

# Corporate Social Responsibility Report 2014-2015

Focus on Employees and Policies

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## “One of the world’s leading systems integrators and software suppliers for complex logistics solutions”

Lyngsoe Systems is one of the world’s leading systems integrators and software suppliers for complex logistics solutions. Lyngsoe Systems has designed, developed, installed and maintained logistics solutions for more than 30 years. The company is market leader within data capture solutions mainly based on radio frequency identification technology (RFID).

With more than 3,200 installations worldwide in 60 countries, Lyngsoe Systems builds on a unique foundation of knowledge. This includes consulting, process knowledge, design solutions, software development, service and maintenance worldwide.

Lyngsoe Systems has a market leading position in the postal industry in which the company works with the world’s leading postal companies on improving quality and reducing costs. Furthermore, the company sells systems used in libraries, production and logistics businesses and for baggage handling in airports.

Lyngsoe Systems had a turnover of approx. DKK 240 million last year and employs roughly 200 people across Denmark, USA, Canada, Romania, Sweden and Germany.

# CEO Commitment letter



**Villads Thomsen**  
CEO at Lyngsoe Systems A/S

As new CEO at Lyngsoe I'm looking forward to continue our focus on integrating corporate social responsibility (CSR) throughout our company. Our ambition is to grow responsibly while enhancing quality of life for our employees and stakeholders.

We do this by continuing to integrate CSR into our daily business. 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 10 Principles of the United Nations Global Compact in the areas of Human and Labor Rights, Environment and Anti-Corruption.

Launched in 2000, the Global Compact is the largest CSR 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, describing the way in which the 10 principles 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 principles and the core subjects and issues addressed in ISO 26000: *Guidance on Social Responsibility*.

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## *“We believe our employees is the future”*

At Lyngsoe System, we have been focusing on staff retention and communication. We strive to ensure that our employees are satisfied with their work, development, and career opportunities.

We are working on new initiatives to enhance the quality at Lyngsoe Systems as a workplace. It's important that we all work together to maintain our position in the market, and can keep up with the development. We believe that our employees is the key to this. Therefore we are focusing on the following initiatives:

- Making innovation groups to come up with new ideas for business cases
- Bi-weekly newsletter from the management to inform about changes, news, e.g. – to support the level of information even further
- Once a month 6 randomly picked employees have lunch with the CEO and can ask away about everything
- “Open house” events where our Market Unit departments invite everyone to come and hear about their plans for the future and the initiatives they are working on
- Career planning and training for developing our workforce

We have held our first overall Employee Satisfaction Survey. This will be held once a year, and is essential in guiding Lyngsoe Systems long-term employee resource development and planning activities. Issues from this survey will be handled, and actions will be implemented where it is necessary.

In years to come we can focus on specific areas, and measure our progress.

*In general, I am satisfied with the job content of my job at Lyngsoe Systems (0-7 scale)*



## *“We treat all with dignity, respect and common courtesy”*

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. Principles 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.

And 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.

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 through direct interaction
- In 2015 we have negotiated a new health insurance for all employees which among others covers extra treatments at alternative treatment providers for the employees and their kids



## *“We will minimize the environmental impact of our activities”*

Lyngsoe Systems overall aim is to minimize the environmental impact of our activities as much as possible, in accordance with ISO 14000 standards.

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 embrace new server technology to ensure reduction in power consumption. Most of our infrastructure servers run virtually and we are in a continuous process of driving this even further.

In our pursuit to lower the electric power used and hereby our CO<sub>2</sub> emission we do our best. However, as a software development company, we will always have some emission. That is why we have chosen to buy and neutralize CO<sub>2</sub> quotas to cover our IT infrastructure including all hosting activities, meaning that the quotas cannot be used by others, thereby protecting the environment against that amount of CO<sub>2</sub> emission. We also conduct more and more teleconferences to cut down on travel activities.

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

Lyngsoe's privately owned buildings are highly insulated and heated by district heating and the heat level is lowered during the night.





We use paper towels and toilet paper that are ISO 14001 certified within environmental management. Our office/copy paper is 100% recycled paper from FSC certified paper from well-managed forests. We also use environmentally friendly packaging materials in the form of cardboard and paper that can be recycled instead of plastic. We reuse all packaging materials as many times as possible.

Lyngsoe collects its paper and cardboard materials for recycling. We return all toner material from printers, copying machines and faxes for destruction.

We follow and support the WEEE and RoHS directive. All disposal of electrical waste and electronic equipment is being destroyed by an authorized firm. Our products do not contain any lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyl (PBB) or polybrominated diphenyl ether (PBDE) flame retardants.

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.





## *“We have zero tolerance towards corruptions”*

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”*

# Performance Highlights and Goals

	Highlights in 2013-2014	Goals for 2015 and beyond
Behaving Responsibly	<p>Developing our code of conduct folder: <i>Lyngsoe Systems – Behaving Responsibly</i></p> <p>Updating Lyngsoe Systems website with our activities regarding CSR</p>	Planning to hold CSR Training Course for all employees
Employee Satisfaction	New addition to Lyngsoe Systems CSR report	<p>Professional development of our workforce</p> <p>Focus on strengthening the connection between Lyngsoe Systems Market Units initiatives and employees contributions</p>
Human and Labor rights	<p>Work Environment Organization is now displayed on Lyngsoe Systems intranet</p> <p>Lyngsoe Systems first-aiders have been trained in using a defibrillator, and their first-aid skills have been updated</p>	Initiative to strengthen focus on HR related aspects of the company including retention and talent attraction
Environment	<p>Awareness regarding our environmental responsibility published on Lyngsoe Systems website</p> <p>Further reduction on Legacy systems</p>	<p>Launching a portal for all brochures – to lower paper use/cost</p> <p>Continuing to reduced energy consumption from IT equipment</p>
Anti-corruption	Developing our code of conduct folder: <i>Lyngsoe Systems – Behaving Responsibly</i>	Planning to hold CSR Training Course for all employees