



# Agreed-Upon Procedures Report on Eltel's Sustainability-Linked Finance Framework Progress report 2023

To Eltel AB, corporate ID: 556728-6652.

## 1 Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Eltel AB in presenting to banks, upon request, that Eltel follow agreed procedures in their Sustainability-Linked Finance Framework and may not be suitable for another purpose.

### **Responsibilities of the Engaging Party**

Eltel AB (the responsible party) has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

Eltel AB (also the responsible party) is responsible for the subject matter on which the agreed-upon procedures are performed.

### **Practitioner's Responsibilities**

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*.

An agreed-upon procedures engagement performed involves performing the procedures that have been agreed with Eltel AB, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### **Professional Ethics and Quality Control**

We have complied with the ethical requirements as stated in International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBAs Code of Ethics) and independence requirements in section 4A of IESBAs Code of Ethics.

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Procedures and Findings**

We have performed the procedures described below, which were agreed upon with Eltel AB in the terms of engagement dated 2 of April 2024. The procedures performed are summarized as follows (see next page). See the reported KPIs with outcome in the attached file (see page 3).

	<b>Review measures</b>	<b>Findings</b>
1.	Review and verify that the KPI/SPT “ <i>Absolute scope 1 GHG emissions</i> ” in relation to target presented on page 3-5 of the ‘Sustainability-Linked Finance Framework Progress report 2023’ correspond with underlying definitions, methodology, calculations, data and presented results. Sample testing will be performed on a randomly selected basis.	The planned procedures have been performed, with the following findings: Data reported for Denmark quarter 2 (Q2) had been applied also for quarter 3 (Q3), meaning that the Q2 data has been used both for Q2 and Q3 in the calculation of the scope 1 emissions. The deviation from using the Q2 data instead of Q3 data stands for close to 0 % (0,0001%) of the total scope 1 emissions.
2.	Review and verify that the KPI/SPT “ <i>Renewable electricity sourcing</i> ” in relation to target presented on page 3- 5 of the ‘Sustainability-Linked Finance Framework Progress report 2023’ correspond with underlying definitions, methodology, calculations, data and presented results. Sample testing will be performed on a randomly selected basis.	The planned procedures have been performed, with the following findings: Eltel has not been able to provide supporting documentation that provides the renewable electricity share for the total reported renewable electricity within the KPI. Lacking evidence for share of renewable electricity has been noted for Sweden and partly Finland. Sweden stands for 34% of total electricity usage and Finland for 20%.
3.	Review and verify that the KPI/SPT “ <i>Suppliers with science based targets</i> ” in relation to target presented on page 3-5 of the ‘Sustainability-Linked Finance Framework Progress report 2023’ correspond with underlying definitions, methodology, calculations, data and presented results. Sample testing will be performed on a randomly selected basis.	The planned procedures have been performed, with the following findings: When recalculating the scope 3 emissions for the relevant categories it was noted that 2 125 tCo2e (the impact of the deviation represents less than 0,5% difference in the KPI) of the scope 3 emissions for the relevant categories had been excluded from the scope 3 emissions. This is due to that the emissions could not be linked to specific suppliers.

Stockholm April 29th 2024

KPMG AB

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# Key Performance Indicators (KPIs)

KPI	KPI DEFINITION	METHODOLOGY	SPT 2025	SPT 2026	2021 BASELINE	2023 PERFORMANCE	ALIGNMENT WITH THE SPT TRAJECTORY
<b>KPI 1:</b> Absolute scope 1 GHG emissions	KPI 1 is defined as the absolute amount of scope 1 GHG emissions measured in kilograms of CO2 equivalent (kgCO2e). Scope 1 emissions are direct emissions resulting from fuel use in Eltel's car fleet and on-site energy use (heating).	Etel follows the GHG Protocol standard in measuring its emissions.	<b>SPT1a:</b> Reduce absolute Scope 1 GHG emissions by 19% by 2025 from a 2021 baseline.	<b>SPT1b:</b> Reduce absolute Scope 1 GHG emissions by 23% by 2026 from a 2021 baseline.	15,371,082 kgCO2e	16,336,907 kgCO2e	No
<b>KPI 2:</b> Renewable electricity sourcing	KPI 2 is defined as the share of electricity consumption from renewable sources on Eltel's office premises as a percentage of the total purchased electricity.	Calculated share of renewable electricity out of all purchased electricity (measured in kWh).	<b>SPT2a:</b> Increase the share of renewables in electricity sourcing to 62% by 2025 from a 2021 baseline.	<b>SPT2b:</b> Increase the share of renewables in electricity sourcing to 69% by 2026 from a 2021 baseline.	31%	56%	Yes
<b>KPI 3:</b> Suppliers with science-based targets	KPI 3 measures the percentage of Eltel's suppliers by emissions with science-based targets that meet the criteria set by the Science Based Targets initiative (SBTi). KPI 3 covers Eltel's scope 3 emissions from purchased goods and services (category 1), capital goods (2), upstream transportation and distribution (4), waste generated in operations (5) and business travel (6).	KPI3 follows the supplier engagement method based on the SBTi's criteria and recommendations, which is consistent with the GHG Protocol's Corporate Standard.	<b>SPT2a:</b> Increase the share of suppliers by emissions with science-based targets to 35% by 2025 from a 2021 baseline year	<b>SPT3b:</b> Increase the share of suppliers by emissions with science-based targets to 70% by 2026 from a 2021 baseline year	0%	16%	Yes