

Sustainability Report 2021



1. CEO statement

In spite of continued challenges from the global COVID-19 pandemic, BROEN-LAB managed operationally very well in 2021 with significant revenue growth in all markets.

The growth impacted our supply chain and production with increasing demand on materials, energy consumption and outputs, which was handled extremely successful by all of our suppliers and our employees. As part of the operational plan to handle the growth and at the same time consider our SDG ambitions, we build further on our strategy from 2020 to help our community by offering more flexible jobs and job training for long-term unemployed people, or people with disabilities. During 2021, we had 17 persons (2020: 11 persons) in different training sessions contributing to our growth and their own future job capabilities. In this connection and for two years in a row, we have been awarded a local Social Responsibility Award from Assens Municipality for our contributions.

During 2021, we have also had focus on our CO₂-emission, energy and water consumption. Our production hours grew as a result of the increased demand with 23%, whereas our CO₂-emission only grew with 5%. Further, decisions have been taken to invest in machinery for re-cycling of plastic materials and charging stations for electrical-/hybrid cars.

We keep focusing on protecting our employees and business partners and support the community in which we operate. In BROEN-LAB, we want to make our contribution to society by accelerating the reduction of our carbon emission and energy consumption in both our factory and offices. At the same time, we want to continue our efforts to improve working environments while making work and job opportunities flexible, allowing everyone to contribute despite lack of experience or potential disability.

BROEN-LAB will continue to work with determination in due consideration of the 17 Sustainable Development Goals, with specialized continued focus on the 3 prioritized goals.

Assens, 24th of May 2022



Henning Nicolajsen

CEO BROEN-LAB



2. About BROEN-LAB

From the facilities in Assens, Denmark, BROEN-LAB produces and sells quality laboratory fittings and emergency shower systems to thousands of customers across the world. The customer varies from small plumbing businesses to some of the biggest companies in the world - across many industries.

In January 2022 BROEN-LAB was acquired by LI Enterprises Group and became part of the Group together with the US-based companies WaterSaver Faucet Co. and Guardian Equipment Inc, both of which

BROEN-LAB

are strong, global players within laboratory fittings and emergency shower solutions for professional laboratories, universities, the educational sector, and various industries.





BROEN-LAB is operating as an independent company within the Group under its own management.




3. Sustainability strategy

By minimizing our environmental footprint, BROEN-LAB strives to be a responsible employer and corporate citizen, supporting the creation of a better world for all citizens.

BROEN-LAB is a small company located in Assens, Denmark. Although our operations have a limited impact on a global scale, we recognize our activities still affect both the society and environment. Therefore, it is a priority to ensure to minimize our environmental impact, while providing a good work environment that cares for the employees.

We have an ambitious, yet realistic approach to sustainability. Therefore, we are aware that our efforts cannot be distributed equally across all 17 Sustainable Development Goals. We have assessed our most material negative and positive impacts and with our hometown in mind, and have chosen to focus on SDG targets #5, #7, and #8, as we feel those goals will improve our local society best.

SDG Target	Description of our target	Our Contribution
 <p>TARGET 8.5</p>	By 2023, offer flex jobs and job trainings for long-term unemployed or persons with disabilities, equivalent to 1 FTE (app. 1.5% of total FTE)	We will work closely with Assens Municipality to offer flex jobs and job trainings for long-term unemployed people or persons with disabilities. In this way, we are improving the chance for these people to get back on the labor market.
 <p>TARGET 8.6</p>	Provide at least 2 internships (Equivalent to 2 FTE) to youngster every year (app. 3% of total FTE)	We strive to help young adults in jump-starting their careers by providing internships. We have committed ourselves to contributing more of these opportunities than the minimum standards of the Danish Government have set.
 <p>TARGET 8.8</p>	Lost Time Injury Rate to be 0	We value workplace safety highly and will continue with our high safety expectations and standards to prevent work related injuries.
 <p>TARGET 7.2</p>	By 2030, we will reduce our total CO ₂ emission from Scope 1 and Scope 2 (location-based) with 50%.	We will invest in production equipment that uses greener energy, such as Danish district heating and solar energy.

 <p>TARGET 7.2</p>	<p>By 2023, we will reduce our total water consumption with 3%</p>	<p>We will invest in water consumption technology to save drinking water.</p>
 <p>TARGET 5.5</p>	<p>By 2023, we will increase % of women in Management from 0% to 10%</p>	<p>We will strive to employ more women in different levels of the company and ensuring to build a funnel for women managers.</p>
 <p>TARGET 5.5</p>	<p>By 2023, we will increase % of women in the board from 0% to 10%</p>	<p>We will increase our focus on looking for female leadership to be seated in the Board of Directors</p>

Risks and opportunities (TCFD)

Type of risk	Sub-category	Description	Materiality level	Timeframe ¹	Current migration activities
Transitional	Policy and Legal	Increased regulation and new policies on carbon emissions taxation for BROEN-LAB	Low	Short	Decrease our CO ₂ usage by investing in sustainable production
Transitional	Technology	Development of technology for taps and fittings is very limited			
Transitional	Market	Customers are becoming more and more conscious in their consumption habits. To ensure the customers trust, BROEN-LAB must live up to sustainability-related expectations and communicate transparently with stakeholders	Medium	Short	Systematic monitoring of stakeholder expectations related to sustainability aspects of products as well as BROEN-LAB as a company.
Transitional	Reputation	If BROEN-LAB does not manage sustainability and environmental	Medium	Short	Systematic monitoring of stakeholder

¹ Short 1-3 years, medium 3-6 years, long >6 years

		impact correctly, there is a risk of negative reputation, which could cause losing customers.			expectations related to sustainability aspects of products as well as BROEN-LAB as a company. Transparent communication and reporting on product sustainability profiles.
Physical	None	BROEN-LAB's production and HQ is based in Denmark with very limited nature disasters.			

4. Environment



Our manufacturing has an environmental impact due to the use of energy and water as well as waste creation. We strive to minimize our environmental impact by reducing the consumption of both energy and water. Our strategy is to continuously reduce our energy and water consumption, the most valuable resources on planet Earth.

Since BROEN-LAB became a standalone company in 2015, we have made significant investments to reduce energy consumption. During the last 4 years, we have replaced our light bulbs in fixtures from conventional lightbulbs to LED lighting. We made a commitment in refusing to revert to conventional lightbulbs.

The CO₂ emission comes mainly from usages of electricity, LPG gas and district heating used for production and office. Figure 1 show the trend in CO₂ emission pr. produced hour from 2018-2021 and the figure show that our CO₂ emission was decreasing from 0,0059 metric tonnes to 0,0050 metric tonnes per produced hour during 2021.

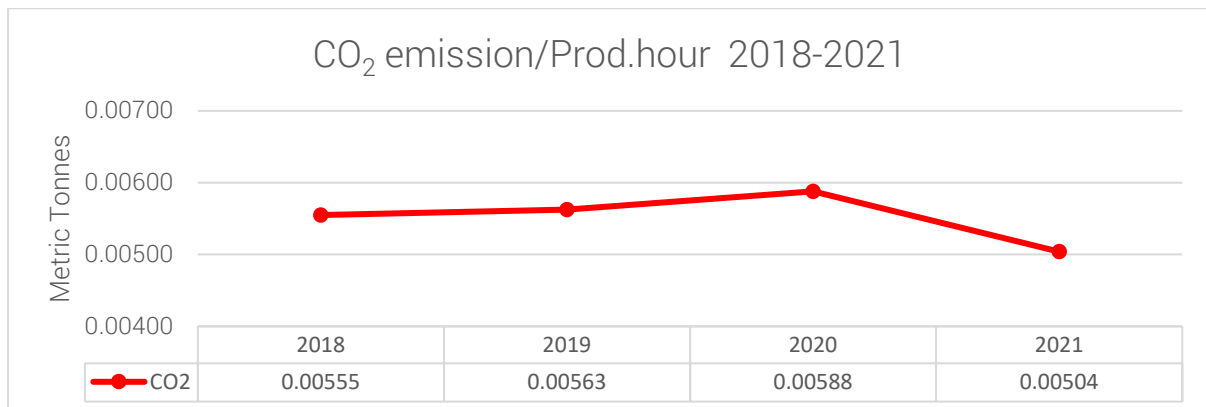
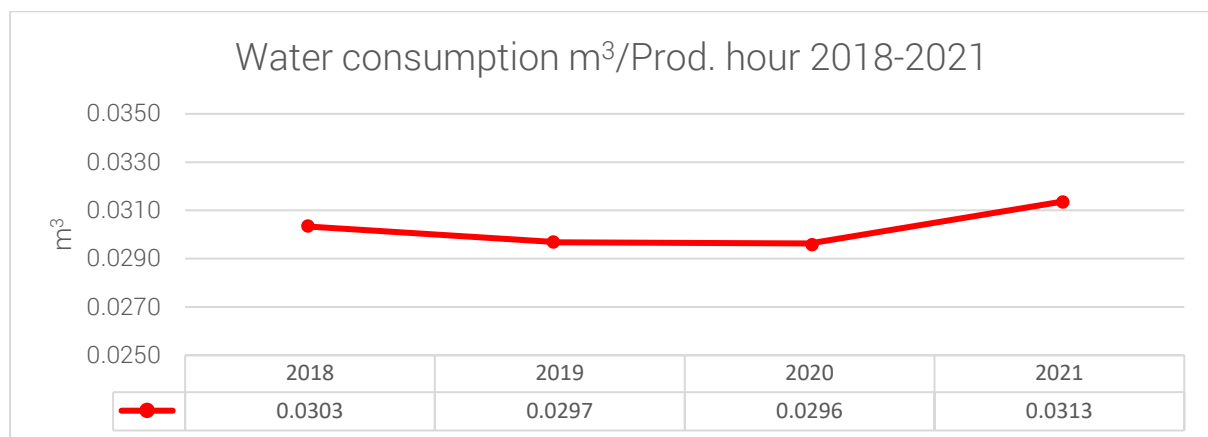


Figure 1, BROEN-LAB CO₂ emission pr. production hour 2018-2021, CO₂ emission comes mainly from usage of electricity, LPG and district heating used for production and office.

Overall, the trend in CO₂ emission was reduced during 2021 compared to 2020. However, we were running more shift and producing higher volume, which means that some of our energy sources increased during this period.

In 2022 we expect the electricity to decrease, and a further reduction in LPG per produced hour as we decrease the shifts in the production, due to a lower degree of COVID-19 in the society. We continue with projects to explore the opportunities to reduce CO₂ emissions by replacing LPG with local district heating, and solar energy to provide green energy.

Water is the most valuable resource in the planet Earth, and we have consistently focus on reducing the consumption of water, which has resulted in the reduction of our water consumption from 2018 and until 2020. However, in 2021 as figure 4 show, the water consumption increased during this period.



Figures 2, BROEN-LAB Water consumption pr. production hour 2018-2021

The increase in water consumption in 2021 is due to development of new products and testing of them. The test equipment broke down, and let to a larger water leaking, but was afterwards repaired. We expect the water consumption during 2022 to decrease drastically, so we end at the same level or below as in 2020. We expect to start to investigate whether it is possible to reuse the minimum water consumption in our production.

5. Social



At BROEN-LAB we truly believe every employee is important to the company. Therefore, it is our task to keep every single one of them safe. With that in mind, we believe everyone is important to our community, and that everyone can contribute despite age, lack of experience or disability.

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 labor rights as specified in the International Labor Organization (ILO) core conventions. We adhere to all applicable federal, state, and local laws and regulations concerning employer/employee rights and obligations, including the right to freedom of association and the right to collective bargaining consistent with applicable laws.

Safety has always been prioritized in BROEN-LAB both internally and with our customers. Our annual workplace safety evaluation has provided an outstanding platform for our employees to actively participate in the increase in safety, both in production and in office areas.



Furthermore, the BROEN-LAB product line of Emergency Shower Systems has helped thousands of customers around the world reducing damage caused by accidents. Our reliable product line and proud service technicians ensure that people can receive first aid when the accident occurs. Because of this, the injured party can recover more quickly.



In 2020, we decided to help our community by offering flex jobs and job training for long-term unemployed people, or people with disabilities. We quickly established a connection to the Assens Municipality, entering into an agreement. Two years in a row, we were awarded a local Social Responsibility Award for Developing Assens for our contributions.

Since 2018, we have actively offered internships to young adults. In 2021, we made a commitment to set an annual target of internships to young adults equivalent to a minimum of 2 internships, equivalent to 3% of total FTE in company.



We do not tolerate any kind of discrimination based on of religion, race, skin color, gender, disability, age, nationality, sexual orientation, or political view. Each employee has the right to a work environment that is open, accepting, and inclusive.

Approximately 39% of BROEN-LAB's employees were women during the period 2018-2021, which is a fairly normal split given that we are an engineering production company. However, we do not have any women in management or on-board level – we are committed to change this situation. We have always wanted to hire and attract the best and most qualified employees, whether it is for specialist or managerial jobs.

Going forward, we will aim for employing more female candidates especially in managerial jobs when qualified. Our goals by end of 2023 are to have 10% female board and management team members.

7. Governance

BROEN-LAB does not accept any form of bribery, corruption or participate in any money laundering. To prevent bribery and corruption, we do not accept cash payments from our customers or suppliers.

We support and respect internationally recognized human rights as formulated in the UN Human Rights Declaration. BROEN-LAB does not accept child labor, forced labor, or any form of human trafficking.

We do background check on all our customers and suppliers for money laundering, terrorism, and fraud etc. before conducting business with them.

8. Sustainability key metrics

Environmental data	Unit	2023 Target	2022 Target	2021	2021 Target	2020	2019	2018
CO ₂ scope 1	Metric tonnes			82,2		78	68	72
CO ₂ scope 2	Metric tonnes			99,3		96	100	95
Total CO ₂ , scope 1 & 2 ²	Metric tonnes	147	156	181,5	165	173	168	167
Total CO ₂ , scope 1 & 2 per production hour	Metric tonnes			0,00504		0,00588	0,00563	0,00555
Water consumption	m ³	847	856	1132	873	873	888	910
Water consumption per production hour	m ³			0,0313		0,0296	0,0297	0,0303
Social data								
Flex jobs and job trainings Equivalent to FTE	No./Year	1.0	1.0	0.9	0.1	0.1	0.0	0.0
Internship to youngster	No./Year	2.0	2.0	2.3	2.0	2.0	2.0	0.4
Lost Time Injury Rate	LTIR	0	0	13.3	0	0	0	0
Governance data								
Gender Diversity	%	40	40	39	40	39	41	37
Gender Diversity Board	%	10	0	0	0	0	0	0
Gender Diversity, Management	%	10	0	0	0	0	0	0

KPI	Accounting practice (scoping, definitions, calculations methods etc.)
Scope 1 emissions	All direct GHG emissions from operations in Denmark, it includes LPG used for heating in our manufacture process.

² Target for the coming years for CO₂ reduction is combined for Scope 1 & 2

Scope 2 emissions	Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by our production in Denmark.
Flex jobs and job trainings Equivalent to FTE	No. hours offered to flex jobs and job trainings for a year / yearly working hours for a FTE
Lost Time Inquiry	Number of lost time injuries (injury of an employee leading to a loss of at least one day off work) / total workhours * 200000
Gender Diversity	Number of female employees / total number of employees Management is defined by all leaders with employees responsible

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