

Corporate Social Responsibility: **Communication on Progress (COP)** *2013-2014*



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact and
supporting broader UN goals.

We welcome feedback on its contents.

2013 - 2014

Focus On Transparency

As the first year in which Lyngsoe Systems will be participating in the Global Compact initiative, it is important for us to communicate clearly and transparently about our activities in line with corporate social responsibility (CSR). In order to achieve this goal we are currently undertaking a number of initiatives to make our CSR activities more transparent, as well as communicating these activities to a greater number of stakeholders.

Today, environmental responsibility is published on Lyngsoe Systems' website, including our commitment to minimize the environmental impact of our activities and the ways in which ISO 14000 environmental standards are followed. In order to be transparent about all of our activities related to corporate social responsibility, over the next year we will be adding a page to the website containing information about our activities in line with CSR. This communication will be based on the ISO 26000 reporting standard on social responsibility, and will highlight the core subjects and issues defined by this standard.

Another initiative that is currently under way at Lyngsoe Systems is to develop a code of conduct, which we call *Lyngsoe Systems – Behaving Responsibly*. Based on our values of creating long-lasting relationships through commitment, thoroughness, trustworthiness and expert knowledge, this document presents our commitment to responsible behavior among all of our stakeholders.

In order not only to report on, but also interact with our stakeholders regarding social responsibility, a CSR training course is being developed. This course will cover the principals of the UN Global Compact in human rights, labor, environment and anti-corruption. We look forward to working with these issues more closely, and spreading awareness regarding social responsibility.



United Nations Global Compact Commitment Letter

Lyngsoe Systems provides logistics solutions designed to significantly improve our customers' quality of service and competitiveness in the global market. With more than 3,200 installations worldwide in more than 60 countries, we cover solution design, software development, integration, service and maintenance, as well as complete project management and consultancy services in regional and global implementations.

Our colleagues, customers and partners trust Lyngsoe based on our reputation for professional competence and integrity. This is a reputation we have built over the last 40 years, and it is reflected in every action that we take. To ensure that all business at Lyngsoe Systems is conducted in a socially responsible manner, we fully support the Ten Principals of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

Launched in 2000, the Global Compact is the largest corporate social responsibility initiative in the world, with over 12,000 corporate participants and other stakeholders from over 145 countries. We have joined this initiative in order to make our activities in line with responsible behavior transparent, describing the way in which the 10 principals are integrated into our business strategy, culture and daily operations.

At Lyngsoe, our approach to behaving responsibly is underpinned by our values of building lasting relationships with all of our stakeholders through expert knowledge, commitment, thoroughness and trustworthiness. We are continually developing these relationships in line with the Global Compact principals and the core subjects and issues addressed in ISO 26000: *Guidance on Social Responsibility*, and will distribute this information to our stakeholders annually.

Kind Regards,
Lyngsoe Systems A/S



Finn Mathiassen
CEO



“At Lyngsoe, our approach to behaving responsibly is underpinned by our values of building lasting relationships with all of our stakeholders through expert knowledge, commitment, thoroughness and trustworthiness.”

Human and Labor rights

As a global company with logistics solutions in over 60 countries around the world, Lyngsoe Systems is committed to supporting and upholding human and labor rights as an integrated aspect within all of our business activities. In order to make this commitment transparent to all of our stakeholders, we are developing a code of conduct, which we call *Lyngsoe Systems – Behaving Responsibly*. Originating from our company values, this document identifies Lyngsoe's approach to integrity, professionalism, and developing long-lasting customer relationships. In everything that we do respect for people, the environment, and our business, comes first. Principals for responsible decision making are also included in this communication, which can be consulted if questions arise regarding what the ethical course of action is in any given situation.

At Lyngsoe Systems, we also have a strong commitment to the health and safety of our employees. In order to ensure that employee needs are met, we have identified employee and management representatives whose task it is to safeguard the work environment at Lyngsoe. Specifically, these representatives have the following tasks set out for them:

- Making sure that the physical and psychological work environment is as it should be
- Registering any employee issues or problems
- Examining next steps for problem-solving
- Creating an action plan for problem-solving with the objective of achieving and monitoring results
- Following through with action plans ex. through direct interaction
- Follow-up ex. through an evaluation round

In order to raise awareness for Human Rights and all of the Global Compact Principals, Lyngsoe Systems is developing a CSR training course that is expected to be complete in 2015. This training course will include best practice and case study examples in the areas of human rights, labor, environment and anti-corruption. As a company which strives to improve quality for all of our stakeholders, we seek to set a positive example in the areas of Human and labor rights.



Goals & actions

2014-2015

Documentation

Transparency In Line With CSR

In order to communicate clearly and transparently about the way in which Lyngsoe Systems conducts business in a socially responsible manner, and in full support of the Global Compact principals, we are currently developing our code of conduct.

Lyngsoe Systems – Behaving Responsibly
– Planned delivery 2015

Health and Safety at Work

To ensure the health, safety and wellbeing of all Lyngsoe employees, Work Environment Organizational Representatives have been identified. These representatives ensure that both the physical and psychological environment is as it should be.

Update of Work Environment - Organization Representatives (Employees can find this information in: LS DK Staff Handbook)

CSR Training Program

A CSR training course is being developed by Lyngsoe Systems, covering the Global Compact principles in areas of Human rights, Labor, Environment and Anti-corruption. This course will be delivered within the next year, in connection with a current project involving Ghana Post.

CSR Training Course: Currently being developed – Planned delivery 2015


Environment

Lyngsoe Systems overall aim is to minimize the environmental impact of our activities as much as possible. One of Lyngsoe's main activities is software development and all employees work on computers on a daily basis. We reduce electric power by using laptops and flat screen monitors that only consume half the energy of a stationary computer and CRT monitors. We turn off computers when not in use and use automatic power saving mode on all equipment whenever possible. We embraced virtualization of IT equipment at an early stage in order to reduce energy consumption. This has meant that over a period of five years we reduced our number of physical servers by 75%, while increasing our data processing by 30% annually.

Being an innovative software firm, we are continuously developing remote maintenance tools to reduce the number of on-site visits and thus plane travel. 80% of all service cases are today handled remotely from our service center and local coordinators are appointed to assist with minor check-ups.

In line with Lyngsoe's aim to minimize environmental impact as much as possible, the following actions are taken:

- Lyngsoe's buildings are highly insulated and heated by district heating and the heat level is lowered during the night.
- Our office/copy paper is 100% recycled paper, and is FSC certified.
- We use environmentally friendly packaging materials in the form of cardboard and paper that can be recycled instead of plastic, and reuse packaging materials as many times as possible.
- In terms of recycling, Lyngsoe collects its paper and cardboard materials for recycling. We return all toner material from printers, copying machines and faxes for disposal.
- We follow and support the WEEE and RoHS directives. All electrical waste and electronic equipment is being disposed of by an authorized firm.
- Our products do not contain any lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyl (PBB) or polybrominated diphenyl (PBDE).
- Lyngsoe uses very few chemicals. In connection with the cleaning of our office buildings, the cleaning companies we use are ISO 14001 certified where possible.

 Goals & actions	2014-2015 Documentation
CO₂ emissions Continue to buy and neutralize CO ₂ quotas to cover our IT infrastructure including all hosting activities, thereby protecting the environment against excess CO ₂ emissions.	Purchase and neutralization of CO ₂ quotas
Material utilization efficiency We continuously evaluate the efficiency of our IT equipment and replace it with new generations having a smaller footprint.	Over the last three years we reduced overall energy consumption from IT equipment with an additional 20%, and aim to improve even more over the coming year
Environmental transparency and reporting In order to highlight our commitment to environmental responsibility among a greater number of stakeholders, our actions in line with environmental responsibility will be included in our code of conduct: Lyngsoe Systems – Behaving Responsibly.	Environmental Responsibility included in Lyngsoe Systems – Behaving Responsibly – Planned delivery 2015


Anti-Corruption

For Lyngsoe Systems, being transparent, ethical and trustworthy is the only sustainable option. For this reason, trustworthiness is integrated into Lyngsoe systems values, governing the way all of our business is conducted. Not only is this a promise to our customers and partners, but also to our employees, which we believe helps to attract and retain employees that are highly motivated and who understand the importance of being honest and committed. Lyngsoe Systems adds value by helping to improve trust and transparency among its stakeholders, in full respect of the principles of the UN Global Compact. In order to succeed, we must develop and grow, both individually and as a business. Our values help us to achieve this growth.

In line with our commitment to being transparent and trustworthy, we are including our policy on anti-corruption in our code of conduct. Here it is explicitly stated that we do not condone bribery or corruption in any form and support international and local efforts to eliminate them.

In addition, we will be including anti-corruption as a theme in the CSR training course which is currently being developed at Lyngsoe. This will cover issues of facilitation payments, complying with local and international laws and regulations regarding bribery, and combating corruption in all its forms.

“Lyngsoe Systems adds value by helping to improve trust and transparency among its stakeholders, in full respect of the principles of the UN Global Compact”

 Goals & actions	2014-2015 Documentation
Anti-corruption	
Explicit communication about Lyngsoe Systems' anti-corruption policy will now be distributed in the form of our code of conduct	Lyngsoe Systems – Behaving Responsibly – Planned delivery 2015
Facilitation payments	
Non-acceptance of facilitation payments is the standing policy of Lyngsoe Systems. Non-acceptance of facilitation payments will also be a topic in the CSR Training program currently being developed at Lyngsoe Systems	CSR Training Course: Currently being developed – Planned delivery 2015
Compliance with laws and regulations	
Compliance with laws and regulations regarding anti-corruption will be a topic of focus in the CSR training program currently being developed by Lyngsoe Systems	CSR Training Course: Currently being developed – Planned delivery 2015