

Second-Party Opinion

Loomis Sustainability-Linked Finance Framework



Evaluation Summary

Sustainalytics is of the opinion that the Loomis Sustainability-Linked Finance Framework (the “Framework”) aligns with the Sustainability-Linked Bond Principles 2023 and Sustainability-Linked Loan Principles 2023. This assessment is based on the following:

- Selection of Key Performance Indicators** Loomis Sustainability-Linked Finance Framework defines one KPI: Absolute scope 1 and 2 GHG emissions. Sustainalytics considers the KPI chosen to be very strong based on materiality, relevance, scope of applicability and adequacy to external benchmarking.
- Calibration of Sustainability Performance Targets** Sustainalytics considers the SPTs to be aligned with Loomis’ sustainability strategy. Sustainalytics further considers SPTs 1a and 1b to be highly ambitious based on past performance, peer performance and science-based trajectories, as applicable.
- Financial Instrument Characteristics** Loomis will link the financial characteristics of the sustainability-linked instruments to achievement of the SPTs, which will trigger a premium payment, coupon step-up or margin adjustment, as applicable and described in each transaction’s documents.
- Reporting** Loomis commits to report on an annual basis on its progress on the KPI and expects to include the relevant figures in its Sustainability Report available on the Company’s website. The reporting commitments are aligned with the SLBP and SLLP.
- Verification** Loomis commits to have external limited assurance conducted for each SPT at least once a year, which is aligned with the SLBP and SLLP.

Evaluation Date	July 25, 2024 ¹
Issuer Location	Stockholm, Sweden

The SPTs contribute to the following SDGs:



Overview of KPIs and SPTs

KPI	Baseline	Strength of KPI	SPT	Ambitiousness of SPT
KPI: Absolute scope 1 and 2 GHG emissions (tCO ₂ e)	2019	Very Strong	SPT 1a: Reduction of absolute scope 1 and 2 GHG emissions by 34% by 2027 from a 2019 baseline SPT 1b: Reduction of absolute scope 1 and 2 GHG emissions by 48% by 2030 from a 2019 baseline	Highly Ambitious

¹ This document is an update of a second-party opinion originally published in October 2021. Sustainalytics has revised the assessment of the KPI and new SPTs based on Loomis’ most recent data and information available.

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Scope of Work and Limitations

Loomis has engaged Sustainalytics to review the Loomis Sustainability-Linked Finance Framework dated July 2024 (the "Framework") and provide an opinion on its alignment with the Sustainability-Linked Bond Principles 2023 (SLBP)² and Sustainability-Linked Loan Principles 2023 (SLLP).³

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent⁴ opinion on the alignment of the Framework with the SLBP as administered by ICMA and SLLP as administered by LSTA.

As part of this engagement, Sustainalytics exchanged information with various members of Loomis' management team to understand the sustainability impact of their business processes and SPTs, as well as the reporting and verification processes of aspects of the Framework. Loomis AB's representatives have confirmed that:

- (1) They understand it is the sole responsibility of issuer to ensure that the information provided is complete, accurate and up to date;
- (2) They have provided Sustainalytics with all relevant information; and
- (3) Any provided material information has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information. This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with the Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Loomis. Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated SPTs of KPIs but does not measure KPI performance.⁵ The measurement and reporting of the KPIs and SPTS is the responsibility of the issuer. No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Loomis has made available to Sustainalytics for the purpose of this Second-Party Opinion.

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² The Sustainability-Linked Bond Principles are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

³ The Sustainability-Linked Loan Principles (SLLP) were jointly launched by LSTA, APLMA and LMA in March 2019, and subsequently amended in 2021, 2022 and 2023. They are administered by the LSTA and are available at: <https://www.lsta.org/content/sustainability-linked-loanprinciplessllp/#>

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

⁵ Sustainalytics has provided an opinion based on the understanding that the financial characteristics of instruments issued under this Framework will be tied to the achievement of SPTs corresponding to each of the KPIs included in the Framework.

Introduction

Loomis AB (“Loomis” or the “Company”) is a cash handling company that provides cash in transit (CIT), cash management services (CMS), and integrated CIT and CMS solutions. Additionally, Loomis provides international valuables logistics, including international cross-border transportation, management and storage of foreign currencies, precious metals and other valuables. The Company employed more than 25,000 people and operated 400 branch offices in 26 countries as of the end of 2023.⁶

Loomis intends to issue sustainability-linked bonds and obtain sustainability-linked loans whose coupon rate or margin are tied to the achievement of the SPTs for one KPI: Absolute scope 1 and 2 GHG emissions.

Loomis has engaged Sustainalytics to review the Framework and provide an opinion on the alignment of the Framework with the Sustainability-Linked Bond Principles 2023 and Sustainability-Linked Loan Principles 2023. The Framework will be published in a separate document.⁷

Loomis has defined the following KPI and SPTs:

Table 1: KPI Definitions

KPI	Definition
KPI: Absolute scope 1 and 2 GHG emissions (tCO ₂ e)	<p>Scope 1 and 2 GHG emissions are measured in tonnes of carbon dioxide equivalent expressed in tCO₂e.</p> <p>The KPI covers 100% of Loomis’ global scope 1 and 2 emissions. Scope 1 GHG emissions comprise the Company’s direct GHG emissions, including fuel combustion of the Company’s own and controlled vehicles. Scope 2 emissions comprise the Company’s indirect GHG emissions, including electricity and district heating.</p>

Table 2: SPTs and Past Performance

KPI	2019 (Baseline)	2020	2021	2022	2023	SPT 2027	SPT 2030
KPI: Absolute scope 1 and 2 GHG emissions (tCO ₂ e)	193,032	163,335	159,623	162,131	155,225	SPT 1a: Reduction of absolute scope 1 and 2 GHG emissions by 34% by 2027 from a 2019 baseline	SPT 1b: Reduction of absolute scope 1 and 2 GHG emissions by 48% by 2030 from a 2019 baseline

Sustainalytics’ Opinion

Section 1: Alignment with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles

Sustainalytics is of the opinion that the Loomis Sustainability-Linked Finance Framework aligns with the five core components of the Sustainability-Linked Bond Principles 2023 and Sustainability-Linked Loan Principles 2023.

⁶ Loomis, “Loomis Annual and Sustainability Report 2023”, at: <https://airtools-loomis.prod-mid-euw3.investis.com/sites/airtools-loomis/files/pr/202404035560-1.pdf?ts=1712126014>

⁷ Loomis, “Loomis Sustainability-Linked Finance Framework”, at: <https://www.loomis.com/>



Selection of Key Performance Indicators

Relevance and Materiality of KPIs

In assessing the materiality and relevance of a KPI, Sustainalytics considers: i) whether the indicator speaks to a material impact of the issuer's activities on environmental or social issues; and ii) to what extent the KPI is applicable.

KPI 1: Absolute scope 1 and 2 GHG emissions (tCO₂e)

Sustainalytics' ESG Risk Rating identifies Carbon - Own Operations⁸ as a Material ESG Issue for companies in the Commercial Services industry.⁹ Additionally, the Sustainability Accounting Standard Board (SASB) does not identify GHG emissions as a material topic for this industry.¹⁰ However, Sustainalytics notes that 98% of Loomis' 2023 revenue derive from the physical handling of cash and goods, which is contingent on vehicular transfer. According to a report, the operational phase of cash's life cycle has the largest impact on climate change, with transport contributing approximately 44% of total CO₂ emissions per unit processed.¹¹ Therefore, Sustainalytics is of the opinion that Loomis' core business operations are focused on transportation activity and considers this KPI as relevant and material.

In terms of applicability, Loomis has confirmed to Sustainalytics that the KPI covers at least 50% of the Company's total emissions. The Company has not finished its full GHG emissions inventory for 2024.

Based on the above, Sustainalytics considers the KPI to be material with a high scope of applicability.

KPI Characteristics

In assessing a KPI's characteristics, Sustainalytics considers: i) whether it uses a clear and consistent methodology; ii) whether it follows an externally recognized definition; iii) whether the KPI is a direct measure of the issuer's performance on a material environmental or social issue;¹² and iv) whether the methodology can be compared against an external contextual benchmark.¹³

KPI 1: Absolute scope 1 and 2 GHG emissions (tCO₂e)

Sustainalytics considers Loomis' definition and methodology to calculate the KPI to be clear and consistent based on the ease of calculations and the Company's historical disclosure since 2019. In addition, the KPI follows an external recognized methodology, namely the GHG Protocol Corporate Standard. Loomis' scope 1 emissions calculations apply emissions factors to the respective fuels used by the vehicle fleet. For diesel consumption, Loomis uses a proxy for a general blend in all regions applying an average share of biodiesel. For scope 2 emissions, Loomis follows a market-based methodology: emissions factors from the International Energy Agency (IEA)¹⁴ and the UK Department for Energy Security and Net Zero (DEFRA).¹⁵ Furthermore, Sustainalytics considers the KPI to be directly linked to Loomis' environmental performance. Sustainalytics notes that the KPI supports benchmarking against an external science-based decarbonization pathway, namely the Science Based Targets initiative's (SBTi) cross-sector absolute contraction pathway.

Overall Assessment

⁸ Sustainalytics' Material ESG Issue Carbon – Own Operations refers to a company's management of risks related to its own operational energy use and GHG emissions (scope 1 and 2). It also includes part of scope 3 GHG emissions.

⁹ Sustainalytics, "Commercial Services Industry Report", (2023)

¹⁰ SASB, "Loomis AB", at: [https://sasb.ifrs.org/standards/materiality-finder/find/?company\[0\]=SE0014504817](https://sasb.ifrs.org/standards/materiality-finder/find/?company[0]=SE0014504817)

¹¹ Reconnaissance International Ltd, "Cash: A Road Map to Sustainability", (2023), at: https://cclsecure.com/wp-content/uploads/2023/12/Currency-Research_COP26-Edition.pdf

¹² A direct measure refers to a metric selected for the KPI that shows a specific indicator of performance or an outcome on the material ESG issue.

¹³ External contextual benchmarks are standards or points of reference established by recognized third-party organizations to facilitate comparability.

¹⁴ IEA, "Emissions Factors 2023", at: <https://www.iea.org/data-and-statistics/data-product/emissions-factors-2023>

¹⁵ DEFRA, "Greenhouse gas reporting: conversion factors 2023, at: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

Sustainalytics considers the KPI to be very strong given that: i) it is a direct measure of Loomis’ performance on a material environmental issue; ii) it has a high scope of applicability; iii) it follows clear and consistent methodology externally defined; and iv) it lends itself to be benchmarked against a recognised external GHG emissions reduction trajectory.

KPI	Strength of KPI			
KPI: Absolute scope 1 and 2 GHG emissions (tCO ₂ e)	Not Aligned	Adequate	Strong	Very strong



Calibration of Sustainability Performance Targets

Alignment with Loomis’ Sustainability Strategy

Loomis has set the following SPTs for its KPI:

- SPT 1a: Reduction of absolute scope 1 and 2 GHG emissions by 34% by 2027 from a 2019 baseline
- SPT 1b: Reduction of absolute scope 1 and 2 GHG emissions by 48% by 2030 from a 2019 baseline

Sustainalytics considers the SPTs to be aligned with Loomis’ sustainability strategy. Please refer to Section 2 for an analysis of the credibility of Loomis’ sustainability strategy.

Loomis’ decarbonization strategy focuses on reducing emissions from the Company’s vehicle fleet. In this context, the Company aims to reduce the share of diesel use by 60% by 2030 and increase the share of fuels based on hydrogenated vegetable oil (HVO) to 20% by the same year. Loomis also intends to adapt a policy in which it would regulate emissions from newly acquired vehicles.¹⁶ In addition to the emissions from the fleet, the Company has set targets to reduce its total energy consumption use by 15% and reach 100% renewable energy by 2030.¹⁷

Strategy to Achieve the SPTs

Loomis intends to achieve the SPT through the following strategy:

SPT 1a and SPT 1b: Reduction of absolute Scope 1 and 2 emissions by 34 percent by 2027 compared to 2019

- Regarding fleet emissions, Loomis intends to increase the use of fossil-free fuels, such as biofuels. In addition, the Company aims to transition to lighter vehicles and increase the share of electric vehicles in the fleet. Loomis has set internal targets per country. Additionally, Loomis aims to install route planning systems to all its operational vehicles to lower fuel consumption and slow down vehicle wear and tear.
- With respect to renewable energy and energy efficiency, Loomis intends to use exclusively renewable energy by 2030, by increasing the share of energy use from its own solar panels and purchased renewable energy. In addition, the Company aims to implement energy efficiency measures, including installing LED lighting and energy efficiency systems in existing buildings. The Company also plans to develop an energy efficiency programme for its new and existing buildings.

Ambitiousness, Baseline and Benchmarks

To determine the ambitiousness of an SPT, Sustainalytics considers: i) whether the SPT goes beyond a business-as-usual trajectory; ii) how the SPT compares to targets set by peers; and iii) how the SPT compares with science-based references.¹⁸

¹⁶ Loomis, Loomis Sustainable-Linked Finance Framework”, (2024), at: <https://airtools-loomis.prod-mid-euw3.investis.com/sites/airtools-loomis/files/pr/202404035560-1.pdf?ts=1712126014>

¹⁷ Ibid.

¹⁸ We refer here to contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.

Loomis has set the baseline for the SPTs at 2019 to use the same baseline as the one set in the Company’s existing sustainability-linked bonds and long-term incentive programmes for senior managers. Loomis has confirmed to Sustainalytics that for loan transactions, it will set annual targets in the relevant documentation.

SPT 1: Reduction of absolute scope 1 and 2 GHG emissions by 34% by 2027 from a 2019 baseline

Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance, peer performance and science-based references.

Regarding past performance, Loomis reduced its scope 1 and 2 GHG emissions by 19.6% between 2019 and 2023, representing an average annual reduction of 4.9%. To achieve SPT 1a, the Company would need to reduce scope 1 and 2 GHG emissions by approximately 4.5% annually on average between 2023 and 2027. To achieve SPT 1b, the Company would need to reduce scope 1 and 2 GHG emissions by approximately 5.1% between 2023 and 2030. Therefore, Sustainalytics considers SPT 1a and 1b to be aligned with past performance, each representing a continuous material improvement. Loomis’ SPTs 1a and 1b were compared with 10 peers in the professional and commercial services industry. Loomis’ targets exceed the targets set by two peers, are aligned with the targets set by one peer and are lower than the targets set by one peer. Sustainalytics noted that six peers do not have public targets in place. Based on this, Sustainalytics considers the SPTs to be above peers’ targets. Regarding comparison with science-based references, Sustainalytics notes that the SPTs are in line with the SBTi’s 1.5°C scenario. The SPTs imply an average annual reduction in absolute scope 1 and 2 GHG emissions of approximately 4.25% between 2019 and 2027 and 4.37% between 2019 and 2030, which exceed the minimum average annual reduction of 4.2% defined in the SBTi’s cross-sector absolute contraction approach for alignment with the 1.5°C decarbonization pathway.

Overall Assessment

Sustainalytics considers Loomis’ SPTs 1a and 1b to be highly ambitious given that: i) they represent a continuous material improvement; ii) they are above peer performance; and iii) they are aligned with the SBTi’s 1.5° C scenario.

SPT	Ambitiousness of SPT			
SPT 1a: Reduction of absolute scope 1 and 2 GHG emissions by 34% by 2027 from a 2019 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 1b: Reduction of absolute scope 1 and 2 GHG emissions by 48% by 2030 from a 2019 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious



Financial Characteristics

Loomis has disclosed that it will link the financial characteristics of the sustainability-linked instruments issued under the Framework to the achievement of the SPT. The financial characteristics may include a premium payment, coupon step-up or margin adjustment in case of a trigger event. Specific details on the financial characteristics selected for each financial instrument will be specified in the respective transaction’s documentation.

Sustainalytics considers the financial characteristics of the sustainability-linked bonds and loans to be aligned with the SLBP and SLLP, but does not opine on the adequacy of the magnitude and structure of the financial penalty.



Reporting

Loomis commits to report on an annual basis on its progress on the KPI and will include the relevant figures in its Sustainability Report available on the Company’s website, which is aligned with the SLBP and SLLP. Loomis further commits to disclose relevant information enabling investors to monitor the level of ambition of the SPTs. The reporting commitments are aligned with the SLBP and SLLP.



Verification

Loomis commits to have an external verifier provide limited assurance against each SPT for the KPI at least once a year, which is aligned with the SLBP and SLLP on verification. The verification will be made publicly available in the Company's Sustainability Report available on Loomis' website.

Section 2: Assessment of Loomis' Sustainability Strategy

Credibility of Loomis Sustainability Strategy

Loomis' 2024 sustainability strategy is based on the Company's materiality assessments conducted since 2017 and highlights nine material sustainability areas: i) emissions from fuel; ii) emissions from energy consumption; iii) cooperation within the value chain; iv) health and safety; v) inclusion; vi) fairness and diversity; vii) integrity; viii) compliance; and ix) impact in the value chain.¹⁹ Loomis has integrated its sustainability strategy into its corporate governance structures, and each country representative is responsible for ensuring compliance with and proactive application of the strategy under the oversight of the board.

Loomis set a decarbonization target to reduce its scope 1 and 2 emissions by 15% by 2024 compared to a 2019 baseline.²⁰ As of the end of 2023, the Company exceeded the target and achieved a 18% reduction.²¹ Loomis has also issued sustainability-linked bonds with an absolute carbon emissions target reduction of 20% by 2025 compared to the same baseline. In order to achieve these decarbonization targets, Loomis has focused on reducing the emissions from its vehicle fleet. As of the end of 2023, the Company had 94 electric and 18 hybrid vehicles in operation, which represent nearly 3% of the Company's total fleet.²² In addition, Loomis intends to install route planning systems in its global vehicle fleet to enable shorter routes and lower fuel consumption. As of 2023, 70% of Loomis' global vehicle fleet had access to the route planning globally and the Company continues the rollout in the 2024. Regarding energy efficiency, Loomis intends to invest in energy efficient systems, such as LED lighting and energy efficiency measures in buildings. Additionally, the Company has set a target to achieve 100% purchased renewable energy by 2030. By the end of 2023, the Company had reached a 19% share of renewable energy of purchased energy, an increase of eight percentage points from 2021.

Loomis became a signatory to the UN Global Compact in 2021 and has reported its progress on the Ten Principles on human rights, labour, environment and anti-corruption in an annual progress report.²³ In addition, Loomis has reported on its sustainability performance referencing the Global Reporting Initiative (GRI) standards in its Annual and Sustainability reports since 2016.²⁴

Sustainalytics considers Loomis to have a strong sustainability strategy and considers that instruments issued under the Framework will further support its sustainability strategy.

Loomis' Environmental and Social Risk Management

Sustainalytics acknowledges that Loomis' defined targets are impactful, but achieving the SPTs bears environmental and social risks, primarily related to occupational health and safety, data privacy and business ethics.

Sustainalytics comments below on Loomis' ability to mitigate such potential risks.

- With respect to occupational health and safety (OHS), Loomis has country-specific OHS management systems that follow the respective OHS legislation and are third-party certified to ISO 45001,²⁵ OHSAS²⁶ or equivalent, when applicable.^{27,28} The Company also provides mandatory safety training through its digital training platform, covering topics such as acute, dangerous and unexpected situations, defence tactics and safe handling of weapons. In addition, employees handling cash and valuables follow a strict safety routine that aims to prevent injuries as a result of violence, traffic or the general work environment.²⁹

¹⁹ Loomis, "Loomis Annual and Sustainability Report 2023", at: <https://airtools-loomis.prod-mid-euw3.investis.com/sites/airtools-loomis/files/pr/202404035560-1.pdf?ts=1712126014>

²⁰ Ibid.

²¹ Ibid.

²² Ibid.

²³ United Nations Global Compact, "Loomis AB", at: <https://unglobalcompact.org/what-is-gc/participants/149231-Loomis-AB>

²⁴ Loomis, "Loomis Annual and Sustainability Report 2023", at: <https://airtools-loomis.prod-mid-euw3.investis.com/sites/airtools-loomis/files/pr/202404035560-1.pdf?ts=1712126014>

²⁵ ISO, "ISO 45001 health and safety management standard", at: <https://www.hse.gov.uk/managing/management-system/iso45001.htm#:~:text=ISO%2045001%20is%20an%20international,with%20health%20and%20safety%20law.>

²⁶ OHSAS 18001 is among the International Standard for Occupational Health and Safety Management Systems that provides a framework for the effective management of OH&S including risk management, legal compliance and occupational health and safety. Sustainalytics notes that OHSAS 18001 is now replaced by ISO 45001:2018. More details are available at: <https://www.nqa.com/en-ca/certification/standards/ohsas-18001>

²⁷ ISO, "ISO 45001 and related standards", at: <https://www.iso.org/iso-45001-occupational-health-and-safety.html>

²⁸ Loomis, "Annual and Sustainability Report 2023", https://www.loomis.com/-/media/Files/Loomis-Corporate/Reports-and-Presentations/Annual-Report/Loomis_Annual_and_Sustainability_Report_2023.pdf

²⁹ Loomis, "Annual and Sustainability Report 2023", https://www.loomis.com/-/media/Files/Loomis-Corporate/Reports-and-Presentations/Annual-Report/Loomis_Annual_and_Sustainability_Report_2023.pdf

- Regarding data privacy, Loomis has an information security management strategy that follows ISO 27001.^{30,31} All employees receive security awareness training, including phishing awareness campaign and function-specific security-awareness training.³² Loomis' Group Data Privacy Policy establishes the Company's principles related to handling personal data, including the following: i) processing the data in accordance with the applicable laws; ii) specifying the purpose of collecting the data; iii) minimizing the collected data; iv) maintaining the data updated and accurate; v) limiting the time the data is stored; and vi) maintaining confidentiality during the data handling process.³³
- With regard to business ethics, Loomis' code of conduct follows internationally recognized business ethics initiatives, including the UN Guiding Principles on Business and Human Rights,³⁴ the UN Universal Declaration of Human Rights (UN 1948), the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work (1998) and subsequent core conventions as well as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.³⁵ The code outlines the Company's guiding principles to managing unethical business practices related to bribery, corruption, donations, competition, and human rights and competition.³⁶ The Company also has an anonymous whistleblower tool available for internal and external stakeholders on its website.³⁷

In addition to the above, Sustainalytics notes that it has found no evidence of any major environmental or social controversies related to Loomis. Overall, Sustainalytics considers that Loomis has adequate management programmes and policies to mitigate the risks that could affect the achievement of the SPTs.

Section 3: Impact of the SPTs

Importance of reducing GHG emissions from the transport and security services industry

Sustainalytics notes that 80% of Loomis' scope 1 and scope 2 carbon emissions are generated from its vehicle fleet,³⁸ and has therefore focused on the expected impact of Loomis' investments in relation to transport. As of 2022, private cars and vans accounted for approximately 10% of global energy-related CO₂ emissions and more than 25% of global oil use.³⁹ The IPCC estimates that transport-related emissions should be restricted to less than 3 GtCO₂e by 2050, equivalent of 70-80% below 2015 levels, to meet the targets set in the Paris Agreement.⁴⁰

In the US, transportation-related GHG emissions accounted for approximately 28% of the country's total GHG emissions in 2022, making it the largest source of GHG emissions, ahead of the electric power sector.⁴¹ In this context, the US government established a national target in 2021 to have 50% of all new passenger cars and light trucks sold to be zero-emission vehicles by 2030.⁴² In 2023, the US Department of Energy filed a notice of intent to invest USD 2 billion for Domestic Manufacturing Conversion Grants to provide funding for domestic EV manufacturing.^{43,44} Furthermore, in January 2024, the Department of Transportation and Energy announced USD 325 million to be invested with the purpose of increasing the reliability of publicly accessible chargers, strengthening EV technologies and supporting workforce development for EV charging deployment and maintenance.⁴⁵

³⁰ ISO, "ISO/IEC 27001:2022", at: <https://www.iso.org/standard/27001>

³¹ Loomis has shared its Information Security Policy confidentially with Sustainalytics.

³² Ibid.

³³ Loomis has shared its Data Privacy Policy confidentially with Sustainalytics.

³⁴ OHCHR, "UN Guiding Principles on Businesses and Human Rights", (2011), at:

https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

³⁵ OECD, "OECD Guidelines for Multinational Enterprises on Responsible Business Conduct", at: <https://mneguidelines.oecd.org/mneguidelines/>

³⁶ Loomis, "Code of Conduct", (2023), at: <https://www.loomis.com/-/media/CCDB3581D71C4D859E139110AED74EC7.ashx?download=yes>

³⁷ Loomis, "Integrity Line", at: <https://www.loomis.com/en/sustainability/our-approach/sustainable-governance>

³⁸ Ibid.

³⁹ IEA, "Cars and Vans", at: <https://www.iea.org/energy-system/transport/cars-and-vans>

⁴⁰ IPCC, "Sixth Assessment Report – Working Group III: Mitigation of Climate Change", at:

https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_Chapter10.pdf

⁴¹ EPA, "Sources of Greenhouse Gas Emissions", at: <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

⁴² US Federal Register, "Executive Order on Strengthening American Leadership in Clean Cars and Trucks", (2021), at:

<https://www.federalregister.gov/documents/2021/08/10/2021-17121/strengthening-american-leadership-in-clean-cars-and-trucks>

⁴³ US Department of Energy, "DOE Issues Notice of Intent to Accelerate Domestic Manufacturing of Electrified Vehicles as Part of President Biden's Investing in America Agenda", (2023), at: <https://www.energy.gov/mesc/articles/doe-issues-notice-intent-accelerate-domestic-manufacturing-electrified-vehicles-part>

⁴⁴ US Department of Energy, "Inflation Reduction Act of 2022", at: <https://www.energy.gov/lpo/inflation-reduction-act-2022>

⁴⁵ The White House, "FACT SHEET: Biden-Harris Administration Announces New Actions to Cut Electric Vehicle Costs for Americans and Continue Building Out a Convenient, Reliable, Made-in-America EV Charging Network", (2024), at: <https://www.whitehouse.gov/briefing->

In the EU, the transport sector was responsible for 25% of the bloc’s total GHG emissions in 2024.⁴⁶ To reduce GHG emissions from the sector, the European Commission introduced emissions performance standards for light and heavy duty vehicles in 2019,⁴⁷ in line with a target to reduce GHG emissions from the transport sector by 90% by 2050 compared to a 1990 baseline.⁴⁸ In 2021, the European Parliament amended the Renewable Energy Directive to set a target to increase the share of renewable energy sources in the transport sector’s energy use to 14% by 2030.⁴⁹

Based on the above, Sustainalytics is of the opinion that Loomis’ investments in enhancing fuel efficiency, fleet electrification, and route planning systems have the potential to significantly reduce the Company’s carbon footprint – specifically scope 1 and 2 GHG emissions – and contribute towards the decarbonization of the transportation sector in the markets where it operates.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The SLB is expected to help advance the following SDGs and targets:

KPI	SDG	SDG Target
Absolute Scope 1 and 2 GHG emissions (tCO ₂ e)	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Conclusion

Loomis intends to issue sustainability-linked bonds and loans tying their financial characteristics, such as a coupon or margin adjustment or premium payments, to achievement of the following SPTs:

- SPT 1a: Reduction of absolute scope 1 and 2 GHG emissions by 34% by 2027 from a 2019 baseline
- SPT 1b: Reduction of absolute scope 1 and 2 GHG emissions by 48% by 2030 from a 2019 baseline

Sustainalytics considers the KPI to be very strong given that: i) it is a direct measure of the Company’s performance on a material environmental issue; ii) it has a high scope of applicability; iii) it follows clear and consistent methodology that is externally defined; and iv) it lends itself to be benchmarked against recognized external GHG emissions reduction trajectories.

Sustainalytics considers Loomis’ SPTs 1a and 1b to be highly ambitious given that: i) they are above past performance; ii) they are aligned with peer performance; and iii) they are aligned with the SBTi’s 1.5°C scenario.

Sustainalytics considers the reporting and verification commitments to be aligned with the Sustainability-Linked Bond Principles 2023 and Sustainability-Linked Loan Principles 2023.

Based on the above, Sustainalytics considers the Loomis’ Sustainability-Linked Financing Framework to be in alignment with the five core components of the Sustainability-Linked Bond Principles 2023 and Sustainability-Linked Loan Principles 2023 and the prospective achievement of the SPTs to be impactful.

[room/statement/releases/2024/01/19/fact-sheet-biden-harris-administration-announces-new-actions-to-cut-electric-vehicle-costs-for-americans-and-continuebuilding-out-a-convenient-reliable-made-in-america-ev-charging-network/](https://www.loomis.com/statement/releases/2024/01/19/fact-sheet-biden-harris-administration-announces-new-actions-to-cut-electric-vehicle-costs-for-americans-and-continuebuilding-out-a-convenient-reliable-made-in-america-ev-charging-network/)

⁴⁶ European Environment Agency, “Transport and mobility”, (2024), at: <https://www.eea.europa.eu/en/topics/in-depth/transport-and-mobility>

⁴⁷ European Commission, “Road transport: Reducing CO2 emissions from vehicles”, at: https://climate.ec.europa.eu/eu-action/transport/road-transport-reducing-co2-emissions-vehicles_en

⁴⁸ European Environment Agency, “Transport and mobility”, (2024), at: <https://www.eea.europa.eu/en/topics/in-depth/transport-and-mobility>

⁴⁹ European Commission, “Renewable energy directive”, at: https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-directive_en

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