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Sustainability-Linked Finance Framework

January 2025



Securitas

Background & Rationale

Securitas AB (hereinafter referred to as the “Securitas”, the “Company” or the “Group”) is a global provider of security services, technology and solutions, and risk management services. For 90 years, we have pioneered the security industry, blending exceptional human expertise with innovative technology to deliver solutions that help make your world a better place.

Our offering is aimed at combining people and technology in sustainable and world-leading security solutions. With deep expertise in advisory and intelligence, safety and security, technology, and operation management services, we deliver proactive protection and insights to help our customers safeguard what matters most.

We operate in 44 markets, with thousands of clients, positioning us as a major player in the industry. Our operations are organized into three business segments: Securitas North America, Securitas Europe and Securitas Ibero-America. We also have operations in Africa, the Middle East, Asia and Australia, and the business unit Securitas Critical Infrastructure Services in North America.

Our Sustainability-Linked Bond Framework provides an opportunity for investors to learn about our influence on setting the standard for excellence in the security industry.

1. Sustainability Strategy

Securitas’s sustainability strategy focuses on delivering social, environmental and economic benefits to the stakeholders and adds value to the company. The sustainability strategy supports the overall business strategy to deliver comprehensive, scalable, and innovative security solutions to meet our client’s increasingly complex security needs. The aim is to improve the contributions in six sustainability focus areas with good working conditions as the foundation.

- ✓ Diversity, equity and inclusion
- ✓ Health and safety
- ✓ Learning and development
- ✓ Environment
- ✓ Business ethics
- ✓ Community involvement

In December 2023, Securitas’s environmental target was validated by the Science Based Targets initiative’s (SBTi). Securitas has committed to reduce absolute scope 1, 2, and 3 greenhouse gas emissions with 42 percent by 2030 from a 2022 base year. This ambitious target aligns with the 1.5-degree goal set by the Paris Agreement. We have reported our CO2 emissions through CDP for many years and have now increased the reporting to cover all relevant categories in scope 3. The security industry is not one of the larger emitters, but Securitas aspires to be part of the solution and to make the world a more sustainable place.

Sustainability Governance

The Board of Directors decides on Securitas' sustainability strategy and policies together with the President and CEO of Securitas AB, who has ultimate responsibility for the realization of the Group's sustainability work.

The Executive Sustainability Committee (ESC) primary responsibility is to take key decisions on sustainability matters and steer the sustainability strategy and its deliverables, which includes ensuring that the sustainability activities contribute to business value.

The ESC is chaired by the Group's President and CEO with the divisional presidents and function heads as members. In 2024, the committee met two times. The Group's Chief Ethics and Sustainability Officer leads the ongoing work and chairs the network of the divisions' and functions' sustainability leaders and sustainability managers, who coordinate the work in their respective entities.

Securitas's system for managing the work related to environmental, social and governance areas comprises six key components:

- ✓ **Securitas' Values and Ethics Code:** One of the company's most important policies, Securitas' Values and Ethics Code stipulates the basic principles that Securitas expects its employees and business partners to always follow.
- ✓ **Employee training:** All Securitas employees undergo training in Securitas' Values and Ethics Code. An in-depth training program is available in over 30 different languages, either as an e-learning course or a classroom training. Relevant employees also receive training in other core policies, such as the anti-bribery and anti-corruption policy.
- ✓ **System for reporting non-compliance:** The SecuritasIntegrity Line is a Group system used for reporting cases of non-compliance with Securitas' Values and Ethics Code. All employees are encouraged and expected to report any cases of non-compliance, with the assurance that the reporter will not be subjected to any negative consequences. Also external parties can file reports in the system.
- ✓ **Risk management:** Securitas' enterprise risk management process includes deciding on the Group's major risk focus areas for the coming years. These are risks that Securitas' Group Management assigns special focus, including regular follow up. Among the major risks are non-compliance in the business ethics area, not being able to increase diversity and inclusion, and not being able to meet environmental targets.
- ✓ **Monitoring:** To meet the demands of clients and other stakeholders with respect to increased transparency and communication, Securitas publishes a sustainability report that follows the Global Reporting Initiative (GRI) Universal Standards. Standards and are preparing for the



reporting requirements according to the EU Corporate Sustainability Reporting Directive (CSRD). KPIs are tracked and followed up on a regular basis.

- ✓ **Chief Ethics and Sustainability Officer:** The Chief Ethics and Sustainability Officer leads the Group's ongoing sustainability work and, in addition to following the regular reporting line, also reports to the Board of Directors' Audit Committee. Responsibilities include coordination of sustainability activities across the Group, which involves working closely together with other core functions. Other responsibilities include stakeholder engagement on sustainability issues and supporting the business in sustainability matters.

Materiality Analysis

Material issues are topics that have a substantial influence on the stakeholders' perception of our performance and impact our ability to create and sustain value. They indicate Securitas' most significant economic, environmental, and social impacts. Materiality determines when an issue becomes important enough to be included in the business strategy and the way non-financial issues are managed and reported. Securitas' main impact on society is contributing to making them safer.

Our process for identifying materiality provides a future focus for our sustainability work and helps us analyze our impact across the value chain. It provides us with deeper insights into stakeholders' expectations on Securitas, how we should develop our sustainability agenda and how our stakeholders perceive the outcome of our progress and strategy.

The double materiality assessment (DMA) has confirmed six material topics: decent working conditions, diversity and equal opportunity, health and safety, capacity building, environment, and complaint business practices.

The issues that have been defined as material are vital to Securitas' ability to contribute to safer societies, and the company considers social conditions to be included in the areas personnel and respect for human rights.

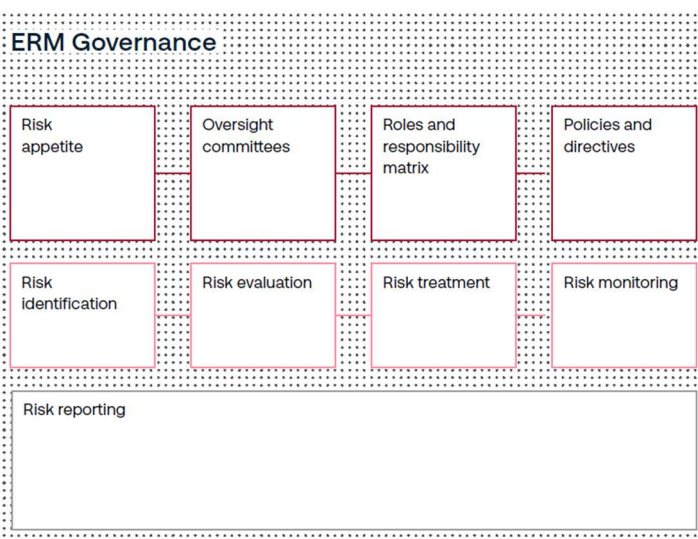
Securitas' process to manage enterprise risk

Securitas' internal control system is risk-based and is designed to support the business to achieve its objectives. The system provides reasonable, but not absolute, assurance against material misstatement or loss, as well as compliance with the main policies.

Securitas is exposed to various types of risks in its daily business. When providing security services, Securitas manages not only its own risks, but also risks on behalf of its clients. A well working risk management is a key objective for all parts of the Group. Securitas' process for enterprise risk management (ERM) is well integrated into the business and seeks to identify, prioritize, and manage the major risks to our operations at all levels and in all parts of the organization.

ERM governance

ERM governance includes the overall framework for controlling and managing the enterprise risks to ensure appropriate governance throughout the Securitas. It includes the risk appetite framework, oversight boards and committees, roles and responsibilities matrix, and policies and directives. A cornerstone in the ERM work is Group policies. The Group policies are developed by management and key policies are adopted by the Board of Directors. A general policy update is released after the statutory Board meeting in



connection with the Annual General Meeting each year, but specific policies are also issued or updated when necessary throughout the year. Some of the key policies that are relevant from a governance perspective are Corporate Governance Policy, Group Contract Policy, Securitas' Values and Ethics Code, Whistleblowing Policy, Communication Policy, Anti-Bribery and Anti-Corruption Policy, Fair Competition and Anti-trust Policy, Privacy Policy and Insider Policy.

More information on each step of the process is to be found [here](#).

Supply chain

We must ensure that our suppliers live up to our requirements and that they comply with Securitas' Business Partner Code of Conduct. The Code of Conduct outlines the minimum standards for human rights, working conditions, health and safety, business ethics, environmental sustainability and compliance with laws and regulations that Securitas requires its business partners to comply with when doing business with us.

While selecting, assessing, and monitoring suppliers, we also evaluate whether the supplier has established a selection procedure, and conducted risk assessments of its own suppliers. We have a supplier risk management operating model and workflow and are including third party risk assessment in our GRC (governance, risk, and compliance) system. By being clear about our expectations and processes we not only lower risks, but we also build strong, long-lasting partnerships with our suppliers.

The Securitas supplier diversity program in the US covers tier one and tier two vendors and provides diverse suppliers the chance to participate in our supply chain. The program aims to enhance of the communities we serve by proactively sourcing goods and services from diverse suppliers when possible as it offers opportunities for firms that may not typically be considered due to size, status or competitiveness. The commitment to supplier diversity is integral to the sourcing and procurement processes and aims at developing mutually beneficial business relationships with diverse organizations. Securitas adheres to all federal and state regulations promoting diverse supplier utilization in the US and is a corporate member of Women's Business Enterprise National Council.

Securitas' contribution to the Sustainable Development Goals

The 17 Sustainable Development Goals set in the United Nations Agenda 2030 are a blueprint for worldwide sustainable development. Securitas supports the SDGs and takes them into consideration into the strategy work and daily operations.

The selected goals and targets:

- ✓ Goal 3: Ensure healthy lives and promote well-being for all at all ages
- ✓ Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- ✓ Goal 5: End all forms of discrimination against all women and girls everywhere
- ✓ Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- ✓ Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- ✓ Goal 13: Take urgent action to combat climate change and its impacts
- ✓ Goal 16: Promote peaceful and inclusive societies for sustainable development

Memberships and engagements in organizations Securitas is a member in the following industry organizations:

- International Security Ligue
- Aviation Security Services Association International (ASSA-I)
- ASIS International
- Confederation of European Security Services (CoESS)
- National organizations for security companies in most countries where we operate, such as the National Association of Security Companies (US), Bundesverband der Sicherheitswirtschaft (Germany), the British Security Industry Association and the Australian Security Industry Association Ltd (Australia).

International commitments

- UN Global Compact
- International Security Ligue's Code of Conduct and Ethics Sustainability indexes
- FTSE4Good Index Series

Sustainability ratings (main)

- Net Impact (Upright Project)
- MSCI
- Sustainalytics

Supplier rating systems and reporting

- EcoVadis
- CDP

Sustainability-Linked Finance Framework

Rationale for sustainability-linked financing

Climate change is having an impact on the frequency and severity of natural disasters. For our industry, this comes into play with the growing demand for flexible and efficient security solutions to secure the safety of the general public and emergency responders. We recognize the close connection between security and sustainability.

In alignment with the broader Sustainability strategy, Securitas has established a Sustainability-Linked Finance Framework (hereinafter referred to as the “Framework”) to be able to issue sustainability-linked finance instruments. Sustainability-linked finance instruments will be used to foster enhanced accountability with regard to our ambitious sustainability targets. Securitas is committed to promoting sustainable business activities in the industry sector and regions where the company is operating. By issuing a sustainability-linked finance instrument, the company seeks to maximize the connection between its funding and sustainability strategy, while highlighting the related investments and targets that we make today to have a positive impact on the environment and our future trajectory to support our decarbonization across the value chain. Securitas hereby wants to further promote our sustainability ambitions that will assist in reaching the targets set forth by the Paris Climate Agreement and the UN Sustainable Development Goals (UN SDGs).

In addition, sustainability-linked finance instruments could help to diversify Securitas’ investor base, broaden the dialogue with existing investors and contribute to the development of the sustainable finance market.

Basis of this framework

This Sustainability-Linked Finance Framework has been developed to be aligned with the Sustainability-Linked Bond Principles (SLBP), established by the International Capital Markets Association (ICMA) in June 2024¹ and also takes into account the Loan Market Association’s (LMA) Sustainability-Linked Loan Principles February 2023 (SLLP)². Securitas may under this Sustainability-Linked Finance Framework issue different securities including sustainability-linked bonds and sustainability-linked loans (together, sustainability-linked instruments).

The five core components of the SLBP and SLLP are:

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

¹ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

² <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

The Sustainability-Linked Finance Framework also follows the recommendations of The Principles with regards to external review³.

1. Selection of Key Performance Indicators (KPIs)

The security industry is not one of the larger emitters of Greenhouse Gases, but we still want to be part of the solution and contribute to making our world a more sustainable place. At Securitas, we recognize the close connection between security and sustainability. Throughout its global operations, Securitas is committed to reduce absolute scope 1, 2, and 3 greenhouse gas emissions by 42% by 2030 from a 2022 base year, in accordance with the reduction ambition of 1.5°C as expressed by the Paris Agreement.

Scope 1 and 2 emissions combined represent less than 10% of Securitas' total GHG emissions in 2023. Driven by our ambitious sustainability targets, we intend to use KPI 1 and 2 collectively, covering Scope 1, 2, and 3 emissions, for the issuance of sustainability-linked financial instruments.

Climate Action

KPI 1: absolute scope 1 and 2 greenhouse gas emissions

Definition and Methodology

Scope 1 emissions are direct GHG emissions that result from our own operations. Scope 2 represents indirect GHG emissions from consumption of purchased electricity, heat or steam used in our own operations.

The GHG footprint methodology follows the Greenhouse Gas protocol. The GHG assessment quantifies all seven Kyoto greenhouse gases where applicable and it is measured in units of carbon dioxide equivalence, or CO₂e. For Securitas, Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O) are applicable and have been included in the calculation. The system Sphera⁴ has been used as the calculation tool.

Rationale and materiality

Setting Scope 1 and 2 GHG emission targets is crucial for Securitas as it allows us to directly manage and reduce our carbon footprint throughout our operations, demonstrating accountability and commitment to sustainability. Additionally, reducing emissions can lead to cost savings through improved energy efficiency and resource management. Furthermore, proactively addressing Scope 1 and 2 emissions helps mitigate risks associated with climate change, ensuring long-term business resilience and stability in our operation.

³ See reference [here](#)

⁴ Sphera is a provider of Environmental, Social and Governance (ESG) performance and risk management software, data and consulting services focusing on Environment, Health, Safety & Sustainability (EHS&S), Operational Risk Management (ORM), Product Stewardship and Supply Chain Risk Management (SCRM). See the company website [here](#).

Baseline and historical performance

GHG emissions	2021	2022 baseline ⁵	2023
Total scope 1 GHG emissions (tonnes CO ₂ e)	113,492	155,933	126,606
Total scope 2 GHG emissions, market based (tonnes CO ₂ e)	25,273	24,181	21,300
Total scope 1 & 2 GHG emissions, market-based (tonnes CO ₂ e)	138,765	180,114	147,906

Reporting and data assurance

KPI performance will be reported annually in the Annual and Sustainability Reporting. Securitas will engage an external assurance provider to provide a limited assurance regarding such KPI performance information.

Contribution to EU environmental objective

Climate Change Mitigation

Contribution to UN SDG:



KPI 2: absolute scope 3 greenhouse gas emissions

Definition and Methodology

KPI 2 includes Scope 3 GHG emissions related to indirect GHG emissions that occur across our value chain, including both upstream and downstream emissions. This indicator contains emissions from scope 3 GHG emission category 1-7 and 11-13.

The GHG footprint methodology follows the Greenhouse Gas protocol. The GHG assessment quantifies all seven Kyoto greenhouse gases where applicable and it is measured in units of carbon dioxide equivalence, or CO₂e. For Securitas, Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O) are applicable and have been included in the calculation. The system Sphera⁴ has been used as the calculation tool.

⁵ The 2022 emissions have been restated for the following reasons: 1) after the publication of the Annual and Sustainability Report 2022, additional data was collected in preparation for the submission of Securitas' environmental targets to Science Based Targets initiative; 2) Data from the entities acquired from Stanley Security was included in the data submitted to SBTi; 3) data from the divested operations in Argentina has been excluded; 4) In connection with the 2023 reporting, we had better quality information available; 5) Quantis emission factors were replaced by Exiobase for certain items in scope 3 emissions; 6) In 2023, we changed sustainability reporting systems from to Sphera. Not all emission factors are the same in the two systems; 7) Errors in the 2022 scope 1, scope 2 and scope 3 data were discovered in some reporting entities.

Rationale and materiality

Scope 3 GHG emissions are the largest source of Securitas' total emissions, accounting for 92% of the total emission in 2023. This can largely be traced back to emissions from our entire value chain including purchased goods and services, capital goods, employee commuting and use of sold products. Addressing our scope 3 GHG emissions is critical to aligning our business with the goals of the Paris Agreement. By setting ambitious Scope 3 targets, Securitas can further strengthen resilience against future climate-related challenges across the value chain, drive innovation in the industry, and increase transparency and accountability. This is why we have selected the scope 3 GHG emissions as a KPI for this Sustainability-Linked Finance Framework.

Baseline and historical performance

GHG emissions	2021	2022 baseline ⁵	2023
Scope 3 GHG emissions from (tonnes CO ₂ e)	63,133	2,032,330	1,807,345

In connection with the CDP reporting in 2024, we recalculated our scope 3 emissions data based on information that came to light following the reporting process. We have incorporated the latest GHG emission performance data in this framework.

Reporting and data assurance

KPI performance will be reported annually in the Annual and Sustainability Reporting. Securitas will engage an external assurance provider to provide a limited assurance regarding such KPI performance information.

Securitas has obtained a limited assurance from EY for scope 1, 2 and 3 category 1, 6, 7 for 2022 and 2023. We are expanding the scope to include Scope 3 categories 2-5 for the 2024 year-end reporting. We also intend to obtain a limited assurance for all scope 3 emission categories for our baseline year 2022. As from the 2025 year-end reporting, all relevant scope 3 categories will be audited with limited assurance as per CSRD requirements.

Contribution to EU environmental objective

Climate Change Mitigation

Contribution to UN SDG:



2. Calibration of Sustainability Performance Targets (SPTs)

SPT1: 42% scope 1 and 2 GHG emission reduction by 2030 from a 2022 base year

Ambition

This target is grounded in the latest scientific research. We are the first global security solutions company to have our scope 1 and 2 GHG emission target validated by the Science Based Targets initiative (SBTi), confirming alignment with the Paris Agreement goals to limit global warming to

1.5°C above pre-industrial levels. Achieving a 42% reduction in absolute GHG emissions from our operations (Scope 1 and 2) by 2030 requires substantial investments in operations, including renewable energy, energy use and efficiency improvements, low-carbon vehicles and new technology. This level of commitment positions the company as a leader in sustainability, setting a high standard for the industry.

Baseline year: 2022

Baseline figure: 180,114 tCO₂e

Target observation date: 31st of December 2030

External validation of SPT

Securitas' scope 1 and 2 reduction target for 2030 is consistent with reduction required in scope 1 and 2 to keep global warming to 1.5 °C and was validated and approved by the SBTi.

Measures to achieve the SPT

- Accelerating fossil-fuel free vehicles

Several of Securitas' sites, such as Denmark, Norway, Sweden, the Netherlands, Finland and Germany, are adopting more energy-efficient vehicles, bio-fuel and electric vehicles. Several different activities are carried out and planned. For example, Securitas Sweden plans to reduce the greenhouse gas emissions from vehicles by 70% by the year 2030. Other project includes installation of EV charging points at selected regional and head office premises.

- Optimizing branch offices

Securitas is driving a project to optimize our branch offices, where as far as possible clients are being serviced by the branch office that is geographically closest to them. That way, travel time is reduced for many Securitas employees, including call-outs by car by our security officers. This reduces fuel consumption and emissions. There are also initiatives to train our employees to drive responsibly, both from a safety and fuel consumption perspective.

- Focusing on energy efficiency improvements

Several of Securitas' sites are focusing on energy efficiency and are downsizing in office areas or moving their offices to buildings with better energy performance, for example BREEAM certified buildings.

- Transition to renewable energy

Switching to renewable energy for heating or cooling offices is accelerating. Renewable energy sources include solar, wind, and hydropower.

- Employee engagement

In a number of countries there are initiatives to train Securitas' employees in eco driving, to reduce emissions and fuel consumption. Some services offered include patrolling guards turning off lights and electrical equipment after office hours. Employees are trained in additional ways to save energy within the premises.

These emission reduction plans are being integrated across all areas of our business as a core component of the mandatory business planning process. The plans outline specific, measurable

actions that have been approved by our business leaders. To ensure accountability and progress, we have implemented a robust monitoring and tracking system to oversee the execution of the plans and to guide our journey toward achieving our targets.

To reinforce commitment and maintain focus across the organization, we have integrated our climate targets into the long-term incentive program for our top leaders.

Risks to achieve the target

- Unexpected global event (such as war, pandemic, trade war)
- Extreme weather (unexpected natural disaster)
- Availability of renewable energy

SPT2: 42% scope 3 GHG emission reduction by 2030 from a 2022 base year

Ambition

Scope 3 GHG emissions lie beyond the direct control and ownership of Securitas. The inherent challenges of limited control and the complexities in obtaining high-quality data present significant barriers to mitigating these emissions. The journey towards achieving these reduction goals will be non-linear, necessitating sustained investments in technology and continuous engagement with our suppliers and customers in a collective effort to address climate change. It will require a considerable amount of time before the impact is reflected in the form of reduced Scope 3 GHG emissions.

We have established our scope 3 GHG emission target based on the latest science. A significant sustainability achievement was reached in 2023 as we became the first major company in our industry to validate our scope 3 GHG emission target by SBTi, indicating our action and responsibilities to limit global warming to 1.5°C. We have selected an ambitious baseline year of 2022. This choice ensures that our targets are based on the most current data and conditions, enhancing the relevance and impact of both present and future sustainability objectives.

Baseline year: 2022

Baseline figure: 2,032,330 tCO₂e

Target observation date: 31st of December 2030

External validation of SPT

Securitas has a scope 3 reduction target for 2030 aligned with a global temperature rise of below 1.5 °C, validated and approved by the SBTi.

Measures to achieve the SPT

- Investment and development of new technology

We are constantly investing in the development of new technology and electronic security, enabling a competitive offer of low-carbon services. The increased use of technology in security solutions, digitization and the new generation of high-capacity telecom networks enable Securitas to use its resources more efficiently.

- Offering low-carbon solutions and services

For businesses that are aware of their climate impact, Securitas has solutions that will make them become more energy efficient or save energy through control systems, energy measuring, surveillance systems and security solutions. By using low-carbon solutions when performing our services, e.g. electronic equipment, we can be competitive compared to suppliers with more carbon-intensive solutions.

As our mobile services use climate-efficient vehicles, we can offer a cost effective and also low carbon solution to small and middle-sized businesses. False alarms can be dismissed in the monitoring center, saving money for the customer and enabling security officers on site or patrol to concentrate on verified alarms, which reduces the risk of theft or damage.

In some countries, we also offer specialized services that help customers to reduce their environmental impact, for example checking the lights, temperature and air conditioning at a customer's premises in conjunction with our routine guarding services

- Engaging with strategic partners and clients

We have been working with our strategic partners, which include many of the leading manufacturers in the security industry, to obtain detailed data on energy consumption of the products we sell to our clients. As of September 2024, we are including greenhouse gas emissions data in all new sales proposals for clients and prospects in the United States and Canada. This data, calculated in CO2 equivalents, reflects the annual energy consumption of security devices and systems. We are working to expand this to our European markets during 2025.

To address emissions from employee commuting, we are collaborating with several of our largest clients to implement initiatives such as shared transportation solutions for employees.

To reinforce our commitment and maintain focus across the organization, we have integrated our climate targets into the long-term incentive program for our top leaders.

Risks to achieve the target

- Access to low carbon technology
- Unexpected global event (such as war, pandemic, trade war)
- Extreme weather (unexpected natural disaster)

3. Characteristics of the Sustainability-Linked Financing Instruments

The financial and structural characteristics of the sustainability-linked finance instruments, including the impact of Securitas' KPI performance compared to the applicable SPT, will be specified in the relevant transaction documentation (e.g., offering circular, terms and conditions, final terms, facility agreement). The financial and/or structural characteristics of Securitas' sustainability-linked financing instruments may vary depending on whether or not the selected KPI(s) reach(es) the predefined SPT(s). This may include coupon step-down(s), coupon step-up(s) and/or a higher repayment amount in the case of bonds, or margin adjustments in the case of loans.

The relevant transaction documentation might state that the selected SPT(s) subject to recalculation based on specific circumstances, such as changes in the calculation methodology, major events having a material impact on Securitas' structure, and/or occurrence of certain events outside Securitas' control, will not result in the financial penalty being triggered.

With regards to sustainability-linked loans, annual SPTs setting and test dates will be covered in relevant loan documentation (e.g. loan agreement).

Recalculation Policy

The SPT(s) or the baseline(s) may be recalculated or redefined in good faith by Securitas and applied to outstanding sustainability-linked bonds to reflect material changes.

Significant recalculations of the SPT(s) and/or baseline(s) may be performed on the condition that an external assurance provider independently confirms that the revised SPT(s) and/or the baseline(s) are consistent with, or more ambitious and material than, the initial SPT(s) and/or the baseline(s).

Instances of material changes include:

Structural change

Changes in Securitas' perimeter (e.g., an acquisition, a merger, a demerger, an amalgamation, a consolidation or other form of restructuring/reorganisation with similar effect, a spin-off, a disposal, or a sale of assets). Organic changes to the organisation will not trigger a recalculation or update of the baseline.

Methodology changes

Changes to the calculation methodology of any KPI to reflect changes in the market practice, the relevant market standards, which, individually or in the aggregate, has a significant impact on the level of any SPT or any KPI baseline.

Methodology changes include updated assumptions and/or calculation methods. This also covers updates in emission factors, where the update is not related to an actual change in conditions such as annual updates of electricity grid factors.

Regulation changes

Changes or amendments to any applicable laws, regulations, rules, guidelines, and policies relating to the business of the Securitas, including transition plan disclosure regulation.

Errors and other changes

Recalculation will be triggered by the discovery of a significant error or multiple cumulative errors, or in case of changes in the Securitas' ability to calculate its SPT(s) and/or baseline(s), for instance as a result of the outcome of an external assurance exercise, changes to data accessibility or data quality.

4. Reporting

Securitas will communicate annually on the relevant KPI(s) and SPT(s), providing up-to-date information and reporting available on its website through:

- **Securitas' Annual and Sustainability Report** covering the performance of the selected KPIs including baselines where relevant, with an assurance statement from an independent auditor

- **Verification Assurance Certificate** following a target observation date that confirms whether the performance on the KPI(s) meets the relevant SPT(s)
- **Additional information:** Any information enabling investors to monitor the ambition level of the SPT(s), such as updates in Securitas' sustainability strategy, governance, illustrations of the positive sustainability impacts of performance improvements, and any other relevant information for analysing the KPI(s) and SPT(s)

Where applicable and feasible, Securitas may also provide information including:

- Qualitative and/or quantitative explanation on the main contributing factors (e.g., M&A activities) behind the evolution of the KPI performance on an annual basis
- Any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope, if relevant
- Updates on new or proposed regulations from regulatory bodies relevant to the KPIs and the SPTs

For sustainability-linked loans, Securitas will communicate to lenders on KPI(s) performance in relation to the SPT(s) on an annual basis.

In case the recalculation or updates are significant enough to impact Securitas' own or external parties' decision-making, Securitas will publish the update as soon as practically possible.

5. Verification

This Framework and the associated annual reporting will benefit from two layers of external verification:

- **A Second Party Opinion** by an external verifier with recognised environmental and social expertise on the alignment of the Framework with the SLBP and SLLP, including an assessment of the relevance, robustness and reliability of selected KPIs, the rationale and level of ambition of the proposed SPTs, the relevance and reliability of selected benchmarks and baselines, and the credibility of the strategy outlined to achieve them, based on scenario analyses, where relevant; and
- **An Limited Assurance Report** by an external assurance provider on the KPI information in the Annual and Sustainability Report. The verification will be conducted by a qualified reviewer with relevant expertise with limited assurance.

