



Labflex's Environmental data 2023

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Labflex's report on working with climate and environmental reporting

Labflex has demonstrated its commitment to sustainability by actively engaging in climate reporting. In 2021, we successfully completed our first climate report, and we are currently finalizing the third report for 2023. These reports serve as essential tools in our pursuit of sustainability, allowing us to assess our environmental impact and progress over time.

We place great importance on working closely with our sustainability team and aligning our efforts with the broader agenda of meeting the requirements of tomorrow. Through this collaboration, we have gained valuable insights into emerging sustainability trends, industry best practices, and stakeholder expectations.

By diligently gathering and analyzing data, we have obtained a comprehensive overview of our operations, identifying key areas where we can implement impactful initiatives. This data-driven approach enables us to prioritize our resources effectively and allocate our efforts towards the areas that will yield the greatest positive outcomes.

Moreover, our sustainability reporting process has provided us with valuable information regarding our product portfolio. Through careful analysis, we have identified which products hold the most significant potential for sustainability improvements. This knowledge empowers us to focus our research, development, and innovation efforts towards enhancing the environmental performance of these products.

In summary, Labflex's dedication to sustainability reporting demonstrates our proactive approach in addressing environmental challenges. By leveraging data and insights, we continuously improve our sustainability initiatives, align with industry standards, and drive positive change in the pursuit of a more sustainable future.

Overview of consumption of selected ESG key figures

Labflex engages in proactive environmental reporting, diligently mapping and addressing key areas of concern. Our climate data encompasses carefully selected metrics that capture our overall consumption, using comparative figures from 2022 as the baseline for our subsequent reports. We emphasize the utmost importance of delivering transparent and reliable data.

We strive to instill trust among our customers and stakeholders, enabling them to make informed decisions when selecting us as a supplier or business partner. Furthermore, we recognize the value our data holds for their own climate reporting initiatives.

At Labflex, our commitment to accurate and trustworthy reporting drives our efforts to uphold the highest standards of transparency. Through this dedication, we endeavor to solidify our reputation as a trusted and responsible organization within the sustainability landscape.

ESG KPI'S CLIMATE AND ENVIRONMENT

	Unit	2023	2022
Water consumption	m3	390,01	370,00
Energy consumption	kWh	755.751,00	886.794,00
District heating	kWh	4.419,00	6.754,00
Natural gas consumption	kWh	556.474,52	558.687,10
Waste/recycling	Tons	296,63	267,49

GHG main key figures Scope 1 and 2

Labflex utilizes the Climate Compass methodology to calculate its primary CO₂e key figures. This methodology is based on the internationally recognized Greenhouse Gas (GHG) Protocol, which sets the standard for calculating and reporting companies' greenhouse gas emissions. The GHG Protocol encompasses the reporting of all six greenhouse gases and converts them into CO₂ equivalents, commonly referred to as CO₂e.

In accordance with the GHG Protocol, a company's climate accounting must consider emissions from three distinct areas known as "Scopes." These Scopes refer to greenhouse gas emissions from Scope 1, Scope 2, and Scope 3, as well as emissions falling outside these defined scopes.

By adopting this comprehensive approach, Labflex ensures a thorough assessment of GHG-emissions and demonstrates commitment to transparent and accurate reporting.

GHG EMISSIONS	UNIT	2023	2022
Scope 1 GHG Emissions	ton CO₂e	146,83	121,88
.. Heat and process energy	ton CO ₂ e	100,73	70,38
.. Owned and Leased transportation vehicles	ton CO ₂ e	46,10	51,50
Scope 2 GHG Emissions	ton CO₂e	79,93	85,44
.. Electricity Consumption	ton CO ₂ e	79,73	84,95
.. District Heating	ton CO ₂ e	0,20	0,49
Total GHG Emissions Scope 1 & 2	ton CO₂e	226,76	207,32

Total GHG emission

Labflex provides a comprehensive overview of its GHG-emissions, covering Scope 1, Scope 2, Scope 3, and emissions outside defined scopes.

This inclusive approach ensures a thorough assessment of Labflex's carbon footprint, demonstrating its commitment to transparency and environmental accountability.

GHG EMISSIONS		UNIT	2023	2022
Climate	Scope 1	ton CO ₂ -e	146,83	121,88
	Scope 2	ton CO ₂ -e	79,93	85,44
	Scope 3	ton CO ₂ -e	11.007,98	18.712,55
Total GHG Emissions in scope 1, 2 and 3		ton CO₂-e	11.234,73	18.919,87
	Outside Scope	ton CO ₂ -e	-34,11	-19,99
Total GHG emissions 1, 2 and 3 - out of Scope		ton CO₂-e	11.200,62	18.899,88

GHG Climate report scope 3

Labflex has incorporated the currently identified Scope 3 categories, as outlined in the GHG Protocol's comprehensive framework of 15 categories. The calculation of Scope 3 emissions primarily relies on accurate material weight measurements, ensuring precision in the recorded emission data. However, approximately 28% of the emissions are estimated using spend-based emission factors, introducing inherent uncertainty to this portion of the calculations.

GHG EMISSIONS	UNIT	2023	2022
Scope 3 GHG Emissions	ton CO₂e	11.007,98	18.712,55
.. Category 01: Purchased goods and services	ton CO ₂ e	6.042,65	8.153,78
.. Category 03: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	ton CO ₂ e	72,28	57,66
.. Category 04: Upstream transportation and distribution	ton CO ₂ e	152,39	181,63
.. Category 05: Waste generated in operations	ton CO ₂ e	0,00	0,09
.. Category 07: Employee Commuting	ton CO ₂ e	29,28	21,03
.. Category 09: Downstream Transportation and Distribution	ton CO ₂ e	320,67	254,17
.. Category 11: Use of Sold Products	ton CO ₂ e	4.390,70	10.044,18

Accounting practice

Labflex employs a comprehensive accounting practice to calculate its climate footprint, considering various aspects of the company's activities in the production of laboratory furniture.

The climate account covers key elements such as electricity and heat consumption, raw material procurement, transportation, waste management, recycling, and the impact on the lifetime costs of fume hoods.

For 72% of Labflex's total purchased goods, an activity-based approach is used, which involves collecting data through invoices and the purchasing register. This data includes quantities and numbers, allowing for a more accurate calculation of emissions associated with these activities. Additionally, Labflex converts the purchased raw materials to weight in order to determine their climate footprint.

This conversion involves using supplier data, average density of materials, and Labflex's own precise weightings, as detailed in the calculation document's section 3. For the remaining 28% of purchased goods, Labflex employs a spend-based approach, which estimates emissions based on the financial value of expenditures. This approach provides a convenient alternative when detailed activity data is not available.

For internal transportation, Labflex maintains a detailed record of either the kilometers driven by employees, or the fuel purchased in liters. For the transportation of goods from suppliers to the production site in Skive, Labflex calculates an average mileage using a weighted average of the top 15 suppliers, accounting for 61% of total expenditures. The transportation of products to customers is evaluated using a spend-based approach.

By combining activity-based and spend-based methodologies, Labflex ensures a comprehensive assessment of its climate impact. The use of precise activity data and conversion to weight for materials procurement enhances the accuracy of emissions calculations substantially.

Labflex's commitment to transparent and meticulous accounting practices enables a more informed understanding of the company's climate performance and supports the identification of targeted sustainability measures.

Accounting policies

DIRECT GHG EMISSIONS (CO2E SCOPE 1)

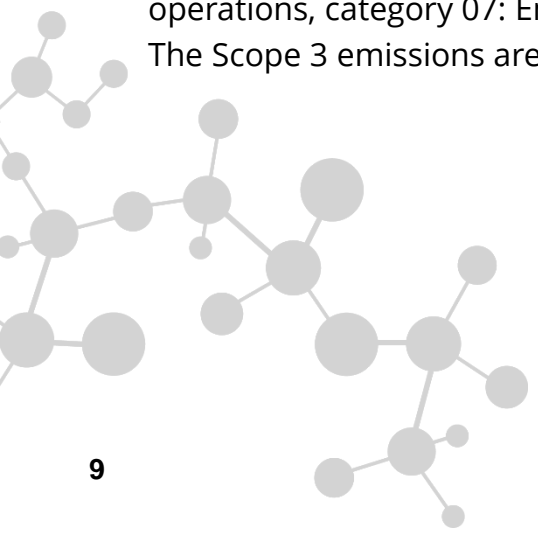
Direct GHG emissions (CO2e scope 1) include emissions that derive from the combustion of fossil fuels in Labflex's production and from owned and leased transportation vehicles. The Scope 1 emissions are calculated based on the methods from the GHG protocol and are based on the emission factors from the Klimakompasset.

INDIRECT GHG EMISSIONS (CO2E SCOPE 2)

Indirect GHG emissions (CO2e scope 2) include emissions that derive from the electricity purchased from the grid and district heating. The Scope 2 emissions are calculated based on the methods from the GHG protocol and are based on both the emission factors from the Klimakompasset and their own well-documented and estimated emission factors.

INDIRECT GHG EMISSIONS (CO2E SCOPE 3)

Indirect GHG emissions (CO2e scope 3) include emissions that derive from category 01: Purchased goods and services, category 03: Fuel- and energy-related activities (not included in Scope 1 or Scope 2), category 04: Upstream transportation and distribution, category 05: Waste generated in operations, category 07: Employee commuting, category 09: Downstream transportation and distribution, and category 11: Use of sold products. The Scope 3 emissions are calculated based on the methods from the GHG Protocol and are based on the emission factors from the Klimakompasset.



Accounting policies

WATER CONSUMPTION

The main part of Labflex's water consumption is based on the sum of consumption which is documented via invoices and, to a lesser extent, estimated values. It is all calculated on the aggregated m3 consumption.

ENERGY CONSUMPTION

More than 99% of Labflex's energy consumption is based on the sum of consumption which is documented via invoices. The remaining part is estimated values. It is all calculated on the aggregated kWh consumption.

DISTRICT HEATING

All Labflex's district heating consumption is based on the sum of consumption which is documented via invoices. It is all calculated on the aggregated kWh consumption.

NATURAL GAS CONSUMPTION

All Labflex's natural gas consumptions is based on the sum of consumption which is documented via invoices. It is all calculated on the aggregated kWh consumption.

WASTE

All Labflex's waste disposal is based on the sum of waste disposal which is documented via invoices. It is all calculated on the aggregated ton disposed.

Statement of the Executive Board

The Executive Board have today discussed and approved the Climate Report of Labflex A/S for 2023. The Performance data in the Climate Report for 2023 has been prepared in accordance with the stated performance data accounting policies on page 9-10.

In our opinion, the Climate Report for 2023 gives a fair presentation of Labflex A/S climate activities and results of the company's climate and emission efforts in the reporting period, in accordance with the stated performance data accounting policies.

Skive, 4th of July 2024

Executive Board


Stig Blicher Rasmussen

ESG Manager


Sten Johansen

Independent auditor's limited assurance report on Labflex A/S' sustainability information

To the stakeholders of Labflex A/S

Labflex A/S engaged us to provide a limited assurance engagement on the sustainability performance data for the period 1 January – 31 December 2023 stated on pages 4 - 5.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information'.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, and ethical requirements applicable in Denmark.

Beierholm applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Understanding reporting and measurement methodologies

The sustainability performance data need to be read and understood together with the accounting policies, which Management is solely responsible for selecting and applying.

The absence of a significant body of established practice on which to draw to evaluate and measure sustainability performance data allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the sustainability performance data. In doing so and based on our professional judgement, we:

- Through inquiries, obtained an understanding of Labflex A/S's information systems relevant to quantification and reporting of the sustainability performance data;
- Performed review of reported data including assessment of the completeness, data collection methods, assumptions applicable and reconciling reported data to underlying documentation;
- Planned and conducted interviews to understand the reporting processes;
- Performed trend analysis of data and made enquiries to understand significant developments in reported data over time; and
- Evaluated the obtained evidence.

Statement on other sustainability information mentioned in the report

Our conclusion on the sustainability performance data on pages 4-5 does not cover other sustainability information and we do not express an assurance conclusion thereon.

In connection with our review of the sustainability performance data, we read the other sustainability information in Labflex's Climate report 2023 and, in doing so, considered whether the other sustainability information is materially inconsistent with the sustainability performance data, our knowledge obtained in the review or otherwise appear to be materially misstated. We have nothing to report in this regard.

Management's responsibilities

Management of Labflex A/S is responsible for:

- Designing, implementing and maintaining internal control over information relevant to the preparation of the sustainability performance data in Labflex's Climate report that are free from material misstatement, whether due to fraud or error;
- Establishing objective accounting policies for preparing the sustainability performance data;
- Measuring and reporting the information in the sustainability performance data based on the accounting policies; and
- The content of the Climate report.

Our responsibility

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the sustainability performance data for the period 1 January – 31 December 2023 stated on pages 4 - 5 are prepared, in all material respects, in accordance with the accounting policies stated on pages 9 - 10;
- Forming an independent conclusion, based on the procedures performed and the evidence obtained; and
- Reporting our conclusion to the stakeholders of Labflex A/S.

Limited assurance conclusion

Based on the procedures we performed and the evidence we obtained, nothing came to our attention that causes us to believe that the sustainability performance data in Labflex's Climate report are not prepared, in all material respects, in accordance with the applied accounting policies developed by Management of Labflex A/S as stated on pages 9 - 10.

Beierholm Copenhagen 4th July 2024

Beierholm

Statsautoriseret Revisionspartnerselskab



Kristina Luise Nilsson

State Authorised Public Accountant