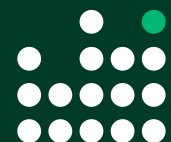


November 2023

# Verification

POST-ISSUANCE



KPI Performance and Sustainability  
Targets for Sustainability-Linked Bonds

Kährs

## Independent Verification of Greenhouse Gas Emissions reporting and SPT progress

Kährs Holding AB (“Kährs”) has commissioned Position Green AS (“PG”) to conduct an independent review of the company’s GHG reporting and the Sustainability Performance Targets included in Kährs’ 2021 Sustainability-Linked Bond Framework.

### BASIS FOR THE REVIEW OF

Reporting Period	01.01.2022 – 31.12.2022
Framework/Methodology	GHG Protocol; The SBTi’s Net-Zero Standard; 2021 ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews

### From Kährs’ Sustainability-Linked Bond Framework

	KPI Performance Indicators (KPI)	Sustainability Performance Targets (SPT)
1	CO2e emissions from the Group’s own operation and purchased energy (Scope 1 & 2)	Reduction in Scope 1 and 2 CO2e emissions (40% in 2025, baseline 2020)
2	Setting a Science Based Target (“SBT”) for CO2e emission reduction in line with 1.5 degree scenario	SBT to be validated by the Science Based Target initiative (SBTi) in 2023
3	Sustainably sourced wood as a per cent of the Group’s total purchased wood raw material	Increase the share of sustainably sourced wood (to 87% in 2025, from 80% in 2020)

## CRITERIA AND PROCEDURES

		Criteria applied	Verification procedures
KPI I and SPT I	I.	The structure of the report is in line with the GHG Protocol.	<ul style="list-style-type: none"> <li>Review of entities included in the reporting, and if an Equity or Control approach has been chosen</li> <li>Review of data used for Scope 1 and 2 and completeness</li> <li>Review of emission factors used</li> <li>Review of estimation techniques where data has been unavailable</li> <li>Traceability and correctness of calculations</li> <li>Overall review of the application of the GHG Protocol.</li> </ul>
	II.	The data used is transparent and the performance is in line with the trajectory	
	III.	The calculations have been conducted using the correct conversion factors	
KPI II and SPT II	IV.	The approach to commit to the SBT is in line with the standard established by SBTi	<ul style="list-style-type: none"> <li>Review of commitment letter prepared by company</li> <li>Review of documentation submitted to SBTi</li> <li>Review documentation of validation</li> <li>Confirmation of target validation by SBTi</li> </ul>
	V.	The commitment of Kährs is submitted to SBTi	
	VI.	The company has submitted SBT for validation by SBTi	
	VII.	The SBT is validated by SBTi	
KPI II and SPT III	VIII.	The company is using recognised systems for documenting certified wood	<ul style="list-style-type: none"> <li>Review of the composition of systems for documenting certified wood</li> <li>Reviewing the documentation of results achieved</li> </ul>
	IX.	The sourcing of wood is following the required trend	

## CRITERIA AND PROCEDURES

Following the review of Kährs Holding's GHG reporting based on the criteria above, we consider the reporting to cover the elementary requirements, however we would like to highlight the following:

### SPT 1

- I. The reporting follows the basic principles of the GHG Protocol
- II. Nothing has come to our attention that causes us to believe that the data used is not transparent. The emissions have been reduced ahead of trajectory
- III. Nothing has come to our attention that causes us to believe that the emission factors used are not, in all material respects, in line with requirements

#### APPROACH:

- Operational control approach

#### EMISSION DATA REVIEWED (market based):

- Scope 1: 1 329 tCO<sub>2</sub>e
- Scope 2: 2 859 tCO<sub>2</sub>e

#### REDUCTIONS REVIEWED:

- Scope 1: 2 658 vs 1 329 = -1 329 (50% decrease)
- Scope 2: 8 706 vs 2 859 = -5 847 (67% decrease)
- Total: 11 364 vs 4 188 = -7 176 (63% decrease)

### SPT II

- IV. The commitment letter contains the information required
- V. The documentation has been submitted and registered by SBTi

- VI. The company will need to get the SBTs validated by December 2023
- VII. See point above

### **SPT III**

- VIII. The company is using recognised systems for documenting certified wood
- IX. Kährs achieved 82% certified wood for 2022. This is the same as last year, and as such, the company is behind trajectory

**Review Provider:**

**Position Green AS**

**Date:**

**22.11.2023**

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