

Sustainability-Linked Financing Framework

2023



About Glamox

The Glamox Group

Glamox is a Norwegian industrial group that develops, manufactures and distributes professional lighting solutions for the global market. Applications include lighting solutions for professional buildings in Europe as well as lighting solutions for the marine, offshore and wind industries.

Founded in Molde in 1947, Glamox began life as pioneer of lighting for businesses big and small. Known for its glamoxation process for creating highly efficient aluminium reflectors for powerful luminaires, we also gave the world the Luxo desk lamp with more than 25 million units sold.

Today, Glamox is headquartered in Oslo and is Norway's largest lighting company. Employing around 2,200 people worldwide and with manufacturing sites in Norway, China, Estonia, Germany, Poland, UK, and sales locations in Europe, Asia and North America.

Glamox is a performance led, purpose-driven company. Our vision is to create light for a better life. It's backed by our mission to provide sustainable lighting solutions that improve the performance and well-being of people.



Our quality brands

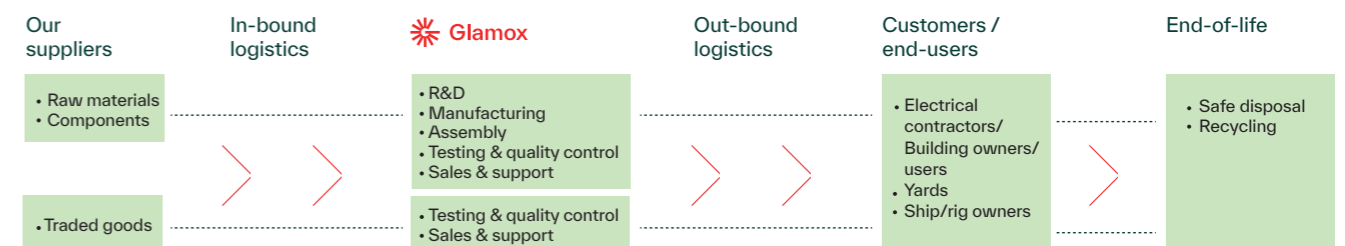


Technology and expertise

Our products and solutions are developed and tested by our engineers at our own research and testing facilities, and manufactured and certified in accordance with relevant quality and environmental standards such as ISO9001 and ISO14001.

The Glamox Group has two business areas - Professional Building Solutions (PBS) and Marine, Offshore & Wind (MOW). Each of the two business areas represent a complete value chain and are supported by the Sourcing, Production and Logistics (SPL) division, which operates production units and factories, and plays a central role in the procurement of components and finished goods.

Glamox' value chain





Glamox' approach to sustainability

Stakeholder engagement and materiality assessment

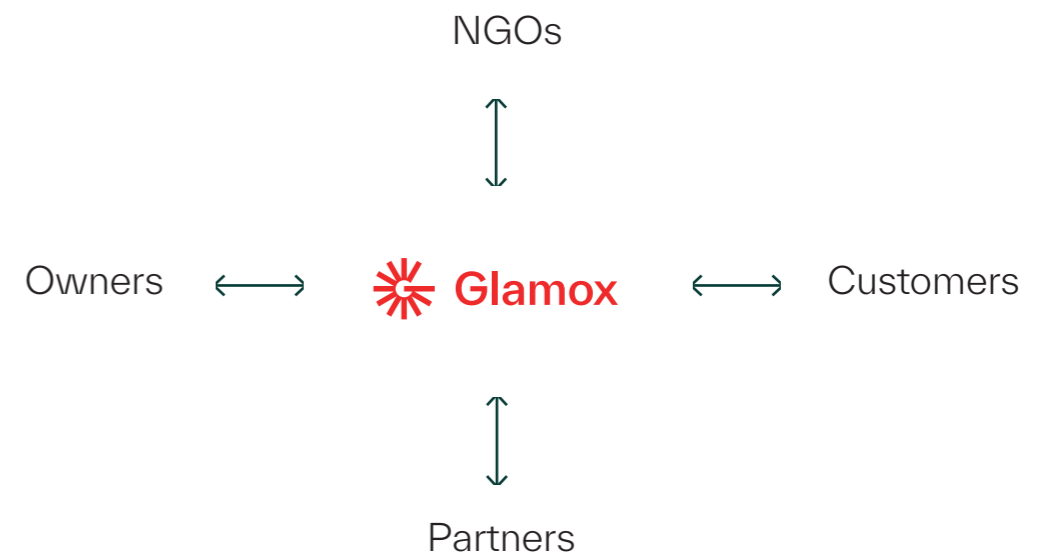
The Glamox sustainability strategy is based on a thorough materiality assessment and created together with sustainability experts and in dialogue with our key stakeholders.

Since 2020, Glamox has worked together with external sustainability advisors to identify and map stakeholder expectations, our sustainability impact, as well as key topics for Glamox to focus on going forward as a group. A key element has been to align ongoing initiatives across the Group into a coherent

approach by sharing knowledge and best practices. The stakeholder dialogue and materiality assessment guiding our strategy was undertaken in line with the GRI Standards principles for defining report content.

Ongoing dialogues with internal and external stakeholders to understand what the topics and issues that matters to them, are key to determining our sustainability priorities. Glamox key stakeholder groups include owners, NGOs, customers, and employees as well as governments and regulators.

Glamox's stakeholders



Stakeholder expectations were mapped through formal interviews with internal and external stakeholders, an analysis of Glamox business priorities and supply chains, as well as a big data analysis on emerging sustainability topics. The input was structured and systematized to help identify the topics discussed, which is summarized in the Glamox materiality assessment.

The illustration below is based on internal and external stakeholder dialogue and shows the most material sustainability topics for Glamox and our value chain.

A definition of each topic is included in the reporting on material topics on page 103-113.

Our materiality assessment was the first step towards defining our strategy. By identifying future trends and understanding stakeholders perspectives, we were able to identify risks and opportunities that could impact our business and the type of impact we have on our surroundings. The assessment guides us in our work and helps us to prioritise as to where our efforts can make the most impact.

There is a fast pace in the development of sustainability reporting practices and Glamox aspires to be transparent and compliant with upcoming legislation, aligning its annual sustainability reporting with these developments. Furthermore, the materiality assessment will be updated regularly to account for changes in Glamox operating environment, with the next update planned for 2023.

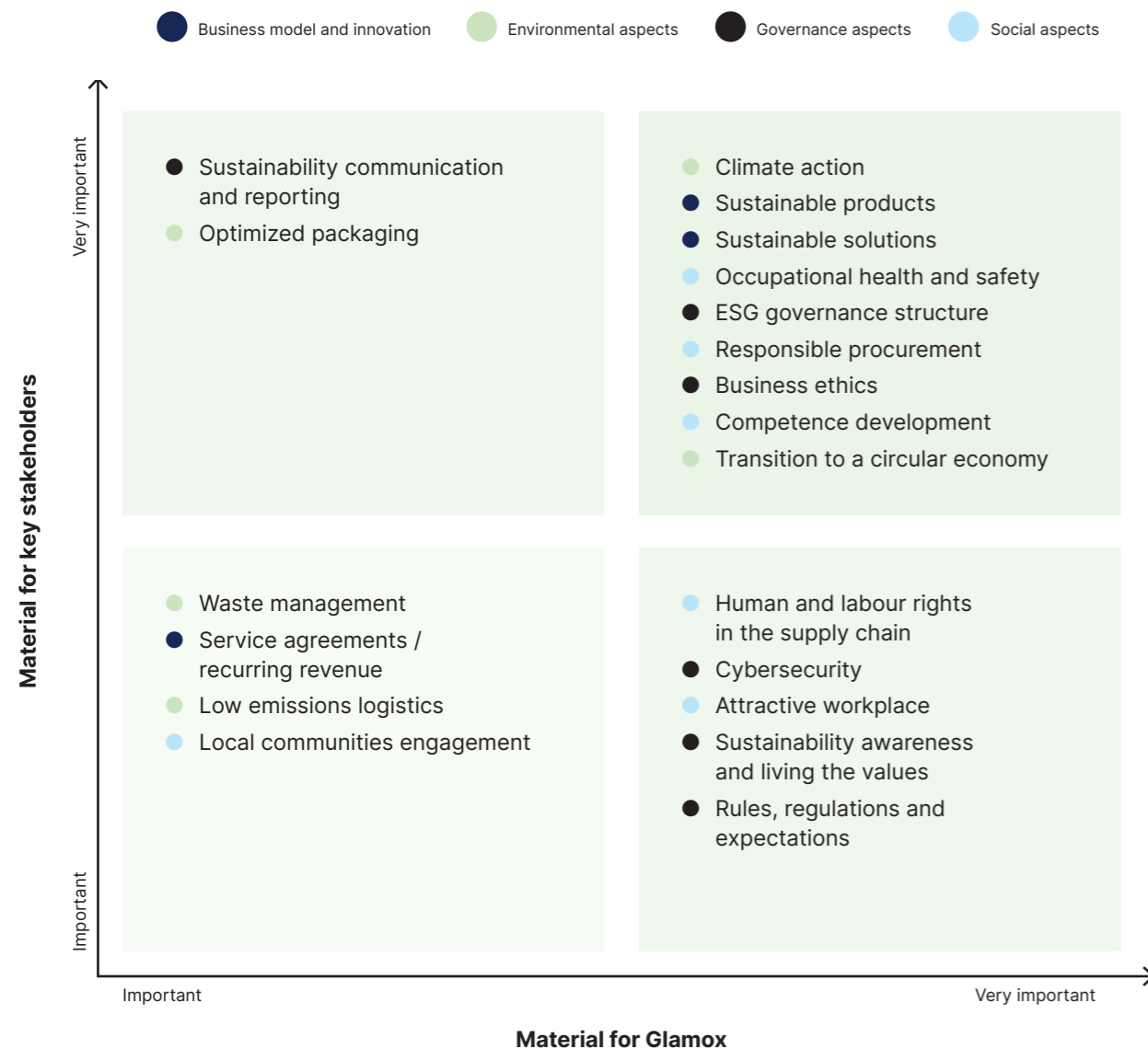
In addition to systematic stakeholder dialogue, we are active in several organisations and initiatives, including as a Participant to The UN Global Compact, commitment to the Science Based Targets Initiative (SBTi) and Triton network. Being partly owned by funds controlled by Triton Partners ensures that Glamox monitor its alignment with the EU taxonomy, upon which will be reported in our annual sustainability report.

At Glamox, we are continuously working towards reducing the environmental footprint of our products and operations. We know that lighting contributes to 15 – 20 % of the world’s electricity consumption and accounts for 5 % of the world’s greenhouse gas emissions, so changes we make can have a big impact. Because of this we have committed to setting near-term company-wide emission reductions in line with the SBTi. In addition to this, we are in continuous dialogue with our owners and peer companies in ESG networking groups. To increase the available knowledge about light and its impact on well-being, we contribute to research projects with academic partners, such as the University in Bergen and International Commission on Illumination.

As a result of our materiality assessment, Glamox has developed its four pillars, defining our sustainability strategy. The pillars are directly built on our mission and values, and will help us achieve our vision and ultimate goal: Creating light for a better life.

We support the ten UN Global Compact principles, and strongly believe that we need to work together to end extreme poverty, fight inequality and tackle climate change, while operating responsibly and taking bold actions to drive improvements globally. Glamox is currently assessing the gaps required to address in order to comply with Global Compact Advanced Level reporting.

Glamox materiality assessment



Our four strategic pillars

We work along four pillars to deliver on our own ambitions and stakeholders' expectations: enabling sustainability for clients, environmental excellence in operations, responsible leadership, and light up people and society. We also set goals and targets connected to the pillars



Enabling sustainability for clients



Environmental excellence in operations



Responsible leadership



Light up people and society



Enabling sustainability for clients

Most environmental and climate impact from lighting solutions come from the use phase. Glamox continuously works towards creating more energy efficient solutions. We strive to increase our share of turnover from connected lighting and work to implement circularity in our product development phases, continuously improving the circularity of the existing product portfolio by initiatives such as replacing virgin material with recycled material.

Additionally, the impact that light has on the physiological and physical wellbeing of people is an

important sustainability aspect for Glamox. We have therefore developed human-centric lighting (HCL) solutions that are in use in schools, health facilities, offices and industrial buildings. All our product families have certificates, manuals and declarations, documenting their performance, and we recently launched an Environmental Product Declarations ("EPD") generator that enables us to issue EPDs for our products. Glamox offer solutions that meets the requirements for BREEAM, WELL, LEED and other market-specific environmental standards.

Environmental excellence in operations

Because Glamox' footprint is part of our customer's footprint, we seek to reduce and minimize our negative environmental impact and maximize the positive effects of our solutions. Efforts taken by Glamox include reducing the energy consumption in our operations and for our products, and making sure that

life cycle emissions are as low as possible. Glamox continuously aim to increase the share of renewable electricity in its production units and look for new ways to reduce impact from material use and packaging, and to maximize waste recycling and minimize or find alternatives to harmful chemicals.

Responsible leadership

Our core values are Competent, Connected, Committed, and Responsible. Glamox has several policies to guide ourselves and our suppliers in living up to those values. Governing documents include the Glamox Code of Conduct, together with supporting documents such as the Responsible Business Partner Policy, Anti-Corruption Policy, and Modern Slavery Statement. We always strive for transparency and communicate

our expectations to employees and suppliers alike. Employees are trained in key governance risk matters such as export control, sanctions, anti-corruption, modern slavery, and other conflicts of interests. Further, we always work proactively to minimise risks in our business by emphasising our ethical guidelines in communication from senior management.

Light up people and society

We work every day to light up people and society – through our solutions and by providing an attractive and safe workplace. We believe an open-minded and inclusive organisation is key for success. Glamox therefore upholds the principles of freedom of association and collective bargaining, and is committed to providing equal opportunities, fair treatment, and an inclusive work culture. We have

a health, safety, and environmental (HSE) policy to reaffirm our commitment to these issues.

Glamox aims to maintain a high level of supplier oversight and engagement on ethics, social and governance related issues. We have systems for screening and monitoring suppliers and their social and environmental criteria in their value chains.



Sustainability-linked financing

By setting up this document (the “Sustainability-Linked Finance Framework” or “Framework”), Glamox intends to link its funding with key objectives that are material for our long-term sustainability performance and further emphasize Glamox’ commitment to work towards reducing the environmental footprint of our products and operations.

The Framework is developed in alignment with the Sustainability-Linked Bond Principles (SLBP) published in June 2020 by the International Capital Market Association (ICMA) and the Sustainability-Linked Loan Principles (SLLP) published in March 2022 by the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA).

The Framework will apply to sustainability-linked debt instruments issued by Glamox such as sustainability-linked bonds and loans. The terms and conditions of the underlying documentation for each sustainability-linked debt instrument issued by Glamox shall provide a reference to this Framework. The purpose of the Framework is to define the Key Performance Indicators (“KPIs”), Sustainability Performance Targets (“SPTs”), financial characteristics, reporting and verification related to our sustainability-linked financing.

Summary of KPIs and SPTs

	KPI 1	KPI 2	KPI 3
KPIs	Absolute Scope 1 and 2 GHG emissions in metric tonnes	Share of turnover from connected lighting	Non-hazardous waste to landfill in metric tonnes
SPTs	SPT 1: Reduce absolute Scope 1 and 2 GHG emissions by 40% by 2025 from a 2021 base year	SPT 2: Increase the share of turnover from connected lighting to 45% by 2025	SPT 3: Reduce the share of non-hazardous waste sent to landfill to 1% by 2025
Target observation date	Unless otherwise specified in the related transaction documentation, the target observation date fall on the year-end of the SPTs.		
Financial characteristics	Premium payment, coupon step-up or margin adjustment.		
Reporting and post issuance verification	Annually as a stand-alone report or integrated into the annual report, in either case, publicly available on Glamox’ website.		





Selection of Key Performance Indicators

Because Glamox' footprint is part of our customer's footprint, we seek to reduce and minimize our negative environmental impact and maximize the positive effects of our solutions. In addition to reduced energy consumption when solutions are in use, we also need to make sure that emissions from the full product life cycle are as low as possible, and that our products are responsibly handled from material sourcing to product end-of-life. This includes taking steps to cut emissions and make better choices in our production.

Through obligations to comply with local and global government, and self-imposed requirements, we will contribute to a lower environmental impact. This implies objectives related to: reduce waste, increase reuse as far as possible, use environmentally efficient transport solutions, reduce energy consumption, prevent emissions, and develop environmentally friendly products and systems.

The KPIs included in this Sustainability-Linked Finance Framework have been selected after carefully considering the most relevant, core, and material sustainability topics for Glamox and its stakeholders. This is steered by the conducted

materiality assessment that underpins the most material sustainability topics for Glamox and our value chain, and mirrors the key environmental sustainability challenges the lighting industry is facing. It has been important to identify KPIs that are of strategic importance to the future operations and where Glamox has improvement potential.

According to the SLBP developed by ICMA, issuers are encouraged, to the extent possible, to provide at least three years historical KPI performance. Due to the significant acquisitions in 2019 of ES System in Poland and Luxonic in the UK, there is a lack of comprehensive quality data for the group, and the historical figures before 2020 have proven very difficult to collect on a representative like-for-like basis. Glamox has therefore focused on establishing a solid data set with a minimum of two years historical performance to allow stakeholders to assess the KPI targets in a like-for-like historical comparison. To ensure data consistency and that we target the right emissions sources Glamox is working with Normative, a leading science-based carbon accounting software company, to analyse and track all CO2 emissions (scope 1-3) going forward. This enables data driven improvement efforts.

KPI 1 Absolute Scope 1 and 2 GHG emissions in metric tonnes

Scope and methodology

GHG emissions are calculated in accordance with the GHG Protocol and reported according to the GRI 305: Emissions 2016.

Scope 1 emissions are defined as direct GHG emissions that occur from sources that are controlled by an organisation. For Glamox, this is measured through energy usage from fuel combustion in our operations.

Scope 2 emissions are defined as indirect GHG emissions and refer to emissions that

are associated with the purchase of, e.g., electricity, heat, cooling, and steam. For Glamox, this is pertaining to energy usage from utilities. In accordance with the GHG protocol we calculate our Scope 2 emissions in two ways: i) based on the location-based method, and ii) based on the market-based method.

For the purpose of this KPI, a market-based approach is used for calculating Scope 2 emissions.

Historical performance

Glamox has reported Scope 1 and 2 emissions since 2020 and has historically reported the following GHG emissions for Scope 1 and 2 activities:

Climate emissions	Units	2020	2021
Greenhouse gas emissions - Scope 1 (direct)	Tonnes CO2-eq	2,103	2,868
Greenhouse gas emissions - Scope 2 (indirect)	Tonnes CO2-eq	3,340	1,739
Total Scope 1 & 2 GHG emissions	Tonnes CO2-eq	5,443	4,606

Glamox reduced its GHG emissions from 5,443 tonnes CO2 equivalents in 2020, to 4,606 tonnes CO2 equivalents in 2021, mainly through increasing the share of renewable energy and through energy efficiency and emission reduction initiatives in our factories such as switching to biofuel. During 2020, the group took action to ensure that the Norwegian and Estonian production units had 100% renewable electricity supply from 2021 that

sped up the reduction of Scope 2 emissions. Glamox has continued its efficiency programs and further reduced electricity consumption, especially in our Polish production units, where both electricity and gas consumption has been substantially decreased. Other examples of initiatives include new heat, ventilation and air conditioning (HVAC) and lighting systems in certain production units.



Rationale and materiality of the KPI

By selecting Scope 1 and 2 emissions as a KPI, we are contributing to the UN SDG 13: Climate action, which is very important for us and our stakeholders and is outlined in our materiality assessment. By reducing emissions, we are taking climate action and committing to our target of becoming net zero in our operations by 2030. Setting ambitious targets and integrating them in our financing arrangements is a significant step in that direction.

Furthermore, the KPI is also connected to our four strategic pillars, especially “Environmental excellence in operations”. Finally, we see room for material improvement with this KPI.

Glamox is currently engaged in a detailed assessment of our Scope 3 footprint, looking to improve the accuracy of our emission data. As a result, we are not including Scope 3 emissions as a KPI for the purpose of this Framework. However, we acknowledge that a significant part of our emissions arise from Scope 3 activities and are taking concrete actions to address

this. In March 2021 Glamox sent a commitment letter to the SBTi. This means that Glamox will set a Scope 3 reduction target as part of the validation process and be registered on the SBTi website with near term targets aligned with a 1.5-degree scenario. Glamox has 24 months from the commitment letter was sent until targets need to be set and validated by SBTi. Our Scope 1 and 2 emission reduction target and trajectory included in this framework is aligned with the long-term targets that will be submitted as part of the validation process. As Glamox is still undergoing significant work to assess the Scope 3 baseline data, it is premature to include a scope 3 target for the purpose of this framework. However, stakeholders should take comfort in Glamox’ publicly stated commitment with the SBTi. In addition, we are setting a specific KPI addressing the largest part of Glamox value chain emissions (i.e. use of sold products). KPI 2 will have a significant impact on our scope 3 emissions by increasing the share of energy efficient lighting products.

KPI 2 Share of turnover from connected lighting

Scope and methodology

The KPI is measured as the percentage share of turnover generated from connected lighting. Connected lighting are defined as luminaires that are addressable and can be connected to networks and controlled remotely and from which data can be extracted. For Glamox, connected lighting encompass all products that can be connected in a network as well as revenue from commission of the network. This includes all our luminaires

with integrated sensors, a physical address and that belong to a lighting control system. Furthermore, this also includes locally traded control components as well as fixtures that have a Human Centric Lighting function and associated software licenses. The definition used by Glamox is in line with the methodology used in the CSIL 2022 report “LEDs and the worldwide market for connected lighting”.

CSIL (established in Milano 1980) is an independent research and consulting company specialised in applied economic research, evaluation of public investment projects, infrastructure project appraisal, support to development programmes and policies, market analysis and SMEs economics. The report “LEDs and the worldwide market for connected lighting” is the thirteenth edition and was processed using information collected from approximately 400 worldwide manufacturers operating in the lighting industry.

Historical performance

Glamox reports on the percentage of our turnover that comes from connected lighting. In 2021, this number was around 35% of our turnover, where the PBS division is the main provider of connected lighting. The increase has been driven by Glamox offering of easy to use, high quality products with a proven

and substantial increase in energy savings when connected. A conscious effort to align our offering with green building standards has further driven this development. In 2022 Glamox looks set to reach ~37% connected lighting share, well above industry averages.



Rationale and materiality of the KPI

Connected lighting is highly relevant since increased connectivity and adaptability leads to energy savings and thereby avoided emissions (also referred to as Scope 4 emissions). We acknowledge that Scope 4 is an unofficial term without a GHG Protocol definition and thus we defer from stating avoided emissions in terms of CO2. However, GHG emissions stemming from the use of Glamox' products are a significant contributor to our value chain emissions. By increasing the share of energy efficient products, we are addressing the largest part of our scope 3 emissions.

Glamox' connected lighting products enables customers to reduce emissions and will at the same time lead to lower emissions in our value chain.

Having connected lighting as a KPI is linked to key material topics such as sustainable products, sustainable solutions, and climate action. Further, our strategic pillar “Enabling sustainability for clients” refers to connected lighting. Since we are aware that most of the environmental and climate impact from lighting solutions come from the use phase, Glamox

applies its experience and expertise to find the most energy efficient and sustainable solutions for our customers. Switching to LED reduces energy usage by up to 50% compared to conventional lighting. Adding smart controls, like day light saving and presence controls potentially increases the energy saving by up to 90%¹, making connected lighting an important lever to reduce energy consumption. Connected lighting reduce customers' emissions and is a key enabler to deliver on their sustainability ambitions.

Connected lighting as a KPI is particularly linked to UN SDG 9: Industry, Innovation and Infrastructure. The target 9.4 describes that by 2030, infrastructure should be upgraded and retrofitted to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes – which we contribute to. Consequently, this KPI has a clear foundation in our ambition to enable customers to save CO2 emissions from their Scope 1 and 2 activities through our products and solutions.

¹ The savings achieved vary depending on local conditions and by project type, but Glamox has amassed several reference cases measuring energy usage before and after installation, confirming these numbers across different type of projects.

KPI 3 Non-hazardous waste to landfill in metric tonnes

Scope and methodology

The KPI is defined as the weight of non-hazardous waste disposal from production units sent to landfill as a percentage share of total non-hazardous waste disposal. The boundary is set without increasing the total waste to landfill in absolute terms.

Glamox reports waste and recycling from our production units, defined in line with the applicable GRI standards.

Waste is defined as either hazardous or non-hazardous, and the definition in each production units follows local regulation

and may or may not be linked to permits. Hazardous waste typically includes, but is not limited to, the following: Solvents, flammable/hazardous raw materials, chemical waste, batteries, acids (low pH liquids), strong bases or caustic (high pH liquids). Glamox aims to eliminate the use of landfill for all types of waste. However, it must be taken into account that local recycling facilities have differing capabilities when it comes to treating complex waste, leading to some waste being landfilled in certain locations, compared to incineration or recycling in other.



Historical performance

Glamox has reported on waste and recycling from Glamox production units since 2020 and has historically reported the following on non-hazardous waste disposal:

Waste type	Disposal method	Units	2020	%	2021	%
Total non-hazardous waste disposal	Landfill	Tonnes	75	4%	78	4%
	Incinerated	Tonnes	174	9%	241	12%
	Recycled	Tonnes	1,657	86%	1,646	82%

In 2019 Glamox acquired ES System (Poland) and Luxonic (UK). This resulted in an increase in the share of waste going to landfill. Following the acquisitions certain operations was discontinued and the total waste increased as a result. As new owner, Glamox has prioritised reducing waste to landfill and our efforts are now beginning to show into

2022. We have switched recycling partners and increased frequency of monitoring to further emphasize the importance. Our waste handling is now done in close dialogue with recycling partners to reduce levels of mixed waste and to ensure recyclable fractions. We are sharing best practices of waste handling across the production footprint.

Rationale and materiality of the KPI

Waste management and reducing waste to landfills is clearly connected to Glamox' sustainability strategy, particularly through its connection to transition to a circular economy, sustainable products, and sustainable solutions. It is furthermore consistent with the materiality assessment which outlines 'Waste management' and 'Transition to a circular economy' as two of the most material sustainability topics for Glamox and for the Groups' stakeholders. We are continuously looking for new ways to reduce impact from material use and packaging, maximize waste recycling and minimize or find alternatives to harmful chemicals. Landfilling is the least preferable option

in the waste management hierarchy because of its negative impacts on the environment and human health, which is why we have decided on the reduction of non-hazardous waste to landfill indicator for our sustainability-linked funding, where our efforts can make a large impact. By substantially reducing waste to landfills, we contribute to SDG 12 with particular focus on target 12.5 of reducing waste generation through prevention, reduction, recycling, and reuse. Requesting solutions from our recycling partners to recycle waste that would otherwise have gone to landfill further supports the development of local recycling offers available, benefiting a wider range of stakeholders.

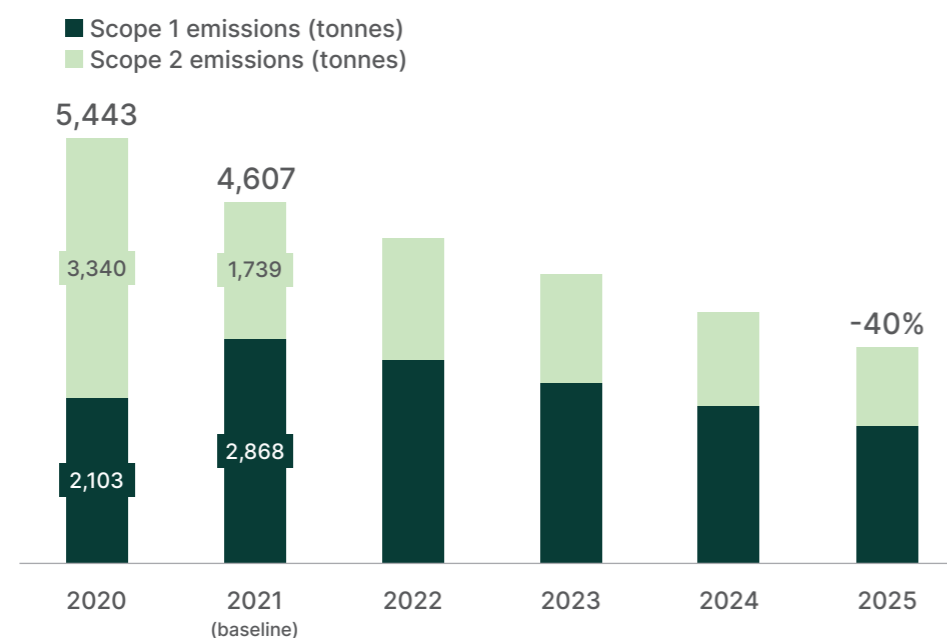
Calibration of Sustainability Performance Targets

SPT 1 Reduce absolute Scope 1 and 2 GHG emissions by 40% by 2025 from a 2021 base year

Target specification and benchmark

Glamox is targeting a 40% reduction of Scope 1 and 2 GHG emissions by year-end 2025 against base year 2021. The target is structured as a linear trajectory to be aligned with Glamox' ambition to become a net zero company by 2030.

The bar chart below shows the 2020 and 2021 emissions of Glamox and sets out a trajectory showing the estimated emission reductions year by year to reach the target by 2025.



When setting the target a peer benchmarking approach was conducted. From the benchmarking it could be concluded that the SPT is in line with, or in many cases surpass, similar targets adopted by peers. Given the initiatives already taken under the course of 2020 and 2021 that in particular sped up the reduction of Scope 2 emissions, we believe the remaining Scope 1 and 2 emissions are the most difficult to abate, especially in absolute number if production volumes continue

to increase. Therefore, Glamox view the SPT to demonstrate a material improvement in GHG emissions beyond business as usual. The target trajectory for Scope 1 and 2 is also assumed to be well in line with a 1.5-degree scenario. Glamox also has a net zero ambition by 2030 and is committed to setting near-term company-wide emission reductions in line with climate science validated by the SBTi.

Strategy to achieve the SPT

We have set out objectives to reach the SPT 1 by 2025. The strategy to achieve this includes optimizing our production footprint with initiatives such as;

- Reducing and optimizing space used in production
- Reduce energy consumption through e.g. further implementation of efficient HVAC solutions and lighting solutions
- Electrification of our company car fleet, by shifting to electric and hybrid cars for sales personnel
- Increase the share of renewable energy that we source. Already today, our Norwegian, Polish and Estonian production units' source 100% of their electricity supply from renewable sources, and we aim to increase that portion in other production units
- Factory infrastructure to produce renewable energy solution, i.e. roof mounted solar panels.

Another important measure is to continue to prevent emissions by switching to biofuel for heating in our factories. This is already done in our Kirkenær and Molde production units. In 2021, our Kirkenær factory achieved net zero emissions from Scope 1 and 2 activities, demonstrating that this can serve as a blueprint for our remaining factories. The main lever for achieving this was upgrading HVAC to substantially reduce energy usage, and purchasing renewable electricity for reaming needs.

Risks to achieving the target

Since the SPT and the trajectory is set based on absolute emissions, there might be a risk that Glamox fails to reach the target if we experience significant organic growth and hence require new production plants. Furthermore, Glamox is operating in some countries where renewable energy does

not comprise a large part of the energy mix, making it difficult to reduce GHG emissions by sourcing renewable energy, for example in China. Finally, some plants are heated through district heating, and Glamox has limited influence over energy used in these district heating systems.

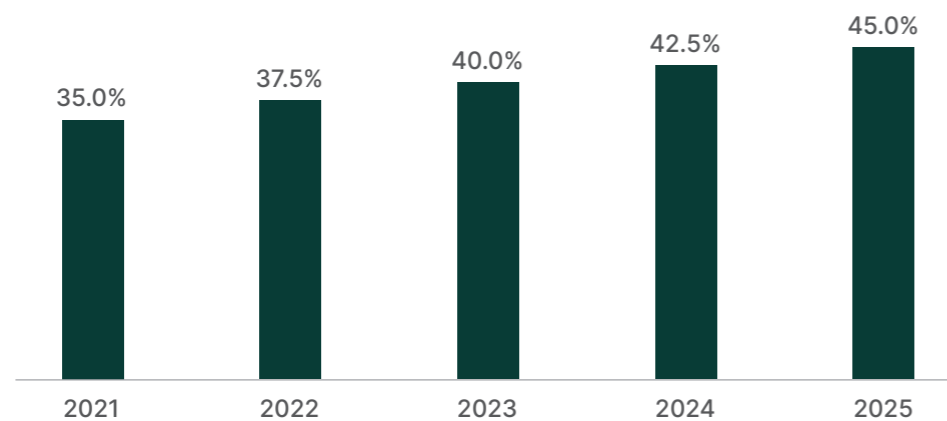
SPT 2 Increase the share of turnover from connected lighting to 45% by 2025

Target specification and benchmark

Glamox is targeting to increase our share of turnover from connected lighting to 45% of total sales by year-end 2025, reflecting our ambition to enable sustainability for our customers. This translates to an increase of 2.5 percentage points each year. The bar chart below sets out a linear trajectory for the increased share. Glamox

is primarily a producer of LED lighting solutions, in itself providing an efficient alternative to conventional lighting through a reduction of up to 50% of energy usage. A connected LED luminaire can potentially reduce energy consumption by 90% compared to conventional lighting.

■ Connected lighting as a % of sales



As there is no uniform definition or reporting of this KPI among all peers, the best benchmarking tool is the CSIL 2022 report: “LEDs and the worldwide market for connected lighting”, where information collected from approximately 400 worldwide manufacturers operating in the lighting industry were investigated. According to the CSIL report the average share of connected lighting on total LED-based lighting market was approximately

9% in 2021 (c. 17% when only looking at the top 50 companies in terms of connected lighting sales). Given Glamox’ target of 45% in 2025 we are confident that the target level is more ambitious or at least commensurate to those set by peers of comparable nature. This is further substantiated by the CSIL report, where only three companies among the top 50 globally had a connected lighting share higher than 40% in 2021.

Strategy to achieve the SPT

Key initiatives to achieve the target include ensuring that our product offering, which already consist almost entirely of LED luminaires, is ‘connected ready’ and available for the complete product portfolio. We will simultaneously work to increase awareness and commitment about the benefits of connected lighting, both internally in terms of sales communication, as well as in marketing material and other communication

with our customers and other stakeholders. One example is supporting green building standards and ensure alignment with relevant guiding principles. We aim to work together with our customers to create the best solutions for them based on their needs. Furthermore, we will seek to leverage our position in PBS into our MOW division, increasing adoption in segments that today have lower penetration.

Risks to achieving the target

The ability to meet this SPT depends on Glamox’ success in the market for connected lighting and how well we can market our products to our customers. Connected lighting is most prevalent in the PBS segment of the business. Furthermore, in the MOW

segment, we see that the penetration of connected lighting is significantly lower, which could affect the ability to reach the target as a result of a shifting sales mix (if MOW significantly outgrows PBS).



SPT 3 Reduce the share of non-hazardous waste sent to landfill to 1% by 2025

Target specification and benchmark

The boundary is set without increasing the total waste to landfill in absolute terms. In the lighting industry very few peers report on their waste target with a comparable scope for non-hazardous

waste sent to landfill. This means that finding relevant and comparable peer data has proven challenging. The target represents a material improvement compared to past performance.

The trajectory is set as follows:



Strategy to achieve the SPT

Our strategy to reach this target is connected to the entire organisation. In line with our strategic pillar “Environmental excellence in operations”, we have set out to reduce waste generation through prevention and increase reuse. Waste in our production arise from several sources. A strategy needs to be holistic and address the major contributors to waste. Initiatives include:

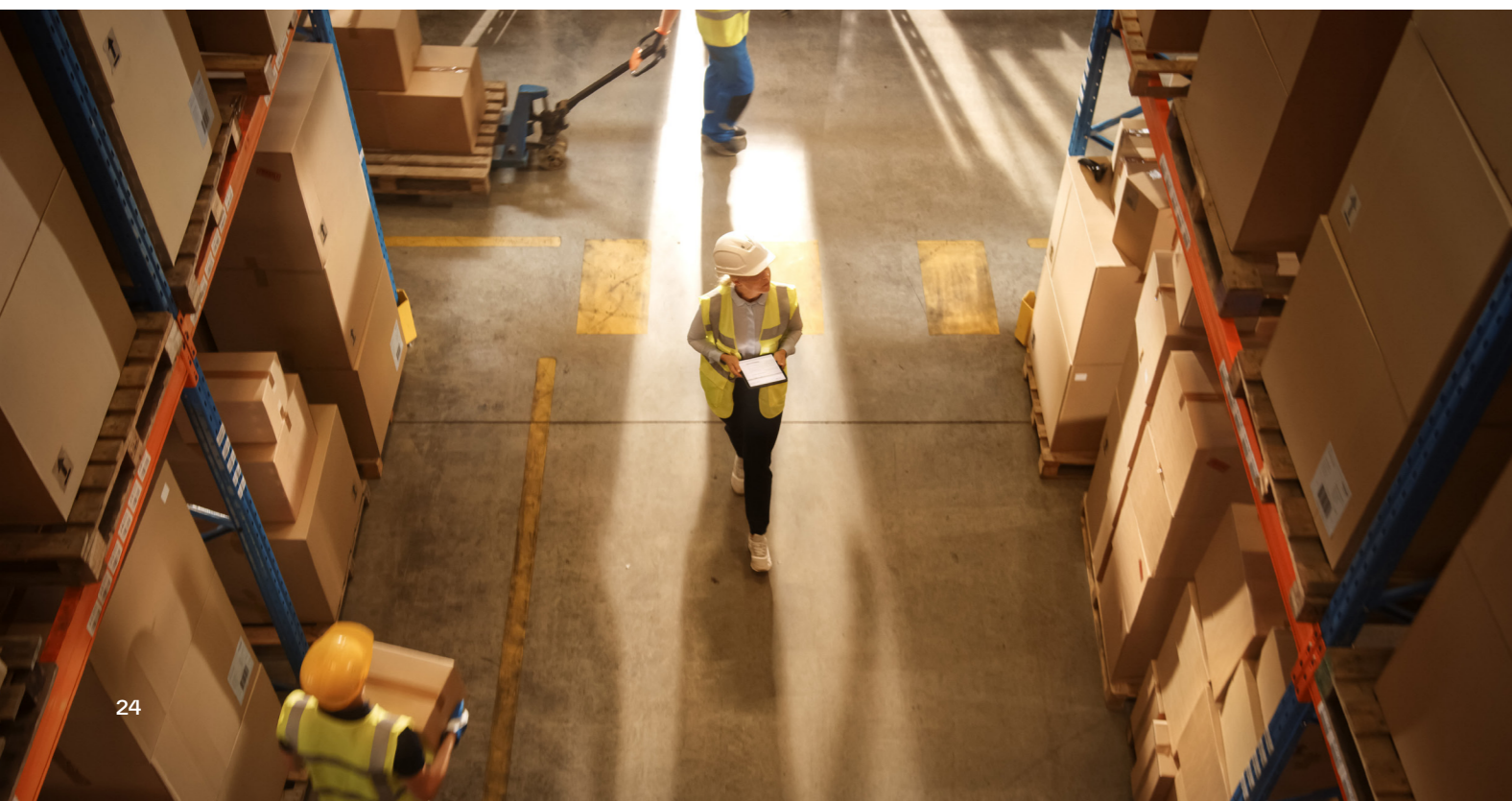
- Continue to work with suppliers to reduce packaging in incoming goods and ensure that the packaging used is recyclable, such as moving from plywood to cardboard
- Ensuring that waste from our operation can be sorted in recyclable fractions and reducing the share of mixed waste
- Reducing use of plastics and having “paper-less” operations, by further digitalizing our operations
- Local cooperation and agreements with the suppliers to collect and return cardboard packages or plastic packaging cases in connection with deliveries.
- Reducing impact from material used in our products through product development, as well as smart and suitable packaging. Simplifying packaging both results in less material used but also less waste.

Our strategy to achieve this SPT is also linked to our pillar “Responsible leadership”. We work to increase awareness and commitment for waste management procedures among our employees by engaging them in trainings and sharing best practices across our regions of operations. This also includes improving practices and enforcing them through internal policies. Glamox is continuously looking for new ways to reduce impact from material use in our products and the packaging, maximize waste recycling and minimize, or find alternatives to, harmful chemicals. Furthermore, in 2021 Glamox established circular design criteria for the development of new products to ensure that the circularity of all new products is optimized. The criteria address issues such as energy efficiency, built-in quality aspects, choice of materials, reparability, recyclability and modularity. These criteria are assessed and balanced all through the development from concept to finished product.

Risks to achieving the target

Should Glamox acquire, or increase the scope of, operations in countries with less developed recycling systems the share of waste going to landfill could increase as a result. The ability to meet this SPT further relies on the ability for all our production units

in all our countries of operations to contribute and improving their practices for waste management. It will thus rely to some extent on our employees’ commitment to and level of awareness of the target.





Financial characteristics

The financial characteristics of any sustainability-linked debt instrument issued under this Framework will be specified in its related transaction documentation. For any sustainability-linked debt instrument issued under this framework, the characteristics may change and lead to a financial impact in the form of either a premium payment, coupon step-up or margin adjustment in the event that a trigger event occurs. The premium payment will be paid at maturity, and the coupon step-up will apply to the relevant bond from the first day of the next interest period immediately following the Reporting End Date (the date falling due 120 days after the target observation date) and until maturity. Unless otherwise specified in the related transaction documentation, the target observation date falls on the year-end of the SPTs.

A trigger event occurs if:

- the KPIs has not achieved the SPTs as at the relevant Target Observation Dates; or
- the reporting has not been completed in line with the requirements set out in the related transaction documentation; or
- the verification has not been provided and made publicly available as set out in the related transaction documentation.

The financial characteristic selected for each sustainability-linked debt instrument, including specification of financial impact, target observation date and reporting end date, will be stated in the related transaction documentation.

Fall-back mechanisms applicable to any sustainability-linked debt instrument issued under this framework include a potential recalculation of the baseline figures if there is a significant change of at least five per cent to the baseline due to changes in Glamox' organizational structure, the calculation methodology or data quality. Any recalculation of the baseline will be reported in the next Sustainability-Linked Finance Progress Report, as stipulated in the reporting section below, and verified by a qualified external reviewer as outlined in the verification section of this Framework.

For the avoidance of doubt, the KPIs and SPTs set out in this Framework will remain applicable throughout the tenor of any bond issued under the Framework, regardless of any changes to the baseline, overarching sustainability strategy or potential framework updates. This includes any changes relating to the company's general sustainability targets and ambitions. Any new or updated Framework, in relation with any subsequent debt financing, shall not have any implications on the debt instruments issued under this Framework.

Reporting

Glamox will annually, from the first year following issuance, publish a sustainability-linked progress report to ensure that investors and other stakeholders have updated and adequate information about Glamox' sustainability strategy and the performance of the KPIs against the SPTs.

The reporting can be in the form of either a stand-alone report or integrated into the annual and/or sustainability report. It will be published on Glamox' website no later than 120 days after each calendar year and until the Reporting End Date.

The Sustainability linked progress report will form the basis for evaluating potential financial impact as outlined in "financial characteristics" and the respective transaction documentation.

The performance level of the KPI against the SPT shall be verified by a qualified external reviewer with relevant expertise as described in the next section.

In the case Glamox would have other sustainability-linked debt instruments than bonds outstanding the company may choose to report, in relation to these other financial instruments, directly and non-publicly, to the lenders or counterparts.



The sustainability-linked progress report will include the following reporting points:

- Any relevant information enabling investors and others to monitor the progress of the KPIs versus the SPTs (including the changes to baseline if relevant); and
- Information on relevant updates to Glamox' sustainability strategy and/or governance with a potential impact on the KPIs

Where feasible and relevant the reporting will also include:

- Illustration of the positive sustainability impacts of the performance improvements.
- Qualitative and quantitative elaborations of the contribution of the main factors behind the evolution of the performance.
- Updates on new or proposed regulations from regulatory bodies relevant to the KPIs and the SPTs.



Verification

Glamox will annually, from the first year following issuance, seek external and independent verification of its performance level of the KPIs against the SPTs by one or more qualified external reviewer(s) with relevant expertise. The external reviewer(s) will be chosen by Glamox in accordance with the Voluntary Guidelines for Green, Social, Sustainability and Sustainability-

Linked Bonds and may at the discretion of Glamox be changed subject to fulfilling the requirements set out in this Framework. The verification will be made publicly available together with Glamox' sustainability-linked progress report, up to and including the Reporting End Date as set out in section "Financial Characteristics" and specified in the related transaction documentation.

Second party opinion

Position Green has provided a Pre-Issuance Second Party Opinion to this Framework assessing the relevance, robustness, reliability and ambition level of the selected KPIs and SPTs, and confirming its alignment with the SLBP and the SLLP.

The Framework and the second party opinion will be publicly available on Glamox' website.



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