

# Second-Party Opinion

## Securitas Sustainability-Linked Finance Framework



### Evaluation Summary

Sustainalytics is of the opinion that the Securitas Sustainability-Linked Finance Framework aligns with the Sustainability-Linked Bond Principles 2024 and Sustainability-Linked Loan Principles 2023. This assessment is based on the following:

- Selection of Key Performance Indicators** The Securitas Sustainability-Linked Finance Framework defines the following KPIs: i) KPI 1: Absolute scope 1 and 2 GHG emissions; and ii) KPI 2: Absolute scope 3 GHG emissions. Sustainalytics considers the KPIs chosen to be very strong based on materiality, relevance, scope of applicability and comparability to external benchmarking.
- Calibration of Sustainability Performance Targets** Sustainalytics considers the SPTs to be aligned with Securitas' sustainability strategy. Sustainalytics further considers the SPTs to be highly ambitious based on past performance, peer performance and alignment with science-based trajectories.
- Financial Instruments Characteristics** Securitas will link the financial or structural characteristics of its sustainability-linked debt instruments to the achievement of the SPTs. A change in the financial or structural characteristics of each instrument will trigger an adjustment in the coupon, margin or the redemption price.
- Reporting** Securitas commits to report on an annual basis on its performance on the KPIs. Securitas commits to disclose relevant information that may affect the KPIs, such as recalculations, changes in methodology, qualitative and quantitative information related to the performance on the KPIs and the progress related to the SPTs.
- Verification** Securitas commits to engage an external verifier and provide a limited assurance report against each SPT for each KPI on the target observation date.

<b>Evaluation Date</b>	January 31, 2025
<b>Issuer Location</b>	Stockholm, Sweden

The SPTs contribute to the following SDGs:



### Overview of KPIs and SPTs

KPI	Baseline	Strength of KPI	SPT	Ambitiousness of SPT
KPI 1: Absolute scope 1 and 2 GHG emissions	2022	Very Strong	SPT 1: Reduction of absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 baseline	Highly Ambitious
KPI 2: Absolute scope 3 GHG emissions			SPT 2: Reduction of absolute scope 3 GHG emissions by 42% by 2030 from a 2022 baseline	

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## Scope of Work and Limitations

Securitas has engaged Sustainalytics to review the Securitas Sustainability-Linked Finance Framework dated January 2025 (the "Framework") and provide an opinion on its alignment with the Sustainability-Linked Bond Principles 2024 (SLBP)<sup>1</sup> and Sustainability-Linked Loan Principles 2023 (SLLP).<sup>2</sup>

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent<sup>3</sup> opinion on the alignment of the Framework with the SLBP and SLLP, as administered by ICMA.

As part of this engagement, Sustainalytics exchanged information with representatives of Securitas to understand the sustainability impact of its business processes and the SPTs, as well as the reporting and verification aspects of the Framework. Securitas'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;
- (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 Securitas. Sustainalytics' Second-Party Opinion assesses alignment of the Framework with current market standards but does not provide any guarantee of alignment nor warrants any alignment with future versions of such standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated SPTs but does not measure progress on the KPIs. This Second-Party Opinion is valid for issuances aligned with the Framework until one of the following occurs: i) a material change to the external benchmarks against which targets were set; ii) a material corporate action (such as a material M&A or change in business activity) which has a bearing on the achievement of the SPTs or the materiality of the KPIs. Measuring and reporting on KPIs and SPTs is the responsibility of the Framework owner.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related circumstances that Securitas may have disclosed to Sustainalytics for the purpose of this Second-Party Opinion.

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<sup>1</sup>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/>

<sup>2</sup>The Sustainability-Linked Loan Principles (SLLP) were jointly launched by LSTA, APLMA and LMA in March 2019, and subsequently amended in 2021, 2022, 2023 and 2024. They are administered by the LSTA and are available at: <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

<sup>3</sup>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. In addition, analyst compensation is not directly tied to specific commercial outcomes.

## Introduction

Securitas AB (“Securitas” or the “Group”) is an international provider of security services, technology solutions and risk management services, with operations in the Americas, Europe, Africa, Middle East, Asia and Oceania. Securitas was established in 1934 and has a workforce of more than 350,000 employees.<sup>4</sup>

Securitas intends to issue sustainability-linked debt instruments (bonds and loans) whose margin, coupon or the redemption amount is tied to the achievement of the SPTs for the selected KPIs related to GHG emissions.

Securitas has engaged Sustainalytics to review the Framework and provide an opinion on the alignment of the Framework with the Sustainability-Linked Bond Principles 2024 and Sustainability-Linked Loan Principles 2023. The Framework has been published in a separate document.<sup>5</sup>

Securitas has defined the following KPIs and SPTs:

**Table 1: KPI Definitions**

KPI	Definition
KPI 1: Absolute scope 1 and 2 GHG emissions (tCO <sub>2</sub> e)	<p>Scope 1 and 2 GHG emissions are measured in tonnes of carbon dioxide equivalent expressed in tCO<sub>2</sub>e, calculated using the GHG Protocol Standard.</p> <p>The KPI covers 100% of Securitas’ global scope 1 and 2 GHG emissions. Scope 1 GHG emissions comprise the Group’s direct GHG emissions. Scope 2 emissions comprise the Group’s indirect GHG emissions, including purchased electricity, heat or steam.</p>
KPI 2: Absolute scope 3 GHG emissions (tCO <sub>2</sub> e)	<p>Scope 3 GHG emissions are measured in tonnes of carbon dioxide equivalent expressed in tCO<sub>2</sub>e, calculated using the GHG Protocol Standard.</p> <p>The KPI encompasses emissions from categories 1 to 7 and categories 11 to 13 of scope 3 emissions, according to the GHG Protocol Standard. The KPI covers CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emissions.</p>

**Table 2: SPTs and Past Performance**

KPI	2022 (baseline)	2023	SPT 2030
KPI 1: Absolute scope 1 and 2 GHG emissions (tCO <sub>2</sub> e)	180,114	147,906	SPT 1: Reduction of absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 baseline
KPI 2: Absolute scope 3 GHG emissions (tCO <sub>2</sub> e)	2,032,330	1,807,345	SPT 2: Reduction of absolute scope 3 GHG emissions by 42% by 2030 from a 2022 baseline

<sup>4</sup> Securitas, “Annual and Sustainability Report”, at: [https://www.securitas.com/globalassets/com/press-releases-attachments/wkr0006\\_en\\_9a0db54f-a952-45a2-9434-98514087a3c3.pdf](https://www.securitas.com/globalassets/com/press-releases-attachments/wkr0006_en_9a0db54f-a952-45a2-9434-98514087a3c3.pdf)

<sup>5</sup> Securitas, “Securitas Sustainability-Linked Finance Framework”, at: <https://www.securitas.com/en/investors/>

## Sustainalytics' Opinion

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

Sustainalytics is of the opinion that the Securitas Sustainability-Linked Finance Framework aligns with the five core components of the Sustainability-Linked Bond Principles 2024 and Sustainability-Linked Loan Principles 2023.



#### 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 (tCO<sub>2</sub>e) and KPI 2: Absolute scope 3 GHG emissions (tCO<sub>2</sub>e)

The KPIs collectively address Securitas' GHG emissions, and the Group intends to link KPI 1 and KPI 2 collectively for all future issuances. Accordingly, Sustainalytics has taken a combined approach towards assessing the applicability of these KPIs.

Sustainalytics considers the KPIs to be highly material and relevant given that:

- Sustainalytics' ESG Risk Rating identifies Carbon - Own Operations<sup>6</sup> as a Material ESG Issue for companies in the Commercial Services industry. Companies in the security services subindustry require uninterrupted power supply for lighting, heating, ventilation and air conditioning, equipment use, computer and server use, food service and refrigeration.<sup>7</sup>
- The Sustainability Accounting Standard Board (SASB) does not identify GHG emissions as a material topic for the Professional & Commercial Services industry.<sup>8</sup> However, Sustainalytics notes that 98% of Securitas' 2023 revenue derive from its Security Services and Technology and Solutions business segments, which focus on manned guarding, mobile security, risk assessment services and electronic solutions.<sup>9</sup> These business segments contribute to environmental impacts primarily through their operational practices, with emissions generated from vehicles and other sources. Transportation is a significant contributor to emissions in service-based industries, and contributes an estimated 44% of total CO<sub>2</sub> emissions per unit processed.<sup>10,11</sup> For Securitas, its reliance on vehicle fleets for mobile security, manned guarding and risk assessments highlights the material impact of transport-related CO<sub>2</sub> emissions on its operations. Therefore, Sustainalytics considers KPI 1 and KPI 2 as relevant and material.
- In terms of applicability, KPI 1 covers Securitas' operating emissions, which accounted for approximately 7.6% of the Group's total scope 1, 2 and 3 emissions in 2023. KPI 2 covers emissions from categories 1 to 7 and categories 11 to 13 of scope 3 emissions,<sup>12</sup> representing approximately 92.4% of total scope 1,

<sup>6</sup> 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.

<sup>7</sup> Sustainalytics, "Commercial Services Industry Report", (2024)

<sup>8</sup> SASB, "Securitas AB", at: [https://sasb.ifrs.org/standards/materiality-finder/find/?company\[0\]=SE0000163594](https://sasb.ifrs.org/standards/materiality-finder/find/?company[0]=SE0000163594)

<sup>9</sup> Securitas "Full Year Report, Q3 2023 | January-December 2023", at: [https://www.securitas.com/globalassets/com/files/interim-reports/2023/q4/q42023\\_eng\\_final.pdf](https://www.securitas.com/globalassets/com/files/interim-reports/2023/q4/q42023_eng_final.pdf)

<sup>10</sup> Reconnaissance International Ltd, "Cash: A Road Map to Sustainability", (2023), at: [https://cclsecure.com/wp-content/uploads/2023/12/Currency-Research\\_COP26-Edition.pdf](https://cclsecure.com/wp-content/uploads/2023/12/Currency-Research_COP26-Edition.pdf)

<sup>11</sup> "Per unit processed" refers to the environmental impact, measured in CO<sub>2</sub> equivalents, associated with the lifecycle activities of handling, processing, and transporting a single unit of cash, such as a banknote or coin. This includes emissions generated during production, transportation, storage, distribution, and operational activities such as ATM usage and associated infrastructure.

<sup>12</sup> GHG Protocol, "Corporate Value Chain (Scope 3) Standard", at: <https://ghgprotocol.org/corporate-value-chain-scope-3-standard>

2 and 3 emissions in the same year. Altogether, KPI 1 and KPI 2 address 100% of Securitas’ total GHG emissions in 2023, indicating 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;<sup>13</sup> and iv) whether the methodology can be compared against an external contextual benchmark.<sup>14</sup>

Sustainalytics considers Securitas’ definition and methodology to calculate KPI 1 and KPI 2 to be clear, and notes that the Group started calculating its scope 1 and 2 emissions in 2011, and expanded its reporting to include all relevant categories from scope 3 emissions in 2022. Both KPIs follow the GHG Protocol’s Corporate Reporting Standard as the externally defined methodology. Furthermore, Sustainalytics notes that the KPIs facilitate comparison against an external science-based decarbonization trajectory, namely the Science Based Targets initiative’s (SBTi) cross-sector absolute reduction method. Sustainalytics also considers both KPIs to be directly linked to the Group’s sustainability performance on GHG emissions.

**Overall Assessment**

Sustainalytics considers KPI 1 and KPI 2 to be very strong because they: i) are a direct measure of Securitas’ performance on a material environmental issue; ii) have a high scope of applicability; iii) follow a clear and consistent methodology that is externally defined; and iv) lend themselves to be compared against a recognized external GHG emissions reduction trajectory.

KPI	Strength of KPI			
<b>KPI 1: Absolute scope 1 and 2 GHG emissions</b>	Not Aligned	Adequate	Strong	Very strong
<b>KPI 2: Absolute scope 3 GHG emissions</b>	Not Aligned	Adequate	Strong	Very strong



**Calibration of Sustainability Performance Targets**

**Alignment with Securitas’s Sustainability Strategy**

Securitas has set the following SPTs for its KPIs:

- SPT 1: Reduction of absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 baseline
- SPT 2: Reduction of absolute scope 3 GHG emissions by 42% by 2030 from a 2022 baseline

Sustainalytics considers the SPTs to be aligned with Securitas’ sustainability strategy.

Securitas has developed an environmental strategy to achieve its target of reducing absolute scope 1, 2 and 3 GHG emissions by 42% by 2030, using a 2022 baseline. This strategy focuses primarily on fleet modernization, improving energy efficiency in operations and implementing sustainable technology solutions. Securitas has in place a monitoring system to track the implementation of measures towards achieving its sustainability goals. In addition, Securitas has integrated climate targets into senior leadership’s long-term incentive programme.

Please refer to Section 2 for an analysis of the credibility of Securitas’ sustainability strategy.

**Strategy to Achieve the SPTs**

Securitas intends to achieve the SPT through the following strategy:

<sup>13</sup> 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.

<sup>14</sup> External contextual benchmarks are standards or points of reference established by recognized third-party organizations to facilitate comparability.

SPT 1: Reduction of absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 baseline

- **Accelerating the use of fossil-fuel free vehicles:** Some of the Group's sites, such as in Denmark, Norway, Sweden, the Netherlands, Finland and Germany, are adopting energy-efficient vehicles, or those powered by bio-fuel and electricity. Securitas has established targets to reduce GHG emissions from vehicles by 70% by 2030 in Sweden and install EV charging points at selected regional and head office premises.
- **Optimizing branch offices:** Securitas is working towards optimizing branch office operations to ensure clients are serviced by the nearest office, reducing employee travel time, fuel consumption and corresponding emissions. Additionally, employees are being trained in responsible driving to minimize fuel use.
- **Focusing on energy efficiency improvement:** Several of Securitas' sites are focusing on improving their energy efficiency, including by downsizing 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 sources, such as solar, wind and hydropower, for heating and cooling office buildings.
- **Employee engagement:** Securitas has implemented emissions reduction plans as part of its mandatory business planning process, featuring specific initiatives approved by leadership. Key initiatives include eco-driving training for employees in several countries, patrolling guards turning off lights and electrical equipment after office hours, and additional energy-saving measures within premises.

SPT 2: Reduction of absolute scope 3 GHG emissions by 42% by 2030 from a 2022 baseline

- **Investment and development of new technology:** Securitas invests in technology and electronic security to offer low-carbon services, and to leverage digitization and high-capacity telecom networks to enhance resource efficiency.
- **Offering low-carbon solutions and services:** Securitas offers energy-efficient solutions, including control systems, energy measuring, surveillance systems and security services to help businesses reduce their climate impact.
- **Engaging with strategic partners and clients:** Securitas collaborates with manufacturers in the security industry to gather detailed energy consumption data for the products it sells.

**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.<sup>15</sup>

Securitas has set 2022 as the baseline for the SPTs, as it represents the most recent year with comprehensive and accurate data for both KPIs. This follows a restatement of the 2022 emissions to ensure alignment with updated methodologies and reporting practices.<sup>16</sup>

SPT 1: Reduction of absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 baseline

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

<sup>15</sup> We refer here to contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.

<sup>16</sup> The 2022 emissions were restated due to improvements in data collection and methodology updates, as detailed in the Securitas Sustainability-Linked Finance Framework.

Regarding past performance, Securitas has reported a decrease in scope 1 and 2 emissions of 7.95% from 2019 to 2020, 8.04% from 2020 to 2021, and 17.88% from 2022 to 2023. To achieve the 2030 SPT, an average annual linear reduction of 5.25% is required, which is lower than the historical reduction rates observed.

SPT 1 was compared against five peers in the professional and commercial services industry, specifically in the security services sector. Securitas’ targets exceed the targets set by four other peers, and align with the targets set by one peer.

Regarding comparison with science-based references, Sustainalytics notes that SPT 1 is in line with the SBTi’s 1.5°C climate scenario, following the cross-sectoral absolute reduction method. The SPT implies an average linear annual reduction in absolute scope 1 and 2 GHG emissions of 5.25%, which is in line with the baseline-year dependent pace defined by the SBTi absolute reduction method for alignment with the 1.5°C decarbonization pathway.

SPT 2: Reduction of absolute scope 3 GHG emissions by 42% by 2030 from a 2022 baseline

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

Regarding past performance, Sustainalytics notes a decrease of approximately 11% in scope 3 emissions in 2023 compared to 2022 levels. Achieving the 2030 SPT requires an annual linear reduction rate of 5.25%, which is below the historical performance observed.

SPT 2 was compared against five peers in the professional and commercial services industry, specifically in the security services sector. Securitas’ targets exceed the targets set by three other peers, while others did not have any reported quantitative time-bound targets disclosed for the reduction of scope 3 emissions.

Regarding comparison with science-based references, Sustainalytics notes that SPT 2 is in line with the SBTi’s 1.5°C climate scenario. SPT 2 is in line with the baseline-year dependent pace of 5.25%, defined by the SBTi absolute reduction method the alignment with the 1.5°C decarbonization pathway.

**Overall Assessment**

Sustainalytics considers Securitas’ SPTs 1 and 2 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 climate scenario.

SPT	Ambitiousness of SPT			
SPT 1: Reduction of absolute scope 1 and 2 GHG emissions by 42 % by 2030 from a 2022 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 2: Reduction of absolute scope 3 GHG emissions by 42 % by 2030 from a 2022 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious



**Financial Characteristics**

The financial characteristics of the sustainability-linked debt instruments issued under the Framework will be linked to the achievement of the SPTs in the form of a coupon step-up or step-down, higher repayment amount or margin adjustments, which will be outlined in the relevant transaction documentation such as the offering circular, final terms or facility agreement. The transaction documents may include conditions under which SPTs might be recalculated such as changes in the calculation methodology or significant events impacting the Group structure.

Sustainalytics notes that Securitas can execute multiple sustainability-linked instruments under the Framework and that KPI 1 and KPI 2 will be jointly used for all debt issuances under the Framework.

Sustainalytics considers the financial characteristics of the sustainability-linked financial instruments 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

Securitas commits to report on an annual basis on its progress on the KPIs and expects to include the relevant figures in its Annual and Sustainability Report until the SPT target date of all outstanding instruments. Securitas further commits to disclose information such as: i) performance on the KPIs and any other relevant information related with its calculation, such as recalculations or changes in methodology (if applicable); ii) qualitative and quantitative information related to the performance on the KPIs and progress towards the SPTs, including updates on the Securitas' sustainability strategy, governance, sustainability impacts of performance improvements, and any other relevant information that enable investors to assess the ambition level of the SPTs; iii) any reassessments or restatement of KPIs or SPTs or pro-forma adjustments of baselines or KPI scope (if relevant); iv) new or proposed regulatory updates relevant to the KPIs and the SPTs, where applicable and feasible. The reporting commitments are aligned with the SLBP and SLLP.



## Verification

Securitas commits to engaging an external verifier to provide limited assurance report against each SPT for every KPI on the target observation date. The limited assurance report of the KPIs will be published in the Annual and Sustainability Report. The verification commitments are aligned with the SLBP and SLLP on verification.

## Section 2: Assessment of Securitas' Sustainability Strategy

### Credibility of Securitas' Sustainability Strategy

Securitas' sustainability strategy focuses on six areas: i) diversity, equity and inclusion; ii) health and safety; iii) learning and development; iv) environment; v) business ethics; and vi) community involvement.<sup>17</sup> Furthermore, in its 2023 double materiality assessment, Securitas identified the environment as one of its six key material topics.<sup>18</sup> To address environmental concerns, Securitas has committed to reducing its absolute scope 1, 2 and 3 emissions by 42% by 2030 compared to its 2022 emissions levels.<sup>19</sup> These reduction targets were validated by the Science Based Targets initiative (SBTi) in 2023 and are aligned with the 1.5°C scenario set by the Paris Agreement.<sup>20</sup>

To meet its scope 1 and 2 targets, the Group plans to reduce emissions from its vehicle fleet and optimize branch office locations to reduce travel time and associated emissions.<sup>21</sup> Securitas increased the share of non-fossil fuel vehicles in its fleet by 43% in December 2023 compared to December 2022 through investments in electric and plug-in hybrid vehicles.<sup>22,23</sup> To improve the energy efficiency of its business operations, Securitas intends to downsize or relocate its offices to buildings with better energy performance, and transition to renewable energy sources for heating and cooling, including solar, wind and hydropower.<sup>24</sup>

Scope 3 emissions represented 92.4% of the Group's total emissions in 2023, making them a priority area for reduction. Securitas plans to use technology to deliver low-carbon solutions to clients, such as energy-efficient control systems, energy measurement tools, surveillance systems and other security solutions. Additionally, Securitas engages with its suppliers to encourage energy efficiency and carbon reduction practices.<sup>25</sup> To build on these efforts, Securitas is collaborating with strategic partners to

<sup>17</sup> "Securitas Sustainability-Linked Finance Framework" available on Securitas' website at <https://www.securitas.com/en/investors/>.

<sup>18</sup> Securitas, "Annual and Sustainability Report", (2023), at: [https://www.securitas.com/globalassets/com/files/annual-reports/eng/securitas\\_ar2023\\_eng.pdf](https://www.securitas.com/globalassets/com/files/annual-reports/eng/securitas_ar2023_eng.pdf)

<sup>19</sup> Securitas, "Commitments, indices and ratings", at: <https://www.securitas.com/en/sustainability/commitments-indices-and-ratings/>

<sup>20</sup> Ibid.

<sup>21</sup> "Securitas Sustainability-Linked Finance Framework" available on Securitas' website at <https://www.securitas.com/en/investors/>.

<sup>22</sup> Sustainalytics notes that the increase is primarily due to the inclusion of vehicles from the acquired Stanley Security entities, which were not part of the 2022 reporting.

<sup>23</sup> Securitas, "Annual and Sustainability Report", (2023), at: [https://www.securitas.com/globalassets/com/files/annual-reports/eng/securitas\\_ar2023\\_eng.pdf](https://www.securitas.com/globalassets/com/files/annual-reports/eng/securitas_ar2023_eng.pdf)

<sup>24</sup> "Securitas Sustainability-Linked Finance Framework" available on Securitas' website at <https://www.securitas.com/en/investors/>.

<sup>25</sup> Ibid.

incorporate GHG emissions data into sales proposals in the US and Canada, with plans to expand this initiative to Europe in 2025. Additionally, the Group is collaborating with clients to implement shared transportation solutions aimed at reducing commuting-related emissions.

Securitas' sustainability strategy is governed by its board of directors, with the president and CEO responsible for defining and implementing sustainability policies. The Executive Sustainability Committee (ESC), chaired by the CEO and including divisional presidents and functional heads, oversees sustainability decision-making and initiatives. Securitas' chief ethics and sustainability officer leads the ESC's ongoing efforts.<sup>26</sup>

Securitas reports its sustainability performance referencing the Global Reporting Initiative (GRI) standards. The Group has reported its scope 1 and scope 2 emissions to the Carbon Disclosure Project (CDP) since 2011 and in 2022 expanded its reporting to include all relevant categories in scope 3 emissions.<sup>27</sup> As a signatory to the UN Global Compact, the Group aligns its operations with the Rio Declaration's precautionary principle to addresses risks of significant or irreversible environmental harm.<sup>28,29</sup>

Sustainalytics is of the opinion that the Securitas Sustainability-Linked Finance Framework is aligned with the Group's overall sustainability strategy and initiatives and will further the Group's action on its key environmental priorities.

### **Securitas's Environmental and Social Risk Management**

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

Sustainalytics comments below on Securitas ability to mitigate such potential risks.

- To ensure the occupational health and safety of its employees, Securitas has implemented a Group Health and Safety (H&S) policy based on ISO 45001.<sup>30,31</sup> The H&S policy outlines key measures such as risk assessments, targeted employee training, and injury and incident reporting to address physical and mental health safety.<sup>32</sup> Frontline employees receive emergency response training, including first-aid, CPR and fire safety for readiness in critical situations.<sup>33</sup> For special assignments requiring heightened security, employees with specialist training and appropriate licensing are authorized to carry weapons.<sup>34</sup> Securitas implements H&S initiatives across all operating countries, with 56% of its operations certified by ISO 45001.
- Regarding risks associated with business ethics and human rights, Securitas' Values and Ethics code provides a framework for ethical conduct for its employees.<sup>35</sup> The Values and Ethics code covers risks such as human rights, legal compliance, anti-corruption and fair competition. It also includes guidelines on child and forced labour, money laundering and conflicts of interest.<sup>36</sup> The Group's Anti-Bribery and Anti-Corruption policy outlines measures to address gifts, entertainment and conflicts of interest, including employee training and monitoring to comply with laws such as the US Foreign Corrupt Practices Act and the UK Bribery Act.<sup>37,38,39,40</sup> Securitas' human rights policy requires compliance with

<sup>26</sup> Ibid.

<sup>27</sup> Securitas, "Annual and Sustainability Report", (2023), at: [https://www.securitas.com/globalassets/com/files/annual-reports/eng/securitas\\_ar2023\\_eng.pdf](https://www.securitas.com/globalassets/com/files/annual-reports/eng/securitas_ar2023_eng.pdf)

<sup>28</sup> Ibid.

<sup>29</sup> UN General Assembly, "Report of The United Nations Conference on Environment and Development, Annex I, Rio Declaration On Environment and Development", at: [https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A\\_CONF.151\\_26\\_Vol.I\\_Declaration.pdf](https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_CONF.151_26_Vol.I_Declaration.pdf)

<sup>30</sup> Securitas shared its Group Health and Safety Policy with Sustainalytics confidentially.

<sup>31</sup> ISO, "ISO 45001 Occupational health and safety management systems", at: <https://www.iso.org/obp/ui/en/#iso:std:iso:45001:ed-1:v1:en>

<sup>32</sup> Securitas, "Annual and Sustainability Report", (2023), at: [https://www.securitas.com/globalassets/com/files/annual-reports/eng/securitas\\_ar2023\\_eng.pdf](https://www.securitas.com/globalassets/com/files/annual-reports/eng/securitas_ar2023_eng.pdf)

<sup>33</sup> Ibid.

<sup>34</sup> Ibid.

<sup>35</sup> Securitas, "Values and Ethics Code", at: [https://www.securitas.com/globalassets/com/files/sustainability-files/securitas\\_values\\_and\\_ethics\\_code\\_may\\_2023.pdf](https://www.securitas.com/globalassets/com/files/sustainability-files/securitas_values_and_ethics_code_may_2023.pdf)

<sup>36</sup> Ibid.

<sup>37</sup> Ibid.

<sup>38</sup> US Department of Justice, "Foreign Corrupt Practices Act", at: <https://www.justice.gov/criminal/criminal-fraud/foreign-corrupt-practices-act>

<sup>39</sup> UK Government, The National Archives, "Bribery Act 2010", at: <https://www.legislation.gov.uk/ukpga/2010/23/contents>

<sup>40</sup> Securitas, "Group Anti-Bribery and Anti-Corruption Policy", at: <https://www.securitasecuador.com/globalassets/colombia/politicas/2024-group-anti-bribery-and-anti-corruption-policy.pdf>

international standards and due diligence measures regarding fair compensation, workplace safety, non-discrimination and the elimination of child and forced labour, setting processes to monitor and address these issues.<sup>41</sup>

- To mitigate risks related to data privacy and security, Securitas has implemented measures in line with the General Data Protection Regulation (GDPR).<sup>42</sup> The Group's Values and Ethics code outlines its responsibility to manage data in compliance with applicable privacy and data protection laws.<sup>43</sup> The Group's Privacy & Responsible AI Policy includes appointing data protection officers and conducting privacy risk assessments and data protection impact assessments for high-risk activities.<sup>44,45</sup> The Group's Privacy Notice outlines practices for collecting, using and sharing personal data, and employs both organizational and technical safeguards such as encryption, anonymization and pseudonymization to prevent unauthorized access or disclosure of personal data. Additionally, the workplace Data Privacy Policy for Securitas provides employees with guidelines on handling sensitive information and prohibits sharing confidential client and operational data.<sup>46</sup>

Overall, Sustainalytics considers that Securitas has adequate policies and processes in place 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

Vehicular emissions account for the majority of Securitas' scopes 1 and 2 GHG emissions, which are under the Group's operational control. Transportation is the fastest-growing source of GHG emissions and is projected to account for more than 30% of total GHG emissions in the future.<sup>47</sup> In the service-based industries, transportation alone accounts for 44% of total CO<sub>2</sub> emissions per unit processed.<sup>48</sup> In order to achieve the goals outlined in the Paris Agreement, the Intergovernmental Panel on Climate Change (IPCC) projects that emissions from the transportation sector alone must be reduced by 70-80% by 2050 as compared to 2015 levels.<sup>49</sup>

In 2022, private cars and vans were responsible for 10% of global energy-related CO<sub>2</sub> emissions and more than 25% of global oil consumption.<sup>50</sup> Furthermore, in the US, transportation-related GHG emissions were the largest emitting source, responsible for 28% of the country's total GHG emissions.<sup>51</sup> In 2021, the US government set a goal for 50% of all new passenger cars and light trucks sold to be zero-emission vehicles by 2030.<sup>52</sup> Following this, in 2023, the US Department of Energy announced plans to invest USD 2 billion through domestic manufacturing conversion grants to support domestic EV production.<sup>53,54</sup> In Europe, the European Parliament amended the Renewable Energy Directive in 2021 setting a target to increase the share of renewable energy sources in the transport sector's energy use to 14% by 2030.<sup>55</sup> As it stands, global investments of USD 2.7 trillion per

<sup>41</sup> Securitas, "Group Human Rights Policy", at: <https://www.securitasecuador.com/globalassets/colombia/politicas/2024-group-human-rights-policy.pdf>

<sup>42</sup> European Union, "Regulation (EU) 2016/679", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02016R0679-20160504>

<sup>43</sup> Securitas, "Values and Ethics Code", at: [https://www.securitas.com/globalassets/com/files/sustainability-files/securitas\\_values\\_and\\_ethics\\_code\\_may\\_2023.pdf](https://www.securitas.com/globalassets/com/files/sustainability-files/securitas_values_and_ethics_code_may_2023.pdf)

<sup>44</sup> Securitas shared its Group Privacy & Responsible AI Policy with Sustainalytics confidentially.

<sup>45</sup> Ibid.

<sup>46</sup> Securitas, "Data privacy policy for Securitas Workplace", at: <https://www.securitas.com/en/about-us/data-privacy-policy-for-securitas-workplace/>

<sup>47</sup> UN Environment Programme, "Supporting the global shift to electric mobility", at: <https://www.unep.org/topics/transport/electric-mobility/supporting-global-shift-electric-mobility-0>

<sup>48</sup> Reconnaissance International Ltd, "Cash: A Road Map to Sustainability", (2023), at: [https://cclsecure.com/wp-content/uploads/2023/12/Currency-Research\\_COP26-Edition.pdf](https://cclsecure.com/wp-content/uploads/2023/12/Currency-Research_COP26-Edition.pdf)

<sup>49</sup> 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](https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_Chapter10.pdf)

<sup>50</sup> IEA, "Cars and Vans", at: <https://www.iea.org/energy-system/transport/cars-and-vans>

<sup>51</sup> US Environmental Protection Agency, "Sources of Greenhouse Gas Emissions", at: <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

<sup>52</sup> 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>

<sup>53</sup> 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>

<sup>54</sup> US Department of Energy, "Inflation Reduction Act of 2022", at: <https://www.energy.gov/lpo/inflation-reduction-act-2022>

<sup>55</sup> European Commission, "Renewable energy directive", at: [https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-directive\\_en](https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-directive_en)

year from 2016 to 2030 will be needed to achieve low-carbon transport pathways, with 30-40% of these investments in non-emerging economies.<sup>56</sup>

Based on the above, Sustainalytics is of the opinion that Securitas’ investments under the Framework have the potential to reduce the Group’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 SDG and targets:

KPI	SDG	SDG Target
KPI 1: Absolute scope 1 and 2 emissions	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	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
KPI 2: Absolute scope 3 emissions	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	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**

Securitas intends to issue sustainability-linked bonds and obtain sustainability-linked loans tying their financial or structural characteristics to achievement of the following SPTs:

1. SPT 1: Reduction in scope 1 and 2 GHG emission by 42% by 2030 from a 2022 base year
2. SPT 2: Reduction in scope 3 GHG emissions by 42% by 2030 from a 2022 base year

Sustainalytics considers KPI 1 and KPI 2 to be very strong because they: i) are a direct measure of Securitas’ performance on a material environmental issue; ii) together have a high scope of applicability; iii) follow a clear and consistent methodology externally defined; and iv) lend themselves to be benchmarked against a recognized external GHG emissions reduction trajectory.

In addition, Sustainalytics considers Securitas’ SPTs 1 and 2 to be highly ambitious because: 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.

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

<sup>56</sup> SLOCAT, “ Financing Climate Action in Transport ”, at : <https://tcc-gsr.com/financing/#:~:text=Globally%2C%20investments%20of%20USD%202.7,these%20investments%20in%20emerging%20economies>

Based on the above, Sustainalytics considers the Securitas Sustainability-Linked Finance Framework to be in alignment with the five core components of the Sustainability-Linked Bond Principles 2024, Sustainability-Linked Loan Principles 2023 and the prospective achievement of the SPTs to be impactful.

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