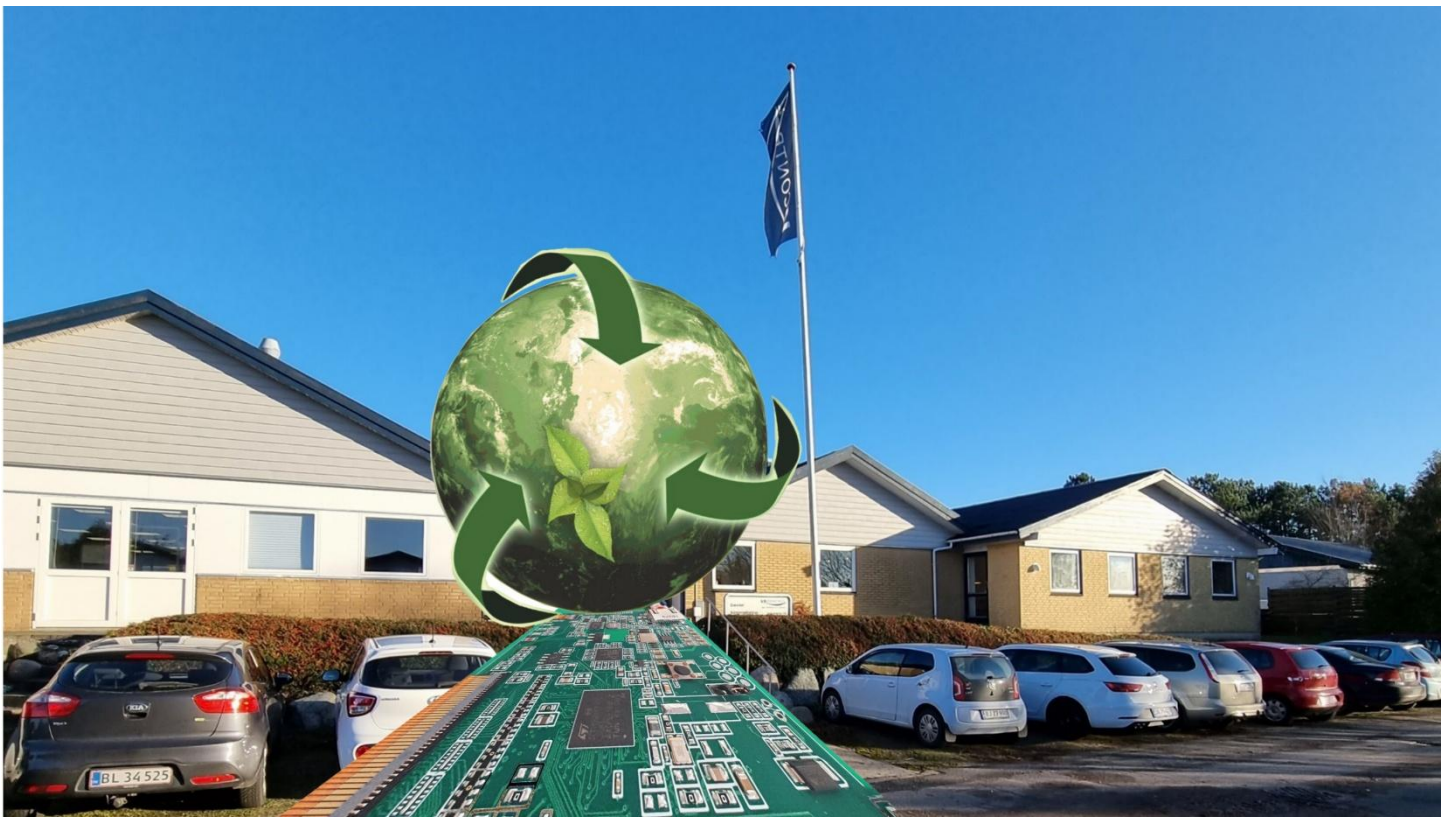


VSME-report 2025



LSCONTROL

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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 a wide range of industries, and the cornerstone of our business has always been **energy optimization** and **long-lasting products**.

With our own development department, production, and testing 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 competent guidance – whether it concerns the development of a new product or advice on using our standard solutions.

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

- **Standard products:** Finished products (primarily for ventilation) supplied through wholesalers.
- **OEM products:**
 - Standard products configured to meet the needs of each individual manufacturing customer, reducing development time and cost.
 - Products developed from scratch in close collaboration with the customer and according to their specifications – these products are then manufactured and delivered by us.
- **Online services:** Services that enable configuration and remote servicing via PC- or app-based solutions.

Quality, environmental responsibility, and employee well-being have always been core values for us. It is therefore with great pride that we present our second ESG report, providing transparent insight into our efforts and results within environment (E), social responsibility (S), and good corporate governance (G). The report has been prepared in accordance with the guidelines set out in the basic module of the European voluntary standard for SMEs (the VSME report) and will be updated and published annually.



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 pleased to present this year's ESG report. Since 1969, we have focused on delivering 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 durable, long-lasting solutions and responsible operations benefit both our customers and the environment — this work is now being documented in a structured way through ESG reporting.

2025 was the year we published our first VSME report. Unfortunately, we did not reach our environmental target of a 10% reduction in electricity consumption per unit of revenue in 2025, but we did achieve our target of reducing our CO2 emissions. In addition, we launched a number of other initiatives that will help save energy for both us and our customers in the future. For example, we replaced components in several of our products with components that consume significantly less energy, and we optimized our production processes. We also offset our entire natural gas consumption through the purchase of biogas certificates.

We continue to have high ambitions for our ESG work. In 2026, we will take part in a collaborative project with MADE and the Danish Technological Institute focused on developing electronics from a circular economy perspective, and we will once again participate in DTU's Life Cycle Assessment (LCA) program.

Our employees are at the heart of our success. Their commitment to quality and continuous improvement has made it possible for us to get this far. We focus on the working environment and promote a healthy workplace with well-being and development at its core. I would like to thank all employees for their efforts, and our customers, for sharing our vision of working towards sustainable solutions. With this report, we commit to communicating our progress and challenges openly. We see ESG as a process of continuous improvement — and we are dedicated to being a little better 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 in the electronics/industrial sector (NACE code C 26.51). In 2025, the company had **50 employees** and total assets of **DKK 89,214 thousand / EUR 11,975 thousand**. Annual revenue is not disclosed for reasons of confidentiality.

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, 11.75647240563080 4
Production & Warehouse	Industrivej 4, Gelsted	4160	Herlufmagle	Denmark	55.29982914327302, 11.75588768393984 7
Development & Test	Industrivej 10, Gelsted	4160	Herlufmagle	Denmark	55.29919240700961, 11.75656896514471 8



LS Control A/S has been certified according to **ISO 9001** (quality management) since 2009 and to **ISO 14001** (environmental management) since 2021, where we also upgraded to ISO 9001:2015.

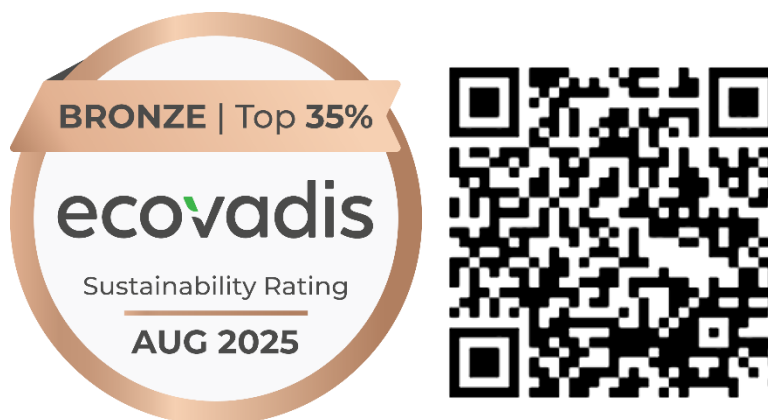
These certifications ensure that we maintain a constant focus on quality, optimize our processes, handle non-conformities effectively, and continuously improve our environmental performance — particularly in production and product development.



In 2023, LS Control became part of **NIBE AB**. The NIBE Group is subject to the EU’s CSRD requirements, and from the 2024 financial year onwards, we have provided ESG data for the Group’s consolidated sustainability reporting.

We also prepare an **annual carbon account** through the Danish Climate Compass, covering Scope 1, 2 and 3 emissions.

Since 2023, we have been active on **EcoVadis** — a global independent platform that assesses companies’ sustainability performance in areas such as environment, labor and human rights, ethics, and sustainable procurement. In 2025, we were awarded a bronze medal.



<https://recognition.ecovadis.com/lfTKh8jeckKX02ynyeieGQ>

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 not new to us — but in recent years, we have defined clear policies, targets, and systematic initiatives to further strengthen our ESG efforts.

Environmental policy: We want to play an active role in the global effort to protect and improve the environment. Through our work, we aim to:

- **inspire** our customers to choose the most environmentally friendly solutions,
- **work** to identify technologies and designs that place the least possible burden on the climate,
- **minimize** waste and production scrap & ensure best possible recycling and waste management,
- **avoid** the use of environmentally harmful substances in production, and
- **optimize** the transport of goods to and from the factory so climate impact is kept to a minimum.

For example, we continuously work to optimize the packing of deliveries to our customers so that there is as little empty space and wasted capacity as possible. In practice, this may mean agreeing on slightly unusual order quantities per shipment, such as 144 units instead of 150, if that is the optimal pack size.

Environmental targets for 2025: We have set ambitious environmental targets for 2025, committing us to measurable improvements:

- Reduce the company's **energy consumption** (energy supplied, Scope 1) by at least 10% per unit of revenue compared with the previous year.
- Implement at least **four new technology or component choices** that reduce energy consumption or environmental impact in/of our products.
- Implement at least **two new changes to processes** which reduce energy consumption or environmental impact of our operations.
- Reduce the company's **CO2 emissions** (Scope 1 + 2) by at least 20% per unit of revenue compared with the previous year.



To achieve these targets, we work systematically with data and continuous improvement. Since 2022, we have recorded our Scope 1 and 2 CO2 emissions in the **Danish Climate Compass**.

From 2023 onwards, we have worked with data for **Scope 3** (indirect emissions in the value chain), and we continue to improve the underlying data on an ongoing basis.

Since 2023, we have placed additional focus on building knowledge and capabilities within ESG. We actively participate in several **networking and knowledge forums** — both nationally through the Confederation of Danish Industry and locally through Resource City in Næstved. Through these, we gain inspiration and expert input on sustainability, reporting, circular economy, and practical approaches to a green transition.

We strive to continuously improve our data and our efforts. That is why, in 2024–25, we took part in a Klimaklar program focused on **circular economy**, and we also served as a case company for students on DTU’s LCA course, helping to contribute to research-based knowledge about the life cycle of products in our industry.

In 2025, with support from ESG experts at the Confederation of Danish Industry, we mapped our value chain and carried out our first preliminary double materiality assessment.

A selection of our initiatives to date:

- **2022:** We improved the insulation of our buildings to reduce heat consumption. 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). As a result, we carbon-offset 100% of the CO2 emissions from our electricity consumption in 2024.
- **2025:** Our entire natural gas consumption in 2025 was carbon-offset through the purchase of biogas certificates.



To ensure a resilient business, we work actively with **risk analysis**. We continuously identify and assess risks and opportunities across all relevant areas — including environmental, social, and governance matters. 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 capture opportunities for improvement.

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

Energy — particularly electricity — is the most important resource in our production and day-to-day operations, as all our production machines run on electricity. We have a policy that company cars must be replaced by **electric cars** as they are renewed; in 2024, we introduced our first electric company car.



Our electricity consumption decreased slightly in 2025 compared with 2024. Combined with slightly lower revenue in 2025, electricity consumption per unit of revenue remained unchanged.

We have experimented with adjusting the balance between electricity- and gas-based heating sources, which is reflected in our annual consumption of both.

In 2025, our solar panel system supplied approximately **24% of total electricity consumption**, broadly the same share as the previous year. After the end of 2025, we purchased **renewable energy certificates** corresponding to our entire purchased electricity consumption (105 MWh in 2025). We chose to do this to

support the continued expansion of electricity generation based on renewable sources.

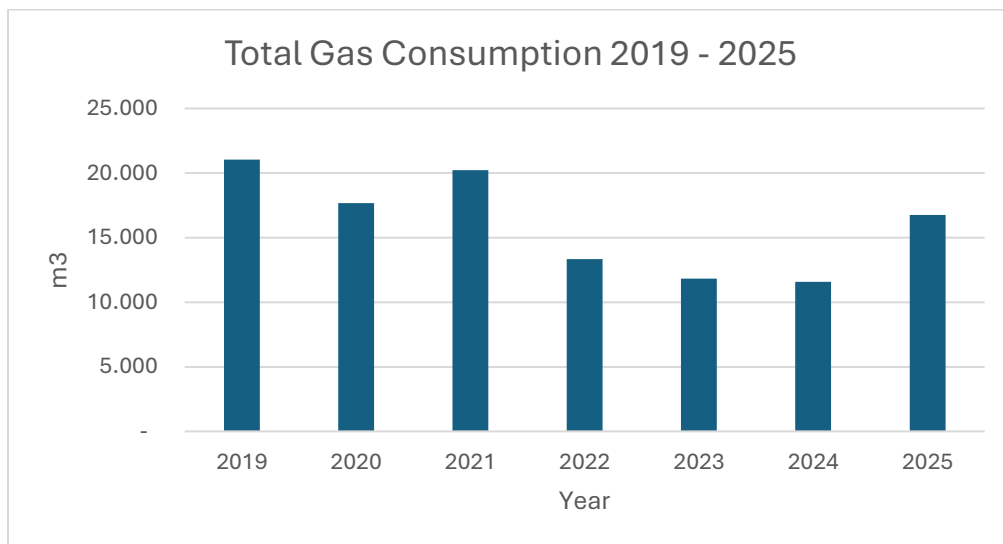
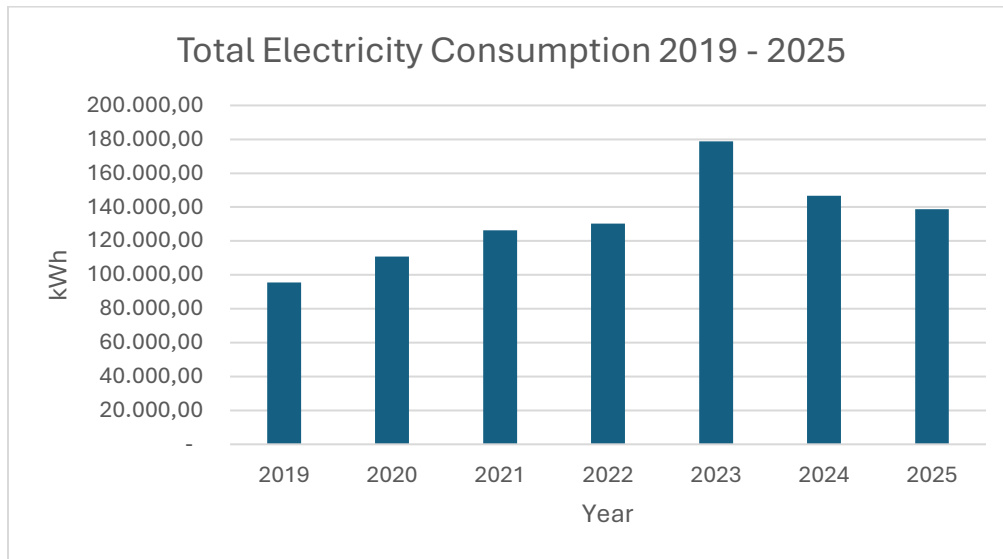
Energy consumption in MWh (paragraph 29)			
	Renewable	Non-renewable	Total 2025
Electricity (as reflected in utility billings)	138,702 MWh		138,702 MWh
Fuels (Biogas)	16.752 m3		16.752 m3

On the heating and fuel side (Scope 1), we use natural gas for heating. In 2025, 100% of this is offset through biogas certificates.

Our total direct and indirect CO2e emissions (Scope 1 + 2) are calculated annually as part of our carbon accounting using the Danish Climate Compass, ensuring consistent and standardized emission factors. This data forms the basis for tracking our CO2 reduction targets and implementing further energy-saving initiatives where they have the greatest impact.

Greenhouse gas emissions (paragraph 30)	Year 2025
Scope 1 CO ₂ e emissions	11,42 tonnes of CO ₂ e
Scope 2 CO ₂ e emissions (location-based)	0,37 tonnes of CO ₂ e
Total CO₂e emissions from Scopes 1 and 2	11,79 tonnes of CO₂e

Development in our electricity and gas consumption since 2019:



B4 – Pollution of Air, Water and Soil

We have no processes that result in direct pollution of the surrounding environment. Our production does **not release harmful substances** into the air, water, or soil.

The only process energy we use in production is electricity, and any emissions arising from 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 located in an industrial area that has not been designated as vulnerable or of significant value for biodiversity.

We have no production involving emissions into the natural environment, and biodiversity has therefore not been identified as a material ESG issue for us at this time. Should our activities change, we will of course reassess our impact on biodiversity.

B6 – Water

We use **very limited amounts of water**, as our production processes do not consume water. Water is used primarily for sanitary purposes, kitchen facilities, and cleaning. We always aim to avoid unnecessary water consumption.

Water withdrawal (paragraph 35)	Year 2025
Total for all locations	205 m3

B7 – Resource Consumption, Circular Economy and Waste Management

Resource use: Our production involves the purchase and use of a range of raw materials and components. Among the most significant materials are printed circuit boards (PCBs), coils, integrated circuits (ICs), plastic, and aluminum.

To quantify our resource use, we calculate consumed volumes based on the number of units purchased multiplied by unit weight (estimated where precise weights are not available).

We recognize that there are uncertainties in this data, and we are continuously working to improve our ERP system and data registration so that our material consumption reporting is as accurate as possible.

This focus helps us identify opportunities to reduce material use or replace materials with more sustainable alternatives.

Key materials in LS Control A/S (paragraph 38(c))	Annual mass-flow 2025
IC's	2,535 tonnes
Power-modules	0,0483 tonnes
PCB's	18,493 tonnes
Plastic	21,989 tonnes
Coils	11,850 tonnes
Connectors	7,407 tonnes
Capacitors (incl. Electrolytic Capacitors)	2,447 tonnes
Wires	0,287 tonnes
Relays	4,379 tonnes
Aluminium (Cooling Plates, enclosures etc)	7,451 tonnes

Waste management: We generate a range of waste types from production, but **hazardous waste** is virtually non-existent. We use a small number of chemicals (for example soldering flux) in such limited quantities and under such controlled processes that the resulting waste does not constitute any significant issue.

General production waste is sorted wherever possible; we place particular focus on **increasing recycling** and reducing the proportion of mixed combustible waste. We have launched initiatives to further improve waste sorting so that 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	4,74 tonnes	
Paper & Cardboard	3,84 tonnes	3,84 tonnes
Electronics etc from production	1,888 tonnes	1,888 tonnes

Circular principles: Quality and extended service life are key principles in our approach to production and product design, and these principles align closely with the circular economy. In practice, we apply the following circular initiatives:

- **Service life:** All our products are designed to last as long as possible — it is not unusual for an LS Control unit to operate faultlessly for 15–20 years or more. Long product lifetimes reduce the need for frequent replacement and thereby lower resource consumption and waste over time.
- **Repair:** As a general principle, we repair all products that can be repaired. This applies both within the warranty period (in the event of claims) and after the warranty has expired, 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 that the materials can enter new cycles rather than go to waste.
- **Reuse and waste:** All electronic scrap and metal waste from production is **collected for recycling** through authorized channels. Cardboard and paper waste is likewise sorted and sent for recycling. Another fixed principle for us is that surplus components and materials from production are not simply thrown away — if they may potentially be used in the future, we store them with a view to finding an application in new projects or products, rather than allowing them to become waste.
- **WEEE responsibility:** Since 2009, we have been a member of **Elretur**, Denmark’s collective scheme for electronic waste. Through this membership, we contribute to the proper collection and treatment of end-of-life electronic products so that valuable raw materials can be recycled and environmentally harmful substances handled responsibly.

B8 – Employees

Our **employees** are our most important resource, and we prioritize a good working environment as well as the retention of 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 offer skilled jobs locally and thereby make a positive contribution to the local community.



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

We place great importance on well-being and a sense of community. Every year, we hold both a summer party and a Christmas lunch for all employees. In addition, we organize various social events or team-building activities throughout the year.

As an additional employee benefit, we also offer free voluntary **influenza vaccination** to all employees each year to promote health and minimize sickness absence during the winter season.

We aim to be an attractive workplace where employees thrive, develop, and feel valued. That is why we also go to considerable lengths to adapt the workplace and job responsibilities so that older employees, as well as those temporarily or chronically affected by illness, can continue to maintain a connection with us.

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

Type of contract (paragraph 39(a))	Number of employees (headcount or full-time equivalents)
Temporary employment	2 (apprentices)
Permanent employment	48
Total number of employees	50

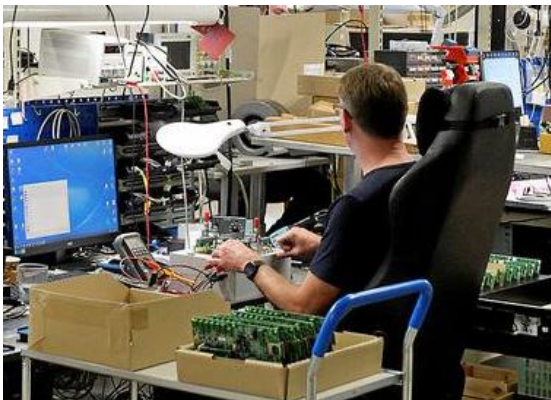
Gender (paragraph 39(b))	Number of employees (headcount or full-time equivalents)
Male	31
Female	19
Total number of employees	50

Employee turnover rate (paragraph 40)	2025
	10 %

B9 – Health and Safety

A safe and healthy working environment is essential to us. We follow our **health and safety policies** closely and update them on an ongoing basis as we identify opportunities for improvement or new risks. Whenever an incident or “near miss” occurs, we investigate the causes thoroughly and implement preventive measures to avoid recurrence. This proactive approach contributed to the fact that we had **0 workplace accidents** among our employees in 2025.

We ensure that the physical workplace supports employee health: for example, all office employees have ergonomic sit-stand desks and the option of additional screens or other equipment as needed. In production, we focus on good ergonomics at workstations and varied tasks so that repetitive strain work is avoided.



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

B10 – Remuneration, Collective Agreements 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 **Industry Agreement**, which ensures clear frameworks for pay, working hours, allowances, and related terms.

Collective agreement (paragraph 42(c))	Year 2025
Percentage of employees covered by collective bargaining agreements	56 %

All permanent employees — regardless of position — are also covered by a **pension scheme** and have company-paid **health insurance**. We pay at least the **minimum wage** or above, and salaries are adjusted on an ongoing basis in line with collective agreement renewals and individual arrangements, so that they reflect skills and performance.

Skills development is another important area of focus. All employees have the opportunity to undertake relevant **further training** and participate in courses that can strengthen their professional and personal development.

We offer a range of mandatory and voluntary online courses through a dedicated learning portal, which is available to employees in the relevant departments.

Average number of annual training hours per employee (paragraph 42(d))	Year 2025
Male employees	3
Female employees	3,5

In addition to the courses offered through the learning portal, where time spent is recorded, our employees also take part in continuous professional development through, for example, attendance at in-person courses, seminars, networks, webinars, further training, and similar activities.

The day-to-day exchange of knowledge with colleagues, and the ongoing development work carried out both internally and in collaboration with our customers, should not be underestimated. Time spent on this type of professional development can be difficult to quantify, and we have not yet found a suitable method of recording it. For that reason, it is not included in the figures above.

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

B11 – Business Conduct

We conduct our business with a **high level of integrity and ethics**. We comply with both our own internal policies and the NIBE Group’s policies for good 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, and all employees have been trained in it.
- **Health and safety** — we follow a clear health and safety policy with procedures for safe working practices.
- **Information security** — a policy for protecting data and know-how (including IT security and confidentiality). Mandatory refresher training is provided for all employees with their own email account and internet access.
- **Insider trading** — an insider policy that ensures the proper handling of inside information in relation to the parent company’s stock market obligations.
- **Privacy/data protection** — a policy for handling personal data in accordance with GDPR and Group requirements.
- **Responsible sourcing** — a policy for responsible supplier management and sustainable procurement.

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

We have **never experienced any instances of corruption or bribery** during the company’s lifetime, and there were no reports of breaches of our ethical guidelines in 2025. We believe that our preventive efforts and strong values are contributing factors in this.

To maintain this record, we continue to train employees in ethical business conduct, stay up to date with relevant legislation, and monitor compliance with our policies. Transparency and accountability at every level of the business are essential — because it is the right thing to do for our customers, partners, and employees.

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