



SUSTAINABILITY REPORT 2022

ESG Core Principles

LSI fundamentally believes that we can provide 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 and this has 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, and JSI Store Fixtures, are proud to have made, and continue to make, a positive impact on our planet by helping customers develop smart green solutions for their communities. Our customers recognize LSI as a key partner in enabling them to meet their sustainability objectives by reducing their carbon footprint. To help promote a sustainable, inclusive and socially responsible future for generations to come, LSI is committed to:

- 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.
- Operating responsibly within the environment
- Recruiting, retaining, and developing a diverse and talented workforce
- Fostering a culture of integrity and honesty that is codified in our Code of Business Ethics and Conduct and championing sound corporate governance practices
- Actively ingraining a culture of safety in LSI's DNA
- Positively contributing to the communities in which we operate

ENVIRONMENTAL FACTORS

Environmental Stewardship

LSI takes its commitment to the environment very seriously. 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 comply with environmental laws.

Carbon Emissions

We do not maintain a fleet of vehicles.

Responsibly Using Recyclable Materials

At LSI, we consider recyclability and end-of-life disposal when sourcing materials – without compromising product quality and durability.

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 also 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. Also, steel is our single largest material purchase. When we speak with our steel suppliers, we not only ensure that our orders meet our standards, we also look for ways to reduce the environmental impacts associated with transporting the material. It is important to note that 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. We recycle 1,022 tons of metals that are a by-product of our manufacturing processes.

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.

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 because they are omnidirectional, throwing light in every direction away from the luminaire. That is where LSI steps in to make those lights blend into the fabric of the neighborhood. LSI's fixtures are specifically designed to avoid this problem. Our lights only shine where it is needed in compliance with dark sky codes that prohibit light from being thrown above 90 degrees. In addition to intelligent fixture design, we also deploy a dedicated team of engineers and planners that use advanced photometric technology to design lighting plans specific for the community where are lights displayed. We develop ultra-realistic models that show customers exactly how light from their fixtures will meet their needs, as well as those of their neighbors.

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

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 designate the ENERGY STAR label as an Eco-Label/Recommendation. ENERGY STAR is more oriented to residential lighting than commercial lighting, while the Company's products are more heavily weighted to commercial.

For the commercial lighting market, 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 are products have earned this designation. The DLC designation of products makes our customers eligible for rebate incentives from utilities and this makes our products even more affordable for our customers to use our efficient products. Our customers receive quicker paybacks on their projects. Our policy is to maintain this percentage of eco-labeling and increase the percentage where we can.



SOCIAL FACTORS

Products that Benefit Society

LSI's lighting products use highly energy-efficient LED technology rather than less-efficient incandescent and fluorescent bulbs to generate illumination.

On average, LEDs reduce energy consumption by more than 80 percent compared to conventional bulb lights. 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 strives to become more energy-efficient, our products allow customers to retrofit and replace their outdated lighting systems, as well as install entirely new LED systems, with technology that benefits society as a whole.

For example, many of our lighting solutions are used in classrooms and school gymnasiums to enhance learning and promote childhood health and wellness. Our fixtures can also be found in hospitals and healthcare facilities all across America. These products are critical to our healthcare infrastructure, not only because they enable clinicians to provide medical care, but because they enhance patient safety, comfort and engagement.

Importantly, in both educational and healthcare settings, our LED lighting solutions reduce energy and maintenance costs, allowing schools and hospitals to reinvest those savings into other areas of their organizations.

Engineering Energy-Efficient Products

At LSI, 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 2022 to the combined efficacy of older bulb systems, our products helped customers reduce their energy consumption for lighting by up to 67 percent.

67%

**reduction in
customer energy
consumption**

In addition, LSI has transitioned nearly 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. By using our own lighting products throughout our factories and offices, we have dramatically improved our own energy efficiency.

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

At LSI, 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 Blue Ash, 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 ever 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, and advertising.

COMMITMENT TO QUALITY





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 that is what makes us a great company. We work tirelessly to attract and retain the best of the best. With an average workforce tenure of nearly 9 years, we are proud to be an employer of choice for many of the best employees in our industry.

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, including multiple healthcare options, life insurance and more, we work hard to foster a work environment that encourages innovation, teamwork and safety every day. From the executive office to the shop floor, we believe that every team member plays an important role in the Company's success.

As an essential business during the COVID-19 Pandemic, our top priority was to maintain the safety and well-being of our employees. We continue to be, committed to providing a safe work environment by adhering to the U.S. Centers for Disease Control and Prevention guidelines. In addition, we provided an assistance program for employees in both 2020 and 2021.



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 does 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 conduct Equity-in-Pay reviews on a regular basis.
- Women make up 34% of our workforce. LSI Lighting employs women at a rate that is 5% higher than the national average in electrical manufacturing.
- Black or African American employees make up almost 15% of our workforce.
- Traditionally underrepresented groups comprise 58% of LSI's workforce. We employ Black or African American employees at over twice the national average of electrical manufacturers.

Diversity in the Board Room

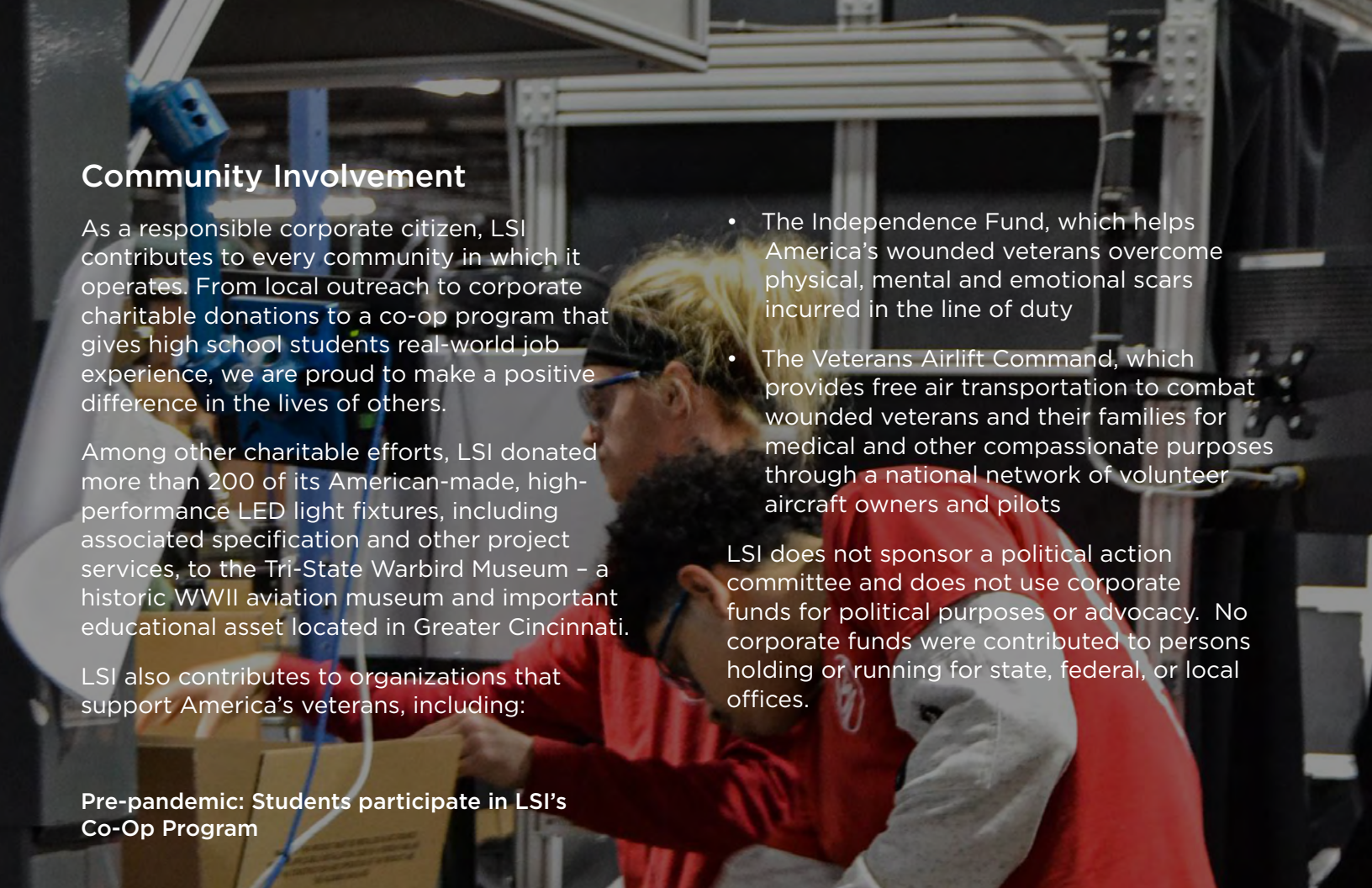
LSI has a diverse Board of Directors and meets the NASDAQ goals for Board diversity. Forty-two percent (42%) of the Company's Directors are diverse, with two of the Company's seven Directors being diverse by gender and one of its directors being diverse by race and ethnicity.

Safety First

At LSI, 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 end their shifts as safely as they started them. We provide exceptional in-person safety training as well as cyber security training to protect our employees.

2022 Safety Performance

Safety is a top priority at LSI. LSI's total recordable incident rate was 2.12 for the full-year 2022. Our days away, restricted or transferred rate (DART) is 0.70. The Company's Houston, Texas facility has achieved a STAR rating in the OSHA VPP program.



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.

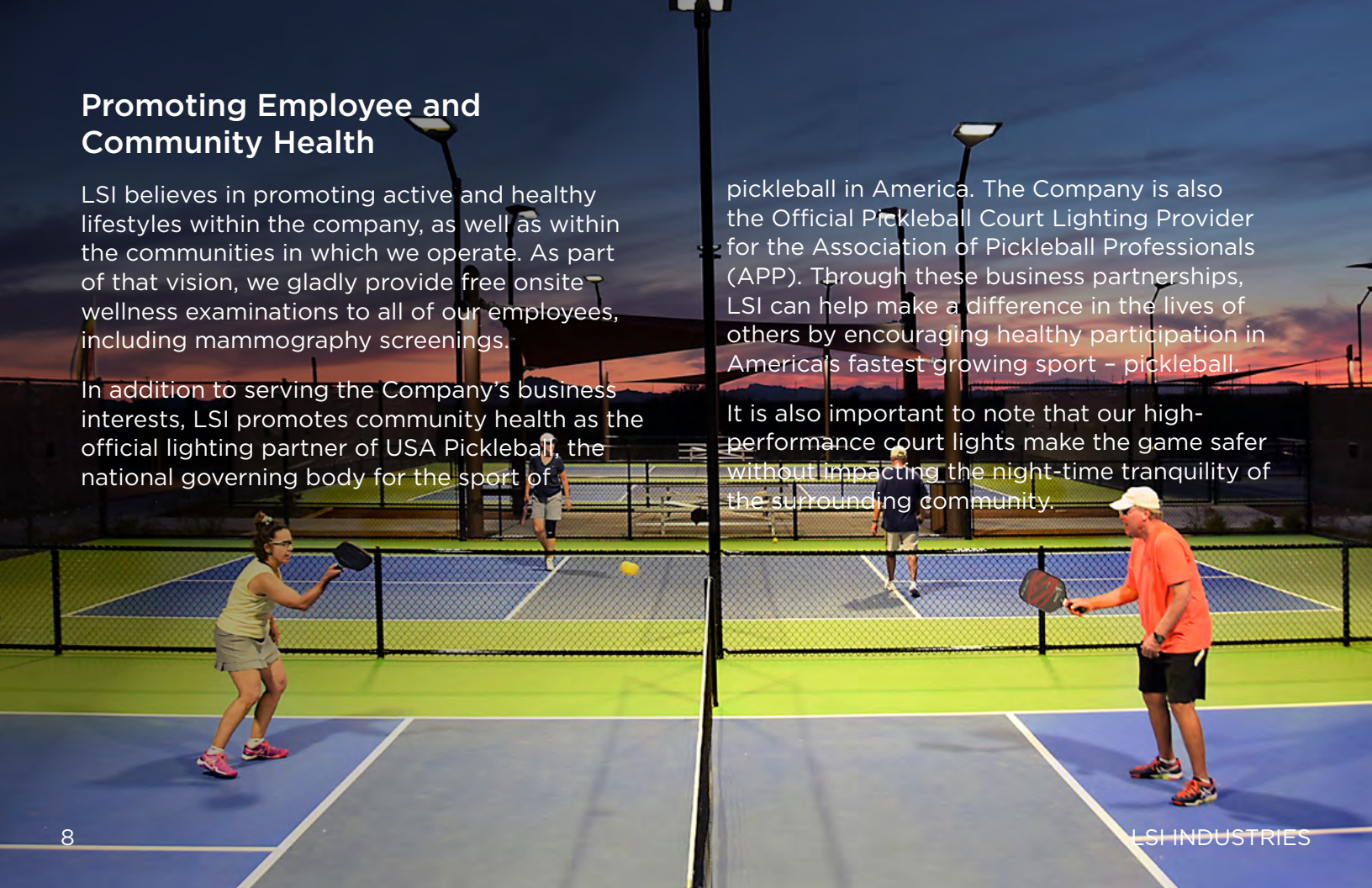
Among other charitable efforts, LSI donated more than 200 of its American-made, high-performance LED light fixtures, including associated specification and other project services, to the Tri-State Warbird Museum – a historic WWII aviation museum and important educational asset located in Greater Cincinnati.

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 state, federal, or local offices.

Pre-pandemic: Students participate in LSI's Co-Op Program



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 mammography screenings.

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.

It is also important to note that 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. To that end, LSI itself practices at all its locations (wherever located) and 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;
- A fair living wage that enables employees to meet at least their basic needs, and opportunities for employees to improve their skills and capabilities;
- 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.

GOVERNANCE FACTORS

Governance and Ethics

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

- Six of seven Directors are independent
- Each Board committee is comprised entirely of independent Directors
- Each member of the Board of Directors is elected annually
- Each Director must be elected by a majority vote
- Each Director is subject to stock ownership guidelines

A key component of our approach to ESG is our Code of Business Ethics and Conduct. Human Rights Policy and Safety Policy. This serves 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 Ethics and 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 Ethics and 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.



Proud Past, Bright Future

As a company with more than 40 years of heritage, LSI has a solid track record of operating responsibly and adapting to technological and regulatory changes. By doing so, the Company has been able to provide jobs to thousands of people over the years, give back to its communities and provided generous benefits to its employees. Today, the company continues to build upon that legacy with a focus on innovation and continuous improvement.

We believe the future is bright for LSI, and we are committed to contributing to a sustainable future for the company and the planet.



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