



BROEN-LAB

Sustainability Report 2023

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CEO Statement

The Group's primary activities include manufacturing, trading, and maintaining laboratory fittings and emergency showers used in professional laboratories, the educational sector, and in the industry.

The headquarter of the Group is located in Assens, Denmark.

BROEN-LAB had a satisfactory year in 2023, considering the global market situation for the Group's primary activities. The ongoing commercial success of our Group rests upon our ability to operate with very short lead

times, combined with superior product solutions that are continuously adapted to meet the demands of the modern laboratory across various sectors.

The result in 2023 was once again significantly influenced by the exceptional performance of the Group's employees. Their commitment, know-how, and experience remain the cornerstone of our value-adding and innovative solutions, our high level of customer satisfaction, and ultimately, the strong financial performance of our Group.

Focus on ESG is a crucial part of BROEN-LAB's strategy, and we, the management of the company, are fully aware of the importance of involving all members of our organization.

We maintain a strong focus on our CO2 emissions, energy and water consumption as well as on the practices of waste sorting at an everyday level. All employees are encouraged to put forward their suggestions on how we may reduce our environmental footprint.

During 2023 we have implemented a Code of Ethics to emphasize our focus on human rights and fundamental values. We persist in our commitment to the community by providing flex jobs and job training for the long-term unemployed or disabled individuals, and we continue to offer internships for young people.

Working with ESG is a continual process, and in 2024 we will maintain our efforts to engage the entire organization in achieving our current objectives while also assisting in setting new goals for the future.

Assens, 20th March 2024



Søren Mundt Sørensen
CSO BROEN-LAB A/S



Torsten Kjeldsen
COO BROEN-LAB A/S

This Sustainability Report is based on the DRAFT Voluntary ESRS v3 for Small – and Medium-Sized Enterprises using the Basic Module as well as the Narrative Module. The Report focuses on the Danish headquarters and production of BROEN-LAB A/S, and subsidiaries are thus not included.

About BROEN-LAB A/S

For over 50 years BROEN-LAB has been developing, manufacturing, and selling laboratory valves and emergency shower systems, which have been integrated into a broad spectrum of laboratories and industrial locations; sectors include Pharmaceutical Companies, Industrial Companies and Academia. BROEN-LAB's products are supplied with features that are assessed

and designed to be flexible, durable, and compliant offering a broad range of options tailored to each location.

Our expertise and product quality ensure optimal solutions compliant with all relevant international norms and set new standards in risk mitigation in modern research, production, and educational facilities.

Performance objectives, competitive pressure and legislation on health, safety and environment are just some of the forces, modern companies must be aware of and adapt to. The ability to change, and do it with short notice, has become license to operate.

BROEN-LAB is located in Assens, Denmark. BROEN-LAB is operating

as an independent company within the LI Enterprises Group under its own management with reference to the Board.



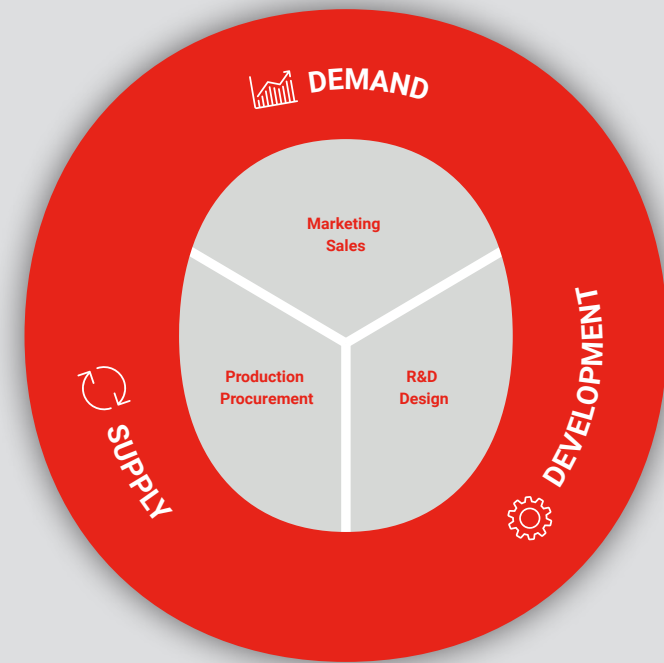
BROEN-LAB's value creation wheel

We have a strong focus on all stages of our customers' value chain:

From **Procurement**, where we offer customer drawings of the entire product programme to ease the ordering process, to **Production**, where we ensure that our products are easy to install; to **Marketing**, where we offer 3D files and images, which the customers can use in their marketing material; to **Sales**, where we offer all relevant product approvals, and guarantee that spare parts for our products will be available for 10 years after purchase of the product; to **Design** and **R&D**, where we offer to collaborate with the customers' development team to create bespoke products for them.

Of course, every step of the value creation wheel is covered by our professional and highly specialized staff.

Our sales team ensures that each customer is guided through the purchase process to ensure that they receive the optimum solution for their needs every time; we offer product training to customers' staff, onsite training of installation teams, and our technical staff handles after-sales service. We always follow up to ensure that each customer remains a satisfied long-term customer.



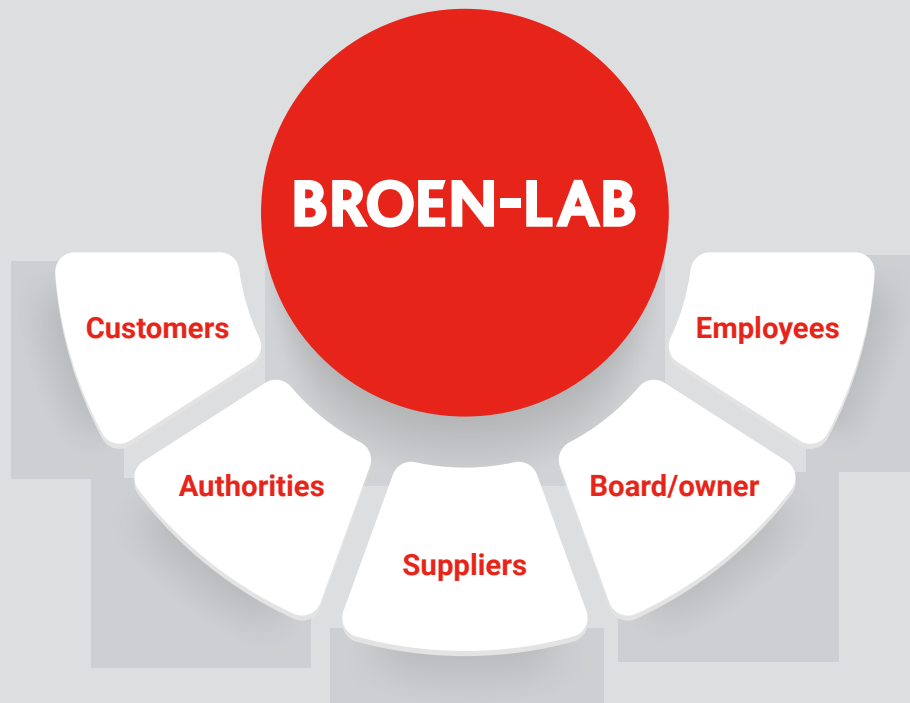
✓ We give your business competitive edge, by helping you work smarter throughout your value chain

Stakeholders

BROEN-LAB's stakeholders are identified as persons or groups who could be either positively or negatively impacted by our operations and value chain and/or who would benefit from our reports on sustainability.

At the end of 2022, BROEN-LAB was certified with ISO 14001, and in 2023 we were audited by an external third-party to ensure continuous compliance. As we are environmentally certified, we carry out ongoing risk assessments of our stakeholders.

Stakeholders have been identified as below:



Customers

BROEN-LAB exclusively engages in B2B sales, catering to a wide range of laboratories and industrial locations across various sectors worldwide. These sectors include Pharmaceutical Companies, Industrial Companies, and Academia.

Authorities

Primarily local authorities/Assens Municipality with whom we maintain a very close cooperation in regard of our social responsibility and environmental aspects. Furthermore, BROEN-LAB is subject to both national and EU legislation. Legislation regarding environmental issues is continuously being ratified and implemented.

Suppliers

BROEN-LAB's increasing focus on environmental issues directly impacts our suppliers, as we pass on requirements to them in relation to e.g. responsible sourcing of raw materials, the use of environmentally friendly packaging materials, and adherence to social responsibility and governance. We have implemented our Code of Ethics, which all our suppliers are required to comply with.

Board/owner

BROEN-LAB is operating as an independent company within the privately owned LI Enterprises Group under its own management and with reference to the Board.

Employees

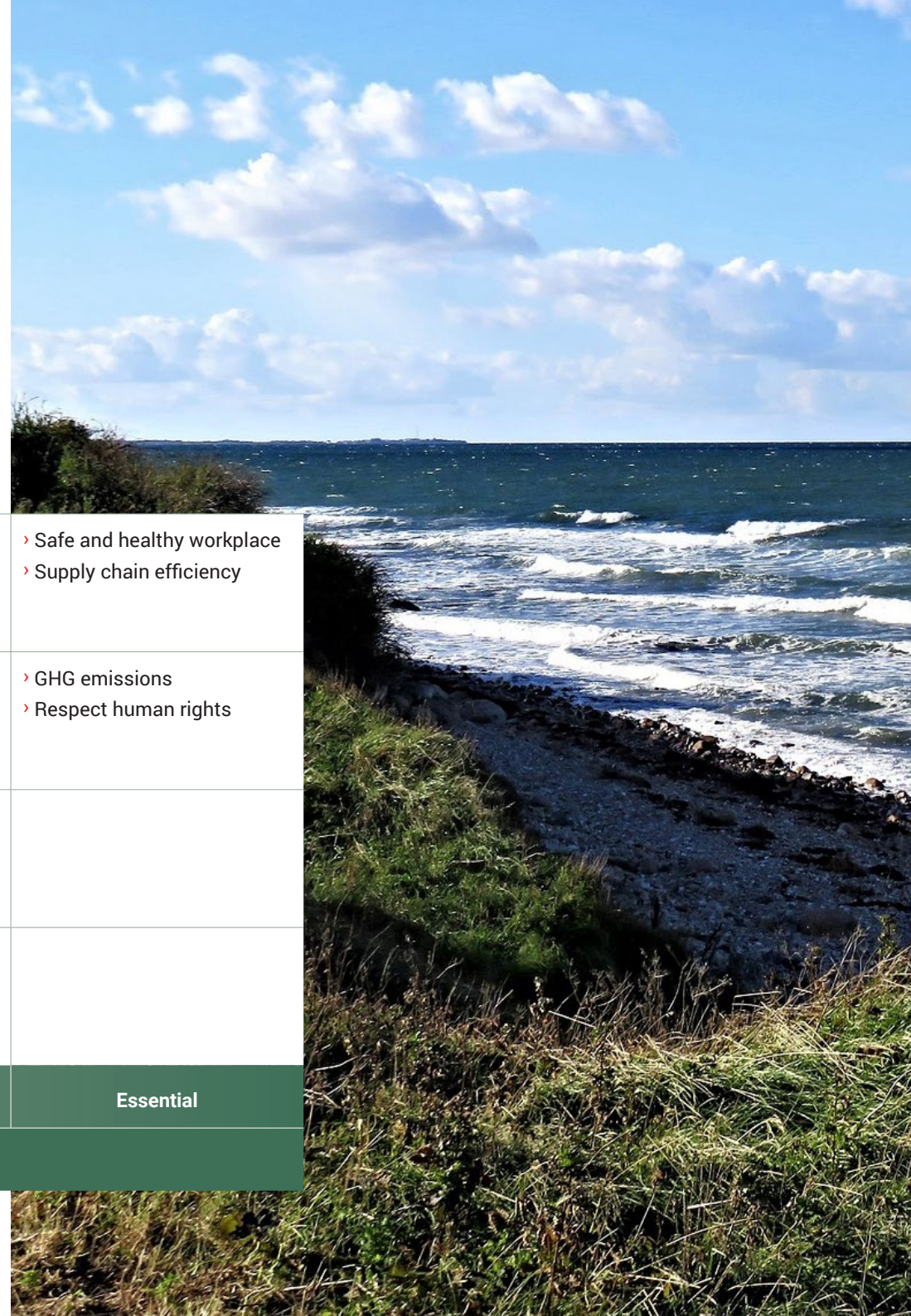
Sustainability issues have direct impact on the everyday work processes in the workplace. ISO9001 and ISO14001 ensure that all processes are observed and that any deviations are detected and rectified. At the same time, the company's profile in relation to ESG issues can significantly motivate existing employees and plays a pivotal role in attracting new talent.

Double materiality analysis

BROEN-LAB's materiality analysis is based on the concept of double materiality. This means that we are considering the impact which we have on stakeholders in relation to social, environmental, or economic issues, as well as the impact of these issues on our business.

The primary issues identified in the materiality analysis are the issues, where we have set targets and strive to improve on the short and long term.

Impact on stakeholders	Essential			<ul style="list-style-type: none"> › High-quality products with focus on repairing instead of replacing (spares) › Safe and healthy workplace › Supply chain efficiency 	
	High	<ul style="list-style-type: none"> › Local community engagement › Waste management 		<ul style="list-style-type: none"> › Responsible sourcing › GHG emissions › Respect human rights 	
	Medium	<ul style="list-style-type: none"> › Packaging 		<ul style="list-style-type: none"> › Diversity and inclusion › ISO14001 	
	Low			<ul style="list-style-type: none"> › Attractive employer 	
		Low	Medium	High	Essential
Importance to BROEN-LAB					





E for Environment

Climate

BROEN-LAB's manufacturing has an environmental impact due to the consumption of energy and water, as well as waste creation. We are committed to minimizing our environmental footprint by reducing the consumption of both energy and water, as well as our GHG emissions. Our strategy involves continuously reducing our energy and water usage and minimizing the quantity of waste generated. Simultaneously, we ensure that a significant proportion of the waste can be reused or recycled.

Since BROEN-LAB became a standalone company in 2015 we have made significant investments to reduce the energy consumption. This includes upgrading our light bulbs in fixtures from conventional ones to LED lighting, and installing light sensors throughout the entire building to ensure that the light is only activated when somebody is present.

BROEN-LAB's CO2 emissions from Scope 1 and 2 arise mainly from the usage of electricity, LPG gas and district heating used for the production and office operations. Data for energy consumption is primarily based on

invoice information and automated meter readings, resulting in very little uncertainty associated with these figures.

As company cars and travels constitute a very minor part of our emissions, we have not included them but have instead focused solely on the physical site, which encompasses both production and office facilities. However, we encourage the use of electric vehicles and prefer them when purchasing company cars.

The figure displays the trend in CO2 emissions per production hour from 2019-2023, thereby documenting a decrease in our CO2 emissions from 0.0056 metric tonnes in 2019 to 0.0047 tonnes in 2023.

Pollution

BROEN-LAB's production does not have any significant impact on the quality of air, water and soil and thus does not report to any authorities in this regard.

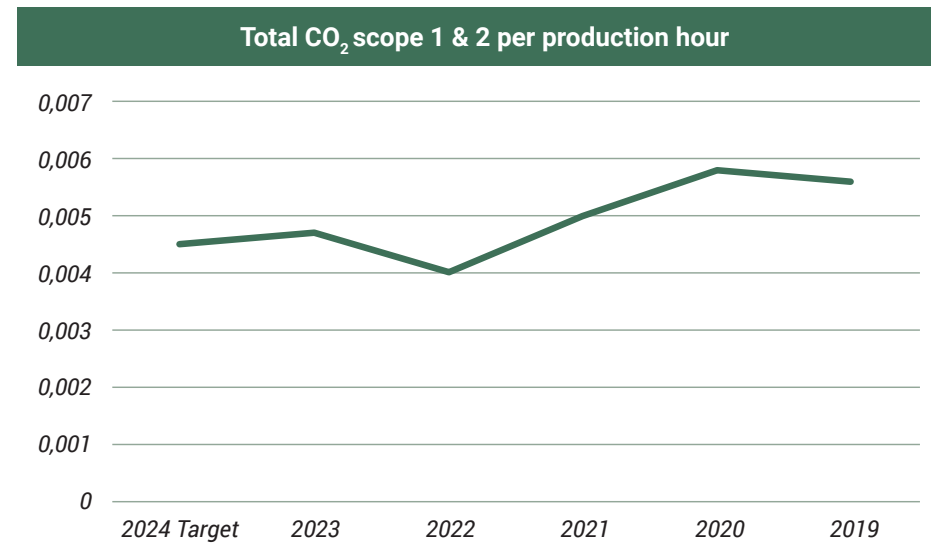
Water

Water is the most valuable resource on the planet, and we have constant focus on reducing the water consumption. However, no specific targets have been set in this regard.

Water is solely withdrawn from the public water network and discharged to the sewer.

Biodiversity and ecosystems

BROEN-LAB is not situated near any Natura 2000 sites or other protected areas and has no significant impact on the surrounding environment..



During 2024 we will focus on reducing CO2 emissions per production hour by optimizing processes in the production.

Resources and waste

In 2022, BROEN-LAB initiated a project focusing on sorting waste into various fractions to maximise the quantity that can be reused or recycled. In June 2022 we invested in a plastic press machine, while a cardboard press machine had been available for several years.

Between 2022 and 2023 we have intensified our efforts to sort our waste into more fractions thus ensuring that a greater proportion of our waste is recycled. The waste is collected and sorted by the company Stena Recycling, who then document the extent to which our waste is recycled, reused etc.

In 2022 the total quantity of waste handled by Stena Recycling was 55,904 kgs, which was sorted and handled as follows:

Waste hierarchy	%
Landfill waste	0.86
Combustible waste	36.21
Bio-based waste	0
Recycled waste	47.33
Reused waste	0
Other recovered waste	15.61
Total	100

In 2023 the total quantity of waste handled by Stena Recycling was 65,343 kgs, which was sorted and handled as follows:

Waste hierarchy	%
Landfill waste	0.37
Combustible waste	45.32
Bio-based waste	0.43
Recycled waste	35.36
Reused waste	0.57
Other recovered waste	17.95
Total	100

The total quantity of waste has increased. However, a smaller part of the total is landfill waste, and a larger part combustible, bio-based, recycled, reused or otherwise recovered. Our objective is to ensure that as minimal a portion as possible ends up as landfill waste and that our waste is sorted in a way which facilitates the most environmentally friendly disposal possible.

The producer responsibility for packaging has been adopted in the EU and will be implemented in Denmark through the Environmental Protection Act and an implementing executive order. The executive order outlines the specific regulations for the producer responsibility and will be implemented in two phases from mid-2024 until July 2025.



Therefore in 2023 BROEN-LAB has become a member of VANA (vana.dk) – a producer responsibility organisation, as a guarantee that we live up to the obligations of the producer responsibility legally, financially, and practically.

In April 2024, we will report the first quantities of packaging material expected to be brought on the market, and in 2025, the legislation will take full effect with more detailed reporting following.

Consequently BROEN-LAB has intensified efforts to reduce the quantity of packaging material

brought to the market, and this will be a continuous target for the company throughout 2024 and in the subsequent years.

Today we already dispatch and receive goods in packaging material, which can be reused several times. This loop has been established with several of our suppliers and customers, and the goods are sent in reusable packaging, which is then returned to us to be reused for the next shipment. We aim to extend this procedure to as many suppliers and customers as possible.



S for Social

Stakeholders in the value chain

BROEN-LAB's employees

At BROEN-LAB we believe that every employee is vital to the company. Therefore, it is our priority to keep every single one of them safe. With that in mind, we also recognize that everyone is essential to our community, and that everyone can contribute, irrespective of gender, age, sexual preferences, disabilities, experience level, etc.

We treat each other with respect and are committed to being an employer with proper terms of employment and working conditions. We support and respect the internationally recognized labour rights as specified in the International Labour Organization (ILO) core conventions. We adhere to all applicable laws and regulations concerning employer/employee rights and obligations. Our values are encapsulated in BROEN-LAB's Code of Ethics, which reflects the fundamental beliefs of the company.

Safety has always been prioritized at BROEN-LAB both internally in regard of our employees as well as externally in regard of our customers. Our annual workplace safety evaluation has

provided an outstanding platform for our employees to actively participate in improving safety, both in production and in office areas. An internal HSO (Health and Safety Organization) has been established with participation of both an employer representative and elected employees.

We are pleased that during 2023 LTIR (Lost Time Incident Rate) was 0, which is of course the ongoing target of the company.

People are crucial to BROEN-LAB's success, and we are steadily increasing the number of employees. The number of employees is measured in full-time equivalents (FTEs). All employees from the Danish site on permanent contracts are included in the FTE figures.

FTE in 2022 was 66.
Of these 44% were women
and 56% were men.

FTE in 2023 was 69.
In 2023 49% were women
and 51% were men.

BROEN-LAB strives to have an equal distribution of women and men employed in both the factory and offices, considering a distribution of

49% versus 51%

to be very satisfactory.





Work council

BROEN-LAB has established a work council to secure employee participation by ensuring that management and employees can discuss how to develop the workplace whilst enhancing well-being and efficiency within the company.

Collective agreements

All employees are covered by collective agreements, whether they are members of a trade union or not. They are thus in some cases offered conditions superior to those required by current legislation.

Training

All new employees irrespective of position, age, gender etc. start up with a 2-week introduction programme, during which they are trained by their colleagues. This ensures that everyone understands their function and responsibilities, as well as the values and strategies of the company.

Furthermore, additional training for existing employees is offered based on needed qualifications, and irrespective of position, age, gender etc.

Other persons in the value chain – suppliers' employees and end users

It is important to BROEN-LAB that individuals are treated with respect at all stages of the lifecycle of our products. To ensure this, we have implemented our Code of Ethics, which outlines our values. We require our suppliers to accept and sign this to ensure that fundamental rights and values are upheld throughout the entire supply chain.

The product range of BROEN-LAB is developed to enhance safety at work. By combining unique product quality with extensive know-how and best practice experiences accumulated over more than 50 years, the valves and fittings from BROEN-LAB have become integral to safe and reliable laboratories worldwide. Moreover, our emergency shower systems serve as the third line of defense in schools, universities, pharmaceutical companies, and industrial workplaces, minimizing or even eliminating potential personal injuries in the unfortunate event of an accident by providing instant rinsing for the body and eyes.

Cooperation with the municipality

In 2020, we committed to making a positive difference in our local community by offering flex jobs and job training opportunities for long-term unemployed individuals or those with disabilities. By 2023, we aimed to offer flex jobs and job training equivalent to 1 FTE specifically for these groups. We established a cooperation with Assens Municipality, and for four consecutive years, we have been honoured with a local social responsibility award for our contribution. The most recent award was for 2024.

In 2023 the above target was met, as we offered job trainings equivalent to 1.62 FTE.

Since 2018 we have offered internships to young adults. In 2022 we made a commitment to set an annual target of internships aimed at young adults, setting a minimum of 2 internships. During 2023 we successfully provided a total of 5 internships of young adults, and the target for 2024 is to continue offering 5 internships.



In 2023 the above target was met, as we offered job trainings equivalent to 1.62 FTE





G for governance

Roles and responsibility

The Executive Management Team of BROEN-LAB A/S regards ESG as a strategic and operational cornerstone of the company. The overall responsibility for the strategic direction lies with the Executive Management Team, with approval from the Board. The Executive Management develops the strategic direction, while an internal project group is tasked with ensuring that the strategy is implemented and converted to actual targets and actions. The Executive Management Team is continuously kept updated and involved in the process.

The board of BROEN-LAB consists of three members, who are appointed based on qualifications. Therefore, gender itself is neither qualifying nor disqualifying anyone from being appointed to the board of BROEN-LAB. The current board members are Mr. Steven Kersten, owner of LI Enterprises Group, Mr. Lucas Aaron Beals, CFO of WaterSaver Faucet Co., and Mr. Henning Birk Nicolajsen, former CEO of BROEN-LAB A/S.

Policies and Certifications ISO 9001 and ISO 14001

In 1991 BROEN-LAB obtained the ISO 9001 Quality Management Certification in order to ensure consistent high quality of our products and services. ISO 9001 helps us maintain a strong focus on customers and their needs and sets up a framework for our operations.

In 2022 BROEN-LAB obtained the ISO 14001 Environmental Management Certification. We have been audited in 2023 and continue to be dedicated to and to focus on protecting the environment and limiting our environmental footprint.

Code of Ethics

In 2023 BROEN-LAB implemented a Code of Ethics to ensure that everyone within the company, as well as our suppliers, is aware of and shares our values.

We consistently strive to adhere to the applicable laws, regulations, and norms in the countries where we operate. We honour our commitments and are accountable for our actions. We conduct our operations with integrity, honesty, and ethics.

BROEN-LAB's fundamental values included in the Code of Ethics:

- › We believe in treating everyone with respect and fairness.
- › We embrace diversity and create an inclusive environment that values differences.
- › We respect human and labour rights and wish to strengthen the local community.
- › We consider and respect the environment in everything we do.
- › We strive for excellence in all aspects of our work.
- › We handle conflicts of interest transparently and fairly.

In 2023 we distributed the Code of Ethics to all our major suppliers with the target of having it accepted and signed by all of them within the end of the year.

In future all new suppliers will be required to accept and sign the Code of Ethics, thereby aiming for a 100% acceptance rate within our supplier base. The target is to be reached during 2024 and latest during 2025.



Currently

99%

of our suppliers are located in Europe, and moreover, we endeavour to use as many local suppliers as possible.



Supply chain efficiency

Supply chain efficiency has been identified as a priority for our customers. Therefore, our target is ensuring that as large a proportion of our suppliers as possible is based in Europe. Currently 99% of our suppliers are located in Europe, and moreover, we endeavour to use as many local suppliers as possible.

Background check of customers and suppliers

BROEN-LAB conducts background checks on all our customers and suppliers for money laundering, terrorism, and fraud etc. before engaging in business with them. These checks are performed via an online compliance platform. Furthermore, VAT validation is carried out for all European customers and suppliers.

Protection of whistleblowers

In 2023 BROEN-LAB has introduced a whistleblower portal and a Whistleblower Policy to provide all employees with the opportunity to report serious and/or illegal matters without fear of negative repercussions. A system and online portal have been established to ensure that employees can report incidents that may be illegal, or which may cause BROEN-LAB financial loss, or damage BROEN-LAB's reputation or work environment. The system is handled by an external company, GAPSolutions, which assists us in ensuring the protection and anonymity of employees using the whistleblower portal.

Sustainability key metrics

Environmental data	Unit	2024 Target	2023	2023 Target	2022	2022 Target	2021	2021 Target	2020	2019
CO2 scope 1	Metric tonnes	69	73.95		78.6		82.2		78	68
CO2 scope 2	Metric tonnes	75	77.1		79.7		99.3		96	100
Total CO2 scope 1 & 2	Metric tonnes	144	151.05	147	153	156	181.5	165	173	168
Total CO2 scope 1 & 2 per prod hour	Metric tonnes	0.0045	0.0047	0.0040	0.0040		0.0050		0.0058	0.0056
Recycled/re-used/combustible waste	%	99.63	99.63		99.14					
FTE	No		69		66		64		71	76
Gender diversity	% F	49%	49%	40%	44%	40%	39%	40%	39%	41%
Flex jobs and job trainings Equivalent to FTE	No/year	1.2	1.6	1.0	1.7	1.0	0.9	0.1	0.1	0.0
Internship to young adults	No/year	5.0	5.0	2.0	4.0	2.0	2.3	2.0	2.0	2.0
Lost Time Injury Rate	LTIR	0	0	0	0	0	13.3	0	0	0
Suppliers sign Code of Ethics	%	100% of total supplier base	100% of first-tier suppliers	100% of first-tier suppliers						
Supply chain efficiency	%	99% of first-tier suppliers based in Europe	99%	99% of first-tier suppliers based in Europe						

KPI	Accounting practice (scoping, definitions, calculation methods etc.)
Scope 1 emissions	All direct GHG emissions from operations in Denmark including LPG used for heating in our manufacturing process
Scope 2 emissions	Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling used by our production in Denmark
Lost Time Injury Rate (employees)	Injury leading to a loss of at least one day off work/total workhours x 200,000
Full Time Equivalent (FTE)	Average per year. Only employees employed in Denmark are included
Gender Diversity	No of female employees/total no of employees



A wellspring
of certainty

BROEN-LAB

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