

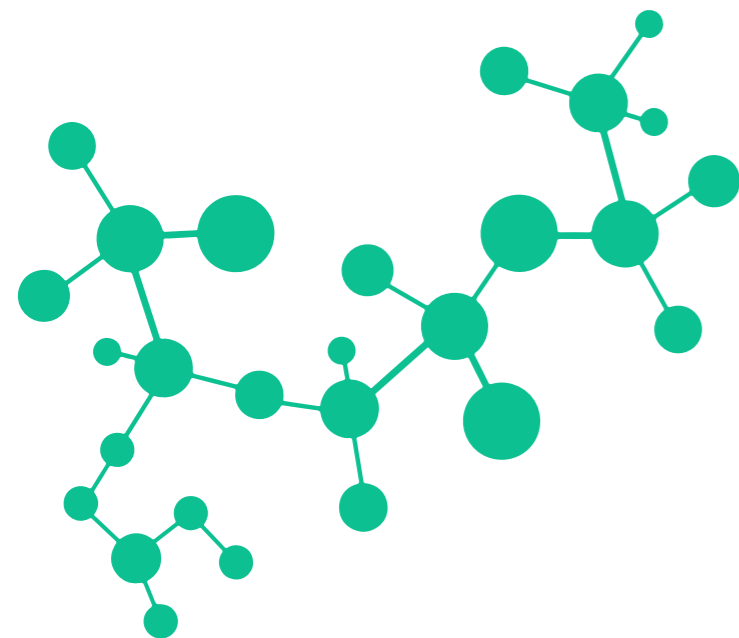
# ESG REPORT 2023





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# About this report

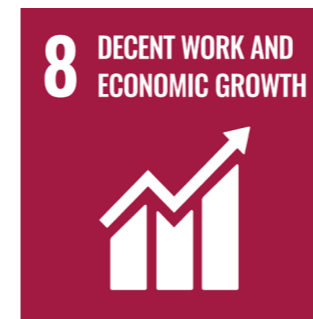
At Labflex, we are committed to sustainability and have actively engaged in climate reporting. Our initial climate report, completed in 2022, served as the foundation for expanding into broader ESG reporting. Building on that groundwork, we are now finalizing our second comprehensive ESG report for 2023. These reports are essential tools for evaluating our environmental impact and driving continued development in all areas of sustainability.

By 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 processes and material portfolio. Through careful analysis, we have identified which areas hold the most significant potential for sustainability improvements. This knowledge empowers us to focus our development and innovation efforts towards enhancing the environmental performance of these areas.

Labflex's dedication to sustainability reporting demonstrates our proactive approach in addressing environmental challenges. By leveraging data and insights, we aim to improve our sustainability initiatives, align with industry standards, and provide our stakeholders a transparent view of our practices.

Read more about our sustainability initiatives at [Labflex.com/sustainability](https://labflex.com/sustainability)





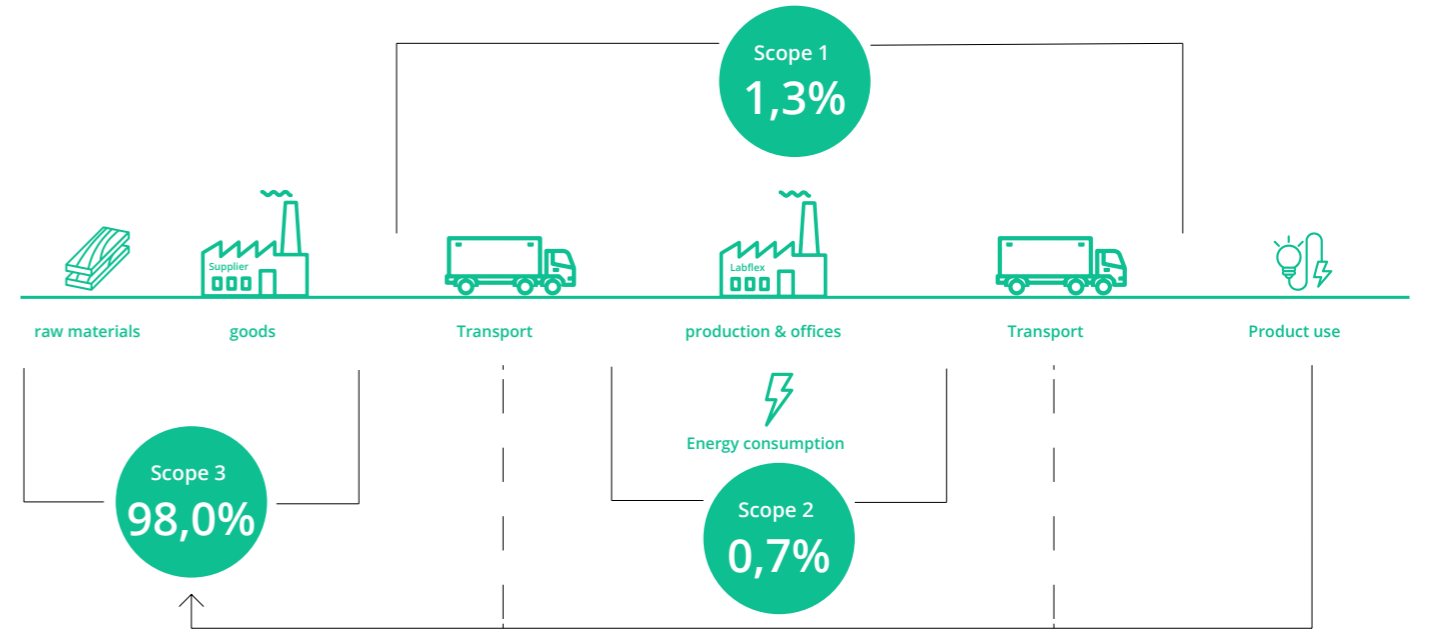
# Introduction

We engage in proactive environmental reporting, diligently mapping and addressing key areas of concern. Our climate data encompasses carefully selected metrics that attempt to capture our overall consumption with data from 2023. In addition, we use comparative figures from 2022 as the baseline for our subsequent reports going forward.

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 solidify our reputation as a trusted and responsible organization within the laboratory industry.



### SCOPE 1

Emissions relate to the activities under our direct control. They include transport with Labflex's vehicles and emissions from Labflex's production facilities.

### SCOPE 2

Emissions are the indirect emissions caused by the generation of energy that Labflex procures, i.e. electricity and heating

### SCOPE 3

These emissions are associated with indirect sources from Scope 3 categories, including the procurement of goods and services (e.g., deliveries of melamine-coated chipboard or batches of 100 stainless steel screws), transportation and distribution, waste management within production processes, and the downstream usage of sold fume cupboards.

**“We emphasize the utmost importance of delivering transparent and reliable data.”**



#### COMMITTING TO THE FUTURE

We recognize the significant impact of our operations, particularly in Scope 3. We fully understand our responsibility to take action and leverage our expertise to drive positive change.





# CEO Statement

Sustainability continues to be an important driver for Labflex, shaping our long-term strategy and guiding our decisions across various aspects of the business. It is integral to how we operate, innovate, and interact with our stakeholders. Our journey towards a more sustainable future is driven by our dedication to understanding and improving our environmental, social, and governance performance.

We have continuously refined our approach, and now I am proud to present our third report. These reports are not just documents - they are reflections of our journey towards a more sustainable future and a testament to our dedication to transparency, accountability, and continuous improvement.

### OUR VISION IS CLEAR

Our proactive approach to environmental, social, and governance issues is driven by a clear vision: to provide intelligent, safe, and efficient work environments while reducing our climate impact in alignment with the objectives of the Paris Agreement. Through diligent data collection and analysis, we have identified key areas within our operations where we can make the most impactful changes. This data-driven approach allows us to allocate resources effectively and focus on initiatives that will yield the greatest positive outcomes.

### ACHIEVING SUCCESS THROUGH COLLABORATION

We understand that achieving our ESG goals requires collaboration and continuous engagement with our stakeholders, including colleagues, customers, partners, and local communities. By examining our environmental impact, social responsibilities, and governance structures, we aim to provide a transparent

view of our practices and invite feedback to guide our ongoing improvements.

### HOLISTIC ESG VIEW

Our commitment extends beyond environmental impact. We are equally dedicated to enhancing employee well-being, fostering a culture of responsibility, and maintaining the highest standards of corporate governance. In 2023, we have taken significant steps to strengthen our governance framework, including the implementation of tools to enhance board collaboration and the establishment of a whistle-blower portal to promote transparency and accountability within our organization.

### EXCITING FUTURE

Labflex's journey towards sustainability is ongoing, and we are excited about the future. We will continue to push boundaries, embrace innovation, and work together to create a better tomorrow. I invite you to explore this report, understand our ESG performance, and join us on this path towards a more sustainable future.

Stig Blicher, CEO at Labflex







# Vision for a Bright Future

At Labflex, we provide intelligent, safe & efficient work environments and our aspiration is to be the preferred expert within innovative and customized laboratory solutions.

Our vision drives us to constantly improve, ensuring our solutions and processes that represent the best version of Labflex.

To accommodate being the best version of Labflex, we aim to reduce our climate impact. In alignment with the objectives of the Paris Agreement, we have undertaken the commitment to participate in the Science Based Targets initiative.

Furthermore, we commit to enhancing employee well-being and maintaining the highest standards of corporate governance.

## REPORTING FRAMEWORK AND STANDARDS

This ESG report follows the GHG-Protocol for calculating Labflex's environmental impact, ensuring a precise assessment of our carbon footprint. Our commitment to the ESG-principles is reflected in the structured framework rooted in a range of ESG key metrics. These met-

rics are shaped by recommendations from esteemed organizations like CFA Society Denmark, FSR – Danish Auditors, and Nasdaq Copenhagen. Our reporting methodology centers around the latest EXIOBASE version. However, we also leverage additional databases to ensure accuracy, notably, emissions data originating from sources such as the Climate Compass and the Danish Energy Agency.

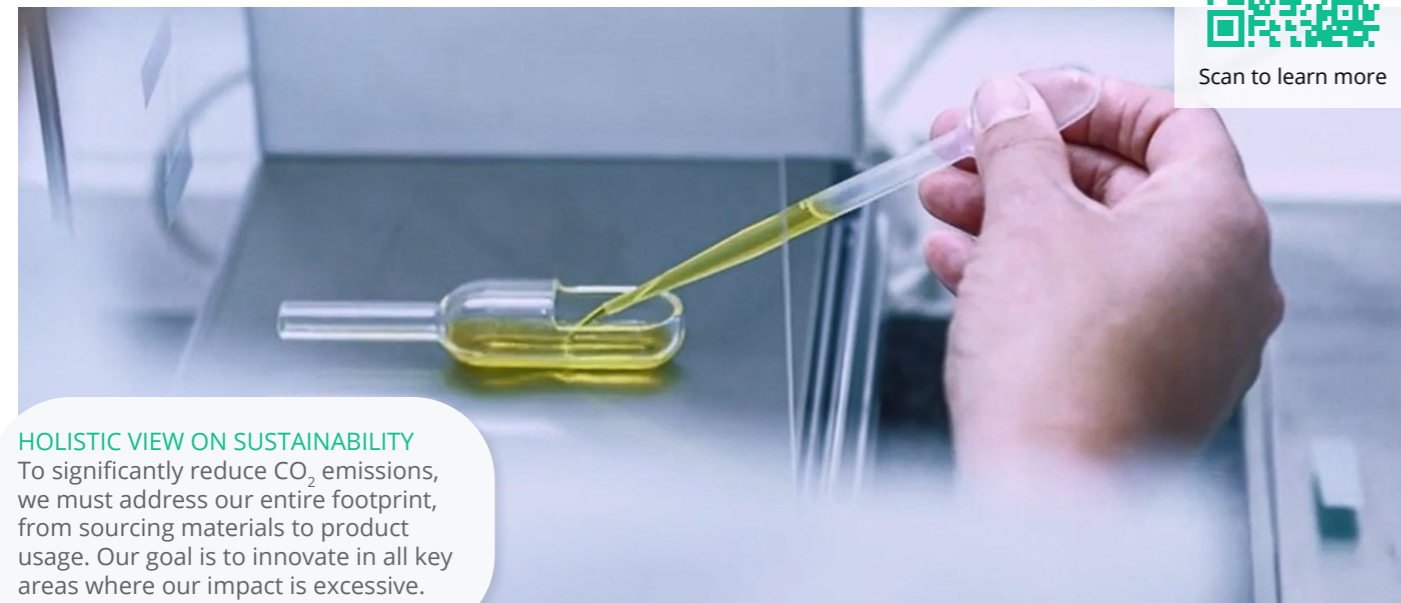
## STAKEHOLDER ENGAGEMENT

Labflex is committed to continuous engagement with our stakeholders, including colleagues, customers, partners, and the local communities. By examining our impact on the environment, social responsibilities, and our governance structures, we aim to provide stakeholders with a complete transparent view of the results of our practices.

We invite you to explore this report, delve into the details of our ESG performance, and provide feedback as we strive to continuously improve our sustainability practices and contribute positively to the communities, we are a part of.



Scan to learn more



### HOLISTIC VIEW ON SUSTAINABILITY

To significantly reduce CO<sub>2</sub> emissions, we must address our entire footprint, from sourcing materials to product usage. Our goal is to innovate in all key areas where our impact is excessive.

## ASSESSING THE FOOTPRINT

Transforming our company's trajectory and improving our environmental and social impact is a complex challenge. It requires a deep understanding of every aspect of our impact, which is why we strive to produce increasingly precise reports each year. This approach allows us to better understand our footprint and take data-driven actions.

Our Scope 1 and 2 emissions are calculated with a high degree of precision, using emission factors derived from ExioBase. These figures are based on actual usage data from invoices and metering, ensuring exceptional accuracy. Furthermore, these emissions have been audited by an independent third party, further validating the reliability of our data

Scope 3 emissions have been calculated with great detail to ensure the most accurate results as possible. We are continuously refining our methodology for calculat-

ing our footprint to enhance accuracy, enabling us to effectively use the data to achieve real reductions in our environmental impact.

In categories 1 and 2, we have performed a thorough analysis of 9.500 purchasing items. Of these, more than 7.000 items have been meticulously computed and converted into material tonnage. For the remaining approximately 2.500 items, we have applied a spend-based methodology to calculate emission factors. Our data is distinguished by its exceptional granularity; we have categorized the acquired goods and services into 17 distinct categories, including materials such as aluminum, steel, wood, plastic, recycled wood, and chemicals.

We continuously discuss improvements with our colleagues, partners, clients and in particular our suppliers, as we are looking to reduce the impact from materials and products as well as gaining a better basis of data.







# Driving Environmental Action

At the heart of our environmental strategy is a commitment to reducing our climate impact and promoting sustainable practices. In alignment with global goals and through initiatives, we aim to drive significant change and contribute to a healthier planet.

### INCREASE IN INTENSITY, BUT POSITIVE DEVELOPMENT

Labflex's CO<sub>2</sub> intensity has increased due to new calculations of the emissions from energy consumption. Specifically, the emissions of burning natural gases has been revised to a stronger impact. However, our overall consumption of energy including electricity, natural gas and district heating has been reduced from 2022-2023. There-

fore, the development can be accessed as a positive change.

Looking forward we aim to reduce our consumption. Further implementation efforts revolved around creating a smarter approach to our production of laboratory furniture with an added focus on layout in the production to maximise effectiveness per produced unit. This will undoubtedly have a positive impact on our usage of electricity and material used to produce our products, which in turn will help us reach our environmental targets.

SCOPE 1, 2 AND 3	UNIT	2023	2022	2021
Scope 1 greenhouse gas emissions	Tonnes	146,8	121,9	157,8
Scope 2 greenhouse gas emissions	Tonnes	79,9	85,4	102,0
Scope 3 greenhouse gas emissions	Tonnes	11.008	14.437,6*	N/A*

SCOPE 3 CATEGORIES	2023	2022	2021
1. Purchased goods and services	6.042,7	8.153,8	3.595,6
3. Fuel- and energy-related activities	72,3	69,6	87,9
4. Upstream transportation and distribution	152,4	181,6	119,4
5. Waste generated in operations	0	0,1	0,8
7. Employee commuting	29,3	21,0	9,1
9. Downstream transportation and distribution	320,7	254,2	357,6
11. Use of sold products	4.390,7	10.044,2	15.435,5

\*Due to a significant change in our methodology introduced in 2023, we recalculated our 2022 results based on updated emission factors. Scope 3 emissions for 2021 are not disclosed, as the results for 2022 and 2023 rely on a different and more accurate dataset.

### PRIORITIZING WHAT MATTERS

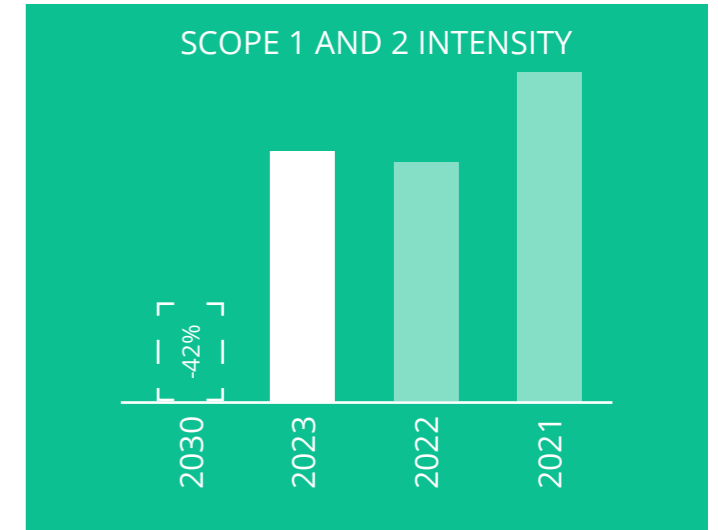
Among the scope 3 categories, two, namely "Use of sold products" and "Purchased goods" emerged as significant contributors to the climate impact, collectively responsible for 93% of the total GHG emissions. Recognizing the importance of these categories, we are determined to focus our attention and resources on finding innovative solutions and adopting sustainable practices to mitigate their environmental footprint. By prioritizing reductions in these areas while continuing to refine operations in scope 1 and 2, we aim to make substantial strides in further decreasing our overall climate impact.

### MORE ACCURACY WILL LEAD NEW INITIATIVES

In 2023, we refined the calculations for the "Use of sold products" category to achieve a more accurate estimate by closely analyzing the usage of our products. This adjustment has led to a significant reduction in our reported carbon emissions, thanks to a more precise calculation method (see note 2).

While we have not changed the overall methodology, we updated the assumptions used in calculating carbon emissions from ventilated units, such as fume cupboards, based on newer and more reliable data, replacing data from 2016 and earlier.

Moving forward, we aim to establish a project that provides a clear and detailed overview of consumption in modern laboratories. This will enable us to state our carbon footprint with greater accuracy and certainty. With this improved data, we can more effectively identify and focus on initiatives that will further reduce our carbon footprint and that of our customers.



### DETERMINED TO REDUCE CLIMATE IMPACT

In alignment with the objectives of the Paris Agreement, we have undertaken a commitment to participate in the Science Based Targets initiative. This commitment entails a dedicated effort to achieve minimum 42% reduction in our scope 1 and 2 emissions by 2030, relative to a 2022 baseline.

**42%**  
REDUCTION





# Sustainable Development Goals

In today's fast-evolving world, the laboratory industry is crucial in advancing scientific innovation, technology, and societal development. At Labflex, we acknowledge our significant role in this sector and commit to aligning our operations with the United Nations' Sustainable Development Goals (SDGs) to contribute to a sustainable future.

We have undertaken the United Nations' sustainable development goals which are at the heart of our business and most relevant. We are happy and proud to contribute to these goals by being the best version of Labflex. We aim to deliver a world class working environment together with a great focus on optimizing production and consumption to achieve a lower footprint. To achieve our goals, we are well aware that we cannot do it all by

ourselves, which is why we invite partners and stakeholders to join us in improving and moving towards a better future.

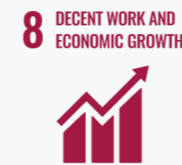
We are dedicated to aligning our operations with the United Nations' sustainable development goals, specifically focusing on Sustainable Development Goals:

- Goal 8:** Decent Work and Economic Growth
- Goal 12:** Responsible Consumption and Production
- Goal 13:** Climate Action
- Goal 17:** Partnerships

Our commitment to these goals is reflected in the following initiatives and actions we have undertaken at Labflex.



**RESPONSIBILITY IN PRODUCTION**  
When producing laboratory furniture, we are committed to protecting both the environment and social values. Our goal is to create the best possible working environment while sourcing more environmentally responsible materials.



Labflex place great importance on fairness, inclusivity, and professional growth to create a workplace where everyone feels respected and supported. Our efforts for decent work and economic growth include fair and unbiased employment, engaging with a diverse set of local suppliers to sustain economic growth and opportunities for local communities, while also investing in the development of our employees.



We prioritize sustainable product design, focusing on energy efficiency and eco-friendly materials to minimize our environmental impact. Our vision includes optimizing resource consumption, minimizing waste, and advocating for recycling. By seeking and maintaining environmental certifications, such as FSC and LCAs, we ensure our production practices align with sustainable standards, providing assurance to our stakeholders.



We emphasize reducing our carbon footprint through energy-efficient practices. Through our emission data, we can identify initiatives that have the greatest impact on reducing GHG emissions. We focus on waste management whilst promoting recycling. Also, we prioritize sustainable sourcing, meeting environmentally sustainable criteria, such as FSC certification for purchased wooden materials.



Labflex actively engages in partnerships and collaborations, recognizing the importance of teamwork. By working cross sectionally with industry experts and organizations, we foster knowledge sharing, innovation, and sustainable solutions in the laboratory industry. Through strategic alliances, we amplify our impact and contribute to a shared vision of a sustainable future. As an example, this is illustrated by partnering up with the SBTi, allowing us to pursue validated targets for reducing our climate impact.





# Sustainability at Labflex

We aim to operate in a manner that prioritizes sustainability, social responsibility, and robust governance. Collaboration is central to our evolution as we continually improve alongside our suppliers, partners, clients, and colleagues.

While we actively engage with various aspects of ESG, we recognize the significant challenges ahead, particularly in reducing our climate impact, enhancing employee well-being and satisfaction, while sustaining economic growth.

Our goal is to integrate these principles into multiple aspects of our operations, working proactively towards a better future.

“Our approach is holistic, addressing key areas such as environmental impact, social responsibility, and governance.”



**FLEXIBLE LAB SOLUTIONS**  
The lab solutions at Evotec are part of our innovative flexible laboratory program, a growing trend in modern lab design. These labs are designed to accommodate multiple workflows and adapt to changing needs, ensuring a reduced environmental footprint and maximizing future usability.

# Environment

## REDUCING OUR FOOTPRINT

We aim to minimize our environmental footprint by optimizing our supply chain, ensuring proper handling in production, and continuously improving our solutions with our clients. Our commitment extends to every aspect of our business, from the materials we use to the energy we consume. Our goal is to work towards a healthier and more sustainable future.



# 93%

### PERCENT RECYCLED WASTE

In 2023, we recycled more than 93% of the waste generated from our production processes. We are committed to reducing waste and promoting a circular economy. By ensuring proper waste management, we lower our environmental impact. Our efforts to recycle waste not only minimize landfill usage but also conserve natural resources.



# 86km

### AVG. KILOMETERS TO SUPPLIERS

80% of our suppliers of materials for production processes are located within a weighted average distance of 86 km from our factory in Skive, Denmark. By prioritizing local suppliers, we significantly reduce transportation-related emissions, contributing to a lower overall carbon footprint. Moreover, this approach supports local economies, fostering strong community relationships.



# 55%

### PERCENT REDUCED FOOTPRINT PER USER

This year, we have continued our commitment to developing laboratories with a focus on flexibility and efficiency. Last year, this approach led to a 55% reduction in space on a large-scale project, and we are now applying these methods across more laboratory projects. We believe that the trend of fostering an environment with a focus on sharing economy, will gain further traction due to its positive impact on the environment and economy.



# 42%

### EMISSION REDUCTION TARGET

In today's world, sustainability is a term often thrown around without real commitment. However, our commitment to sustainability is deeply rooted through our partnership with the Science Based Targets Initiative, where we pledge to reduce scope 1 and 2 GHG emissions by an ambitious 42% by 2030. Also, we are committed to a 25% reduction in scope 3 emissions by the same year, all in alignment with the Paris Agreement.



# Social

## CREATING THE WORK ENVIRONMENT

We recognize that our success is closely linked to the well-being and satisfaction of our employees. We aim to create a work environment that values both flexibility and responsibility. These principles are important for maintaining a positive corporate culture.

### FLEXIBILITY

In today's dynamic work environment, flexibility is essential for maintaining a healthy work-life balance. Labflex provides flexible working hours and remote work options to accommodate the diverse needs of our employees. We believe this will help our team manage their personal and professional responsibilities more effectively. By offering a flexible work environment, we support our employees' well-being and strive to create a more inclusive workplace.

### RESPONSIBILITY

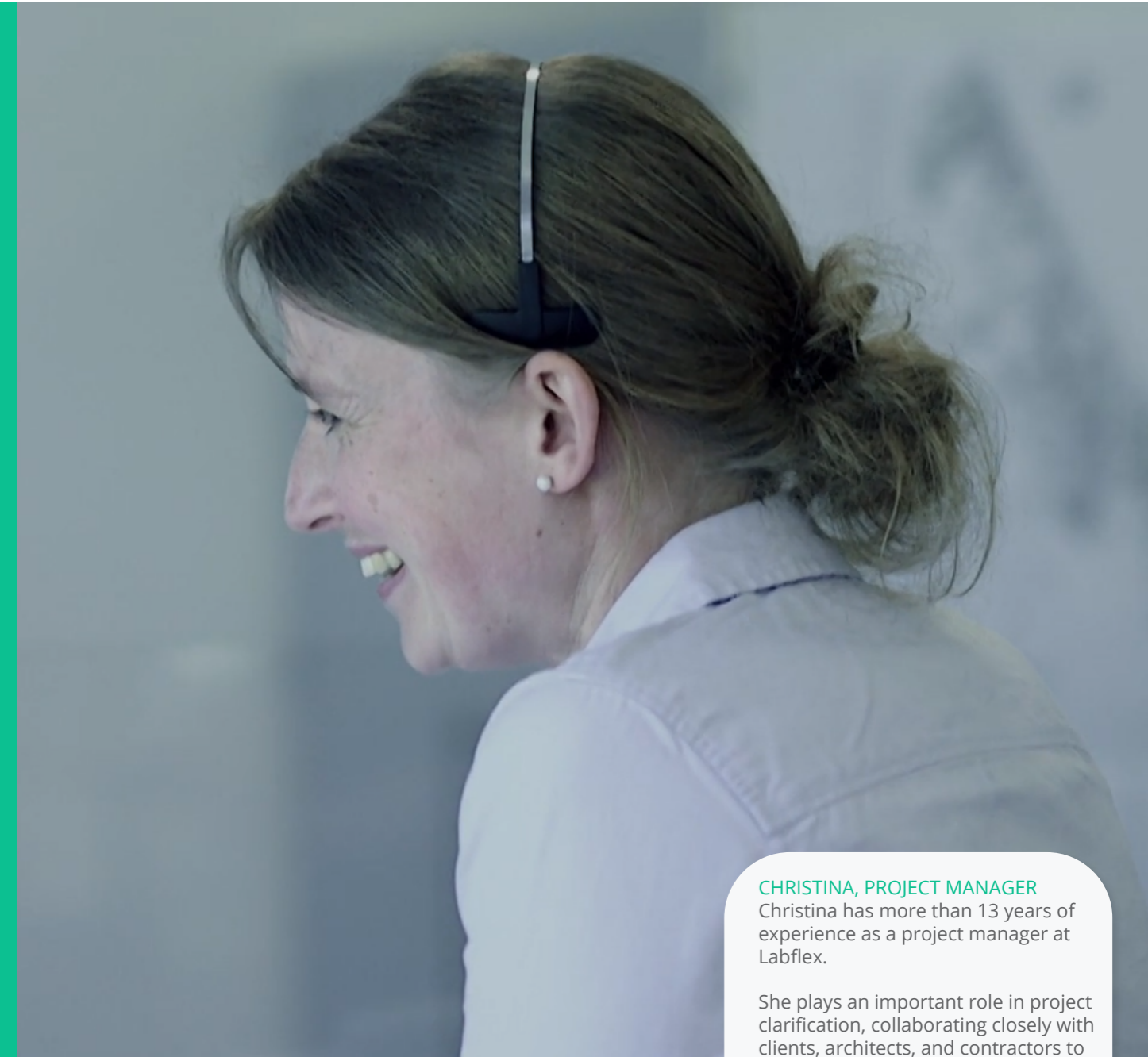
At Labflex, responsibility involves both individual and collective efforts. We operate with a horizontal organizational structure, giving each employee significant autonomy within their specific roles. This distributed authority allows us to stay agile and adaptive to change. By empowering our employees to take ownership of their work, we ensure that they can contribute effectively to our overall success.

### EMPLOYEE RETENTION

In 2023, Labflex had a turnover rate of 13,2% for white-collar workers and 12,3% for blue-collar workers. While the turnover rate for blue-collar workers tends to be more volatile due to project-based hiring, we strive to retain our workforce during low production periods by offering training and courses. This approach helps maintain continuity and operational excellence.

### PRESENCE

In 2023, Labflex reported an absence rate of 0,9% for white-collar workers and 3% for blue-collar workers. These rates are lower than in previous years, reflecting the positive impact of our supportive culture. While absence rates can vary, we generally maintain a consistent rate, underscoring Labflex's commitment to a healthy and efficient work environment.



#### CHRISTINA, PROJECT MANAGER

Christina has more than 13 years of experience as a project manager at Labflex.

She plays an important role in project clarification, collaborating closely with clients, architects, and contractors to ensure seamless communication and alignment of goals.





# Governance

## DEVELOPING A STRONG GOVERNANCE FRAMEWORK

In 2023, Labflex have made strides in strengthening our own governance framework through the deployment of two key software solutions aimed at enhancing board collaboration and fostering organizational transparency.

### ESTABLISHMENT OF A WHISTLE-BLOWER PORTAL

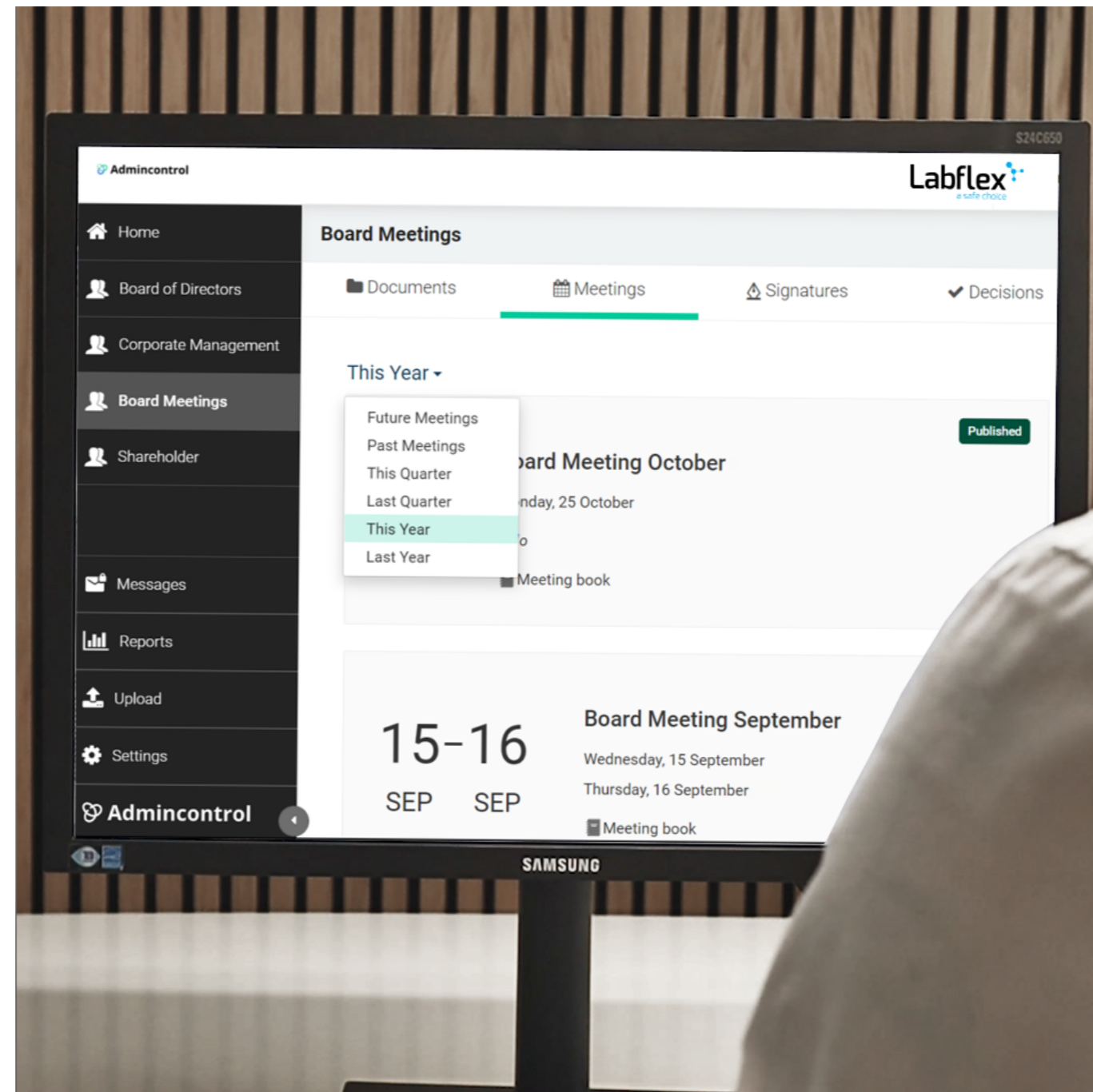
In alignment with new EU regulations requiring companies with more than 50 employees to implement whistle-blower mechanisms, Labflex has introduced a Whistle-blower portal and a dedicated unit to manage related inquiries. This initiative underscores our commitment to transparency and accountability.

The whistle-blower portal serves multiple purposes. Firstly, it offers a platform for employees, suppliers, and other stakeholders to anonymously report concerns, reinforcing trust in the organization. Additionally, it also ensures compliance with EU regulations by providing a formal mechanism for reporting issues that might be difficult to address through traditional channels. Secondly, the portal promotes a culture of openness, where stakeholders can raise concerns about unethical practices or other issues without fear of retribution.

The impartial unit established to oversee the whistle-blower portal ensures that all reports are handled with the utmost integrity and confidentiality, fostering a safe and transparent organizational environment.

As of the establishment of the whistle-blower portal in October 2023 and until the issuance date of this report, Labflex has not received a single report of concerns. We remain committed to monitoring and maintaining an open portal for all stakeholders, ensuring continuous engagement and proactive governance.

For more information on our whistle-blower portal and to review our detailed policies, please visit Labflex Whistle-blower Portal and Policies.



### BOARD COLLABORATION ENHANCEMENT

Labflex has implemented AdminControl, an administrative tool designed to facilitate better collaboration between the board of directors and management. This tool offers a secure and restricted environment for the exchange of critical information, ensuring that discussions and document sharing occur in a professional and protected setting.

AdminControl provides a dedicated, secure space for board and management interactions, protecting sensitive information and reducing time spent on administrative tasks. This allows board members and management to focus on strategic discussions and decision-making, ultimately enhancing the professionalism of board meetings and document handling.

By streamlining communication and administrative processes, AdminControl has enabled Labflex to optimize the time and efforts of both board members and management, driving the organization forward.

“AdminControl offers an intuitive platform that has made our board work more structured and transparent, allowing us to spend less time on administration and more on impactful decision-making”

- Christian Herskind, chairman



# Consolidated ESG statement

The ESG statement consolidates data from Labflex A/S and its subsidiary, Labflex UK. The reporting scope includes all Labflex's locations, with any deviations noted in the respective sections.

We consolidate our ESG data to enhance clarity and transparency for our stakeholders.

In the upcoming years, we aim to simplify our data presentation to make it more accessible. By refining our systematic approach to ESG data collection and analysis, our goal is to improve our performance each year.

In accordance with ISAE 3000, Labflex has obtained a limited assurance of Scope 1 and 2 GHG emissions data for 2023. The auditor's review of Scope 1 and Scope 2 emissions data identified no material misstatements or

discrepancies. Therefore, the emissions data presented for these categories are considered a fair and reliable reflection of GHG emissions for the stated period.

As part of the audit process, the auditor also reviewed the key GHG figures reported within Scope 3, as well as the related accounting practices and policies.

During this review, the auditor evaluated that the information was materially consistent with the sustainability performance data and found no issues requiring further reporting.

The audit was conducted and certified by a state-authorized public accountant from Beierholm A/S.



View the independent auditor's limited assurance report

E: CLIMATE	NOTE	UNIT	2023	2022	2021
Scope 1 greenhouse gas emissions	2	Tonnes	146,8	121,9	158,1
Scope 2 greenhouse gas emissions	2	Tonnes	79,9	85,4	89,1
Scope 3 greenhouse gas emissions	2	Tonnes	11.234,7*	14.437,6*	N/A*

E: ENERGY	NOTE	UNIT	2023	2022	2021
District heating	3	MWh	4,4	6,8	N/A
Electricity	3	MWh	775,8	886,8	880,5
Natural gas	3	MWh	556,5	558,7	776,8
Total energy	3	MWh	1.336,6	1.452,2	1.657,3
Renewable energy ratio	3	Percent	81,0	76,0	71,9

E: CIRCULATION AND WASTE	NOTE	UNIT	2023	2022	2021
Total waste amount	4	Tonnes	296,6	267,5	139,6
Hazardous waste	4	Tonnes	0,0	0,0	0,0
Recycled waste	4	Percent	98,8	85,2	N/A

E: WATER	NOTE	UNIT	2023	2022	2021
Water withdrawals	5	M <sub>3</sub>	390,0	370,0	N/A

S: PEOPLE	NOTE	UNIT	2023	2022	2021
Number of employees	6	Count (FTE's)	95	88	84
Employee turnover rate, White-collar	6	Percent	13,2	26,7	5,9
Employee turnover rate, Blue-collar	6	Percent	12,3	33,3	32,0
Absence rata amongst employees, White-collar	6	Percent	0,9	3,1	0,9
Absence rata amongst employees, Blue-collar	6	Percent	3,0	5,4	2,6

S: DIVERSITY & INCLUSION	NOTE	UNIT	2023	2022	2021
Gender split all employees, White-collar	7	Percent (m/f)	65,7 / 34,3	66,6 / 33,3	58,8 / 41,2
Gender split all employees, Blue-collar	7	Percent (m/f)	89,5 / 10,5	88,9 / 11,2	84,0 / 16,0
Gender split all leadership positions	7	Percent (m/f)	66,6 / 33,3	50,0 / 50,0	37,5 / 62,5
Management team diversity	7	Percent (m/f)	80,0 / 20,0	80,0 / 20,0	60,0 / 40,0

S: EQUITY	NOTE	UNIT	2023	2022	2021
Pay ratio between gender, general, White-collar	8	Percent	6,5	5,0	30,9
Pay ratio between gender, general, Blue-collar	8	Percent	0,0	1,8	43,9
Pay ratio between CEO and average employee	8	Ratio	6,7	5,6	6,9

S: HEALTH & SAFETY	NOTE	UNIT	2023	2022	2021
Lost Time Injury Frequency	9	Hours/100.000h	5,8	82,1	93,3
Total Recordable Injury Frequency	9	Count/100.000h	1,4	2,6	2,7

G: BOARD OF DIRECTORS	NOTE	UNIT	2023	2022	2021
Gender split Board of Directors	10	Count (m/f)	100 / 0	100 / 0	100 / 0
Attendance rate at Board meetings	10	Percent	93,8%	93,8%	100%
Board independence	10	Percent	25%	25%	25%

G: ETHICS AND HUMAN RIGHTS	NOTE	UNIT	2023	2022	2021
Whistleblower cases, all	11	Count	0	N/A	N/A
Whistleblower cases, substantiated	11	Count	0	N/A	N/A
Ratio of suppliers signed Code of Conduct	11	Percent	N/A	N/A	N/A



\*Due to a significant change in our methodology introduced in 2023, we recalculated our 2022 results based on updated emission factors. Scope 3 emissions for 2021 are not disclosed, as the results for 2022 and 2023 rely on a different and more accurate dataset.





# Notes to consolidated ESG statements

## 1 Basis of Preparation

### REPORTING PERIOD

Unless anything else is stated, the reporting numbers are from 1st of January 2023 to 31st of December 2023.

### CHANGES IN ACCOUNTING POLICIES

We have made a few significant changes to our accounting policies for ESG performance in 2023. This is our second year of reporting on overall ESG performance, building upon our ESG 2022 report. This year, we have once again refined some of our calculations.

The changes comprise of:

- In 2023, Our Scope 3 emissions dataset continues to improve, enhancing the accuracy and reliability of our reporting. We are increasingly shifting from spend-based calculations to activity-based measurements, providing a more precise and comprehensive assessment of our emissions.
- We have used a new, more refined method for calculating the emissions associated with our ventilated fume cupboards, allowing for greater accuracy and precision in our environmental impact assessments.

### GENERAL REPORTING STANDARDS

We utilize the GHG-Protocol for calculating Labflex's environmental impact, ensuring a precise assessment of our carbon footprint. Our commitment to the ESG-principles is reflected in the structured framework rooted in a range of ESG key metrics. These metrics are shaped by recommendations from esteemed organizations like CFA Society Denmark, FSR – Danish Auditors, and Nasdaq Copenhagen.

Our reporting methodology centers around the latest EXIOBASE version. However, we also leverage additional databases to ensure accuracy, notably, emissions data originating from sources such as the Climate Compass and the Danish Energy Agency.

### MATERIALITY

Labflex is committed to conducting a comprehensive Double Materiality Assessment to evaluate the ESG impact of our operations.

This assessment aims to provide insights into both the financial and non-financial aspects of our business, demonstrating our dedication to responsible and sustainable practices.

We employed the principle of double materiality to discern the key areas that significantly impact our business, as well as those that influence our organization's resilience and its ability to deliver sustained value to both our customers and society.

In 2023, our double materiality assessment has been updated and revised. The materiality assessment is visualized on the following page.

## ENVIRONMENT

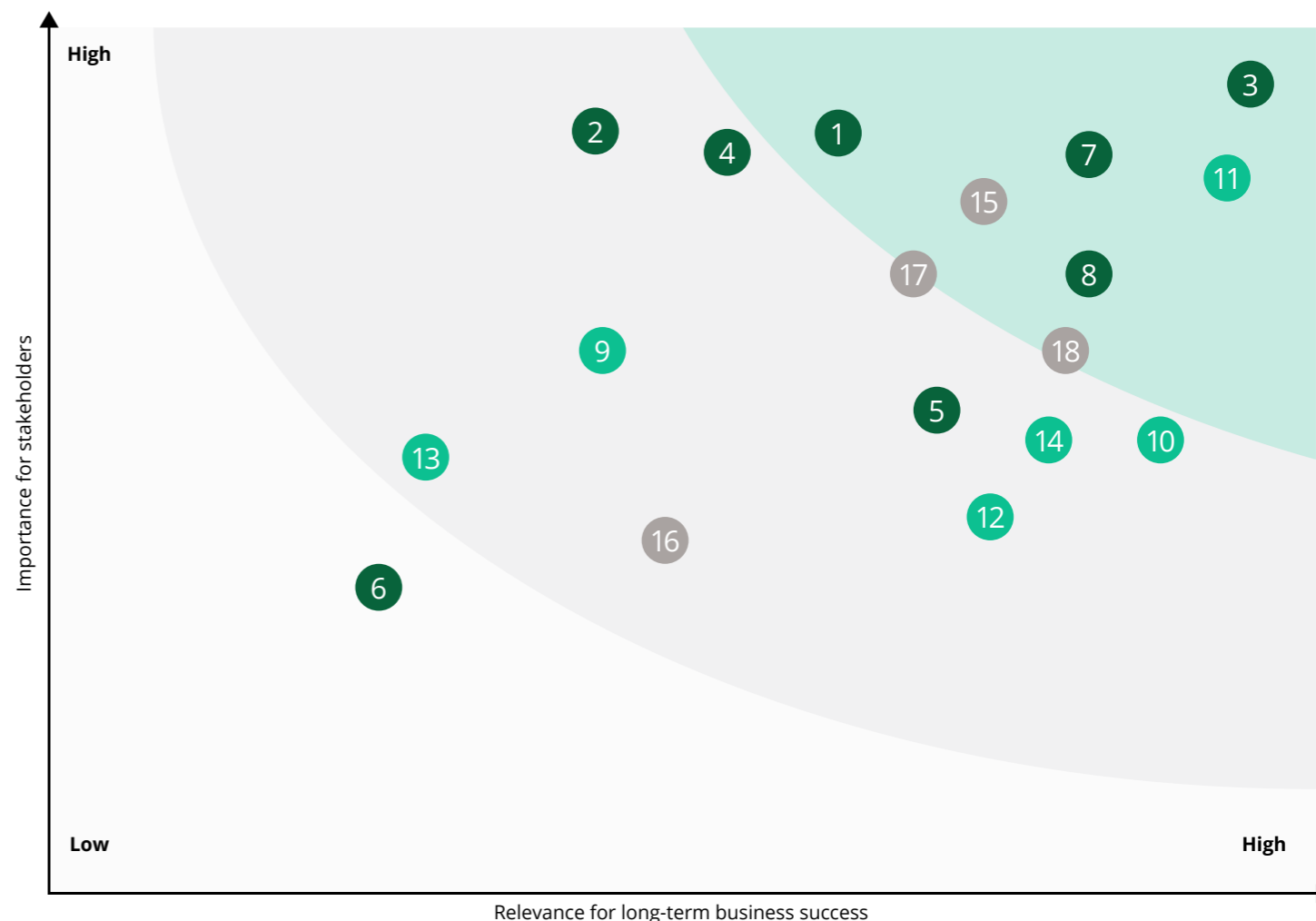
- 1 Scope 1 GHG Emissions (operations)
- 2 Scope 2 GHG Emissions (procured energy)
- 3 Scope 3 GHG Emissions (product lifecycle)
- 4 Waste Management & recycling
- 5 Energy Consumption & Renewable
- 6 Water Consumption
- 7 Use of Sold Products
- 8 Sustainable Supply Chain

## SOCIAL

- 9 Diversity & Inclusion
- 10 Employee Retention
- 11 Health & Safety
- 12 Equity in Labflex
- 13 Stakeholder Engagement
- 14 Employee Development & Education

## GOVERNANCE

- 15 Quality control and assurance
- 16 ESG Risk Identification
- 17 Regulatory Compliance
- 18 Transparency, accountability & reporting





# Notes to consolidated ESG statements

## 2 Climate

### SOURCES FOR EMISSION FACTORS

Labflex's carbon footprint is based on emission factors collected by the Danish Business Authority and is calculated through their guidance program: Climate Compass. The program is based on the GHG-protocol and the data sources are from official entities such as the the Danish Energy Agency (DEA), but also globally recognized databases such as EXIOS.

Through the Climate Compass, it is possible to calculate a CO<sub>2</sub> footprint using the GHG protocol, which includes six greenhouse gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, and SF<sub>6</sub>) and converts them into CO<sub>2</sub> equivalents (CO<sub>2</sub>e). CO<sub>2</sub>e is a common denominator used to express the total climate effect of a given gas in relation to the amount of CO<sub>2</sub> that would have a similar effect. This allows a company's climate impact to be expressed as a single number, even though it consists of several gas types.

### DATA COLLECTION AND ANALYSIS

Primary data concerning scope 1 and 2 emissions has been gathered from diverse sources, encompassing digital meter readings provided by our commodity suppliers, along with invoices detailing Labflex's consumption. This dataset accounts for more than 99% of our overall estate footprint. The remaining consumption, which is less than 1%, is estimated through extrapolated data.

Whenever attainable, we prioritize the implementation of emission factors provided by our energy suppliers, as we consider them to offer heightened accuracy compared to average factors. As of 2023, specific GHG emission factors from our suppliers contributed to the computation of 99% of our total electricity consumption within scope 1 and 2. The remaining 1% as well as emissions originating from district heating and natural gas have based on average factors provided by the DEA. All GHG emissions are, of course, converted into CO<sub>2</sub> equivalents (CO<sub>2</sub>e). This conversion enhances the ease of making an accurate and comprehensive comparison.

### SCOPE 1 GHG EMISSIONS

Labflex's Scope 1 emissions encompass various sources, including the combustion of fossil fuels in Labflex's own controlled or owned boilers, furnaces, and vehicles.

### SCOPE 2 GHG EMISSIONS

The following are the types of Scope 2 emissions for Labflex:

1. Emissions resulting from the generation of electricity that Labflex purchases and consumes.
2. Emissions resulting from the production of steam and heat that Labflex purchases and uses for heating or processing purposes.

### SCOPE 3 GHG EMISSIONS

For category 1 and 2, we have undertaken a meticulous analysis that spans over 9.500 purchasing lines. Of these, more than 7.000 have been intricately computed and transformed into material tonnage. For the remaining subset (approximately 2.500 lines), we have employed a spend-based methodology to distribute emission factors. Our data stands out due to its remarkable granularity - we have organized the acquired goods and services into 17 distinct categories encompassing materials like aluminum, steel, wood, plastic, recycled wood, and chemicals to name a few.

In line with the principles of the GHG Protocol, we have developed a new methodology for calculating the energy consumption of our fume cupboards in category 11. By analyzing six different usage scenarios, we now estimate a more accurate annual consumption based on an average operating schedule of 300 days per year and 5-7 hours of daily usage. This approach results in an estimated annual energy consumption of approximately 7,245 kWh per fume cupboard, providing a more realistic reflection of real-world usage.

In pursuit of consistency, we have unified all measurements by converting them into tons based on material density, thus establishing a uniform denominator. This was achieved by gathering detailed product information from our suppliers.

In cases where this information was not available, we employed industry material averages. Additionally, our dedication to precision extended to even minor products which we buy frequently, hence the relevance. For these, we manually weighed them to heighten accuracy.

If a product consists of multiple materials, the total weight of the purchase is determined and proportionally allocated to the material groups according to the supplier's instructions; see the example below.

We have included the following categories (C) in our scope 3 GHG emissions:

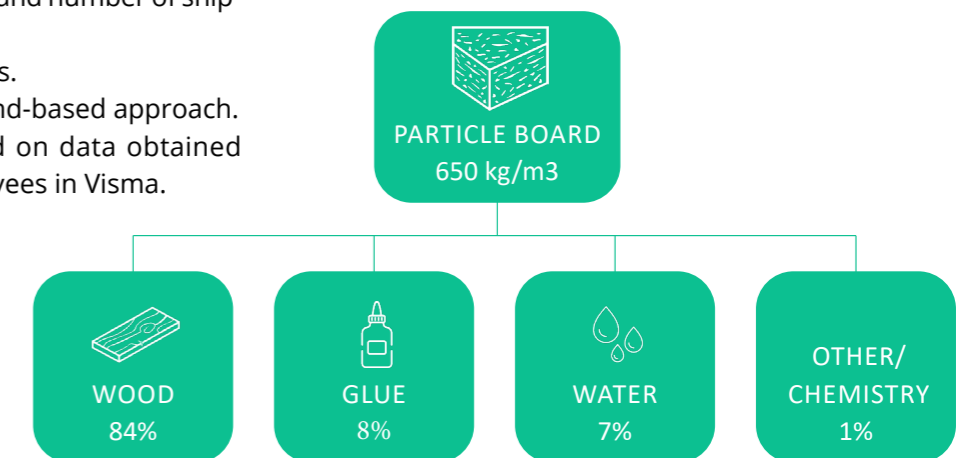
- C1: Purchased goods and services.
- C3: Fuel- and energy-related activities not included in Scope 1 or Scope 2.
- C4: Upstream transportation and distribution: Calculated based on mileage driven and number of shipments per year.
- C5: Waste generated in operations.
- C6: Business travel: follows a spend-based approach.
- C7: Employee commuting: based on data obtained from logged milage by employees in Visma.

C9: Downstream transportation and distribution.  
C11: Use of sold products: encompasses emissions generated during the use-phase of our products sold within the reporting year, extending throughout their anticipated lifespan.\*

Emissions arising from power consumption over the product's lifetime are quantified by converting the power consumption into emissions using IEA/DEA CO<sub>2</sub>e emissions per kWh.

The subsequent categories have been omitted from the calculation due to their lack of relevance or unavailability of data:

- C2: Capital goods.
- C8: Upstream leased assets.
- C10: Processing of sold products.
- C12: End-of-life treatment of sold products.
- C13: Downstream leased assets.
- C14: Franchises.
- C15: Investments.



\*This aspect stands as the largest contributor to our GHG emissions, largely attributed to the exceptional longevity of our product, allowing for an approximate 17,5-year service life. Coupled with an average annual energy consumption of 7.245 kWh, the emissions are inevitably substantial. However, as the business landscape progressively adopts renewable energy sources, we must also anticipate recalculating emissions for our ventilated products, such as fume cupboards and safety cabinets.





# Notes to consolidated ESG statements

## 3 Energy

### ELECTRICITY, NATURAL GAS & DISTRICT HEATING

Our energy usage consists of electricity, natural gas, and district heating, all converted into megawatt hours (MWh). Data is sourced directly from our suppliers and monitored monthly at various measurement points. From 2022 to 2023, we achieved a notable 6.7% decrease in energy consumption relative to revenue intensity.

Additionally, we obtained comprehensive energy declarations from our suppliers, detailing the split between

renewable and non-renewable energy sources. This allows for a more precise calculation of our GHG emissions related to electricity usage

District heating data for 2021 was inaccessible and therefore omitted from the report.

## 4 Circularity & Waste

### HAZARDOUS WASTE, RECYCLED WASTE & TOTAL WASTE

Our waste is measured in tonnes and classified into three specific categories: Hazardous waste, recycled waste, and total waste. The notable difference between 2021 and subsequent reports in recycled waste stems largely from uncertainties related to information extracted from our waste-handling partner's invoices.

Notably, in 2022 as in 2023, we have benefitted from distinctly enhanced data quality compared to the previous year, resulting in calculations of waste that now exhibit greater clarity and accuracy. This change accounts for the substantial discrepancy between the 2021 report and subsequent reports, in total tonnes of waste. Similarly, the enhanced data quality rendered the waste recycling numbers from 2021 obsolete.

## 5 Water

### WATER WITHDRAWALS ACROSS ALL OUR SITES

We report water in m<sup>3</sup>. Water withdrawals are the total amount of water consumed by Labflex across all our sites. Our data is obtained from official records provided by our water suppliers for all locations except our office in the UK and Søborg – here we extrapolated data

based on the consumption of our office in Aarhus, which shares similar features and number of employees as those in Sheffield and Søborg.

Water withdrawal data for 2021 was inaccessible and therefore not included in the report.



## 6 Social

### NUMBER OF EMPLOYEES

The total number of employees is measured based on FTE over the duration of one year.

### EMPLOYEE TURNOVER

The turnover rate is calculated based on number of employees leaving Labflex (both voluntary and involuntary) and then divided by the average headcount. To ensure a more accurate representation of our circumstances, we have categorized this analysis into two specific groups: white-collar and blue-collar employees.

This differentiation is crucial as the size of our production team is subject to change based on the size of our

project pipeline. As a result, fluctuations in production capacity directly influence our staffing levels accordingly.

### ABSENCE RATE AMONGST EMPLOYEES

We calculate this metric using a national estimate for effective workdays (220 days ~ 1628 hours) for white-collar employees. Data on blue-collar employees is collected from SmartTid and is denoted in hours.

The ratio is expressed as a percentage, representing the absence rate in relation to the total working time. We exclude maternity leave, child's sick day and long-term illness\* from the absence rate equation.

## 7 Diversity & Inclusion

### GENDER SPLIT BETWEEN ALL EMPLOYEES

We measure the gender split within the total workforce as a ratio of male to female employees (no one in our organisation has selected the non-binary option).

### GENDER SPLIT BETWEEN ALL LEADERSHIP POSITIONS

The gender split within all leadership positions is measured based on the total workforce and expressed as the ratio of male to female employees. Leadership positions refer to employees with two or more subordinates who report directly to a leader.

### MANAGEMENT DIVERSITY

The term 'management' refers to the highest echelon of the Labflex organization. Gender diversity within this group is measured by calculating the ratio of male to female employees holding positions within the management team.

\*Long-term illness is defined as being absent from work due to illness or physical incapacity for more than 100 consecutive hours in a row, e.g., being diagnosed with stress or a herniated disc.



# Notes to consolidated ESG statements

## 8 Equity

### PAY RATIO BETWEEN GENDER, GENERAL

The gender pay ratio is delineated into two distinct categories: white-collar and blue-collar workers. This division is undertaken to ensure accuracy in representation. The ratio is ascertained by comparing the average salary of male employees with that of their female counterparts.

Labflex firmly believes in the principle of equal remuneration for equal work. Our objective is to anchor compen-

sation solely in abilities and expertise, ensuring that dedication and effort are the key factors in determining salaries.

### PAY RATIO BETWEEN CEO AND AVERAGE EMPLOYEE

The ratio of the CEO's salary compared to the average employee salary (excluding the CEO's compensation) is calculated, encompassing bonuses and general benefits for both.

## 9 Health & Safety

The data stems from employees who primarily work at the production facility or as laboratory technicians or installers. The data is sourced from our digital platform, "SmartTID", which enables accurate time tracking for each employee.

The following two measurements encompass Labflex's full-time and part-time employees, apprentices, temporary employees on short-term contracts (<1 year) and external workers employed by Labflex. Notably, the exclusion of data from white-collar workers is driven by their relatively lower exposure to safety-related issues. Including their figures in the total hours worked would inaccurately portray an overly secure working environment. This selective approach ensures that the reported data accurately reflects the specific safety concerns of roles directly engaged in production, service, and installation.

### LOST TIME INJURY (HOURS)

This metric accounts for the hours lost due to injuries sustained during working hours. It is explicitly tracked for our blue-collar employees, encompassing production, laboratory technicians, and installers. The calculation entails dividing the total hours missed due to injuries by the cumulative hours worked within the same year. The resulting value is then expressed as hours lost per 100,000 worked hours.

### TOTAL RECORDABLE INJURY FREQUENCY (TRIF)

This metric represents the total number of individual incidents per year divided by every 100,000 hours worked. It is calculated as the ratio of the number of recordable injuries to the total hours worked, then multiplied by 100,000.

## 10 Board of Directors

### GENDER SPLIT BOARD OF DIRECTORS

The gender split is presented as the proportion of male to female members on the Board of Directors.

### ATTENDANCE RATE AT BOARD MEETINGS

The frequency of members of the Board of Directors' presence at the quarterly board meetings to indicate the rate of involvement.

### BOARD INDEPENDENCE

Board independence is a metric that illustrates to what extent members of the board are elected on an independent basis from Labflex. The determination of board independence aligns with the recommendations outlined in section 3.2 of the [Danish Committee on Corporate Governance's guidelines](#).

## 11 Ethics and Human rights

### CODE OF CONDUCT

We are currently developing a Code of Conduct that will set the ethical standards for our organization and our suppliers. The Code aims to ensure that all stakeholders adhere to the highest standards of integrity, transparency, and respect for human rights. As part of our commitment to responsible business practices, we plan to extend this Code to our suppliers, requiring their compliance to uphold the same values.

### WHISTLEBLOWER PORTAL

We have implemented a whistleblower portal to provide a secure and confidential way for employees and stakeholders to report any concerns regarding unethical or illegal activities. This platform will reinforce our commitment to transparency and accountability by ensuring that reports are thoroughly investigated and appropriate actions are taken.







# Get in touch

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For further information regarding the report and Labflex's sustainable efforts, please visit our [website](#) and get in touch with us.

Website



LinkedIn

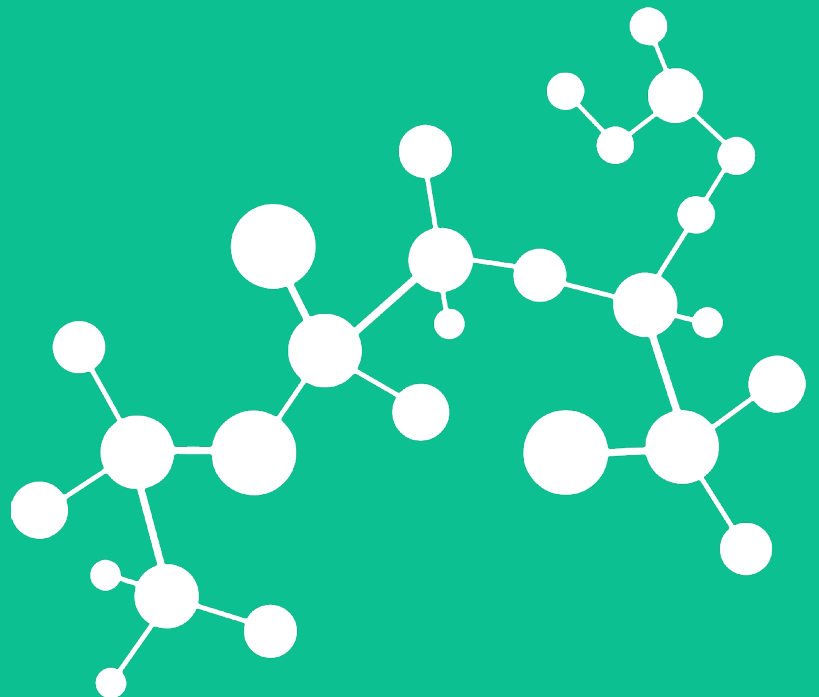


Virtual Showroom



# Labflex

a safe choice



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