



SUSTAINABILITY REPORT

2025

ESG Core Principles

LSI provides industry leading products and customer service without sacrificing our commitment to operate responsibly across all aspects of our business. Our Environmental, Social and Governance (ESG) core principles are integral to the way we conduct our business. Throughout our history we have manufactured innovative, energy-efficient products that have enabled us to become a leader in delivering eco-friendly lighting and refrigeration solutions for our customers. Our family of companies, which includes ADL Technologies, Atlas American Lighting, JSI Store Fixtures, EMI Industries and Canada's Best Store Fixtures, are proud to have made, and continue to make, a positive impact in our communities by assisting customers develop smart environmentally conscience solutions for their communities. Our customers value LSI as a key partner in enabling them to meet their sustainability objectives by

reducing their carbon footprint. To promote a sustainable, inclusive and socially responsible future for generations to come, LSI is committed to:

- Actively making positive contributions to the communities where we operate.
- Promoting a culture of safety in LSI's DNA
- Driving innovation and developing new ways to reduce energy consumption and lower costs. This unique combination of energy efficiency at attractive pricing makes it easy for our customers to make responsible decisions for themselves and the environment.
- Recruiting, developing and retaining a diverse and talented workforce.
- Always acting with integrity and honesty we champion sound corporate and governance practices as codified in our Code of Business Ethics and Conduct.

ENERGY STAR

LSI is a long-standing member of the U.S. Government's ENERGY STAR program, which identifies and promotes energy-efficient products to help reduce greenhouse gas emissions. ENERGY STAR is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy, helping businesses and consumers save money and protect the environment through energy-efficient products and practices. The EPA website specifically designates the ENERGY STAR label as an Eco-Label/Recommendation.

We use our membership in the ENERGY STAR Program as a vehicle to design highly energy efficient and environmentally sustainable products that are listed as DLC (DesignLight Consortium) qualified products. We are proud that 100 percent of our lighting fixtures have earned this designation. The DLC designation of products makes our customers eligible for rebate incentives from utilities which in turn makes our products even more affordable for our customers. Our policy is to maintain this 100% percentage of eco-labeling for our lighting products and to add eco-label to more products.



Environmental Factors

Environmental Stewardship

LSI is devoted to being a responsible steward of the environment. As demand for electricity continues to increase, our customers and their communities look to us to provide product solutions to dramatically reduce their energy consumption, light pollution, and associated greenhouse gas emissions.

We manufacture products that help our customers develop green solutions for their communities – making a positive impact on the planet. As part of our approach, we commit the necessary resources to innovate new clean solutions and to comply with environmental laws.

Using LSI Lighting Solutions reduces Emissions By 5 Million Metric Tons

LSI's lighting solutions utilize world class technology to radically reduce energy consumption. In 2023, LSI's lighting segment committed to a goal of improving the health and welfare of our communities by reducing carbon emissions by 5 million metric tons through 2033. This is the equivalent of taking 53,860,000 gasoline powered passenger vehicles off the road. These reductions will be achieved through sales of LED luminaries, controls and building management systems; updating older technologies in existing buildings; and providing new construction projects with the latest most efficient lighting and controls technology. We are committed to innovating new eco-friendly technologies and improving our current products to be more sustainable.

Commitment To Reduce Greenhouse Gas (GHG) Emissions By 35,000 Metric Tons

Over the past century America has used synthetic refrigerants such as CFCs, HCFCs and HFCs, all of which damage the environment, either through ozone depletion or global warming. JSI committed to transitioning away from these materials to environmentally friendly natural refrigerants, such as R-290 propane. R-290 is natural and does not contain synthetic chemicals that contribute to environmental damage. In 2023, JSI established a new manufacturing site for research and development of R-290 products and began shipping these products in 2024. JSI now uses 100% R-290 Propane in all its refrigerated systems.

Propane has zero Ozone depletion potential and has a global warming impact (GWP) of just three (3). In contrast, one of the most popular HFC refrigerants, R-404A, has a GWP of nearly four thousand (4,000).

Over the next six years these products will reduce GHG emissions by 35,000 total metric tons: the equivalent of growing 3,472,000 tree seedlings for 10 years.



Emissions

Our operations leave a light environmental footprint. We use 16.56 million kWh of electricity from the grid, which consists of 86% of our energy usage. We do not maintain a fleet of vehicles. We produce 123 lbs/year of nitrogen oxide (NOx); no Sulphur Oxide (SOx); 22,029 lbs. of volatile organic compounds (VOC); and 25 lbs. of particulate matter emissions (PM) and 5,972 lbs. of HAPS.

Water

LSI is a very light consumer of water. Our facilities operate in areas with abundant access to water, with only 3.5% of our operations located in high water stress areas. Our operations use 18,776 ccf of water and discharge approximately the same amount. We do not recycle significant amounts of water.

Reducing Light Pollution

Outdoor lights, such as those in parking lots and on buildings, can contribute to light pollution because they simply were not engineered to account for it. Many outdoor fixtures are omni-directional, throwing light in every direction away from the luminaire creating light pollution. LSI Lighting fixtures are specifically designed to avoid this causing unnecessary light pollution. Our fixtures only point light where it is needed complying with dark sky codes protecting natural landscapes and wildlife. In addition to intelligent fixture design, we deploy a dedicated team of engineers and lighting planners that use advanced photometric technology to design custom lighting plans. These ultra-realistic models illustrate exactly how light from their fixtures illuminates a specific area without intruding on neighbors or natural areas.

As an example, our high-performance Mirada outdoor area lights use our advanced silicone optical system to cast light in precise directions. These products include multiple shield options that eliminate unwanted backlight.

Responsibly Using Recyclable Materials

When we make sourcing decisions, we prioritize partners that use recycled or reclaimed materials, as well as materials that can be recycled when our products reach the end of their life-cycles.

We work with our suppliers to identify innovative ways to use and procure our raw materials. For example at least 95% of all our lighting packaging material is manufactured with 100% recycled material. Since steel is our single largest material purchase, we work with our steel suppliers, to ensure that their products meet our standards and we also select for ways to reduce the environmental impacts associated with transporting the material. The steel we procure is comprised of 55 percent recycled metal, and at the end of the fixture's life, its steel housing is 100 percent recyclable.

In addition to recycling steel scrap, we use lean manufacturing processes to minimize the amount of waste we produce throughout our plants and office areas. We are committed to reusing and recycling materials whenever practical, including aluminum, castings, brass, copper, corrugated containers, pallets, computer equipment, paint and office paper.

We recycle 895 US Tons of materials that are a by-product of our manufacturing processes; resulting in 3,738 MT CO2e emissions saved.

Social Factors

Products that Benefit Society

LSI Lighting products are used in schools, healthcare facilities, industrial settings and outdoor areas providing bright, energy-efficient light to increase safety and security. Proper lighting is linked to better academic performance for students and teachers. LED lights in academic and professional settings result in higher levels of alertness, performance and comfort according to a study by the National Institute of Health.

Adequate and correctly installed LED light fixtures create a safe and secure environment which deter crime around retail and recreational areas with high pedestrian traffic.

The LED technology used in LSI Lighting products can reduce energy consumption by more than 80 percent compared to conventional bulb lights on average. Older lighting systems waste up to 90 percent of their energy in the form of heat. In contrast, LEDs convert about 95 percent of their energy into light and only emit five percent as heat.

As America becomes more energy-efficient, LSI products allow customers to update and replace their outdated lighting systems, as well as install entirely new LED systems, with technology that contributes to overall energy reduction.



Our commitment to innovation and engineering excellence helps ensure that our products are environmentally friendly throughout their life cycles. We are proud to say that our lighting products are among the most innovative and energy-efficient in the world.

In fact, if we compare the average efficacy of every LED fixture sold by the company in 2024 to the combined efficacy of older bulb systems, our products helped customers reduce their energy consumption for lighting by up to 67 percent.

In addition, LSI has transitioned its entire product line away from inefficient bulb technology to highly efficient LED lighting solutions. Today, our outdoor and indoor lighting products reduce energy usage by 44 to 90 percent as compared to older, traditional lighting systems. We use our own lighting products throughout our factories and offices dramatically shrinking our energy usage.

Along with energy efficient LED technology, our lighting control systems produce additional energy savings, improve safety and help customers comply with lighting codes and ordinances. For example, our AirLink Blue wireless outdoor lighting control system uses photocontrols and motion sensors to reduce energy consumption and comply with various energy regulations, including California's Title 24 energy conservation requirements. Lighting projects that utilize LSI's control systems benefit from an additional 12% reduction in energy consumption.

Quality Performance

We are continuously pushing to achieve the highest levels of quality across all aspects of our business. To help us meet and exceed our product quality goals, we operate our own state-of-the-art Underwriter Laboratories (UL) Certified Testing Labs at our Cincinnati, Ohio and Burlington, North Carolina facilities.

We also adhere to strict quality standards, including UL requirements, and we follow our rigorous Quality Management System (QMS). Our QMS is deployed at all of our lighting plants and was developed, and is regularly evaluated, according to ISO 9001:2015 standards.

In addition, through our participation with industry groups such as Design Lights Consortium, the Illuminating Engineering Society, the International Dark-Sky Association, the National Electrical Manufacturers Association and others, we are able to discuss best practices that impact quality, including energy-efficiency, new technology, manufacturing processes, materials and code compliance.

As a testament to our quality, we have had no recalls on our products and have not received any notice of a violation for nonconformance with regulatory labeling and/or marketing codes; nor have we ever been the subject of an enforcement action associated with false, deceptive, or unfair marketing, labeling or advertising.

67%

REDUCTION IN CUSTOMER
ENERGY CONSUMPTION

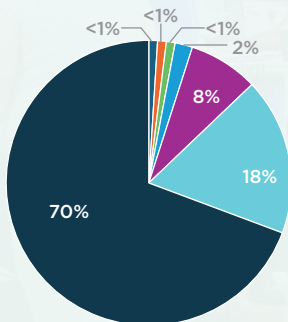
COMMITMENT TO QUALITY





ETHNICITY

- Two or More Races: <1%
- American Indian or Alaskan: <1%
- Native Hawaiian or Pacific Islander: <1%
- Asian: 2%
- Black or African American: 8%
- Hispanic or Latino: 18%
- Caucasian or White: 70%



A Great Place to Work

Our core principle is to treat all our employees fairly and impartially. We believe that this has enabled us to hire great people and makes us a great company. We work tirelessly to attract and retain the best of the best. With an average workforce tenure of nearly 8 years, we are proud to be an employer of choice for our industry and the communities where we operate. Most of LSI's employees are employed in the United States; however, we employ approximately 160 employees in Canada. Our Canadian workforce produces products primarily for our Canadian customers.

As a responsible employer, we offer attractive and rewarding career opportunities to people from every background and education level.

In addition to providing competitive pay and benefits, which include multiple healthcare options, life insurance and much more, we dedicated to fostering an environment that encourages safety, innovation, and teamwork. From the executive office to the manufacturing floor, we believe that every team member plays an important role in the Company's success.

Safety First

Safety is our number one priority, both for our team members and the consumers of our products. We take a structured and scientific approach to safety in order to help ensure that all of our employees are safe throughout their shift. We provide exceptional in-person safety training, offer CPR Certification as well as cyber security training to protect our employees. Our Houston, Texas facility has achieved a STAR rating in the OSHA VPP program.

Diversity & Inclusion

Diversity and inclusion are woven into the fabric of our company and reflected in our workforce and Board of Directors. We are committed to providing a positive, respectful environment for everyone, and we actively recruit talented, motivated employees with diverse backgrounds, skill sets and experiences. We engage third-party experts to provide diversity, equity and inclusion training to our leaders. We are committed to a diverse and inclusive workplace. We are an equal opportunity employer and do not discriminate on the basis of race, national origin, gender, gender identity, sexual orientation, protected veteran status, disability, age, or other legally protected status.

Diversity Facts

- We carefully review job advertisement and role profiles to ensure they are written in neutral language, and we assess them using an external platform to identify and eliminate biased language.
- We conduct Equity-in-Pay reviews on a regular basis.
- Women make up 31% of our workforce, which is higher than the national average for manufacturing companies.
- Women and traditionally underrepresented groups comprise 46% of LSI's workforce.

Diversity in the Board Room

LSI has a diverse Board of Directors and meets the NASDAQ goals for Board diversity. Forty-two percent (42%) of the Company's Directors are diverse, with two of the Company's seven Directors being diverse by gender and one of its directors being diverse by race and ethnicity.

Community Involvement

As a responsible corporate citizen, LSI contributes to every community in which it operates. From local outreach to corporate charitable donations to a co-op program that gives high school students real-world job experience, we are proud to make a positive difference in the lives of others.

LSI donated more than 200 of its American-made, high-performance LED light fixtures, including associated specification and other project services, to the Tri-State Warbird Museum – a historic WWII aviation museum and important educational asset located in Greater Cincinnati.

LSI also contributes to organizations that support America's veterans, including:

- The Independence Fund, which helps America's wounded veterans overcome physical, mental and emotional scars incurred in the line of duty
- The Veterans Airlift Command, which provides free air transportation to combat wounded veterans and their families for medical and other compassionate purposes through a national network of volunteer aircraft owners and pilots
- LSI does not sponsor a political action committee and does not use corporate funds for political purposes or advocacy. No corporate funds were contributed to persons holding or running for local, state, or federal offices.

Promoting Employee and Community Health

LSI believes in promoting active and healthy lifestyles within the company, as well as within the communities in which we operate. As part of that vision, we gladly provide free onsite wellness examinations to all of our employees, including free vaccinations, mammograms and CPR certification.

In addition to serving the Company's business interests, LSI promotes community health as the official lighting partner of USA Pickleball, the national governing body for the sport of pickleball in America. The Company is also the Official Pickleball Court Lighting Provider for the Association of Pickleball Professionals (APP). Through these business partnerships, LSI can help make a difference in the lives of others by encouraging healthy participation in America's fastest growing sport – pickleball.

Our high-performance court lights make the game safer without impacting the night-time tranquility of the surrounding community.



Human Rights

LSI is committed to respecting human rights worldwide. LSI only works with partners and suppliers who promote the following standards at all their locations (wherever located) in accordance with applicable law:

- Equal opportunity for employees at all levels regardless of color, race, gender, gender identity, gender expression, age, ethnicity, national origin, sexual orientation, marital status, religion, veteran status, disability or any other characteristic protected by the law;
- Treating our employees fairly and impartially is core to our approach.
- We know economic growth is only sustainable when workers receive fair wages that enable them to lead dignified lives. Our business flourishes when those around us are doing well. Making sure workers earn a living wage helps support economies and drives growth. We believe it is the right thing to do. LSI's policy is to provide total remuneration that exceeds legal minimum requirements.
- Prohibit employees from working excessive hours and providing appropriate breaks from work and providing a work environment that allows adequate time for leisure and rest, including legally mandated work hours and compensation for overtime hours in accordance with local laws;
- Respect for the employees' lawful freedom of association; recognition of all legal rights to organize and collectively bargain; and working with government and communities in which we do business to improve the education, cultural, economic and social wellbeing in those communities.
- Water is a fundamental human right
- The guarantee of free, prior and informed consent

LSI, after conducting due diligence, has determined that its activities and business relationships do not have any potential negative impact on human rights. Rather, the way that we conduct business sets an example for the furtherance of human rights.

LSI will not purchase products or components from suppliers that use forced labor, prison labor, indentured labor or exploited bonded labor, or permit their suppliers to do so.

LSI will not purchase products or components thereof manufactured by persons younger than 15 years of age or younger than the age of completing compulsory education in the country of manufacture where such age is higher than 15. LSI's suppliers shall not employ such children. LSI (i) responds to the Company inquiries in support of LSI's reporting requirements under Section 1502 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act, (ii) has adopted policies and systems to source Conflict-free minerals, and (iii) requires its suppliers to adopt similar socially responsible sourcing practices and policies.

If an employee has any concern regarding any Company practice they are urged to call our anonymous Hotline reporting system, which is prominently displayed at all our facilities.

Governance Factors

Governance and Ethics


The Board of Directors of LSI follow best practices in governance. Examples of the Board's commitment to exemplary governance include the following:

- The Company has adopted limits on the number of public company boards on which Board members may serve to ensure they have sufficient time to devote to their duties to the Company.
- LSI's Compensation Committee, Audit, and Nominating and Corporate Governance Committee are each comprised of, and chaired entirely by, Independent Directors.
- 86% of LSI's Directors are independent according to the independence criteria of NASDAQ and US Securities and Exchange Commission.
- Each Board committee is comprised entirely of independent Directors.
- Each member of the Board of Directors is elected annually.
- Each Director is subject to stock ownership guidelines and is prohibited from pledging the company's stock.

Proud Past, Bright Future

Throughout its history, LSI has a proven record of operating responsibly and successfully evolving with technological advances and regulatory changes. Since 1976, LSI has been providing employment opportunities to thousands of people including generous well-being and benefits





A key component of our approach to ESG is our Code of Business Conduct, Human Rights Policy and Safety Policy. These serve as a blueprint for making the right decisions in the best interests of the Company, our customers, communities and shareholders.

Among other items, our Code of Business Conduct addresses conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of company assets, confidentiality, disclosure, compliance and accountability. As a requirement, all salaried employees of LSI must complete annual training and certification with respect to the company's Code of Business Conduct.

LSI also provides specific guidance to its financial managers regarding the performance of their duties, particularly with respect to:

- Full and accurate financial disclosure of material information concerning the company's compliance with applicable laws, rules and regulations
- Maintaining the company's financial records in accordance with applicable accounting policies and generally accepted accounting

Additional information regarding LSI's corporate governance is available in the Investors section on the company's website at www.lsicorp.com.

packages, being active participants in its communities and promoting high performing environmentally friendly products. As LSI grows it is committed to developing its people, focusing on innovation and creating a sustainable future for the company and the planet.

