



Sustainability-Linked Finance Framework

JULY 2024



Loomis in brief

Loomis' services are critical for society. We have a fundamental role in supporting central banks to ensure that payment flows are functioning in the markets we are in.

Loomis is the specialist in creating an efficient cash flow in society. We offer comprehensive solutions at all levels of society including financial institutions, retailers, other commerce related business, and the public sector. Our 25,000 employees operate in about 400 branch offices spread across more than 20 countries.

The customers of Loomis are primarily within the banking sector and the retail industry. The demand for efficient cash handling is high among central banks, large commercial banks, large ATM operators, large retail chains but also smaller enterprises.

We offer a wide range of solutions for cash in transit (CIT), cash management services (CMS), cash-handling automation solutions, international valuables logistics and the complete payment platform "Loomis Pay".

Cash in transit remains our main source of income but a growing part of our profits is generated through cash management services and automated solutions such as SafePoints. The demand for comprehensive solutions regarding cash flow differs significantly depending on the market maturity.

International valuables logistics (VIT/VIS)

Valuables are transported and stored securely throughout the world

FX

Tourists pay with cash in foreign currencies using Loomis' FX services

ATMs

When people need cash they can make a withdrawal from one of Loomis' smart ATMs



Loomis Pay

Allows restaurants to accept all payment methods

Automated solutions

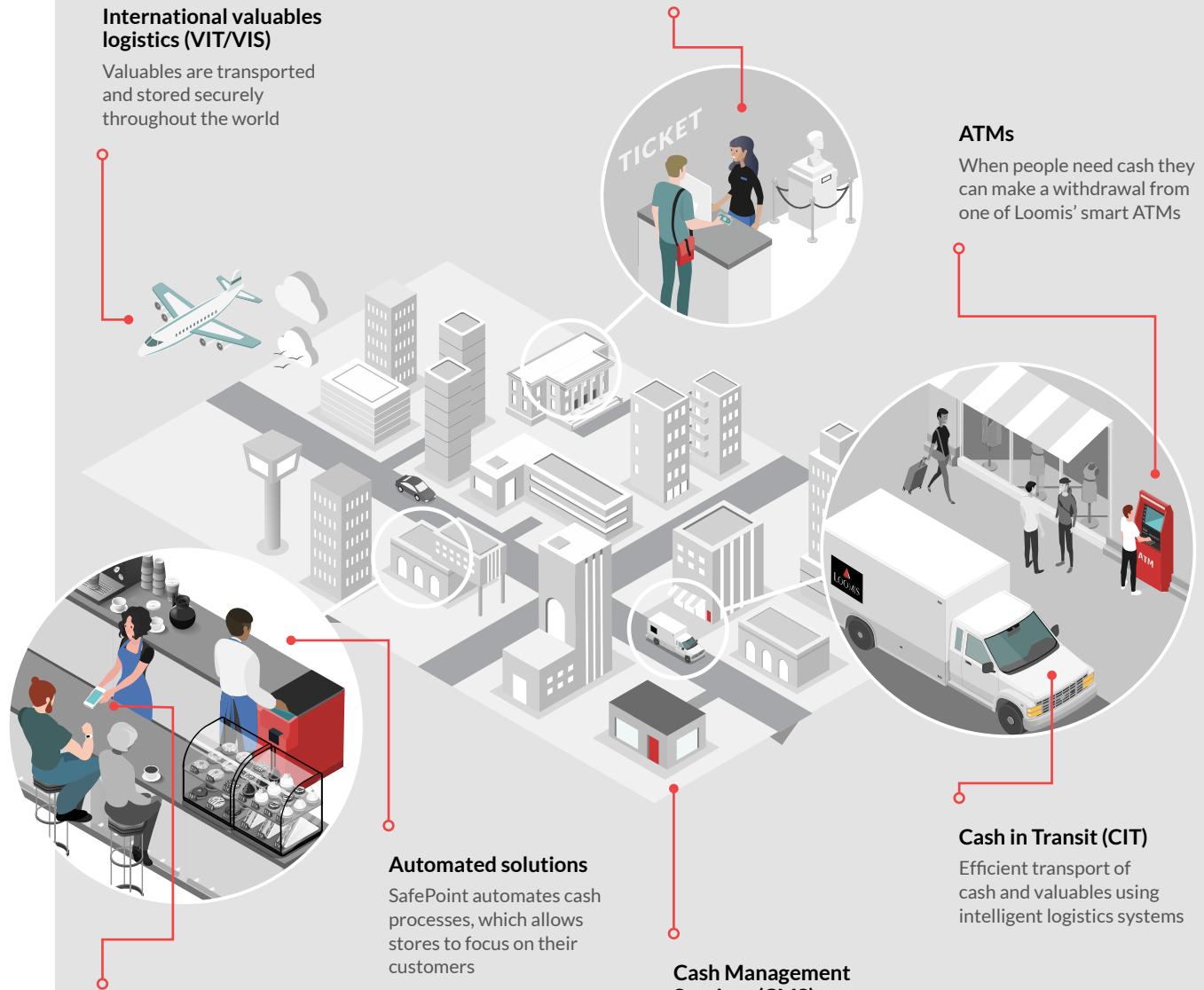
SafePoint automates cash processes, which allows stores to focus on their customers

Cash Management Services (CMS)

Smart processing and analysis of cash flows

Cash in Transit (CIT)

Efficient transport of cash and valuables using intelligent logistics systems



Industry-leading sustainability initiatives

Loomis ensures efficiency and safety in payment flows around the world. What we provide is part of the infrastructure that is critical for society and contribute to a sustainable society. This in turn requires us to take long-term responsibility for our business and for the impact of our operations on society, people and the environment. Sustainability is an integrated part of decision making in the business.

With the growth of digitalization, new insights about the important role of cash in society are emerging. Cash is an inclusive, high-integrity payment method, allowing older individuals, people with disabilities and socially vulnerable groups to participate in the economy on equal terms. Access to cash also reduces vulnerability in society in the event of natural disasters, conflicts, and other types of disruptions.

Given Loomis' vital role in society and our contribution to a sustainable infrastructure, we see it as our responsibility to lower the climate impact associated with availability to cash. Multiple studies ordered by central banks have found that since banknotes and coins are in circulation for many years, distribution and ATM operation are the main emitters of GHG emissions during their lifecycle. Therefore, Loomis sees it as its mission to secure cash availability for all and at the same time reduce the climate impact of its services.



Loomis' sustainability framework is based on the Company's operations, its impact on society, people and the environment, and how these in turn impact Loomis. The sustainability framework is divided into three areas: environmental sustainability, social responsibility and sustainable governance.

Although this is a global framework for the Loomis Group, responsibility for local implementation falls to each individual country. Loomis' sustainability framework is based on insights gained from previous performed materiality analyses. We have also carried out a climate scenario analysis where we have identified risks for the business linked to climate change. To ensure that Loomis' sustainability framework lives up to our stakeholders' expectations of us as a company, we also hold stakeholder dialogues. These are carried out through ongoing dialogues, interviews and surveys with internal and external stakeholders.

The three sustainability areas are reflected in Loomis' Sustainability Policy which is established by the Board of Directors and is available on the Loomis website, www.loomis.com. They focus on a total of nine topics to ensure that the strategy period's targets are met. The nine sustainability topics and the initiatives attached to them have been developed at Group level while their implementation takes place locally within Loomis' decentralized organization. What works best in each individual market varies and, accordingly, the solutions also vary. The management in each country identifies which measures are required locally in order to reach the Group-wide targets.

E Environmental sustainability

We are committed to **reduce our climate impact** across global organization by reducing our usage of fossil fuels, and transitioning to **renewable fuels** and **energy** and, through collaborating with our suppliers and customers.

S Social sustainability

We have a **zero vision for injuries and harm** and strive to build a company that is characterized by **inclusion, fairness** and **diversity**.

G Sustainable governance

We are committed to being a trusted partner and to uphold **the highest standards of integrity and compliance** - both within our own organization and throughout our value chain.

GOVERNING DOCUMENTS

- Sustainability Policy
- Code of Conduct for suppliers

- Sustainability Policy
- Code of Conduct
- Risk Management Policy
- Code of Conduct for suppliers
- Global Rights at Work Instruction

- Sustainability Policy
- Code of Conduct
- Anti-Corruption Policy
- Anti-Money Laundering Policy and Anti-Terrorism Financing Policy
- Compliance Policy
- Information Security Policy
- Tax Policy
- Risk Management Policy
- Code of Conduct for suppliers

ALIGNMENT WITH UN SUSTAINABLE DEVELOPMENT GOALS (SDG)





Aligning emissions reduction with climate science

Loomis recognizes the importance of rapid and deep emission reduction and as a result of that, has committed to the Science Based Targets Initiative. A key part in our climate transition plan is to end our dependence on fossil fuels and fossil energy sources. Approximately 80 % of Loomis’ carbon footprint and the environmental impact (within Scope 1 and Scope 2) comes from transport.

The focus of Loomis’ environmental work is therefore focused on emission reductions within Loomis’ own transportation. Emissions from energy consumption and increased cooperation with suppliers are other important topics in focus to reduce impacts on the climate and environment. We will reduce our climate impact throughout our global organization by transitioning to renewable fuel and renewable energy, and by working in cooperation with our suppliers and customers to generate long-term value.

Topics	Key initiatives for 2030
Emissions from fuel	<ul style="list-style-type: none"> › Reduce share of diesel to <60% of total fuel use › Increase share of HVO to >20% of total fuel use › Policy to regulate emissions from newly acquired vehicles from 2026
Emission from electricity	<ul style="list-style-type: none"> › Reduce total electricity use with 15% › 100% renewable electricity
Cooperation across value chain	<ul style="list-style-type: none"> › Supplier code of conduct

Engaging the complete value chain

Loomis needs to involve its suppliers in order to reduce its indirect Scope 3 emissions, i.e. all emissions in the value chain. Transformation can only happen through cooperation and active dialogue with the suppliers. In 2023 Loomis continued its efforts to map its value chain for a deeper understanding of the Company’s indirect emissions (Scope 3). From 2024, Loomis will also report Scope 3 emissions. The task of setting long-term and scientific climate targets is ongoing.

Cooperation with responsible suppliers

Choosing responsible suppliers who share Loomis’ values and sustainability ambitions is key to reducing emissions throughout the value chain. Loomis has constant dialogue with suppliers and in 2023, the Company’s Supplier Code of Conduct was updated. A new addition was that the Code sets out what Loomis expects of all suppliers in terms of their climate and environmental impact. The Code of Conduct for suppliers also encourages suppliers to set science-based targets to reduce their emissions in line with the Paris Agreement.



Responsibility for employees, health and safety

Loomis is an important player in society, supporting central banks in providing infrastructure for payment flows that work for everyone. With operations in 26 markets around the world, Loomis also has an important responsibility as an employer and an organization.

Employees are Loomis' most important resource. It is therefore imperative that we provide a safe work environment and that we empower our employees to continue developing their skills while also maintaining our focus on attracting new talent. Loomis strives to be the most attractive employer in the industry. We can only achieve this by constantly improving the work environment and by promoting fairness, diversity and inclusion.

Take care of Loomis' most important resource

Offering a safe and healthy workplace for all employees is a top priority. Loomis operates its business in accordance with local health and safety laws and other external safety requirements, laws and regulations. The Group's safety strategy is based on two important principles: no loss of life and a balance between the risk of theft and robbery and the cost of mitigating such events.

To reduce the risks faced in Loomis' various operations it is crucial to have proactive and effective processes and routines. Risk management needs to be an ongoing process to identify new opportunities and risks facing the Company. Loomis' risk management follows the Company's Operational Risk Management Policy.

There are robust processes and routines in place to manage operating risks to proactively and systematically identify, take stock of, evaluate, classify, manage, take action on,

follow up and prevent various types of risk.

In order for Loomis to operate, it is essential for employees at all levels to understand and be able to manage the risks associated with their daily work. Employees who handle cash and valuables must adhere to strict and robust safety routines that are designed to minimize injuries as a result of violence, in traffic or in their work environment in general. Having clear routines in place for every function performed by employees is crucial in minimizing risk. The safety equipment integrated into uniforms and vehicles is tested regularly to ensure employee safety.

Loomis Academy, Loomis' digital training platform, plays a vital role in ensuring that all employees have the knowledge and skills necessary to deliver professional services to the customers while also being in control of their own safety and upholding Loomis' values. Loomis Academy provides mandatory training in areas such as acute, dangerous and unexpected situations, defense tactics and safe handling of weapons.

Topics	Global key initiatives
Health and safety	<ul style="list-style-type: none"> › Align with health and safety standards › Health and safety measures › Installation of software for safety in operating vehicles
Inclusion	<ul style="list-style-type: none"> › Training in Loomis' mission, vision and products › Training in inclusion
Fairness and diversity	<ul style="list-style-type: none"> › Training in diversity and how to treat people › Assess the gender balance in senior management › Assess pay structures and promotion processes



Sustainable governance and compliance

Being the reliable partner that customers expect every day requires Loomis' 25,000 employees to maintain high standards of integrity. In a business based on trust, Loomis needs to ensure compliance with all relevant legal requirements, but also from a business ethics perspective.

In addition to the safety routines that the employees must follow, Loomis also has a Code of Conduct and an Anti-Bribery Policy in place to prevent corruption and bribery. These apply to all of Loomis employees and to ensure compliance, they all complete frequent training. All employees have an opportunity and a duty to report suspected unethical behaviour to the anonymous whistleblower system.

Human rights and international undertakings

Loomis' human rights and freedom of association work is based on the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Loomis has also signed the UN Global Compact.

Since 2013 Loomis' undertakings regarding freedom of association and trade union rights are set out in a global agreement. Each country president is responsible for ensuring that collective bargaining agreements are prepared, signed and upheld locally in each country based on local laws.

Loomis AB's Board of Directors includes union representatives. A European Works Council with employee representatives from the Company meets annually to promote dialogue between trade unions and company management. There is also frequent dialogue with trade unions at the local level in the countries where Loomis has signed agreements.

Loomis Supplier Code of Conduct sets out Loomis' expectations on an ethical business approach for all suppliers. The code regulates business ethics, workers' rights, human rights, health and safety, and corruption. The code is based on the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the principles in the UN Global Compact.

Topics	Global key initiatives
Integrity	<ul style="list-style-type: none"> › Training in the Code of Conduct for all employees › Installation of software for safety in operating vehicles
Compliance	<ul style="list-style-type: none"> › Training in compliance for all employees
Impact in the value chain	<ul style="list-style-type: none"> › Policies and contract templates › Supplier code of conduct

Sustainability-Linked Finance Framework

Loomis has issued Sustainability-Linked Bonds since 2021 under its Sustainability-Linked Finance Framework. By integrating sustainability into the business and in the financing of the company, Loomis creates value not only for shareholders but also for customers, employees, partners, and society at large. By setting up this updated Sustainability-Linked Finance Framework (Framework), Loomis is extending its commitment to sustainable finance.

The Framework allows Loomis to raise capital through sustainability-linked bonds and loans (Sustainability-Linked Debt Instrument). The purpose of the Framework is to define the KPIs, SPTs, financial characteristics, reporting and verification related to Loomis' Sustainability-Linked Debt Instruments.

The Framework is developed to align with the Sustainability-Linked Bond Principles (SLBP) published in 2023 by ICMA and the Sustainability-Linked Loan Principles (SLLP) published in 2023 by LMA, APLMA and LSTA.

The five core components of the Framework, including:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Financial characteristics
4. Reporting
5. Verification



Selection of Key Performance Indicators (KPIs)

To guarantee a safe and efficient flow of cash and valuables in society, Loomis uses special cash in transit vehicles, CIT. These vehicles have unique security features and requirements, often specified by local market regulations, and can in some cases not be replaced by standard light weight transportation vehicles. Today's stock of vehicles fulfilling the requirements largely consists of vehicles with internal combustion engines that run on fossil fuels. Consequently, Loomis' climate footprint is mainly within Scope 1, with emissions deriving from the vehicle fleet circulating cash in society.

Loomis recognizes the large potential impact that the company can have if reducing its climate footprint by seeking alternatives with lower carbon emission vehicles. Results from the Loomis stakeholder dialogue further support this as a material topic for Loomis to focus on. As carbon emissions from Loomis' operations are a material and core part of Loomis' sustainability strategy, Scope 1 and 2 emissions have been selected as the KPI for the purpose of this Framework.

KPI

Absolute tCO₂e from Loomis' own operations (Scope 1 and 2).

Definition and Scope

Scope 1 includes the organization's direct greenhouse gas emissions, such as fuel combustion from vehicles owned or controlled by Loomis. Scope 2 includes the organization's indirect greenhouse gas emissions in the form of purchased energy from external suppliers, such as electricity and district heating. The share of emissions from own operations amounts to at least half of total emissions along the company's full value chain, as estimated in the screening process in 2024.

Calculation methodology

Scope 1 and 2 is calculated based on the principles of the GHG protocol, the international Greenhouse Gas Protocol Initiative, and is done through a third-party system. Scope 1 has been calculated by applying emission factors, primarily to the volume consumed, to the respective fuels used by the vehicle fleet. For diesel consumption, a general blend was applied for all regions applying an average share of biodiesel. Scope 2 will follow a market-based methodology. All emissions factors are calculated based on emissions factors from IEA and DEFRA.

Historical performance

	2019 *	2020	2021	2022	2023
Scope 1	161,383	135,023	129,780	139,038	134,075
Scope 2 market based	31,649	28,312	29,483	23,093	21,150
Total	193,032	163,335	159,623	162,131	155,225

Contribution to UN SDGs and Environmental objectives

The KPIs refer to the United Nations Sustainable Development Goal 11 "Sustainable cities and communities", and 7 "Affordable and Clean Energy", as well as the EU environmental objective "Climate Change Mitigation".

* figures restated in 2022 due to historic double counting and adjustments for acquisitions

Calibration of Sustainability Performance Target (SPT)

SPTs	Reduction of absolute Scope 1 and 2 emissions by 34% by 2027 compared to 2019	Reduction of absolute Scope 1 and 2 emissions by 48% by 2030 compared to 2019
Target observation date	31 Dec 2027	31 Dec 2030

Level of ambition and benchmark

The targets have been developed in line with the Science Based Targets initiative (SBTi) methodology. In 2024, Loomis committed to the SBTi to set a near-term company-wide emissions reductions target in line with climate science.

Since 2019 Loomis has reduced its scope 1 and 2 emissions (market based) with 19,6%, translating to an average annual reduction of 4,9%. The SPTs set out in this framework would translate to an annual average reduction of min. 4,5% and 5,1% respectively. It can thus be concluded that Loomis' targets go beyond business as usual and should be considered ambitious in term of reduction pathway.

Loomis has also conducted a benchmarking exercise of the SPTs against peers in conjunction with the target setting approach. The result showed that Loomis' Scope 1 and 2 GHG emissions reduction target is in line with, or in many cases surpass, similar targets adopted by peers. Furthermore, the lack of equivalent safety requirements on vehicles among peers means that it may not be possible to make an appropriate comparison with all peers in the logistics and transportation sector, further speaking to the ambition of the target.

Key factors that could affect the ability to meet the SPTs

In the achievement of the SPT(s), Loomis is also relying on continues developments in factors beyond Loomis' direct control, particularly including:

- › Availability of HVO in the market
- › The continuation of investments in charging infrastructure for the electrification of road transport both in Europe and the US.
- › Access to high-capacity batteries. Loomis is expecting battery development to continue in the automotive industry, and for battery suppliers to take responsibility in their value chain in terms of human rights and circularity.

Strategy to achieve the SPTs

Loomis will reduce its climate emissions in the following ways:

- › Increasing the use of fossil-free fuels e.g. biofuels.
- › Gradually transitioning to lighter vehicles.
- › Increasing the share of electric vehicles.
- › Investments in technology that contribute to driving behaviour with a lower environmental impact.
- › Increasing the percentage of energy from own solar panels and purchase energy from renewable sources.
- › Implement energy efficiency measures such as changing to LED lighting, investing in more energy efficient systems in our buildings, and placing great emphasis on energy performance when we build new premises.

Final characteristics

Characteristics outlined in this Framework apply to all Sustainability-Linked Debt Instruments issued under it. The proceeds from Sustainability-Linked Debt Instruments will be used for general corporate purposes.

For any Sustainability-Linked Debt Instrument issued under this Framework, the characteristics may change and lead to a financial impact in the form of either a premium payment, coupon step-up or margin adjustment in the event that a trigger event occurs. Regardless of financial characteristic selected, the scale of the impact aims at being meaningful and commensurate.

A trigger event occurs if:

1. The KPI have not achieved the respective SPT on the target observation date, or...
2. the reporting does not meet the requirements as set out in the related transaction specific documentation, or...
3. the verification has not been provided as set out in the related transaction specific documentation.

The financial characteristic selected for each Sustainability-Linked Debt Instrument including specification of financial impact, target observation date, fallback mechanisms and reporting end date will be stated in the relevant transaction specific documentation.

Fallback mechanisms applicable to any Sustainability-Linked Debt Instrument issued under this framework include a potential recalculation of the baseline figures if there is a significant change of at least five per cent to the baseline due to changes in Loomis' organizational structure, the calculation methodology or data quality.

For the avoidance of doubt, the KPIs and SPTs set out in this Framework will remain applicable throughout the tenor of any bond issued under the Framework, regardless of any changes to the baseline, overarching sustainability strategy or potential framework updates. This includes any changes relating to the company's general sustainability targets and ambitions.



Reporting

To ensure investors and other stakeholders have updated and adequate information about Loomis' sustainability strategy and the progress of the KPI in relation to the respective SPTs, Loomis will report the progress of the SPT as part of its Sustainability Report publicly available on Loomis webpage, on an annual basis for as long as there are Sustainability-Linked Debt Instruments outstanding.

The Sustainability Report will contain the relevant information for assessing whether the applicable SPT has been met for the applicable Target Observation Date.

The Sustainability Report will include the following reporting points:

1. Up-to-date information on the performance of the KPI
2. Information about recalculations of the level of carbon emissions in the base year, if any
3. Information on any relevant updates to Loomis' sustainability strategy and/or governance with a potential impact on the KPI and SPT
4. Specific documentation

In the case Loomis would have financial debt other than bonds outstanding, the company may choose to provide the reporting in relation to debt instruments other than bonds, directly and non-publicly, to the lenders or counterparts.

Where feasible and possible the Sustainability Report will also include:

1. Qualitative and/or quantitative explanations of the contribution of the main factors, including M&A and/or other restructuring activities, behind the evolution of the performance of the SPT on an annual basis,
2. Illustration of the positive sustainability impacts of the performance improvement
3. Updates on new or proposed regulations from regulatory bodies relevant to the KPI and the SPT

Verification

Post issuance verification

Loomis will annually seek an external and independent verification of its performance of the KPI, by a qualified external reviewer with relevant expertise. The external reviewer will be chosen in accordance with the Voluntary Guidelines for External Reviews developed by ICMA and may at the discretion of Loomis be changed subject to fulfilling the requirements set out herein.

Second party opinion

Loomis has engaged Sustainalytics to provide a second party opinion to this Framework assessing the relevance, robustness, reliability, and ambition level of the selected KPIs and SPTs and confirming its alignment with the Sustainability-Linked Bond Principles.

Publicly available documents

The Framework and the second party opinion will be made publicly available on Loomis website together with the annual reporting and verification, once published.

