



# Sustainability Report 2017

Managing **cash** in society.



VEHICLE ALARM  
If more than  
seconds of  
This door is  
TIME DELAY



Report Framework

10



Employee Sustainability

18



Social Sustainability

24



Environmental Sustainability

34

## Contents

President's Statement	4
Loomis in Short	6
This is Loomis	8
Report Framework	10
Executive Summary of Part 1—4	16
<b>Part 1: Employee Sustainability</b>	<b>18</b>
Impact of Loomis' Operations on its Employees	
<b>Part 2: Social Sustainability</b>	<b>24</b>
Loomis on Social and Human Rights	
<b>Part 3: Anti-Corruption</b>	<b>30</b>
Loomis on Anti-Corruption and Anti-Bribery	
<b>Part 4: Environmental Sustainability</b>	<b>34</b>
Loomis' Impact on the Environment	
Loomis Around the Globe in 2017	42
Goals and KPI Summary	46
2017 Tables	48
Guiding Policies and Instructions	54
Report Framework: Extended Version	55
GRI Index	58
Board of Directors' and Auditor's Statement	66
Come work at Loomis	67



# The Road Forward for Loomis

Loomis is a SEK 17,2 billion business that ensures a smooth ecosystem of cash and valuables in communities in more than 20 countries. To make all this work I want to emphasize the rigorous risk and safety management involved, the input of our employees and the trust invested in us.

In a competitive market, our customers are constantly renewing their vote of confidence in us because Loomis delivers on its word. We walk the talk thanks to our employees, our operational excellence, our integrity and our ability to be a local player.

When we in 2017 introduced sustainability as part of our strategic roadmap for 2018–2021, it is because of our belief in the triple bottom line: achieving sustainability by balancing long-term profitability, social justice and environmental protection. For Loomis to achieve this balance we need to be aware of consequences, and to visualize, track and report on our impacts.

When I look at what Loomis has done so far, it is clear that the non-negotiable need for trust has been a fundamental incentive to pursue the triple bottom line and integrate it into our core business. The *social* side has focused on training, ethics and safety. Fuel reduction and eco driving are factors on the *environmental* side, and cost-efficiency and successful risk management on the *economic* side.



In 2017 we created a platform that will allow for a more proactive and conscious way of working on sustainability. The foundation of this new platform is the integration of sustainability goals into the strategic roadmap for 2018–2021. We also developed, and added on, an extensive set of KPIs that encompass and mirror our motivation to keep our employees safe, be a fair employer, manage risk, lower our environmental impact and earn the trust of our customers. The KPIs will help to monitor and transparently report on our progress. Our sustainability goals are:

## 1 Zero workplace injuries

Our proactive risk and safety management is aimed at keeping our employees safe and ensuring the constant flow of cash and valuables in society. This is the most important part of our job. The goal to have zero workplace injuries may at times be affected by matters that are beyond our control, but we cannot strive for anything less. It sets a clear standard for us at Loomis and sends a clear message to our customers, stakeholders and to the industry as a whole.

## 2 Decrease carbon emissions by 30 percent

Our emissions mainly originate from vehicles transporting cash and valuables within cities, between cities and sometimes internationally. Partly, they also come from energy consumption, the production of plastic bags and business travel. Regardless of origin, efforts are now being made to decrease the total volume by 30 percent overall during the period 2018–2021.

## 3 Decrease plastic volumes by 30 percent

Cash is transported in sealed, specially made plastic bags from fossil sources. This is obviously not a sustainable road forward for this type of business, and it is thus something we are prepared to go a long way to change.

With the new sustainability platform and roadmap for 2018–2021 my colleagues and I are empowered by the clarity of the goals. Starting with the report for 2018 we will be able to show steps towards real change across the entire value chain. We will take great pride in watching the impact of our efforts and how they create ripples in the industry. This is why we will continue to be a major player in the industry.

We are ready to sustainably transform the cash ecosystem!

Stockholm, April 3 2018

Patrik Andersson  
President and CEO



Settling for less is  
**out of the question**

**0**

Workplace  
injuries



Taking the high road  
**to decrease our  
carbon emissions**

**30%**

Reduction of  
carbon emissions  
by 2021



Plastic should be made  
of recycled materials  
**or come from biomass  
sources**

**30%**

Reduction of  
plastic volumes  
by 2021

# Loomis in Short



**Loomis improves efficiency in the flow of cash in society.**

Loomis' mission is to secure the supply of cash in society. Cash in Transit (CIT) teams make sure that ATMs are replenished and that bank offices and stores have the amount of cash they need.

The general public withdraws cash from ATMs and bank offices to spend in for example stores and restaurants.

Loomis collects daily receipts and cash from stores, restaurants, service boxes, deposit boxes and





SafePoint units and transports it to cash centers. There, Loomis employees use modern equipment to count and quality-assure bills and coins with industrial efficiency.

The funds are then deposited in the customers' bank accounts.

The bills and coins are packaged and recirculated in the community as quickly as possible.

Through the International segment, Loomis offers cross-border transportation and management of cash and valuables. This enables Loomis

to ensure the safe flow of cash and valuables over national borders and between continents.

# This is Loomis

Loomis is a SEK 17,2 billion business that ensures a smooth ecosystem for cash and valuables in communities in Europe, the USA and South America every day of the year.

To ship a ton of gold from Hong Kong to Dubai, to pick up cash floats in Prague and Paris, and to refill ATMs in Buenos Aires and Houston. That is one perspective of our business. Much less obvious is the rigorous risk and safety management involved, the input of 24 000 employees and the capital of trust it takes to successfully operate Loomis.

## A smooth ecosystem

Loomis ensures that cash circulates quickly and safely. The general public withdraws cash from ATMs and banks for spending. Loomis collects daily receipts and cash from stores, restaurants, service boxes, deposit boxes and SafePoint<sup>1</sup> units and transports it to Loomis cash centers for counting and quality assurance. The value is deposited in the customers' bank accounts, and the cash is packaged and recirculated in the community. In addition to this national core service, Loomis also offers cross-border transport, management and storage of cash and valuables (such as art and precious metals).

## Customers and service offering

The customers of Loomis are first and foremost to be found within the banking sector and the retail industry. The demand for efficient cash handling is high among central banks, large commercial banks, large ATM operators, retail chains and smaller enterprises. Loomis offers a wide range of solutions for cash in transit (CIT), cash management services (CMS), and international valuable logistics. Loomis operates in more than 20 countries<sup>2</sup> and has about 400 branches.

## Central to understanding Loomis

Loomis assumes significant risk and responsibility when customers hand over their assets. This is central to understanding our business. It's a risk-exposed business and the customers' trust is always the most important factor in Loomis remaining a sustainable business. Each and every day we must prove that we deserve that trust. The solution is twofold:

1. Efficient processes
2. Ethical standards

## 1 Efficient processes

We must maintain excellent quality at all times in all of our services in order to guarantee that the right amount of cash and other valuables will be in the right place at the right time.

Efficient processes are mainly secured by our global business model: we are organized into 400 independent branches across the Americas, Europe and some in Asia. Customer expectations, legislative requirements, market risks and the level of technological development may vary between countries, but the branches operate according to group-wide practices. Our flat, decentralized organizational structure requires uniform business processes and fundamental principles for how we organize and lead the business. Loomis' approach to this is the Loomis Model, a dynamic blueprint proven to provide synergies and facilitate successful operational management of the branches.

## 2 Ethical standards

It is crucial that we incorporate our values into our work for the customer in order to sustain long-term relationships and business.

At the heart of the Loomis Model is our Code of Conduct, which provides ethical and compliance guidelines for all of us at Loomis. Implementation and practice of the Code is the responsibility of each Country President. When we are successful in communicating and living by the Code, it serves its purpose: to promote a consistent culture of trust based on integrity and respect in order to reduce unethical behavior and misconduct. It is therefore in our interest to ensure we live by the Code. If we do not, we will not be successful in our business.

## Raised expectations

In our roadmap and strategy for 2018–2021, Loomis' goal is to lead the transformation of the cash ecosystem. Loomis will grow by accelerating its core business and will move up the value chain through new technology that combines physical and digital capabilities as well as a broader spectrum of services.

<sup>1</sup> SafePoint is a cash deposit solution for retailers.

<sup>2</sup> Argentina, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Dubai, Finland, France, Germany (from 2018), Hong Kong, Norway, Portugal, Shanghai in China, Singapore, Slovakia, Spain, Sweden, Switzerland, Turkey, the UK and the US.



# Loomis Operations



## Cash in Transit

CIT

Loomis transports cash to and from stores, banks and ATMs every day. Loomis collects daily receipts, provides retailers and banks with change and foreign currency, replenishes ATMs, and services and performs maintenance on ATMs. Loomis' CIT teams work according to carefully prepared routines to minimize the risk associated with cash handling, and have vehicles and equipment that provide maximum safety and security.

## Cash Management Services

CMS

Daily receipts and cash from retailers, bank offices and ATMs are normally transported to one of the more than 200 cash centers where Loomis' employees, using efficient processes and state-of-the art equipment, count, quality assure, store and package bills and coins. Loomis also provides services for analysis, forecasting and reporting of customer cash flows. Loomis' efficient methods and large-scale operations reduce customers' cash management costs.



## International Services

International

Loomis manages, stores and transports cash, precious metals and other valuables such as watches, jewelry, art and credit cards, between two or more countries. Loomis organizes the entire chain by collecting cash, precious metals and other valuables, providing cross-border transportation, customs clearance assistance and temporary or long-term storage, before finally delivering the valuables to an end-recipient.

## Safe Point

SafePoint is a comprehensive solution developed by Loomis for retailers. The customer deposits receipts on an ongoing basis in the secure SafePoint unit where it is registered and safely stored. The cash is then collected by Loomis CIT. The SafePoint concept varies from country to country, but in all cases the customer's bank account is credited no later than the day after the cash is deposited in the SafePoint unit. This improves the customer's liquidity and cash flow.



# Report Framework

Loomis' Sustainability Report 2017 covers the sustainability footprint of our operations in more than 20 countries during the 2017 calendar year. The report also contains information relating to the sustainability roadmap for 2018–2021, established in 2017.

The report is provided in accordance with the Swedish Annual Accounts Act and the European Directive on Disclosure of Non-Financial and Diversity Information. In line with GRI<sup>1</sup> methodology, Loomis has, in a series of interrelated steps in 2016 and 2017, completed a process to identify its material sustainability aspects as described below and in further detail on page 55.

Also in line with regulations, this report provides information on relevant, current and foreseeable consequences relating to our business model, policies, risks and KPIs, and impacts caused directly, or contributed to, by the value chain.

## 1 Self-evaluation

In 2016 we conducted a thorough self-evaluation and identified various aspects of our business that have social, environmental and economic impact across the value chain. Below are the major aspects we found to be material, and that we directly affect.

- **Social.** Employee health and safety, values and ethics, guiding principles for equal rights and fair pay, labor conditions, security equipment and training, stakeholder dialogue and contribution to local social projects.
- **Environmental.** Carbon emissions, plastic volumes, fuel- and energy sources and usage, truck routing and eco driving.
- **Economic.** Cost efficiency, price and product offering, wear & tear of assets, service quality, trust and reliability, risk and safety management, and logistics-, fleet- and time management.

The process validated priority material aspects to be risk and safety management, carbon emissions, plastic volumes, trust and reliability, ethics, logistics and to be a fair opportunity employer.

## 2 Stakeholder perspective

Part of the self-evaluation was to identify Loomis' key stakeholders to collect their input, and develop an understanding, of Loomis' material impacts. The five main stakeholder groups were determined to be customers, employees, authorities, board of directors and suppliers. In 2016/17 an e-survey directed to external stakeholders in 15 countries was conducted. Employees are routinely asked for their opinion on sustainability in the bi-annual

employee survey. Results were compiled during spring 2017 and an impact assessment conducted, resulting in a materiality analysis that determines which social, environmental and economic impacts are material to Loomis.

## 3 Materiality analysis and its results

The materiality matrix, based on insight from the 2016 stakeholder surveys and self-evaluation process, describes the outcome of the assessment of Loomis' material social, environmental and economic matters. The upper right corner signals Loomis' most material aspects. Each one of those issues are presented in-depth in this report.

In 2017 the materiality analysis was validated through a series of qualitative follow-up interviews and dialogues with customers in 12 countries. Throughout this report customer quotes, collected during the interviews, capture their view on sustainability matters.

As a result of the materiality assessment process, and effective from 2018, sustainability is integrated into Loomis' financial targets for 2021. The three targets — zero workplace injuries<sup>2</sup>, reduction of carbon emissions by 30% and reduction of plastic volumes by 30% — were selected as they have substantial impact on the balance between Loomis' social, environmental and economic sustainability.

In 2017 extensive work has also been undertaken to develop and integrate a comprehensive set of relevant and transparent KPIs, corresponding to the results of the materiality analysis, the legal compliance areas as well as Loomis sustainability targets. Loomis sustainability report platform is described in Step 5.

<sup>1</sup> GRI is an independent international organization that has pioneered corporate sustainability reporting since 1997. The GRI Sustainability Reporting Standards are the latest evolution of the GRI's sustainability reporting framework, published in October 2016. For GRI Index to this report see page 58.

<sup>2</sup> Injury occurring when on duty for Loomis and needing medical treatment.

# Loomis' Materiality Matrix







#### 4 Loomis approach to challenges

All companies seek growth. Loomis' challenge is therefore not unique; when our business grows, our social, environmental and economic impact also grows. It grows primarily via increased fleet size, more kilometers driven, a greater number of employees, increased transport and travel volumes, an increase in plastics used in operations and higher energy consumption. The challenge is to grow sustainably; to ensure that steps forward are conscious steps that balance long-term profitability, social justice and environmental protection.

In particular, we are addressing the challenge of bringing about a substantial decrease in Loomis' overall carbon dioxide emissions and plastic volumes when both are by default connected to increased volumes as our business grows. To eliminate this underlying contradiction, it is vital to choose a viable method. Should we measure our efforts to reduce Loomis' carbon emissions and plastic volumes in absolute or in relative terms?

Our choice of method is to link to, and report on, Loomis' reduction efforts and goals in relation to an intrinsic business KPI: our operational volumes. It is the sum of all customer interactions in the form of number of counted bags and the number of pickups, deliveries and shipments. This method will lead to increased transparency regarding results that might not otherwise show in absolute terms when the business grows according to the new financial targets and plan.

Another question has been how to factor in the importance of the different sources of carbon emissions — vehicle emissions, energy consumption and plastic bag production. The materiality analysis and the internal numbers demonstrate that the bulk of our environmental impact comes from vehicle emissions, defined as Scope 1<sup>1</sup>. However, we have chosen to attribute the same importance to our energy- and plastic consumption and will therefore include those numbers as if they were Scope 1.

To follow development over time and not impair business growth, all major activities to reduce carbon emissions will be measured and reported on in relation to operational volumes.

<sup>1</sup> According to the Greenhouse Gas Protocol (GHG protocol) Scope 1 emissions include all direct emission sources where the organization has operational control. More on page 55.

<sup>2</sup> The report on Loomis' financial performance and financial targets for accelerated growth, increased margins and dividend to be found in the 2017 Annual Report.

#### 5 Report platform 2017—2021

In order to establish a sustainability platform upon which to build a long-term report structure we have defined report content and topic boundaries according to the most material matters in the materiality analysis and mapped them up against the legal requirements and Loomis' sustainability targets. The outcome is illustrated in the matrix to the right. This is the platform and framework for Loomis' sustainability reporting<sup>2</sup> on the consequences of our business as of this year's report, and to be maintained until 2021 unless otherwise decided.

- On the far left — Loomis three sustainability targets.
- In the middle — Loomis material aspects and legal topics.
- On the far right — The new set of sustainability KPIs, all chosen on the basis of being strong contributors to measure and monitor our progress on material aspects during 2018—2021. To spur action each KPI has a sub-goal attached. Performance tools to support the collection of relevant data are employee- and stakeholder surveys, an advanced fleet software system, e-learning and training, monitoring of energy, fuel and plastic consumption and a continuous stakeholder dialogue.

Each country and local management is committed to help Loomis achieve the goals, and regularly report in to Loomis AB, the parent company of the group, on efforts and performance data. Please find a summary of KPIs and tables on page 46.

#### Please note

This year's report is missing data for some KPIs and for both environmental goals. This is a consequence of having set up the report platform during the latter part of the year. However, Loomis sustainability work is in process and ongoing. The ambition is to populate all tables with data in the 2018 report.



## Loomis Report Platform

### Sustainability targets

**0**

Workplace injuries

**30%**

Reduction of carbon emissions by 2021

**30%**

Reduction of plastic volumes by 2021

### Funneling material aspects with the four legal areas of compliance

#### Part 1: Employees

Loomis focus areas:

- Proactive health and safety work
- Proactive risk management
- Balance profitability against risk of theft and robbery

#### Part 2: Social and Human Rights

Loomis focus areas:

- Be a fair and equal opportunity employer
- Provide a safe workplace
- Develop our employees

#### Part 3: Anti-Corruption and Anti-Bribery

Loomis focus areas:

- Constant efforts to develop our integrity management
- 100% of all employees take the e-learning course annually on Code of Conduct and Anti-Bribery Policy
- Zero tolerance for fraudulent behavior

#### Part 4: Environment

Loomis focus areas:

- Reduce carbon emissions
- Identify smarter and renewable energy sources
- Reduce new and fossil plastic volumes

### Main sustainability KPIs

- Number of workplace injuries
- Employee perception and rating of statement: Loomis' procedures and standards are designed to keep me safe during operations
- Safe driving: Number of traffic accidents/total 1 000 kilometers driven

- Employee perception and rating of statement: At Loomis we are treated fairly regardless of age, ethnicity, gender, sexual orientation and disabilities
- Employee perception and rating of statement: I believe Loomis is a fair opportunity and responsible employer
- Customer perception and rating of statement: I believe Loomis is a fair, equal and responsible employer and member of society

- Customer perception and rating of statement: Loomis is a trusted partner
- Number of employees yearly taking the e-learning course on Code of Conduct and Anti-Bribery
- 100% follow-up on report of fraudulent behavior

- Carbon emissions: % change in total CO<sub>2</sub> / operational volumes
- Material: % change in amount non-fossil and/or recycled plastic/total volume plastic
- Energy consumption: % change in energy consumption/m<sup>2</sup>



Our focus is to work proactively with risk management in order to **excel in providing a safe work environment for our employees.**





**“Loomis has serviced us for 5 years. Their performance on risk and safety is superior, and the dialogue with our KAM is great.”**

**Magnus Wikström**  
Systembolaget, Sweden

**“We agree with Loomis’ materiality analysis. We look forward to a report on your actions.”**

**Fabian Liey**  
Group Procurement,  
BNP Paribas, France

**“Loomis takes sustainability issues seriously and is a reliable service provider in this aspect. The quality of the services is very stable and on a high level.”**

**Kaisa Lindholm**  
Operations Manager  
Rekla Oy, Finland

# Executive Summary

In the following four parts we present relevant, current and foreseeable consequences of Loomis' local and global operations on employees, social and human rights-related matters, anti-corruption and anti-bribery and environmental matters. To promote a full understanding of our business, we refer in the report to Loomis' business model, policies, risks and KPIs. Here follows an executive summary of the information.



Foto: Jehan Topel

## Part 1: Employee Sustainability

Loomis operates in communities ensuring the constant circulation of cash and valuables every day. The task of mitigating risk and keeping all people and property safe and secure every day is a huge undertaking and challenge. How we perform has a material impact on and consequences for not only our employees but also society at large, and for the sustainable prosperity of Loomis as a company.

To sustainably manage the impact we focus on proactive risk management and employee safety.

### Our goal

Zero workplace injuries.

### Main KPIs to measure and monitor progress

Number of workplace injuries.

Employee perception and rating of safety statement: Loomis' procedures and standards are designed to keep me safe during operations.

Safe driving: Number of traffic accidents/total 1 000 km driven.

## Part 2: Social Sustainability

Being a service company, Loomis' success is largely dependent on the performance of its employees. Their professional competence and ability to build trust among Loomis' customers is vital for Loomis' business. Our challenge is to create a safe and inspiring work environment across various cultural boundaries to keep attracting skilled personnel. Without them we cannot maintain a high level of performance to ensure we have the trust of our customers. Social and human rights are key elements when addressing this challenge.

### Our goal

Be a fair and equal opportunity employer.

### Main KPIs to measure and monitor progress

Employee perception and rating of the statement: At Loomis we are treated fairly regardless of age, ethnicity, gender, sexual orientation and disabilities.

Employee perception and rating of the statement: I believe Loomis is a fair opportunity and responsible employer.

Customer perception and rating of the statement: I believe Loomis is a fair, equal and responsible employer and member of society.

## Part 3: Anti-Corruption and Anti-Bribery

Loomis' material impact on matters of corruption and bribery are highly consequential in our business and throughout the value chain. Successful cash management in the community calls for not only rigorous safety measures but also high ethical standards. Loomis' Code of Conduct and Anti-Bribery Policy help and guide us in our day-to-day work, informing us how to proactively counteract any internal and/or external fraudulent behavior.

### Our goal

Zero tolerance for fraudulent behavior.

### Main KPIs to measure and monitor progress

Customer perception and rating of the statement: Loomis is a trusted partner.

Routine: Number of employees yearly taking the e-learning course on Code of Conduct and Anti-Bribery.

100% follow-up on any report on fraudulent behavior.

## Part 4: The Environment

Loomis' material impact on the environment due to the nature of our business is mainly linked to our heavy vehicles, the use of plastic bags in operations and energy consumption at our premises. The environmental impact is in the form of carbon emissions and the use of fossil materials in fuel, plastic and energy production.

### Our goal

Reduce carbon emissions and plastic volumes by 30% by 2021.

### Main KPIs to measure and monitor progress

Carbon emissions: % change in CO<sub>2</sub>/operational volumes.

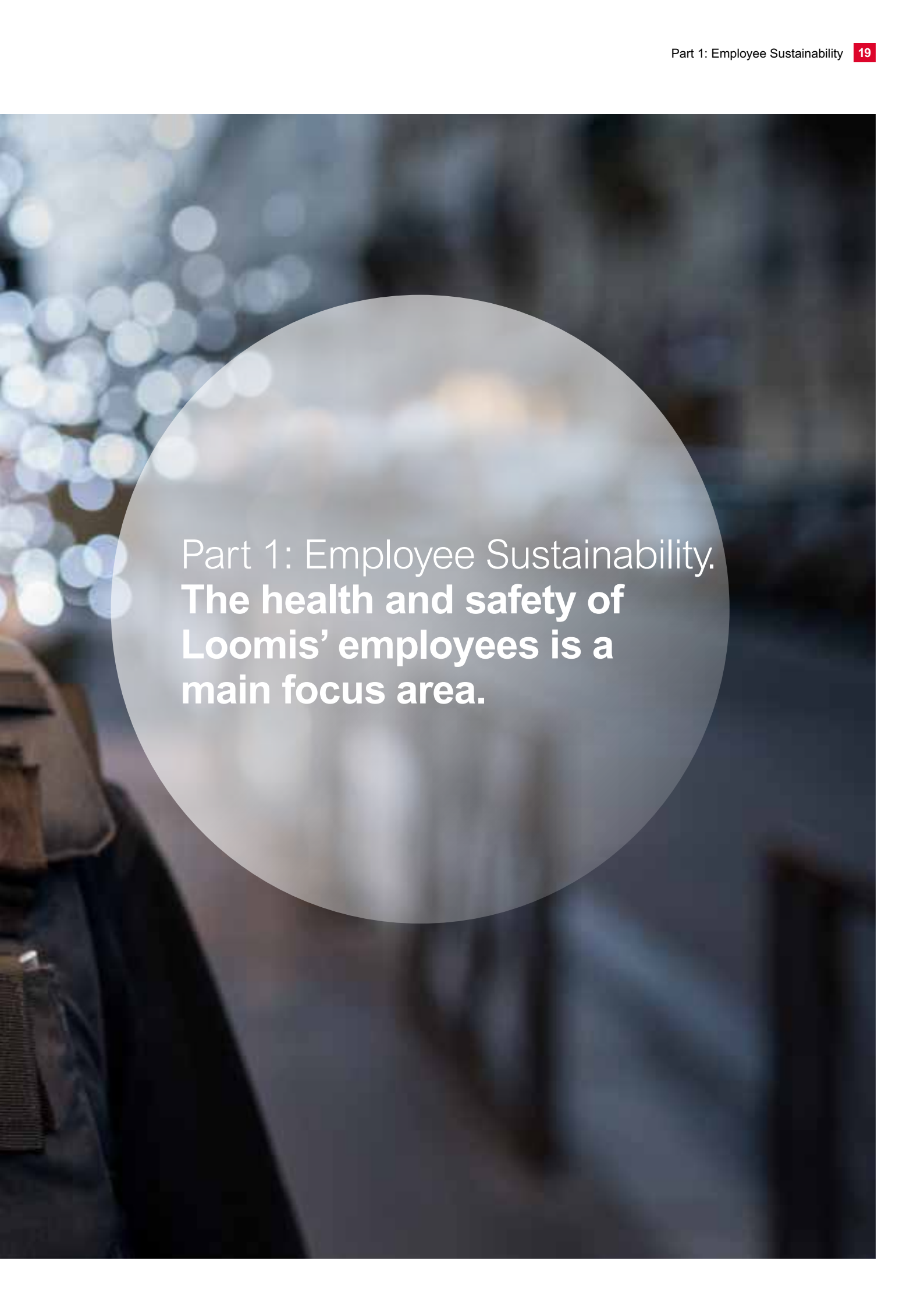
Material: % change in amount non-fossil and/or recycled plastic/total volume plastic.

Energy consumption: % change in energy consumption/m<sup>2</sup>.

<sup>1</sup> The sum of all customer interactions in the form of pick-ups and deliveries. The growth of this number is directly linked to the growth of our business regardless of it being organic or non-organic.



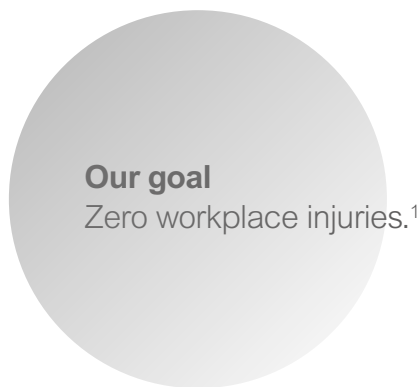


A large, semi-transparent circular graphic is centered on the page. The background of the entire page is a blurred image featuring bokeh light effects in shades of blue and white on the left side, and a dark, out-of-focus image of a person's shoulder and arm in a dark jacket on the right side. The text is overlaid on the circular graphic.

Part 1: Employee Sustainability.  
**The health and safety of  
Loomis' employees is a  
main focus area.**

# Impact of Operations on Employees

It is imperative that we manage overall risk and ensure the safety and security of all property and of all the people involved in each and every aspect of our operations. The result of our health and safety work has a material impact on, and consequences for, our employees, society and for the sustainable prosperity of Loomis as company.



## Main KPIs to measure our progress

Number of workplace injuries.

Employee perception and rating of the statement: Loomis' procedures and standards are designed to keep me safe during operations.

Safe driving: number of traffic accidents/total 1000 kilometers driven.

## Description

Loomis operates in communities ensuring the constant circulation of cash and valuables every day. The task of mitigating risk and keeping all people and property safe and secure every day is a huge undertaking and challenge. How we perform has a material impact on and consequences for not only our employees, but also society at large, and for the sustainable prosperity of Loomis as a company.

## Risks

There are several principal risks directly associated with our business that have a direct material impact on our employees. Some are internal, others external. Most are known, but for obvious reasons there are also unknown risks.

Examples of known risks are:

- Failure to comply with routines, procedures, laws or regulations
- External factors like threat, violence, robberies, external human error, traffic incidents and the force of nature
- Personal injuries due to one or more of the above
- Fatalities and trauma due to one or more of the above

## Challenges

To sustainably manage the impact on our employees and society we have taken steps to excel in proactive risk management and employee health and safety. The constant challenge for Loomis is to ensure that our 24 000 employees follow and comply with our risk and safety procedures. The Human Resources, Operations and Risk Management departments work closely together focusing on two main areas:

1. Proactive Risk Management
2. Proactive Health and Safety Work

<sup>1</sup> Injury occurring when on duty for Loomis and needing medical treatment.





POLICE

LOOMIS  
Managing cash

Loomis  
Managing cash

## Tips for safe driving from three top drivers:

1

Look ahead  
and anticipate

2

Keep your distance  
to the car **in front**  
of you

3

Stay within the  
speed limit and  
**wear a seat belt**





### Area 1: Proactive Risk Management

Loomis' risk management is carried out according to the Loomis Risk Management Policy. Below is a general description of methods used based on the policy. For more detailed information, see the Board of Directors' Report on Internal Control and Risk Management in the Annual Report.

Risk management is essential at all levels and in all aspects of our business. The objective is to only accept controlled risks, to make every effort to prevent personal injury and financial losses and to minimize the acceptable risks. We continuously monitor risk management based on two fundamental principles: No loss of life and A balance between profitability and risk of theft and robbery. Risks are evaluated based on two criteria: the likelihood that an event will occur and the severity of the consequences if the event should occur.

The task of proactively controlling and managing operational risks on a day-to-day basis is the responsibility of branch managers at the local level. Loomis' risk management organization employs 150 people, all recruited on the basis of their security and risk management experience and skills. The group risk management department oversees their work.

The risk management regularly perform reviews and controls using detailed and precise checklists for security routines and equipment to make sure nothing is overlooked. All incidents and injuries are followed-up on site. Reviews and audits are also performed by external parties such as customers and security experts.

### Area 2: Proactive Health and Safety Management

Safety at Loomis involves strict compliance with the Risk Management Policy and the Code of Conduct. The description below describes the essential elements of the work processes.

Employees who handle cash, precious metals and valuables work according to strict security routines to minimize the risks to which they are exposed. Loomis helps employees at all levels to understand and manage the risks associated with their particular operations. This requires strict standards for trainings as a preventive measure, and access to modern safety equipment and techniques in the workplace. Actively monitoring the external environment also enables Loomis to anticipate possible incidents to ensure a safer workplace for Loomis' employees.

The intention of the above mentioned policies and routines is to operationally and strategically minimize and predict any consequences relating to the health and safety of our employees and promote a safe environment for society in general.

To manage these safety procedures and to create the best possible outcomes, we implement all of the measures below; all are of equal importance in creating the safest possible environment.

- Involve, train and educate all employees at all levels so that they fully understand and are able to manage the risk associated with their particular operations and how it affects them personally and their colleagues, as well as the people they encounter in their work
- Safety and security routines
- Safe driving technology
- Safety equipment
- Recruit employees with the right attitude
- Develop motivation and highest ethics and morals
- Common and trustworthy processes for onboarding of new employees
- Ongoing professional development involving training and talent programs
- Support of trauma professionals
- Employee benefits and insurance programs

### Outcome

The outcome of Loomis' health and safety work and risk management are measured and followed-up in absolute terms, such as number of workplace accidents and injuries, and in less tangible ways, such as employee attitudes gained through employee surveys carried out at regular intervals of 12–24 months. Branch managers have full responsibility for implementation of, and compliance with, laws, policies and standards. This decentralized process enables branch management and employees to work together and understand their commitments in concrete terms. Adjustment to local conditions (such as weapons laws) is allowed.

### 2017 Results

Strict adherence to Loomis' processes and zero tolerance for any violation largely yield the desired results: To prevent loss of life, incidents and injuries. The goal to have zero workplace injuries was introduced in September 2017. It is a tough goal, but one we are proud to have.

As 2017 came to an end we finished the developments of the new group-wide e-learning platform<sup>1</sup> which will help to efficiently monitor and follow-up employee training and education in security routines, Code of Conduct, and Anti-Bribery Policy.

### Future

Maintaining and improving employee safety is a continuous process. We will never cease our efforts to reach our goal: Zero workplace injuries.

2017 KPI RESULTS <sup>2</sup>	2017	2018	2019	2020	2021	GOAL
Number of workplace injuries	390					0
Employee rating of the safety statement: Loomis' procedures and standards are designed to keep me safe during operations	●					TBD in 2018
Safe driving: Number of traffic accidents/total 1000 kilometers driven	0.7%					Decrease

● Please note: The 2017 report follows the reporting platform and structure as described in chapter 3. As targets and KPI's were implemented during the year data is not available for all KPIs as of yet.

<sup>1</sup> LMS platform; Learning Management System

<sup>2</sup> See page 46 containing KPI summary



... to Loomis  
**Heathrow Branch**

Part 2: Social Sustainability.  
**Loomis on Social and  
Human Rights.**



# Loomis on Social and Human Rights

Loomis' material impact on social and human rights is mainly connected to our actions as an employer and matters such as labor rights, diversity, corporate culture and the role we play in the local community.

## Our goal

Be a fair and equal opportunity employer.

## Main KPIs to measure our progress

Employee perception and rating of the statement: At Loomis we are treated fairly regardless of age, ethnicity, gender, sexual orientation and disabilities.

Employee perception and rating of the statement: I believe Loomis is a fair opportunity- and responsible employer.

Customer perception and rating of the statement: I believe Loomis is a fair, equal and responsible employer and member of society.

## Description

Loomis runs a global business with a group-wide business model implemented locally in more than 20 countries. The business of transporting valuables is invariably labor intensive and strictly regulated at the national and international levels. There are often additional requirements relating to compliance with a customer's particular policy or code of conduct. For every market, country and customer there is an additional compliance layer for Loomis. This impacts both individuals carrying out their duties and the management of these individuals and tasks.

Loomis is responsible for providing its employees with a safe and inspiring workplace where they have an opportunity to develop their professional and personal skills. Skilled and committed employees contribute to a sustainable organization.

## Challenges and Risks

Being a service company, Loomis' success is largely dependent on the performance of its employees. Their professional competence and ability to build trust among Loomis' customers is vital for Loomis' business. Our challenge is to create a safe and inspiring work environment across various cultural boundaries to keep attracting skilled personnel. Without them we cannot maintain a high level of performance to ensure we have the trust of our customers. Social and human rights are key elements when addressing this challenge.

## Actions

Going forward we will report our progress based on the new KPIs. They were implemented as a corporate standard in 2017, the first results will be presented in our 2018 report. Additionally there are internal policies and guidelines to help us reach our goals, the most important being:

- **Group Values.** People, Service and Integrity.
- **Code of Conduct.** Group policy that reflects fundamental human rights values and a number of international standards and principles, including the Conventions of the ILO and the UN Convention against Corruption.







**“We are happy about how Loomis is integrating sustainability into its business.”**

**Roman Muller**  
Product Manager  
VUB a.s., Slovakia

**“Sustainability is very important for Geldservice Austria since we have a national responsibility for cash supply on behalf of the Austrian Central Bank. We highly appreciate Loomis’ initiatives in the matter.”**

**Günter Ernst**  
Managing Director  
Geldservice Austria GmbH, Austria

**“In Portugal you seem to do well on equal opportunity because I see all kinds of people working for you.”**

**Felipe Abrantes**  
Operations Coordinator at  
Euronet Worldwide, Portugal

2017 KPI RESULTS <sup>1</sup>	2017	2018	2019	2020	2021	GOAL
Employee rating of the statement: At Loomis we are treated fairly regardless of sex, ethnicity, gender, sexual orientation and disabilities	●					TBD in 2018
Employee rating of the statement: I believe Loomis is a fair opportunity and responsible employer	●					TBD in 2018
Customer rating of the statement: I believe Loomis is a fair, equal and responsible employer and member of society	●					TBD in 2018
Average number of hours of training/employee/year	6					Increase

● Please note: The 2017 report follows the reporting platform and structure as described in chapter 3. As targets and KPI's were implemented during the year data is not available for all KPIs as of yet.

- **Equal Rights Statement.** Loomis does not tolerate any discrimination based on gender, age, ethnicity, religion, sexual orientation, union membership or political views. No form of harassment or abuse is tolerated. Every individual is treated with respect and dignity.
- **Fair and objective remuneration.** Loomis applies the “grandfather principle” to all decisions that impact employee-related matters such as salaries, bonuses and benefits. Under the “grandfather principle” a manager’s manager approves decisions on these matters to guarantee fair and objective remuneration.
- **Collective bargaining agreements.** Loomis pledges to honor human and union rights, and to improve working conditions and occupational health and safety. Loomis has signed the Global Framework Agreement on fundamental rights for all Group employees with UNI Global Union and the Swedish Transport Workers’ Union.
- **Five group common HR processes.** Guidelines for recruiting. Processes for evaluating and monitoring individual achievement. Regular employee surveys. Leadership development and succession planning program. Annual wage review guidelines.
- **Skills development.** Apart from various kinds of training, the Group also has tools to support skills development and employee retention. One is the Succession and Talent Planning Program (STPP). Another is the Performance Management Process (PMP), in which the performance of employees and managers is measured with an opportunity for employees to receive feedback and discuss their goals and achievements with their superiors.
- **European Works Council.** Loomis is involved in the European Works Council (EWC), in which employee representatives from the various countries are informed and consulted about matters of common interest related to the Group and the workforce.

- **Local community dialogue.** The decentralized Loomis organization places an emphasis on the local community and local environment. Branch managers have full responsibility for their operations; the closer you are to the customer, the greater the responsibility to be a local role model.

### 2017 Results

One of the most significant results in 2017 has been the implementation of a set of corporate standard KPIs relating to social sustainability relevant to Loomis. The first complete results will be presented in the 2018 report, as 2017 has been work in progress. Measurable goals will be set when the first results of the perception surveys have been collected and evaluated.

Among other noteworthy milestones are: The initiated review of the annual talent program, STPP, a platform to endorse fair and equal opportunity. The review will be finalized in 2018 by Group HR. Also initiated by HR is a Key People Due Diligence (KPDD) process that in a critical way will help identify, determine and understand people assets in times of rapid growth.

Employee surveys were carried out as planned. Loomis group e-learning platform was finalized by end of year. And the annual EWC meeting took place in October. Loomis Group Management participated and the forum rendered desired results in terms of being an open dialogue forum to promote internal understanding and brings employees and management together.

### Future

We look forward to the first group common results on employee attitudes on our performance as an employer. Also, when the e-learning platform has been rolled out in 2018 it will be a smoother task to ensure that common platforms, such as the Code of Conduct, are on the agenda throughout the Group.

<sup>1</sup> See page 46 containing KPI summary





Part 3: Loomis on Anti-Corruption  
and Anti-Bribery.  
**Zero tolerance for fraudulent  
behavior.**



# Loomis on Anti-Bribery and Anti-Corruption

Successful cash management in the community calls for not only rigorous health and safety measures but also high ethical standards. Loomis' Code of Conduct and Anti-Bribery Policy help and guide us in our day-to-day work on how to proactively counteract internal and/or external fraudulent behavior.

## Our goal

Zero tolerance for fraudulent behavior.

### Main KPIs to measure our progress

Customer perception and rating of the statement: Loomis is a trusted partner.

Routine: Number of employees yearly taking the e-learning course on Code of Conduct and Anti-Bribery.

Routine: 100% follow-up on all reports on fraudulent behavior.

### Description

Matters of corruption and bribery are highly consequential in our business. Our customers trust us to transport and handle their valuables. It is a fair and straightforward assumption that if we failed at our job, their trust would not be renewed and our business would suffer. This is why it is essential for values and ethics to be at the core of everything we do.

### Challenges and Risks

There are multiple risks and challenges associated with our operations. Most of them were covered in Proactive Risk Management in part 1. But in matters relating to corruption and bribery, fraudulent behavior is always the main risk, be it internal and/or external. The challenge is to ensure compliance whereby our 24 000 employees in more than 20 countries follow the rules and have the right approach to their work.

### Actions

Actions taken in proactive compliance management to ensure the right ethics and morals are maintained within our organization involve a series of interlinked steps:

- 1 The same expectations apply to all employees regarding compliance with Loomis' Code of Conduct and Anti-Bribery Policy.
- 2 Recruitment of the right personnel is handled at the local level. The decentralized organizational structure places full responsibility for breaches on branch managers and Country Presidents.
- 3 Since 2010 we have developed a system of reporting any misconduct anywhere in the organization. The Loomis Integrity Line facilitates communication on the most serious and sensitive problems identified. Anonymous phone and web reporting in native languages makes it significantly easier and the barrier to raise these concerns is fundamentally lowered.
- 4 Dialogue with stakeholders and the local community. When the customers hand over their assets to Loomis, Loomis takes on significant risks and responsibilities. In this risk-exposed business the trust of customers is crucial and Loomis must prove each day that it deserves that trust. To maintain an in-depth understanding



of customer expectations and the quality of services Loomis provides, Loomis is in constant dialogue with its customers. One tool Loomis uses in this process is the Customer Voice Survey, which provides valuable feedback on the Company’s performance at the global, regional and local levels. It helps each branch to identify issues that need to be addressed to maintain and improve the quality of their services.

**5** Structure and method for violation reporting. It is a basic requirement that everything Loomis does must be in compliance with the laws and regulations in effect in the respective markets. Furthermore Loomis’ Country Presidents and all individual employees are responsible for adhering to the principles in the Code of Conduct and the Anti-Bribery Policy. If any Loomis employee suspects a violation of laws, rules or regulations, they are to immediately report this to any or all of the options: Local management, the local HR Officer, and Loomis’ Integrity Line.

**2017 Results**

People make the ethics culture of our company. The result of the continuous processes described above is a common value base across borders and occupational categories. Since the introduction of the Integrity Line we have gained invaluable insights into general as well as specific matters allowing us an understanding of how to improve our integrity management. In 2017 we can report a 100% follow-up on any report made (through or outside the Integrity Line) and corrective measures have been taken where needed.

Another significant result in 2017 has been the implementation of a set of corporate standard KPIs relating to anti-corruption that are relevant to Loomis. The first complete results will be presented in the 2018 report, as 2017 has been work in progress. Our ambition for 2018 is to ensure that 100 percent of Loomis’ employees have completed the new e-learning course on the Code of Conduct and Anti-Bribery Policy.

**Future**

We recognize that work on integrity management is never really complete. This is also the reason for not setting the goal as “no breaches or violations” as it can be counterproductive to the objective. Our goal is zero tolerance for fraudulent behavior, and to always follow-up, and take actions, on any report. We will continue to endeavor.



2017 KPI RESULTS <sup>1</sup>	2017	2018	2019	2020	2021	GOAL
Customer rating of statement: Loomis is a trusted partner	●					TBD in 2018
Routine: % of follow-ups on all reports on fraudulent behavior	100%					100%
Routine: Number of employees yearly taking the e-learning course on Code of Conduct and Anti-Bribery	●					100%
Routine: Anti-Bribery policy and Code of Conduct standard submissions to all business partners	●					100%

● Please note: The 2017 report follows the reporting platform and structure as described in chapter 3. As targets and KPI's were implemented during the year data is not available for all KPIs as of yet.

<sup>1</sup> See page 46 containing KPI summary



Part 4: Loomis' Impact on  
the Environment.  
**Efforts to reduce the Group's  
climate impact.**





# Loomis Impact on the Environment

Loomis' material impact on the environment is mainly linked to our vehicles, the use of plastic bags in operations and energy consumption at our premises. The environmental impact is in the form of carbon emissions and the use of fossil materials in fuel, plastic and energy production.

## Our goal

To reduce carbon emissions and plastic volumes.

## Main KPIs to measure our progress

Carbon emissions: % change in total CO<sub>2</sub>/operational volume<sup>1</sup>.

Material: % change in amount non-fossil and/or recycled plastic/total volume plastic.

Energy consumption: % change in energy consumption/m<sup>2</sup>.

<sup>1</sup> The sum of all customer interactions in the form of number of counted bags, pick-ups deliveries and shipments. The growth of this number is directly linked to the growth of our business regardless of it being organic or non-organic.



### Description

Loomis ensures the constant circulation of cash and valuables in the community. To perform this logistics task for some hundreds of thousands of customers worldwide Loomis operates 7 000 vehicles. We also use third-parties for transportation. The cash (coins and banknotes) is always securely packaged and sealed in plastic security bags. Our material impact on the environment is in the form of carbon emissions caused by fuel and the use of fossil-based plastics. The risk relating to the carbon emissions is global warming. With plastics there is also the risk of depleting fossil resources.

### Actions

To address these issues Loomis works from several angles with a focus on the short and the long term. Efforts to reach the environmental targets are mainly carried out in three areas:

- 1 Decrease emissions through efficient fleet management
- 2 Decrease fossil plastic volumes
- 3 Smarter energy sourcing

Each area is explained in further detail on the following pages.

## Area 1: Decrease carbon emissions through efficient fleet management

### Challenges and Risks

Challenges associated with having thousands of vehicles out on the road every day include frequent vehicle repair requirements, fuel emissions and the excessive use of fuel caused by too many stops, poor route planning and inefficient driving.

Another challenge associated with the nature of the business and international and domestic security regulations relates to our heavy armored vehicles. A vehicle weighing up to 10 tons requires fuel with sufficient strength and reliability to keep it on the road regardless of road or weather conditions. It is also a matter of security and safety. Today the best option for those operational conditions and purposes is diesel. We welcome a future where renewable options can offer sufficient strength and effectiveness. In 2017 we consumed approximately 56 million liters of fuel.

### Actions

Sustainable business performance requires efficient fleet management that results in:

- 1 Reduced vehicle wear and tear
- 2 Reduced fuel consumption
- 3 Optimized vehicle utilization

In 2016, to improve cost efficiency and overall performance, a group-wide investment in an advanced fleet software system was made. The software identifies vehicle positioning and driving in real time. The outcome of the tool has generated benefits and good results overall. It has enabled significant improvements in fuel efficiency and risk awareness, and it has helped create safer traffic situations in bringing down speeding, general unsmooth driving and guiding on how to drive better in real time.

### 2017 Results

In 2017 the system was implemented in 67 percent of Loomis total operational fleet. The goal is to reach full implementation in 2018. Each month data is extracted from the system. Scores are measured on individual performance level as well as on group level. Fuel usage and vehicle utilization are closely monitored in order to maximize cost- and route efficiency and reduced carbon emissions. The data collected in 2017 is the baseline for comparison going forward.

### Future

In the road map for 2021 the entire fleet will have the software to support the reduction of carbon emission. Wherever possible we will continue to use hybrid cars or alternative vehicles. We shall also continue to actively evaluate renewable fuel options.

2017 KPI RESULTS <sup>1</sup>	2017	2018	2019	2020	2021	GOAL
Carbon emissions: % change in total fleet CO <sub>2</sub> /operational volume	●					Decrease
Fuel: % change in total fuel usage/km compared to previous year	●					Decrease
Infrastructure: % of fleet with the smart software system/total fleet	67%					100%

● Please note: The 2017 report follows the reporting platform and structure as described in chapter 3. As targets and KPI's were implemented during the year data is not available for all KPIs as of yet.

<sup>1</sup> See page 46 containing KPI summary





## Area 2: Decrease plastic volumes

### Challenges and Risks

We use special security bags for the transportation of coins and banknotes. Safety regulations in national and/or international laws have detailed bag requirements. One challenge is that it has only been possible up to now to meet these requirements using fossil plastic due to its extreme durability and transparency. Any attempt to open a bag must be detected. Up to now recycled plastic has been rejected as its properties have not met the strict requirements. Our own volumes have been too small to push for a change. Also, as standards vary greatly among countries and customers, unnecessarily large volumes are produced resulting in a significant amount of waste. In 2017 Loomis ordered 1,8 million kg in the form of plastic safe bags.

### Actions

Replacing new plastic made from fossil materials with non-fossil and recycled plastic has important environmental benefits. It helps the environment by not depleting fossil sources and not adding to waste volumes and landfills and carbon emissions.

Our aim is to reduce the overall volume of plastic by 30 percent by 2021. To do so a number of measures have been identified:

- 1 Prioritize the plastic volumes we can directly affect, i.e. safety bags ordered by Loomis. They make up the vast majority of all plastic used in Loomis operations.
- 2 Streamline group procurement and volumes to qualify us for volumes that are large enough to demand the use of recycled plastic in production.
- 3 Invest in a pilot program for new plastic bag standards based on recycled plastic.
- 4 Propose a plan on how to reduce the number of plastic bag sizes, types and standards to reduce plastic use. Convince our customers to participate in the program.

### 2017 Results

In 2017 Loomis purchased an e-commerce portal for plastic bag distribution. A Nordic pilot program was immediately launched to reduce 20 different bag sizes to six and to test a new bag made of 60 percent recycled plastic. The risks associated with the use of recycled plastic were inferior quality and that the plastic would not be sufficiently transparent. These aspects would render them unacceptable for use, thus maintaining the status quo. In spring 2018, when this report is prepared, after six months of meticulous testing, it appears we will overcome these obstacles. We have chosen to work with three European security bag manufacturers who offer us full transparency into their social and environmental standards and who have the same entrepreneurial approach as we apply in our business model.

The new bags are made of a minimum of 60 percent recycled plastic. They are marked with the ecolabel Blue Angel, which guarantees that their production is 100-percent carbon neutral. The Blue Angel is the ecolabel of the federal government of Germany since 1978.

By replacing fossil plastic with recycled plastic, we can significantly reduce environmental impact and create a looped cycle. Replacing new and fossil plastic with old and recycled generally generates a reduction of carbon emissions of approximately 40 percent.

As our bags are made of 60 percent recycled plastic we anticipate a change for the better. Performance data will be presented in coming reports.

### Future

At this pace and success rate, it will be possible to reach the goal of reducing the use of plastic by 30 percent perhaps even before the target year of 2021. The new size standards bags made with the ecolabel seal will be rolled out in Europe at the beginning of 2019. In the same year we also expect to be able to produce the bags from 80 percent recycled plastic. We will subsequently focus our efforts to the US market.

2017 KPI RESULT <sup>1</sup>	2017	2018	2019	2020	2021	GOAL
Carbon emissions: % change in CO <sub>2</sub> /operational volume	●					Decrease
Material: % change in amount non-fossil and/or recycled plastic/ total volume plastic	●					Increase
Production efficiency: % decrease in total plastic volumes/ operational volume	●					Increase

● Please note: The 2017 report follows the reporting platform and structure as described in chapter 3. As targets and KPI's were implemented during the year data is not available for all KPIs as of yet.

<sup>1</sup> See page 46 containing KPI summary

## Area 3: Smarter Energy Sourcing

### Challenges and Risks

400 branches around the world means at least 400 offices. We therefore consume energy for heating, cooling and electricity in general. Does this consumption have a great material impact or not? Compared to energy consumption in large production facilities the answer may be no. Our energy consumption does, however, contribute to our overall carbon emissions and we have set a goal to decrease this. Identifying smarter energy sources and fossil free sources is a positive challenge. We believe there is substantial room for improvement.

### Action

To identify smarter and fossil free energy sources as part of our plan for carbon reduction, we have started tracking how much energy we use, the types of energy we use and how much we pay for it. We are also looking at energy consumption in digital units used throughout the company as well as at our data centers. Up to

2021, energy consumption will be measured and integrated into the KPI percentage of change in energy consumption in KWH/m<sup>2</sup>.

### 2017 Results

In 2017 we consumed 75 million KWH on a global basis. With the new data on energy sourcing and consumption in our 400 branches we see a huge spread between the countries. Some countries are offered renewable sources per default, others cannot offer it at all. There are also large variations in energy cost. Again, this overall picture of Loomis energy consumption is new for 2017, and will be subject to further analysis.

### Future

When we reach the end of 2018 and compare the data with that from 2017, we will be able to identify and better understand the kind of actions we need to take going forward.

2017 KPI RESULTS <sup>1</sup>	2017	2018	2019	2020	2021	GOAL
Energy consumption: % change in energy consumption /m <sup>2</sup>	●					Decrease
Energy sources: % change in share renewable and/or fossil free energy/compared to last year	●					Increase

● Please note: The 2017 report follows the reporting platform and structure as described in chapter 3. As targets and KPI's were implemented during the year data is not available for all KPIs as of yet.

<sup>1</sup> See page 46 containing KPI summary





# Loomis Around the Globe in 2017

## Spain

Loomis Spain has various actions related to social and environmental sustainability. One is the Green Project, an internal training program with a special focus on safety issues, such as how to carry heavy loads without injury and how best to park to avoid disturbance for the public.

Examples of small but smart changes in how we work include the new currency packaging format that will reduce the physical workload and make the units more manageable. Another is the implementation of the Flody system that will increase worker and transport safety despite eliminating escorts—thereby reducing kilometers driven and logically emissions.

A more high-profile initiative is the new video surveillance project, the Information and Control Center. This has important benefits such as remote supervision of processes and emergency support for guards working alone on a shift.

In 2018 our focus will be on efficient and safe driving. We will pilot new software in Valladolid, which will then also be implemented in Granada, Jaén and Almería.

## Portugal

At Loomis Portugal, 2017 has been an important year as we have made good progress in the quest to renew our fleet. The result is a substantial and noticeable reduction in fuel consumption – and consequently a reduction in carbon emissions of around 60 percent compared to the old vehicles we used to have. This work will continue until the entire fleet has been renewed.

During the year there has also been an extra focus on reducing the number of workplace accidents. By motivating and training our employees, coupled with unconditional support from our insurance company and brokerage firm, we have been able to achieve a 42 percent reduction in workplace accidents.

Traditionally, each year Loomis Portugal makes a donation to a charitable institution that supports vulnerable children and young people. This year the donation went to the support of CrescerSer, a national organization that works to promote, organize and stimulate community services in support of children, youth and family in society.

## France

In 2017 Loomis France had a specific focus on reducing energy consumption in the data centers and on reducing paper use.

The data centers in France are housed by an external supplier. At the end of 2016 we changed the data storage system in favor of 100 percent flash technology, making us more agile and productive in the IT department, support services and branches. This has also reduced our air cooling costs by 70 percent compared to disk technology, since, new technology provides air cooling from sustainable and low carbon sources. A large proportion of the power comes from sustainable sources including water, solar and wind. Very high performance flash technology allows duplication of data and saves huge capacity – and by implication energy – for the same amount of data.

The second topic relates to supplier and customer invoices, and future customer contracts: we are changing to a paperless system. This technology improves traceability (digital records) and foremost reduces paper consumption.

## USA

Loomis US prides itself on its safety and risk management. Embracing the idea of a “Perfect Day” – where drivers avoid personal injury, keep assets secure and go home safely every day – and by actively minimizing fleet risk, Loomis has reduced accident frequency and severity, as well as associated costs to people, equipment and safety reputation.

SmartDrive Safety captures comprehensive in-vehicle data on triggered events, reviews and scores operational and safety performance, and provides actionable management reports, eye-opening video, and simple driver coaching tools. With the program now in all 3,000 vehicles, Loomis is able to further complement its risk program by improving employees’ driving skills. Each weekday starts with reviewing the SmartDrive Response Center and zeroing in on prescriptive coaching opportunities. Driver distraction, speeding and following distance are major contributors to collisions. Using this tool Loomis US is able to create a safer environment for drivers, messengers and everyone else, and has reduced vehicle crashes by over 50 percent since implementing this system.

## Austria

Loomis Austria has a waste management officer who ensures compliance with national waste management regulations. Identifying, analyzing and establishing ways to avoid, reduce or recycle waste and improving waste prevention, reduction and recycling methods are key elements. Educating employees on environmentally sound behavior in the work environment also brings about changes in their private life. Further workplace measures are planned: paper-reducing activities in offices, double-sided printing and printing documents in color as little as possible, separate collection containers for paper, reducing faxes, using reusable containers and large packaging, etc.

Loomis Austria has been ISO 9001 certified since 2003. ISO 9001 is based on a number of quality management principles including a strong customer focus, the motivation and implication of senior management, the process approach and continual improvement. This helps ensure that customers get consistently good quality products and services, bringing many business benefits. In 2017 this certification was renewed.

## Turkey

Sustainability at Loomis Turkey means promoting long-term responsible behaviors that add value for customers, employees and the company as a whole. Activities included employee training sessions on the Code of Conduct and Anti-Bribery Policy, since trust is directly linked to our success.

In 2014 we set out to reduce our carbon footprint. The goal was to reduce carbon emissions by 0.30 g/km by 2020. This was achieved in 2017 when emissions were 0.22 g/km and Loomis Turkey won the Green Fleet Award, thanks to investment in new vehicles with green engines, equipping the fleet with speed limiters, training employees in risk awareness and in safe and economical driving, and monitoring of emissions via dedicated software.

Furthermore, Loomis Turkey moved to a data center with solar energy, thereby reducing related carbon emissions by 10–15 percent. In the PETDER pilot project in Ankara, waste oil processed in facilities licensed by the Ministry of Environment and Urban Planning is recovered as energy or raw material or disposed of, depending on category. Loomis Turkey will soon broaden the scope to the whole 250-vehicle fleet.

## Czech Republic and Slovakia

Following recent developments, Loomis’ operations in the Czech Republic and Slovakia faced a fleet challenge. Trucks varied both in standard and in age, with some still at the lowest EU1 and EU2 emissions standards.

It took six months to consolidate and analyze data from 13 branches. Early in 2016 we decided to renew our fleet and replace those trucks with the lowest security standards and highest emissions. We identified 50 vehicles in the first phase, which were replaced with new trucks in the second half of 2016 and first half of 2017. These meet the highest emissions standard EU6, representing a 2/3 reduction in emissions for each truck replaced.

Teams in the Czech Republic and Slovakia have recently worked on further emissions reduction plans for 2018 and 2019.

As of January 2017 train travel is the preferred option for management business trips. Skype became the preferred option for country meetings in October 2017.

### Denmark

The group goal to decrease carbon emissions spur new ideas and actions. In Denmark one interesting project is a new and dynamic surveillance of ATM cash cassettes. The project is undertaken with one of their largest ATM customers.

Today, Loomis Denmark have approximately 25 000 stops during a year to replenish around 450 ATMs around the country for this particular customer. The problem is that you don't know whether or not the ATMs need filling up or not. With the dynamic surveillance service we hope to cut down on unnecessary stops and allow for a more efficient route planning. This is expected to directly reduce the amount of kilometers driven, number of stops, diesel consumed and carbon emissions.

At the moment, the project is in a test phase. By the end of 2018 the goal is to have increased the dynamic surveillance service from 30 to 450 ATMs for this particular customer. And to go reduce the frequency of stops from 25 000 to 20 000 stops.

### Norway

A new headquarter is being built according to the Breeam-Nor standard. BREEAM is the world's leading sustainability assessment method for master planning projects, infrastructure and buildings. It recognizes and reflects the value in higher performing assets across the built environment lifecycle. As part of the project, Loomis Norway is implementing an efficient and comprehensive recycling system.

Eco drive technology is now installed in all cars, leading to reductions in fuel consumption, accidents and in wear and tear on the fleet.

In order to develop our overall market and in particular new jobs we have a business development department working on new opportunities. We are also committed to, and participate in, the voluntary agreement "Inclusive Working Life" (IA). It is an attempt to reverse a trend of people dropping out of work life. The goal is to accommodate into our workforce people who would otherwise have difficulties getting a job, for instance people with a history of illness or immigrants with limited opportunities due to local language skills.

### Sweden

Loomis Sweden has more than 40 000 customers for its deposit service, most of whom total their daily takings on paper specifications that are placed in the bags. Notification via the web instead will make the service more efficient and sustainable.

Digitalization also makes the process more environmentally friendly. Approximately 400 000 daily cash funds are submitted every month, representing at least 300,000 paper specifications.

"This will be a much more sustainable handling process," says Johan Vikman, Branch Manager. "Another advantage is that web notifications create a communication channel with the person handling the bags, giving us an opportunity to reach out to customers much more directly."

"Digitalization means that one step of the process can be taken out, since the bags do not need to be checked as they are already notified and ready. In the future, it should also shorten customer lead times. Customers will quickly be able to see the status of their daily receipts through a link on our website," says Johan Vikman. "I hope that pretty soon, half of our 40 000 customers will use online notification."

### Finland

We are developing CIT and CMS processes by optimizing customer receipts printed by PDA devices, removing unnecessary printing, spaces and information. The aim is to save the CIT guard's time and decrease receipt roll consumption by 20 percent.

We are reducing CIT loading and unloading time at a loading bay in order to minimize unnecessary idling time of vehicles. The goal is to achieve more efficient work processes, along with 2 percent less idling and emissions.

We are piloting and introducing an advanced fleet software system software, which encourages eco-friendly driving.

By focusing on energy-efficient techniques and approaches, we have introduced LED lighting and made considerable energy savings.

Replacing paper pay slips with electronic ones has achieved a decrease of 7,000 pieces of printed paper and reduced GHG emissions from mail delivery.

We have changed our occupational healthcare service provider to provide our employees with even greater quality, consistency and equality. We are also developing the follow-up and measurability of these services. We offer at least 14 youth internships per year.



**UK**

In August 2017, Loomis UK was awarded the Carbon Footprint License for its emissions reduction. A two percent target was set for 2014–2016, but the actual reduction achieved exceeded expectations at seven percent. A key element in delivering this improvement was the reduction in emissions from our vehicle fleet. This was driven by reductions in the vehicle fleet (enabled by improved route efficiency):

- Changes in the fleet profile, reducing the gross vehicle weight of 89 vehicles from 4.6 tons to 3.5 tons, which reduced emission levels through both improved engine efficiency and lower weight. We expect to continue these vehicle profile changes during 2018/2019.
- Continued benefits from the introduction of the advanced fleet software in 2016, which provides drivers with real-time driving efficiency tools and management information to monitor driving behavior.

A further factor in achieving this target was the introduction of LED lighting and PIRs (motion monitors) during refurbishment works across a number of branches, as well as increased awareness among all staff regarding the use of energy – e.g. turning off lights when not needed.

**Argentina**

Light bulbs in common areas are being changed to low-energy types.

Installation of motion sensors for turning lights on and off in shared transit spaces.

Economic collaboration with two non-governmental organizations, dedicated to the fight against childhood cancer and educational inclusion for low-income youth.

Renewal of the truck fleet, to reduce emissions of gases and noise.

Staff training programs aimed at achieving a safer working environment and responsible and safe behavior, in order to encourage a reduction in the rate of injuries.

**Loomis International**

At a rough guess, there are thousands of art museums, galleries and fairs around the world. Priceless and delicate works of art are shuttled to and from to partake in a constant circus of exhibitions.

“We specialize in the logistics of handling fine works of art that cannot withstand even a microscopic scratch,” says Barbara Schlagbauer, General Manager at Loomis Art Care, part of Loomis International.

When transporting priceless artworks, the challenge is to deliver service excellence defined by millimeter perfection and precision. Special crating to protect against temperature fluctuations, moisture, shock and vibrations is only part of the picture. Each month Loomis Art Care handles several international exhibitions — as well as various imports and exports for galleries, artists, art institutions and private art collectors.

“Apart from the actual transport, we also take care of all the complicated matters of various restrictions, special permits for temporary art exports, storage and tax matters; one exhibition with objects arriving from all over the world can take a couple of months to orchestrate all the logistics.”

It would be easy to jump to the conclusion that all the special crating and packaging results in a lot of waste and excessive transports.

“I can understand that thinking. But the fact is that we use a rental crate system where crates are reused for up to 15 years, keeping unnecessary waste down to a minimum,” says Barbara.

“The challenge is to consolidate transports. Such efficiency is a must for profitability, but is not always possible when having to meet demands from the owners of unique and irreplaceable pieces.”

# Goals and KPI Summary

0

Workplace  
injuries

30%

Reduction of  
carbon emissions

30%

Reduction of  
plastic volumes

2017 SUSTAINABILITY KPI RESULTS	2017	2018	2019	2020	2021	GOAL
<b>Part 1: Employee Sustainability</b> <b>Zero workplace injuries</b>						
Number of workplace injuries	390					0
Employee rating of statement: Loomis' procedures and standards are designed to keep me safe during operations	●					TBD from 2018 data
Number of traffic accidents/total 1 000 km driven	0.7%					Decrease
<b>Part 2: Social Sustainability</b> <b>Be a fair and equal opportunity employer</b>						
Employee rating of statement: At Loomis we are treated fairly regardless of age, ethnicity, gender, sexual orientation and disabilities	●					TBD from 2018 data
Employee rating of statement: I believe Loomis is a fair opportunity and responsible employer	●					TBD from 2018 data
Customer rating of statement: I believe Loomis is a fair equal and responsible employer and member of society	●					TBD from 2018 data
Average number of hours of training/employee/year	6					Increase

2017 SUSTAINABILITY KPI RESULTS	2017	2018	2019	2020	2021	GOAL
<b>Part 3: Anti-Corruption and Anti-Bribery</b>						
<b>Zero tolerance on fraudulent behavior</b>						
Customer rating of the statement: Loomis is a trusted partner	●					TBD from 2018 data
Routine: % of follow-ups on all reports of fraudulent	100%					100%
Routine: Number of employees yearly taking the e-learning course on Code of Conduct and Anti-Bribery	●					100%
Anti-Bribery policy and Code of Conduct standard submissions to all business partners	●					100%
<b>Part 4: Environment</b>						
<b>Decrease carbon emissions and plastic volumes</b>						
<b>Fleet Focus: Decrease carbon emissions through efficient fleet management</b>						
Carbon emissions: % change in total fleet CO <sub>2</sub> gram/operational volume	●					Decrease
Fuel: % change in total fuel usage/km compared to previous year	●					Decrease
Infrastructure: % of fleet with smart software/total fleet	67%					100%
<b>Plastic Focus: Decrease fossil plastic volumes</b>						
Carbon emissions: % change in CO <sub>2</sub> gram/operational volume	●					Decrease
Material: % change in amount non-fossil and/or recycled plastic/total volume plastic	●					Increase
Production efficiency: % decrease in total plastic volumes/operational volume	●					Increase
<b>Energy Focus: Smarter Energy Sourcing</b>						
Energy consumption: % change in energy consumption in KWH/m <sup>2</sup>	●					Decrease
Energy sources: % change in share fossil free and/or renewable energy / previous year	●					Increase

# 2017 Tables

## NUMBER OF HEADS, WORKPLACE INJURIES, FATALITIES AND ATTENDENCE RATE

	2017				2016			
	TOTAL	EUROPE	USA	INTERNATIONAL	TOTAL	EUROPE	USA	INTERNATIONAL
Number of heads	23 828	13 248	10 168	412	23 880	13 489	9 850	541
Number of work- place injuries	390 <sup>1</sup>	88	302	0	1 873 <sup>2</sup>	977	844	12
Number of work- place fatalities	3	0	3	0	1	0	1	0
Attendance rate	98%	97%	99%	97%	97%	95%	99%	98%

<sup>1</sup> Injuries occurring when on duty for Loomis and needing medical treatment. The Loomis definition of workplace injuries is closely linked to Loomis ability to create a safe workplace and mitigating the risks associated with performing the job task.

<sup>2</sup> 2016 number is much larger as it encompasses all workplace-related injuries, such as slips, cuts and falls outside the work environment.

## TRAINING HOURS PER EMPLOYEE CATEGORY AND SEGMENT

	EUROPE	USA	INTERNATIONAL
Direct employees	122 363	47 555	8 531
<i>Average/employee</i>	10	5 <sup>3</sup>	32
Branch management	1 484	0 <sup>4</sup>	215
<i>Average/employee</i>	6	-	30
Indirect employees	6 277	36	7 206
<i>Average/employee</i>	5,5	5,5 <sup>3</sup>	50
Total hours	130 124	47 591	15 952
<i>Total average/employee</i>	10	5 <sup>5</sup>	38
<b>Total number of employees</b>	<b>13 248</b>	<b>10 168</b>	<b>412</b>

<sup>3</sup> The number is comparatively lower because training hours are only calculated based on new employee training.

<sup>4</sup> Training hours for branch managers are not broken out and reported on separately.

<sup>5</sup> When average hour of training instead is calculated on new employees only it amounts to 14 hours/employee.



## NUMBER OF HEADS PER EMPLOYEE CATEGORY, GENDER AND AGE GROUP

	TOTAL	<30	30—50	>50
Direct employees, female	5 694	1 591	2 835	1 268
Direct employees, male	15 930	3 925	7 817	4 188
Branch managers, female	56	2	39	15
Branch managers, male	307	6	194	107
Indirect employees, female	748	102	450	196
Indirect employees, male	1 093	73	648	372
<b>Total</b>	<b>23 828</b>	<b>5 699</b>	<b>11 983</b>	<b>6 146</b>

## EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

	EUROPE	USA	INTERNATIONAL	TOTAL
2107 Share	74%	15%	28%	48%
2016 Share	81%	18%	13%	54%

## THE COMPOSITION OF THE GROUP MANAGEMENT PER AGE AND GENDER

	2017		2016	
	NUMBER	SHARE	NUMBER	SHARE
Men	9	100%	10	100%
Women	0	0%	0	0%
30-50 years old	0	0%	2	20%
> 50 years old	9	100%	8	80%

THE COMPOSITION OF THE BOARD OF DIRECTORS OF LOOMIS AB,  
ELECTED BY THE ANNUAL GENERAL MEETING PER AGE AND GENDER

	2017		2016	
	NUMBER	SHARE	NUMBER	SHARE
Men	3	50%	4	67%
Women	3	50%	2	33%
30—50 years old	0	0%	0	0%
> 50 years old	6	100%	6	100%

PERCENTAGE OF EMPLOYEES WHO GOT PERFORMANCE AND CAREER  
DEVELOPMENT REVIEW PER EMPLOYEE CATEGORY AND SEGMENT

	2017			2016		
	EUROPE	USA	INTERNATIONAL	EUROPE	USA	INTERNATIONAL
Direct employees	43%	48%	62%	22%	50%	75%
Indirect employees	93%	100%	100%	56%	100%	57%
Branch mgmt	100%	92%	100%	88%	100%	62%
<b>Total</b>	<b>49%</b>	<b>55%</b>	<b>83%</b>	<b>27%</b>	<b>56%</b>	<b>67%</b>

EMPLOYEES EDUCATED ON ANTI-BRIBERY AND CODE OF CONDUCT POLICIES

	NUMBER OF EMPLOYEES			
	TOTAL	EUROPE	USA	INTERNATIONAL
Anti-Bribery Policy	13 159	2 953	10 168	38
Code of Conduct	13 100	2 895	10 168	37

PLASTIC CONSUMPTION<sup>1</sup>

	KILO			
	TOTAL	EUROPE	USA	INTERNATIONAL
Total weight in kg of procured plastic bags	1 809 891	1 334 242	465 727	9 922
Of total weight specify how many kg constituted recycled material	86 494	83 127	0	3 367
Of total weight specify how many kg constituted non-fossil material	5 038	5 038	0	0
Total weight of plastic bags sent to recycling	687 311	668 064	18 630	617

<sup>1</sup> Plastic consumption as in how many kg of plastic safe bags Loomis has ordered for transportation of customers' cash. In the USA most customers purchase their bags themselves, hence the lower number. Amount sent to recycling is low due to security regulations.

FUEL CONSUMPTION<sup>2</sup>

	LITER				LITER/KM		
	TOTAL	EUROPE	USA	INTERNATIONAL	EUROPE	USA	INTERNATIONAL
Non-fossil	114 464	114 464	0	0	0.10	0	0
Fossil	55 620 849	18 357 594	36 619 130	644 125	0.20	0.29	0.18
<b>Total</b>	<b>55 735 313</b>	<b>18 472 058</b>	<b>36 619 130</b>	<b>644 125</b>	<b>0.13</b>	<b>0.29</b>	<b>0.18</b>

<sup>2</sup> The higher consumption of fuel/km in the USA is due to the fact that the majority of the fleet is made up of heavier vehicles.

ENERGY CONSUMPTION<sup>3</sup>

	KWH				KWH/M2		
	TOTAL	EUROPE	USA	INTERNATIONAL	EUROPE	USA	INTERNATIONAL
Non-fossil	13 982 535	6 972 206	6 207 790	761 489	-	-	-
Fossil	61 499 460	24 325 737	35 177 474	1 987 841	-	-	-
<b>Total</b>	<b>75 481 995</b>	<b>31 297 943</b>	<b>41 385 264</b>	<b>2 749 330</b>	<b>98</b>	<b>168</b>	<b>132</b>

<sup>3</sup> The data is based on invoiced data. Identifying exactly how much energy was consumed is a challenge as most facilities are rented inclusive of energy in the annual rent.

VOLUME OF OPERATIONS<sup>1</sup>

	TOTAL
CIT No of pick-ups and deliveries	35 542 577
CMS No of counted bags	102 631 939
<b>Total</b>	<b>138 174 516</b>

<sup>1</sup> The sum of all customer interactions in the form of pick-ups, deliveries and shipments.

## TOTAL TRANSPORT

	TOTAL KILOMETER
Loomis vehicles <sup>2</sup>	262 898 427
Third party vehicles <sup>3</sup>	1 004 564
Air, train and ship <sup>4</sup>	1 939 963
<b>Total</b>	<b>265 842 954</b>

<sup>2</sup> Loomis transports with its own fleet.

<sup>3</sup> At times Loomis uses third party transports for road transport. This number captures those transports.

<sup>4</sup> It has been a challenge to collect transport distance by third party transports. For the overall calculation of carbon emissions it has little importance as we calculate third party share of emissions in relation to kg volumes.

TOTAL tCO<sub>2e</sub> EMISSIONS LOOMIS GROUP<sup>5</sup>

SCOPE <sup>6</sup>	TOTAL tCO <sub>2e</sub>
Transport (Scope 1)	142 600
Energy (Scope 2)	26 008
Plastic (Scope 3)	3 855
Other (Scope 3)	1 250
<b>2017 Total tCO<sub>2e</sub></b>	<b>173 713</b>

<sup>5</sup> GHG emission factors have been calculated with the support from third party supplier. Future reductions in carbon emission are monitored, measured and assured and reported on direct and indirect emissions in Scope 1, Scope 2 and Scope 3 (plastic volumes).

<sup>6</sup> Calculations and reporting for carbon footprint module are carried out according to the Greenhouse Gas Protocol. Scope 1 includes all direct emission sources where the organization has operational control. Scope 2 includes indirect emissions related to purchased energy. Scope 3 includes indirect emissions from purchased products or services in the value chain

The data collection has been done by relevant functions within the organisation and from external parties such as suppliers or implementing partners. All local data is compiled and consolidated at Loomis AB and reviewed by the relevant teams. Data collection is sometimes done manually and may therefore be subject to human mistakes.



## MEMBERSHIP OF ASSOCIATIONS

COMPANY	NAME OF ORGANIZATION OR FORUM
Loomis AB	UNI, Swedish Transport Worker's Union, Salaried Employee's Union, EWC, ESTA
Loomis Argentina	Cámara de Empresas Argentinas de Transportadoras de Caudales
Loomis Austria	WKO, VSÖ
Loomis Belgium	De Beroepsvereniging van Bewakingsondernemingen (BVBO)
Loomis Denmark	Dansk Industri (DI), Vagt Service Industri (VSI), Collective agreement HK, Collective agreement VSL
Loomis Finland	PALTA ry, Suomen Vartioliikkeiden Liitto ry, SKAL ry, Ammattipätevyyskouluttajat ry
Loomis France	USP VALEURS
Loomis Norway	IA-Bedrift, NHO, Eco-Vadis, Salis, NAF
Loomis Portugal	AES
Loomis Spain	APROSER
Loomis Sweden	Svenskt Näringsliv, Almega, Employers Association-Säkerhetsföretagen, Säkerhetsbranschen
Loomis Switzerland	VSSU, ASTAG
Loomis Turkey	GÜSOD
Loomis UK	BSIA, CBI
Loomis USA	NACA, IACOA, ASIS
Loomis International - Germany	BDGW
Loomis International - Hong Kong	Asia Cash Management Association Ltd, Asian Professional Security
Loomis International - Switzerland	ASTAG, VSSU
Loomis International - UK	LMBA, BSIA, RHA, SIA

# Guiding Policies and Instructions

Throughout the 2017 report there is mention of internal policies governing our work. Below please see a comprehensive listing of those relevant to this report. Loomis policies are reviewed and updated according to a set process including the Board of Directors.

	RELEVANCE
CEO Instruction and Statement on Sustainability	2017 marked the start of a new and more conscious way of working with sustainability matters. Part of the work that was done in 2017 is the new Loomis Group Sustainability Platform, and the launch of a new corporate standard for reporting. The contents of CEO's Instruction and Statement on Sustainability is seamlessly linked to the Group's work to reach the 2021 targets. Overall content corresponds to the legal report areas of Employee, Social and Anti-Corruption and Environmental matters.
Code of Conduct Policy	Loomis Code of Conduct is – together with the Risk Management Policy – a backbone in the daily work. The Code of Conduct is applicable to 100 percent of Loomis employees and stipulates core values and give detailed guidelines to conduct within and outside company as well as compliance responsibilities. The contents correspond to the legal report areas of Employee, Social and Anti-Corruption matters.
Risk Management Policy	How Loomis works with risk and safety is a salient part of daily dealings and key to operating sustainably. The risk management policy stipulate the monitoring of risk based on two fundamental principles: No loss of life and A balance between profitability and risk of theft and robbery. The contents correspond primarily to the legal report area Employee matters.
Anti-Bribery Policy	Loomis has zero tolerance for noncompliance. The Anti-Bribery Policy prohibits employees and board members of "Loomis" (Loomis AB and its subsidiaries) from making or approving any offer, promise, payment, or gift of anything of value to any individual, with an intent to improperly influence a decision by the individual. The Policy is intended to supplement and expand on the Loomis Code of Conduct. Because the Code and the Policy cannot address all local legal issues in all countries in which Loomis operates, where a law conflicts with the Code or the Policy, the more stringent measure prevails. The contents of the policy correspond to the legal report area Anti-Corruption.

# Report Framework Extended Version

At Loomis we are committed to transparent reporting on the progress we make towards reaching our sustainability goals and KPIs. This extended version of the report framework is a supplement to pages 10–13, containing more in-depth information.

The Loomis Group has produced a Sustainability Report annually since 2015 in conjunction with the Annual Report. This is the third report. It covers important sustainability topics, strategies, challenges, activities and goals, and describes the performance of the Loomis Group's global operations in the financial year January 1, 2017 to December 31, 2017, unless stated otherwise.

The report is produced in compliance with the rules in the European Directive<sup>1</sup> on disclosure of non-financial and diversity information and the Swedish Annual Accounts Act (Chapter 6, §12). Neither has binding guidelines on reporting methods; however, as the Directive recommends the use of internationally recognized frameworks and standards to prepare and publish disclosures, Loomis has chosen to focus on the GRI<sup>2</sup> Sustainability Reporting Standards. We recognize that there are several common themes and areas of alignment between the GRI Standards and the European Directive, all of which Loomis has adhered to in its reporting.

## Management approach

Sustainability work within Loomis is based on the outcome of a materiality analysis, the topical KPIs covering the four legal areas and the three sustainability targets included in the financial roadmap for 2018–2021. When Loomis took the initiative to include sustainability as external goals in the Company's strategic road map, expectations were raised for all employees at all levels in the organization to contribute and make it a joint mission to reach the targets. Loomis also works in accordance with local and international laws, rigorous internal security procedures and ethical requirements.

## Materiality

The significance of materiality is to help determine which social, environmental and economic impacts to report on. In the words of the EU Directive: to “provide adequate information in relation to matters that have – or stand out as being most likely – to bring about the materialization of principal risks of severe impacts,” or as stated in the GRI: “material topics are determined as those which reflect the organization's significant social, environmental and/or economic impacts; or which substantively influence the assessments and decisions of its stakeholders.”

## Key materiality process

The process of identifying the most material aspects and their boundaries started in 2016. In 2016 Loomis defined and determined material topics by way of mapping and creating a list based on assessment dialogues involving: 1. self-evaluation of business impacts by Group Management; 2. stakeholders (internal and external); and 3. reconciliation with regulatory and GRI topic areas. Taking these aspects into account has been crucial in order to gain a proper understanding of Loomis' impacts and how they are related to the Company's business model and strategy.

**1 Self-evaluation:** The process of self-evaluation started in spring 2016 with the launch of a sustainability survey for Group Management, country presidents, regional CFOs and controllers. The results were discussed by the EGMT<sup>3</sup> in June 2016. The survey's purpose was threefold:

- To rank aspects in order to do business sustainably
- To identify and prioritize stakeholders for further dialogue on sustainability matters Outcome: customers, employees, authorities, Board of Directors and suppliers
- To analyze how stakeholders rank matters of material importance to Loomis

When the aspects relating to doing business sustainably were ranked, numerous topics emerged. Below are the five that Loomis considered to be the most important:

1. Values, ethics, Code of Conduct
2. Contribute to social projects in local communities
3. Cost efficiency
4. Reduce carbon emissions
5. Labor issues

<sup>1</sup> Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014.

<sup>2</sup> GRI is an independent international organization that has pioneered corporate sustainability reporting since 1997. The GRI Sustainability Reporting Standards are the latest evolution of the GRI's sustainability reporting framework, published in October 2016.

<sup>3</sup> EGMT, Extended Group Management Team, comprises of the Group Management Team, Country Presidents and Regional CFOs.

## 2 Stakeholders

Stakeholders were approached in a series of steps.

**Customers.** In the annual customer survey conducted in autumn 2016, customers in 15 countries were approached and asked to reflect on Loomis in terms of sustainability. The survey contained the same list of sustainability topics as the survey in the self-evaluation process. The results showed that the Group had a good understanding of customer expectations in general.

A review and validation of the materiality matrix was conducted with key stakeholders in autumn 2017. We selected at least one representative from key customers in each country as well as some suppliers. In total 20 stakeholder representatives were asked to provide feedback on the materiality matrix and 12 responded. The feedback from the qualitative interviews confirmed the material topics presented and no topics were considered to be missing. See image on page 11.

In 2018 the annual online customer survey will be updated to include a new set of questions that reflect the 2018–2021 roadmap and the customer attitude KPIs that have been developed to monitor our progress.

**Employees.** Employee surveys are conducted once every two years. The responsibility lies with each of the countries. A set of questions relates to the Group as a whole and refers to the Loomis model, a satisfaction index, management quality and improvement, and sustainability. In the 2016 survey employees were asked to rank sustainability issues. The responses vary greatly from country to country, mainly because the concept of sustainability is interpreted differently in different markets. Two common denominators are the environment in general and the importance of being involved in good community projects.

In 2018 the employee survey will be updated to include a new set of questions reflecting the 2018–2021 roadmap and the employee attitude KPIs that have been developed to monitor our progress.

## 3 Reconciliation of regulatory and GRI topic areas

Once the materiality of a sustainability topic was established, its severity was judged by its scale and gravity. Impact risks may stem from Loomis' own activities or be linked to our operations, services and relationships in other ways. In this report Loomis has set out to include the value chain aspect, emphasizing that, although we may not always be in direct control of our impact, we do not permit the outsourcing of responsibility. We address key impacts (positive and negative) throughout our value chain and this is reflected, wherever possible, in our sustainability reporting by all of the challenges, risks, actions and results in terms of key materiality topics and regulatory issues being addressed in our business model. This is a significant undertaking and also a standard of reporting that is new to us.

To establish a sustainability platform upon which to build a long-term report structure we have defined report content and topic boundaries according to the most material matters in the materiality analysis and mapped them up against the legal requirements and Loomis' sustainability targets. The outcome is explained and illustrated in the matrix on page 13. This is the platform and framework for Loomis' sustainability reporting as of this year's report, and will be followed at least until 2021.

Each country and local management is committed to help Loomis achieve the goals, and regularly report in to Loomis AB on efforts and performance data.

## Data Collection

Data to monitor emissions management status, emission targets and reduction initiatives is collected by our local teams from the relevant departments within our organization and from external parties such as suppliers or implementation partners. This data is reviewed by the relevant internal teams and experts.

## External assurance

It is important for us to verify our efforts to demonstrate credibility. The sustainability roadmap for 2018–2021 has three clear strategic goals: zero workplace injuries, 30 percent reduction in our carbon emissions and 30 percent reduction of the use of plastics within our operations. In addition, a comprehensive set of KPIs (see page 46 for an overview) has been established to complement the goals and to monitor our efforts to reach the goals as well as other regulatory areas.

From 2018 all sustainability data will regularly be reported into the data management system of an independent CSR consulting company. They provide us with an online sustainability reporting and analysis system. See next page for information on methodology and sources.

Pricewaterhouse Coopers has issued a statutory statement on this report, refer to page 66 for auditors statement.

## Challenges

All companies seek growth. Loomis' challenge is therefore not unique; when our business grows, our social, environmental and economic impact grows too – primarily through increased vehicle fleet size, more kilometers driven, a greater number of employees, increased transport and travel volumes, an increase in plastics used in operations and higher energy consumption. The challenge is to grow sustainably, and to ensure that steps forward are conscious ones that maintain the needed balance.

In particular, we are addressing the challenge of bringing about a substantial decrease in Loomis' overall carbon dioxide emissions and plastic volumes when both matters are automatically connected to increased volumes as our business grows. To eliminate this underlying contradiction, it is vital to choose a viable method for performance measurement.

The Loomis method of choice is to reduce carbon emissions and plastic volumes in relative terms to our business. We will link and report on Loomis' reduction goals in relation to an intrinsic business KPI: our operational volume, i.e. the sum of all customer interactions in the form of pick-ups, deliveries and shipments. A growth in operational volumes is directly linked to the growth of our business regardless of it being organic or non-organic. To monitor performance and development over time, and in order not to hinder business growth, all major carbon emission reduction activities will be measured and documented in terms of CO<sub>2</sub>/operational volume. This method should lead to increased transparency regarding results that might not otherwise be evident in absolute terms when the business grows.

Then we addressed the question of which sources of carbon emissions to factor in to the overall calculation. Our 2017 data shows that approximately 80% of Loomis carbon emissions come from fleet transports defined as Scope 1. Emissions from energy consumption (Scope 2) and safety plastic bags (Scope 3) account for an estimated 15%, and business travel (Scope 3) an estimated 5%. Going forward we shall include emissions from sources we can directly affect which is our fleet transports but also indirect sources such as energy consumption and plastic safety bags.



### Supply chain omissions

Loomis' five main operating expenses<sup>1</sup> are personnel costs, vehicle expenses, cost of premises, technical equipment costs and expenses relating to risk, claims and insurances. In this report we have omitted due diligence measures with respect to suppliers.

### Business travel data omissions

Business travel was not considered an aspect of material importance by Loomis' stakeholders. It is generally considered to be a source of indirect emissions (Scope 3) and a component in voluntary reporting. Loomis undoubtedly has a tough goal to reach: a 30 percent reduction in carbon emissions.

### Methodology and sources provided in the third party online reporting system<sup>2</sup>

Calculations and reporting for carbon footprint module are carried out according to the Greenhouse Gas Protocol (GHG protocol). The GHG Protocol was developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). This analysis is based on A Corporate Accounting and Reporting Standard Revised Edition, currently one of four GHG Protocol accounting standards outlining how to calculate and report GHG emissions. The following greenhouse gases are reported on – all converted into CO<sub>2</sub> equivalents: CO<sub>2</sub>, CH<sub>4</sub> (methane), N<sub>2</sub>O (laughing gas), SF<sub>6</sub>, HFCs and PFCs.

The analysis is based on the operational control aspect to determine what should be included in the carbon inventory and at the different levels (Scope 1, 2 etc.). When using the control approach to consolidate GHG emissions, companies must choose either operational control or financial control criteria. Under the control approach, a company accounts for GHG emissions from operations over which it has control. It does not account for GHG emissions from operations in which it holds an interest but has no control.

The carbon inventory is divided into three main levels of direct and indirect emissions.

**Scope 1.** Mandatory reporting includes all direct emission sources where the organization has operational control. This includes all use of fossil fuels for stationary combustion or transportation in owned, leased or rented assets. It also includes any process emissions, e.g. from chemical processes, industrial gases, direct methane emissions etc.

**Scope 2.** Mandatory reporting includes indirect emissions related to purchased energy – electricity or heating/cooling where the organization has operational control. The electricity emission factors used are based on national gross electricity production mixes on a 3-year rolling average (IEA statistics). The Nordic electricity mix is the weighted production in Sweden, Norway, Finland and Denmark, which reflects the joint Nord Pool market area. Emission factors per fuel type are based on assumptions in the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes or average IEA statistics. In January 2015, the GHG Protocol published new guidelines for calculating emissions from electricity consumption. Primarily two methods are used to “allocate” the GHG emissions from electricity generation to the end-consumers of a specific grid. These are the location-based and market-based methods. The location-based method reflects the intensity of average emissions in grids where energy consumption occurs, while the market-based method reflects emissions from electricity that companies have deliberately chosen (or their lack of choice).

**Scope 3.** Voluntary reporting of indirect emissions from purchased products or services in the value chain. Scope 3 emissions are the result of various activities that are not controlled by the company, i.e. they are indirect. Examples are business travel, goods transportation, waste handling, consumption of products etc. In general, the GHG report should include information that users – both internal and external – need for their decision-making. An important and relevant aspect here is the selection of an appropriate inventory boundary that reflects the substance and financial reality of the company's business relationships.

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<sup>1</sup> See Annual Report Note 10 on page 84.

<sup>2</sup> Sources

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# GRI Index

The following tables cover Global Reporting Initiative (GRI) aspects that are deemed material to Loomis' operations. The most relevant aspects — employee safety, risk management and emissions — are integrated into the financial targets for 2021. Our approach to those aspects and more are outlined in Part 1–4 and aligned with four legal compliance areas.

GRI STANDARDS	COMMENT OR PAGE
<b>GRI 102: General disclosures</b>	
① Organizational profile	
102-1 Name of the organization	Loomis AB
102-2 Activities, brands, products, and services	Page 8
102-3 Location of headquarters	Stockholm, Sweden
102-4 Location of operations	Page 8
102-5 Ownership and legal form	Page 3
102-6 Markets served	Page 8
102-7 Scale of the organization	Page 8
102-8 Information on employees and other workers	Page 20
102-9 Supply chain	2017 Annual Report Page 10—11, 19
102-10 Significant changes to the organization and its supply chain	2017 Annual Report Page 59—61
102-12 External initiatives	2017 Annual Report Page 59—61
102-13 Membership of associations	Page 53

GRI STANDARDS	COMMENT OR PAGE
<b>2</b> Strategy	
102-14 Statement from senior decision-maker	Page 4
102-15 Key impacts, risks, and opportunities	2017 Annual Report Page 12—13
<b>3</b> Ethics and integrity	
102-16 Values, principles, standards, and norms of behavior	Pages 26 and 30
102-17 Mechanisms for advice and concerns about ethics	Page 30
<b>4</b> Governance	
102-18 Governance structure	2017 Annual Report Page 46—50
102-20 Executive-level responsibility for social, environmental, and economic topics	Page 4
102-21 Consulting stakeholders for social, environmental, and economic topics	Pages 10—13 and 55—57
102-29 Identifying and managing social, environmental, and economic topics	Pages 10—13 and 55—57
<b>5</b> Stakeholder engagement	
102-40 List of stakeholder groups	Page 55
102-41 Collective bargaining agreements	Page 49
102-42 Identifying and selecting stakeholders	Page 55—56
102-43 Approach to stakeholder engagement	Page 55
102-44 Key topics and concerns raised	Page 10 and 55
<b>6</b> Reporting practice	
102-45 Entities included in the consolidated financial statements	2017 Annual Report Page 59—61
102-46 Defining report content and topic Boundaries	Page 10 and 55
102-47 List of material topics	Page 11
102-49 Changes in reporting	Page 10—13
102-50 Reporting period	Page 55
102-51 Date of most recent report	May 2017
102-52 Reporting cycle	Jan 1—Dec 31, 2017

GRI STANDARDS	COMMENT OR PAGE
<b>6 Continue</b> Reporting practice	
102-53 Contact point for questions regarding the report	Page 57
102-56 External assurance	No
<b>GRI 201: Economic performance</b>	
103-1 —103-3 Management approach	2017 Annual Report Page 15—17
201-1 Direct economic value generated and distributed	See 2017 Annual Report
201-2 Financial implications and other risks and opportunities due to climate change	Not deemed material aspect
201-3 Defined benefit plan obligations and other retirement plans	2017 Annual Report Page 63
<b>GRI 203: indirect economic impacts</b>	
203-1 Infrastructure investments and services supported	Part 1—4
<b>GRI 205: Anti-corruption</b>	
203-1 Infrastructure investments and services supported	Part 1—4
103-1 —103-3 Management approach	Page 30—33
205-1 Operations assessed for risks related to corruption	Part 2
205-2 Communication and training about anti-corruption policies and procedures	Page 30—33
<b>GRI 301: Materials</b>	
103-1 —103-3 Management approach	Page 34—41
301-1 Materials used by weight or volume	Page 51
301-2 Recycled input materials used	Page 51
<b>GRI 302: Energy</b>	
103-1 —103-3 Management approach	Page 34—41
302-1 Energy consumption within the organization	Page 51
<b>GRI 305: Emission</b>	
103-1 —103-3 Management approach	Page 34—41
305-1 Direct (Scope 1) GHG emissions	Externally calculated. Page 52



GRI STANDARDS	COMMENT OR PAGE
<b>Continue</b> GRI 305: Emission	
305-2 Energy indirect (Scope 2) GHG emissions	Externally calculated. Page 52
305-3 Other indirect (Scope 3) GHG emission	Page 52
<b>GRI 401: Employment</b>	
103-1 —103-3 Management approach	Page 18 and 21
401-1 New employee hires and employee turnover	Not completed
<b>GRI 403: Occupational health and safety</b>	
103-1 —103-3 Management approach	Page 18 and 21
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 48
403-4 Health and safety topics covered in formal agreements with trade unions	UNI Agreement
<b>GRI 404: Training and education</b>	
103-1 —103-3 Management approach	Page 18 and 21
404-1 Average hours of training per year per employee	Page 49
404-2 Programs for upgrading employee skills and transition assistance programs	Page 29
404-3 Percentage of employees receiving regular performance and career development reviews	Page 50
<b>GRI 405: Diversity and equal opportunity</b>	
103-1 —103-3 Management approach	Page 24—29
405-1 Diversity of governance bodies and employee	Page 49—50
<b>GRI 406: Non-discrimination</b>	
103-1 —103-3 Management approach	Page 24—29
<b>GRI 412: Human rights assessment</b>	
103-1 —103-3 Management approach	Page 24—29
412-2 Employee training on human rights policies or procedures	Page 51

# Board of Directors' and Auditor's Statement

Stockholm, April 3 2018  
Loomis Board of Directors

Alf Göransson  
*Chairman*

Ingrid Bonde  
*Board member*

Cecilia Daun Wennborg  
*Board member*

Jan Svensson  
*Board member*

Patrik Andersson  
*Board member,  
President and CEO*

Gun Nilsson  
*Board member*

Jörgen Andersson  
*Employee representative*

Sofie Nordén  
*Employee representative*

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## **Auditor's Statement (Translation of the Swedish original)**

To the general meeting of the shareholders in Loomis AB (publ), corporate identity number 556620-8095

### **Engagement and responsibility**

It is the Board of Directors who is responsible for the statutory sustainability report for the year 2017 and that it has been prepared in accordance with the Annual Accounts Act.

### **The scope of the audit**

Our examination has been conducted in accordance with FAR's auditing standard RevR 12. The auditor's opinion

regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is sustainability different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### **Opinion**

A statutory sustainability report has been prepared.

Stockholm, April 3 2018  
Pricewaterhouse Coopers AB

Patrik Adolfson  
*Authorized Public Accountant*



We believe in People,  
Service and Integrity.  
**What do you believe in?**

Our success is measured by the quality of our team and the trust of our customers. That's why we look for people who bring a winning attitude, who respect their teammates, and who take pride in a job well done.

"Hiring the best" defines our process of vetting against the strictest standards—the toughest in the industry. So, if you're offered a spot on our team, it means you have a solid background, the right skills, and the attitude of someone who knows how to contribute to a great organization.

If this sounds appealing contact us today. It may not be easy to earn a job with Loomis, but if you have what it takes to join our team, you'll find positive opportunities for a fulfilling career. Jobs are available in more than 20 countries. Find your nearest branch office at [www.loomis.com](http://www.loomis.com).



Managing **cash** in society.

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