

Industrial Air Purification

LESNI - THE AIR PURIFICATION PEOPLE

ESG



The Promise of Clean Air



# ESG reporting

## Lesni A/S has initiated its ESG reporting in 2024

Lesni A/S promotes and implements advanced air purification solutions and technologies in a world characterised by increased focus on sustainability. Lesni A/S will, through social responsibility and good corporate governance (ESG), contribute directly to reducing air pollution and improving air emissions by providing strong solutions with increased focus on sustainability, social responsibility and good corporate governance (ESG). Transparency, accountability and ethical business practices are cornerstones for Lesni A/S. We believe that strong leadership and clear guidelines strengthen the trust of our stakeholders and ensure the company's sustainable growth.

## Lesni A/S' reputation and business opportunities will be strengthened

With Lesni A/S' reputation as the most outstanding provider of air purification solutions in a niche sector, we will prepare transparent and credible ESG reporting to demonstrate our commitment to sustainability, social responsibility and responsible corporate governance by always choosing the right solutions and technologies to strengthen our reputation and to open up for more business opportunities among our stakeholders, customers, employees and the local communities we encounter around the world.



## What is ESG?

ESG is short for Environment, Social, and Governance. It is a set of standards used by companies to measure their sustainability and ethical impact. Here is a brief explanation of each component:

**Environment:** This relates to how a business impacts the environment. Reporting areas include energy consumption, waste management, pollution, use of renewable resources, and efforts to reduce CO2 emissions.

**Social:** This relates to how the company manages relationships with employees, suppliers, customers and the communities in which it operates. Reporting areas include labour conditions, diversity and inclusion, employee rights, customer satisfaction and contributions to local communities.

**Governance:** This relates to the management and business ethics of the organisation. Reporting areas include board composition and independence, management remuneration, auditing procedures, risk management, and the fight against corruption.

ESG reporting involves documenting and publishing data and policies related to these three areas, helping investors, customers and other stakeholders assess the company's sustainability practices and ethical standards.



## Environmental commitment

Lesni A/S will help reduce emissions by our commitment to environmental protection as reflected in our development and refined technological solutions, which day by day, solution by solution, increasingly bring the environment into focus. Our commitment to sustainability and responsible practices is embedded in our corporate strategy. By documenting our results and initiatives, we demonstrate our commitment to operating a business that benefits both people and the planet.

## Attractive to customers and employees

Lesni A/S experiences an increasing interest from our customers in ESG reporting, which is a natural prerequisite for future co-operation. We are committed to creating a healthy, safe and inclusive workplace for employees where diversity and development are valued. With a strong focus on ESG, Lesni A/S wants to attract highly skilled employees who want to work for companies that prioritise sustainability and social responsibility.

## Future-proofing the company

Lesni A/S will integrate ESG considerations into our business strategy and in practice future-proof our business by adapting to changing stakeholder expectations and market regulations. Lesni A/S will uphold the high standards of corporate governance and the fundamentals of our business integrity and accountability. This year, we have further strengthened our governance framework to ensure stronger delegation, supervision, transparency and accountability. The report elaborates on our enhanced policies and procedures that govern corporate conduct, risk management and compliance. Our Board of Directors ensures that these governance structures are deeply embedded in our company culture, aligning with everyone's best interests.

## Conclusion

Lesni A/S considers ESG reporting to be a critical strategic imperative. By embracing ESG principles, we gain a series of advantages, including strengthening our identity, better risk management, recognition by customers and talent attraction. Therefore, ESG reporting is prioritised as an integral part of our business practices to ensure a sustainable and responsible future.



## What does ESG reporting currently entail here at Lesni A/S?

Although Lesni A/S is not directly affected by ESG legislation like larger companies, it is inevitable that our customers increasingly focus on Lesni A/S' ESG objectives. Several of our customers are or will soon be subject to such requirements, and we have received clear signals that we may be facing ESG reporting requirements.

As a smaller company, our reporting requirements are not that extensive. We expect to report on around 20 topics, part of which will consist of a climate report where our activities are calculated in terms of CO2 emissions. The company is divided into three sections: Scope 1, Scope 2 and Scope 3

### Scope 1

Direct emissions

All direct emissions from sources owned or controlled by Lesni

### Scope 2

Indirect emissions

Other indirect emissions in the value chain Indirect emissions from electricity or district heating purchased and used by Lesni

### Scope 3

Other indirect emissions in the value chain

Other indirect emissions from Lesni's activities that arise from sources, which Lesni does not own or control. This includes emissions related to the entire value chain.

## Scope 3

The table below shows the elements of Scope 3 that can be reported.

### ”Upstream” scope 3 emissions:

1. Purchased goods and services
2. Fixed assets, e.g. purchase of machinery, production equipment, etc.
3. Fuel and energy-related activities not included in Scope 1 and 2
4. Upstream transport and distribution
5. Waste generated in connection with activities
6. Business trips
7. Employee commuting to work
8. Upstream leased activities

### ”Downstream” scope 3 emissions:

9. Downstream transport and distribution
10. Processing of sold products
11. Use of sold products
12. Treatment/disposal of sold products after end of life
13. Downstream leased activities
14. Franchises
15. Investments

Currently, there are no plans to report on points 8-15. When calculating the CO<sub>2</sub> emissions for each point, we use the method that is most easily accessible but also least accurate, where the cost is calculated in DKK and converted to CO<sub>2</sub> based on general average figures.

For example, area 6 (business trips) should include Lesni A/S service trips. At the moment we don't have an effective tool to register the trips in kilometres and means of transport, but we are awaiting the development of apps and tools that can make the calculation easier and more accurate.

## Lesni reports on

In 2024, Lesni has chosen to focus and report on the following points and ESG key figures

### From the 15 scope 3 categories, Lesni will report on the following points

Cat. 1: Purchased goods and services

Cat. 2: Fixed assets, e.g. purchase of machinery, production equipment, etc.

Cat. 4: Upstream transport and distribution

Cat. 5: Waste generated in connection with production

Cat. 6: Business trips

Cat. 7: Employee commuting to work

Cat. 9: Downstream transport and distribution

### ESG key figures that Lesni will report on

- CO<sub>2</sub>e emissions within Scope 1
- CO<sub>2</sub>e emissions within Scope 2
- CO<sub>2</sub>e emissions within Scope 3 (selected areas)
- Total CO<sub>2</sub>e emissions, Scope 1, 2 and 3)
- CO<sub>2</sub> intensity, total CO<sub>2</sub>e emissions in relation to revenue
- Total energy consumption
- Energy intensity, total energy consumption in relation to revenue
- Renewable energy share, renewable energy consumption in relation to total energy consumption
- Water consumption
- Handling of hazardous waste
- Handling of recyclable waste
- Sickness absence
- Occupational injuries
- Employee turnover
- Employee satisfaction
- Gender diversity in the organisation
- Gender diversity in the executive board
- Gender diversity in other management levels
- Gender diversity in top management level
- Pay gap between CEO and other employees
- Pay gap between genders



## Where do we go from here?

Lesni A/S has purchased software that will help with the process of employee performance reviews, measuring employee well-being/satisfaction and the whistleblower programme. In addition, the employee handbook and associated policies are being reviewed and updated.

We are also working to implement ISO 9001:2015 (Quality Management System) and ISO 14001 (Environmental Management) as these standards best support ESG and sustainability. However, it's worth noting that these are big assignments that require time and resources.

Altogether, these are three big issues that add up to a "big elephant" that can only be eaten in small bites.

ESG reporting follows our financial year, which runs from July to June. The first ESG report will cover the period from 1 July 2023 to 30 June 2024. Work on ESG reporting will start after the summer holidays with data collection, data entry and report preparation. It will be exciting to see the picture that emerges and how it can be used for Lesni A/S' further development.

## Mission

Lesni strives to be - **The promise of clean air** - by applying the optimal air purification technology for the customer's needs and for the best integration into the customer's processes and demands. When choosing our solutions and technology that is continuously refined and streamlined, we are helping to ensure a cleaner and healthier environment worldwide. Customer satisfaction and trust powers everything we do and is key to everything we stand for and is fundamental to our relationships with customers.

## Vision

To live up to "**The Air Purification People**" by mastering the right technologies to ensure a good and healthy environment for everyone.

Trust is fundamental to our relationships with customers, partners and employees. We are committed to honesty, openness and accountability in all aspects of our work and operations.



Air purification by physical and chemical scrubbers



Activated carbon plants for VOC purification, odour removal and solvent recovery



Air purification systems for removing mist, dust and particulate matter



Safe and efficient catalytic and thermal oxidisers for VOC purification and solvent destruction



LESNI has developed a variety of innovative solutions for specific pollutants and processes in operation worldwide



**LESNI**<sup>®</sup>  
The Air Purification People

**LESNI A/S**  
Kornmarken 7  
DK-7190 Billund  
Denmark

**Tel.: +45 7533 2500**

**sales@lesni.com**  
**www.lesni.com**