

Second-Party Opinion

LeasePlan Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the LeasePlan Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds, Clean Transportation is aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 11.



PROJECT EVALUATION / SELECTION LeasePlan's Sustainable Finance team, which is a member of the Company's ESG Action Group, is responsible for evaluating and selecting eligible projects under the Framework. LeasePlan has adopted internal codes and policies to address environmental and social risks associated with projects financed under the Framework. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS LeasePlan's centralized Treasury department will record and track the allocation of proceeds on a portfolio basis through an internal reporting system. LeasePlan intends to allocate all proceeds within 24 months of issuance. Pending full allocation, unallocated net proceeds will be managed in accordance with LeasePlan's Treasury's Funding policy. LeasePlan has established a look-back period of 24 months for capital expenditure refinancing preceding the Company's inaugural green bond issuance.¹ This is in line with market practice.



REPORTING LeasePlan intends to report on the allocation of proceeds on an annual basis until full allocation. Allocation reporting will include information on the amount of proceeds allocated, the share of financing versus refinancing, and unallocated proceeds. In addition, LeasePlan is committed to reporting on relevant impact metrics. Sustainalytics considers the allocation and impact reporting process to be aligned with market practice.

Evaluation Date September 2, 2022

Issuer Location Amsterdam, Netherlands

Report Sections

Introduction.....	2
Sustainalytics' Opinion	3
Appendices	10

For inquiries, contact the Sustainable Finance Solutions project team:

Mahesh Krishnamoorthy (Mumbai)
Project Manager
mahesh.krishnamoorthy@sustainalytics.com

Amrita Kaur (Mumbai)
Project Support
amrita.kaur@sustainalytics.com

Kay Tao (Amsterdam)
Project Support
kay.tao@sustainalytics.com

Julie Malinur (Amsterdam)
Project Support
julie.malinur@sustainalytics.com

Ananth Sai Reddy Eragam (Amsterdam)
Project Support
ananth.eragam@sustainalytics.com

Enrico Tessadro (Amsterdam)
Client Relations
susfinance.emea@sustainalytics.com
(+44) 20 3880 0193

Alignment with the EU Taxonomy

Sustainalytics has assessed the LeasePlan Green Finance Framework for alignment with the EU Taxonomy and is of the opinion that the Framework's eligibility criteria, which map to one EU activity, align with the applicable Technical Screening Criteria (TSC) in the EU Taxonomy and aligns with three of the Do No Significant Harm (DNSH) criteria. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

¹ LeasePlan's inaugural Green Bond was issued in February 2019 and based upon the asset portfolio as of December 2018.

Introduction

LeasePlan Corporation N.V. (“LeasePlan” or the “Company”) provides purchasing, financing and fleet-management services to corporations, SMEs and individuals. It also operates a pan-European digital marketplace for used cars. Founded in 1963 and headquartered in Amsterdam, Netherlands, LeasePlan employed 8,600 people as of 2021 and has approximately 1.9 million vehicles under management in over 30 countries globally.

LeasePlan has developed the LeasePlan Green Finance Framework dated September 2022 (the “Framework”), under which it intends to issue green bonds, green loans and private placements,² and use the proceeds to finance and refinance, in whole or in part, existing and future projects that are expected to contribute to the transition to a low-carbon transportation system and generate positive environmental impacts in the EU, UK, Norway and Switzerland. The Framework defines eligibility criteria in one area:

- Clean Transportation

LeasePlan engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)³ and the Green Loan Principles 2021 (GLP).⁴ The Framework will be published in a separate document.⁵ The Framework updates and replaces LeasePlan’s March 2020 green finance framework, for which Sustainalytics provided a previous second-party opinion.⁶

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁷ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2021, as administered by LMA, APLMA and LSTA
- The credibility and anticipated positive impacts of the use of proceeds
- The use of proceeds criteria alignment with the EU Taxonomy June 2021 Delegated Act and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11.4, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of LeasePlan’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. LeasePlan representatives have confirmed that: (1) they understand it is the sole responsibility of LeasePlan to ensure the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information; and (3) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

² LeasePlan has confirmed to Sustainalytics that private placements are limited to established debt instruments.

³ The Green Bond Principles are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-100621.pdf>

⁴ The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at: <https://www.lsta.org/content/green-loan-principles/>

⁵ The LeasePlan Green Finance Framework will be available on the Company’s website at: <https://www.leaseplan.com/corporate/investors/debtholder-centre>

⁶ Sustainalytics, “Second-Party Opinion LeasePlan Green Finance Framework”, (2020), at: https://www.leaseplan.com/corporate/~/_media/Files/L/Leaseplan/documents/green-finance-second-party-opinion-2020.pdf

⁷ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and LeasePlan.

Sustainalytics' Second-Party Opinion reflects on the alignment of the Framework with market standards but is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. Upon twenty-four (24) months following the evaluation date set stated herein, LeasePlan is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of the bond and loan proceeds towards eligible activities.

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

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the LeasePlan Green Finance Framework

Sustainalytics is of the opinion that the LeasePlan Green Finance Framework is credible and impactful, and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of LeasePlan's Green Finance Framework:

- Use of Proceeds:
 - The eligible category, Clean Transportation, is aligned with those recognized by the GBP and GLP. Sustainalytics expects the use of proceeds from instruments issued under the Framework to contribute to the transition to a low-carbon transportation system and generate positive environmental impacts.
 - LeasePlan has established a look-back period for capital expenditure refinancing of 24 months preceding the issuance of the Company's inaugural green bond issuance.⁸
 - Under the Clean Transportation category, LeasePlan may finance and refinance the purchase of eligible assets, which are defined as battery electric vehicles (BEVs). Sustainalytics notes that the Framework excludes investments in vehicles powered by internal combustion engines, LPG, CNG, ethanol and biofuels, as well as hybrid electric vehicles, including plug-in hybrid electric vehicles.
 - Sustainalytics considers the above investments to be in line with market practice.
- Project Evaluation and Selection:
 - LeasePlan's Sustainable Finance team, within the Company's Treasury department, is responsible for identifying and selecting eligible projects based on the criteria set out in the Framework. The Sustainable Finance team is a member of LeasePlan's ESG Action Group, which reports to the Company's CEO, managing board and executive committee.
 - The Company has internal codes and policies in place to mitigate the environmental and social risks associated with investments in eligible projects, which are applicable to all allocation decisions made under the Framework. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with market expectations. For additional details, see Section 2.
 - Additionally, Sustainalytics notes that the Framework excludes investments in the following:

⁸ LeasePlan's inaugural green bond was issued in February 2019 based on the Company's asset portfolio as at December 2018.

- Eligible projects that are included in the portfolios of LeasePlan subsidiaries⁹ that do not receive direct funding from the Company.
- Based on the established process of project selection and the presence of risk management systems, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - LeasePlan's centralized Treasury department will manage the proceeds from issuances under the Framework on a portfolio basis. The allocation of proceeds to eligible vehicles purchased will be recorded and tracked centrally through internal reporting systems and will be overseen by the Company's ESG Action Group.
 - LeasePlan intends to allocate the net proceeds to eligible projects within 24 months from the date of issuance. Pending full allocation, unallocated net proceeds will be managed in accordance with LeasePlan's Treasury's Funding Policy.
 - Based on clear definitions of how proceeds will be tracked, held and disbursed, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - LeasePlan intends to report on the allocation and impact of proceeds annually on its website until full allocation.
 - Allocation reporting will include information on the amount of proceeds allocated, the share of financing versus refinancing, and unallocated proceeds. The allocation report will also include information on the proportion of the portfolio that is aligned with the EU Taxonomy Climate Delegated Act.¹⁰
 - LeasePlan's impact reporting may include a description of the eligible projects and impact metrics such as the weighted average fleet carbon intensity and estimated CO₂ emissions avoided.
 - Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021 and Green Loan Principles 2021

Sustainalytics has determined that the LeasePlan Green Finance Framework aligns with the four core components of the GBP and GLP. For detailed information, please refer to Appendix 4: Green Bond/Green Bond Programme External Review Form.

Alignment with the EU Taxonomy

Sustainalytics has assessed each of the Framework's eligible green use of proceeds criteria against the relevant criteria in the EU Taxonomy and determined their alignment with each of the Taxonomy's three sets of requirements. The results of this assessment are as follows:

Technical Screening Criteria (TSC)

- The eligible green criteria outlined in the Framework were assessed and are aligned with the applicable TSC of the EU Taxonomy.

Do No Significant Harm (DNSH) criteria

- The Framework criteria assessed align with the three DNSH criteria (across all environmental objectives) applicable to them.

Minimum Safeguards

- Based on a consideration of the policies and management systems applicable to the Framework criteria, as well as the regulatory context in which financing will occur, Sustainalytics is of the opinion that the EU Taxonomy's Minimum Safeguards requirements will be met.
- See Section 2 below for Sustainalytics' assessment of the alignment with the Minimum Safeguard.

⁹ A LeasePlan subsidiary is an operating company which originates leases, of which the Company has direct or indirect control or owns, directly or indirectly, more than 50% of the voting capital or similar right of ownership.

¹⁰ EU Commission, "EU taxonomy: Complementary Climate Delegated Act to accelerate decarbonisation", (2022), at: https://ec.europa.eu/info/publications/220202-sustainable-finance-taxonomy-complementary-climate-delegated-act_en

Table 1 provides an overview of the alignment of LeasePlan's Framework with the TSC and DNSH criteria for the corresponding NACE activities in the EU Taxonomy.

Table 1: Summary of Alignment of Framework Criteria with the EU Taxonomy

Framework Criterion	Alignment with Taxonomy Criteria		Alignment per EU Environmental Objective					
	TSC	DNSH	Mitigation	Adaptation	Water	Circular Economy	Pollution	Eco-systems
Clean Transportation	■	■	■	■	-	■	■	-

Legend	
Aligned	■
Partially aligned	□
Not aligned	⊠
No applicable DNSH criteria for this Objective and/or Activity	-
Grey shading indicates the primary EU Environmental Objective	

* The EU Taxonomy has not yet defined TSC for EU Environmental Objectives other than Climate Mitigation and Climate Adaptation. In cases where an activity of the Framework has the intent of advancing a different Objective, Sustainalytics has assessed alignment with the DNSH criteria for all six Objectives.

Section 2: Sustainability Strategy of LeasePlan

Contribution of the Framework to LeasePlan's sustainability strategy

Sustainalytics is of the opinion that LeasePlan demonstrates a commitment to sustainability within its business operations and corporate culture. To implement this approach, the Company has identified three key focus areas, each with associated action items:¹¹ (i) protect the planet; (ii) contribute to societal well-being; (iii) be responsible. Out of these, Sustainalytics finds the key focuses to protect the planet and be responsible as directly related to the eligible activities under the Framework:

- Under the approach to protect the planet, LeasePlan established in 2017 a target to achieve net zero tailpipe emissions from its fleet by 2030. As a roadmap to net zero emissions, LeasePlan articulates the following three stages: (i) 2017-2020 (Walk the talk): increase EV shares initially in the countries where EV prevails; (ii) 2020-2025 (Accelerate): EVs are expected to make up the majority share of new orders in mature EV markets, while emerging EV markets also show potential growth; (iii) 2025-2030 (Net zero): leading EV markets are expected to meet net zero emissions in the beginning of the period, followed by maturing markets.¹² LeasePlan has made progress towards this goal, with EVs representing 28% of all vehicles in LeasePlan's funded fleet in 2021 per book value, compared to 13% in 2020.¹³ In September 2021, LeasePlan announced its commitment to reduce scope 1, 2 and 3 GHG emissions from its operations and value chain globally by 2050.¹⁴ To achieve this, LeasePlan has completed an assessment of its emission footprints and is developing a decarbonization roadmap with science-based targets for 2022,¹⁵ having also engaged Ecovadis, a provider of business sustainability ratings to help LeasePlan better understand the sustainability performance of its suppliers.

¹¹ LeasePlan, "LeasePlan Sustainability Report 2018/2019", (2019), at: <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/leaseplan-sustainability-report-2019-v1.pdf>

¹² Ibid.

¹³ LeasePlan, "Driving to Zero", (2021), at: <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/annual-report-2021/leaseplan-ar-21-23032022-driving%20to%20zero.pdf>

¹⁴ Ibid.

¹⁵ Ibid.

- To be responsible, LeasePlan commits to high ethical standards on conducting its business, through building its sustainability governance structure, implementing ESG metrics for executive remuneration and launching a global ESG-aligned investment policy for its insurance business.¹⁶

Sustainalytics is of the opinion that the LeasePlan Green Finance Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the LeasePlan's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds from LeasePlan's Green Finance Instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects may include issues associated with EV supply chains, including the sourcing and production of batteries, and health and safety risks related to vehicle operations.

Sustainalytics is of the opinion that LeasePlan can manage or mitigate potential risks through implementation of the following:

- LeasePlan has implemented a Supplier Code of Conduct to specifically address the risks in its supply chain. LeasePlan requires its suppliers to abide by local and international human rights standards such as not using forced or compulsory labour and not employing child labour. LeasePlan suppliers are also expected to recognize the importance of environmental responsibility and support a precautionary approach to environmental protection.¹⁷ Furthermore, LeasePlan complies with local and international regulatory standards.
- With respect to health and safety risks, the Company has issued a Modern Slavery Statement, reaffirming a commitment to ensuring that there is no modern slavery or human trafficking in its supply chain.¹⁸ LeasePlan also endorses the United Nations' Universal Declaration of Human Rights and the International Labour Organisation's principles.¹⁹

Sustainalytics recognizes that some risks related to the use of cars cannot be mitigated by LeasePlan and are instead dependent on customers and other third parties. These risks include road safety and vehicle end-of-life management. Nevertheless, LeasePlan commits to working with partners across the value chain to lower emissions and increase standards. To support this ambition, the Company is one of the founding partners of the Global Battery Alliance's Battery Passport initiative,²⁰ which aims to align stakeholders across the EV battery value chains to ensure clean and ethical battery production.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that LeasePlan has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Alignment with the EU Taxonomy's Minimum Safeguards

The EU Taxonomy recommends that companies have policies aligned with international and regional guidelines and regulations pertaining to human rights, labour rights and combatting bribery and corruption. Specifically, activities should be carried out in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Additionally, companies should comply with the International Labour Organisation's declaration on Fundamental Rights and Principles at Work.

Human and Labour Rights

LeasePlan has implemented the following policies and procedures aimed at protecting human and labour rights:

¹⁶ Ibid.

¹⁷ LeasePlan, "Supplier Code of Conduct", at: <https://www.leaseplan.com/corporate/site-services/supplier-code-of-conduct>

¹⁸ LeasePlan, "Modern Slavery Statement", at: <https://www.leaseplan.com/corporate/site-services/modern-slavery-statement>

¹⁹ LeasePlan, "Driving to Zero", (2021), at: <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/annual-report-2021/leaseplan-ar-21-23032022-driving%20to%20zero.pdf>

²⁰ The Global Battery Alliance outlines 10 guiding principles designed to foster the creation of a sustainable battery value chain by 2030, available at: <https://www.weforum.org/global-battery-alliance/home>

- LeasePlan became a signatory of the UN Global Compact in 2021 and as such, is committed to supporting the 10 principles pertaining to human and labour rights, environment and anti-corruption.²¹ LeasePlan also adheres to the Universal Declaration of Human Rights and the International Labour Organisation's principles.
- LeasePlan has communicated to Sustainalytics that their Global People and Performance policy is based on the UN Global Compact Guiding Principles and the Company's Code of Conduct is based on the International Bill of Human Rights.²² This policy aims to ensure equal employment, a non-discriminatory work environment and an adequate procedure for employees' complaints and grievances, among other provisions.²³ The Company's Code of Conduct outlines its commitment to act with integrity, honesty and trust, as well as to respect the law and human rights.²⁴ Under its Suppliers Code of Conduct, the Company ensures that its suppliers comply with national and international standards and human rights.²⁵
- The Company's Modern Slavery Statement is aimed at preventing modern slavery and human trafficking in all aspects of their operations, including their supply chain.²⁶

Sustainalytics' ESG Risk Rating has evaluated the performance of LeasePlan in the area of human and labour rights, and has not detected involvement in any significant controversies that would suggest that the above policies are not being implemented effectively. Sustainalytics is of the opinion that these measures appropriately safeguard minimum standards on human and labour rights in relation to the activities of the framework.

Anti-bribery and anti-corruption

LeasePlan has implemented the following policies and procedures that aim to address anti-bribery and anti-corruption:

- LeasePlan has established a policy on conflicts of interest, anti-bribery and anti-corruption, and an outside positions policy that applies to all employees and third parties acting for or on behalf of the Company. The policy safeguards a zero-tolerance approach towards bribery and corruption, and ensures any suspicion is notified, documented and monitored in an appropriate manner. It also sets out requirements to ensure any potential conflict of interest is identified, assessed, mitigated or prevented adequately.²⁷
- The Company uses Transparency International's Corruption Perception Index and the World Bank Governance Indicators to assess bribery risks in the countries where it operates. The Company also conducted a Systematic Integrity Risk Assessment in 2021, which also covered bribery. LeasePlan intends to conduct this risk assessment every year.²⁸
- LeasePlan performs counterparty due diligence on its core suppliers and regularly screens suppliers against sanctions lists.²⁹
- LeasePlan has developed a whistleblower mechanism that enables all employees to report infringement. The whistleblowing policy ensures employee safeguards when raising concerns through the confidentiality or anonymity of the process.³⁰

Based on the work of its research services and its ESG Risk Rating assessment, Sustainalytics has evaluated LeasePlan's performance on human rights and has not detected involvement in any relevant controversies that would suggest that the above policies are not adequate in addressing key risks. Sustainalytics is of the opinion that these measures appropriately safeguard minimum standards on human rights in relation to the activities of the Framework.

²¹ UN Global Compact, "LeasePlan Corporation N.V", at: <https://www.unglobalcompact.org/what-is-gc/participants/143300-LeasePlan-Corporation-N-V->

²² LeasePlan has shared the Global People & Performance policy with Sustainalytics confidentially.

²³ Ibid.

²⁴ LeasePlan, "Code of Conduct", (2022), at: <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/news-articles/2022/lp-coc-2022-190122.pdf>

²⁵ LeasePlan, "Supplier Code of Conduct", at: <https://www.leaseplan.com/corporate/site-services/supplier-code-of-conduct>

²⁶ LeasePlan, "Modern Slavery Statement", at: <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/Modern%20Slavery%20Statement%20%20for%202021.pdf>

²⁷ LeasePlan has shared the Conflicts of Interest, Anti- Bribery & Corruption and Outside Positions policy with Sustainalytics confidentially.

²⁸ LeasePlan, "Annual Report 2021", (2022), at: <https://www.leaseplan.com/corporate/~media/Files/L/Leaseplan/documents/annual-report-2021/leaseplan-ar-21-23032022.pdf>

²⁹ Ibid.

³⁰ LeasePlan has shared the whistleblowing policy directly with Sustainalytics for assessment on a confidential basis.

Section 3: Impact of Use of Proceeds

The use of proceeds category – Clean Transportation – is aligned with those recognized by the GBP and GLP. Sustainalytics discusses below how the impact is specifically relevant in LeasePlan’s operational context.

Importance of clean transportation for low-emission mobility in the EU

In 2020, the transportation sector accounted for 23% of total global CO₂ emissions, with emissions from road vehicles comprising approximately 75% of the total sector emissions.^{31,32,33} According to the IEA, to achieve net zero emissions by 2050, the transport sector’s emissions must be reduced by 20% by 2030 relative to 2021.³⁴ Europe contributes to 15% of global transportation CO₂ emissions, with road transportation accounting for 26% of the emissions from transportation in the European Union.³⁵ In this context, the European Commission adopted in 2016 a European Strategy for Low-Emission Mobility, in which one of three priority areas for action is to move towards zero-emission vehicles.³⁶

Emissions related to fully electric vehicles come from battery manufacturing and electricity generation, but are generally much lower than for hybrid cars, even in regions with carbon-intensive grids.³⁷ In this sense, accelerating fleet electrification is expected to contribute to the decarbonization of road transport and is required for the EU to meet its climate target of reducing emissions by 60% by 2050, compared to 1990.^{38,39} According to the IEA, the market share of sales of new zero-emission vehicles needs to grow from 5% in 2020 to 64% by 2030 and 100% by 2050 for the transportation sector to reach net zero emissions globally by 2050.⁴⁰

Given this context, Sustainalytics is of the opinion that LeasePlan’s financing of battery electric vehicles is expected to contribute to reducing the GHG emissions from the transport sector in the EU, thereby supporting the transition to a decarbonized economy.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the LeasePlan Green Finance Framework are expected to help advance the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

³¹ IEA, “Transport - Improving the sustainability of passenger and freight transport”, at: <https://www.iea.org/topics/transport>

³² IEA, “Global Energy Review: CO₂ Emissions in 2020”, (2021), at: <https://www.iea.org/articles/global-energy-review-co2-emissions-in-2020>

³³ Our World in Data, “Cars, planes, trains: where do CO₂ emissions from transport come from?”, at: <https://ourworldindata.org/co2-emissions-from-transport>

³⁴ IEA, “Tracking Transport 2021”, (2021) at: <https://www.iea.org/reports/tracking-transport-2021>

³⁵ Statista, “Transportation emissions in the European Union - Statistics & Facts”, (2022), at: https://www.statista.com/topics/7968/transportation-emissions-in-the-eu/#topicHeader__wrapper

³⁶ European Commission, “Transport emissions”, at: https://ec.europa.eu/clima/eu-action/transport-emissions_en

³⁷ Canada Energy Regulator, “Market Snapshots: How much CO₂ do electric vehicles, hybrids and gasoline vehicles emit?”, (2018), at: <https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2018/market-snapshot-how-much-co2-do-electric-vehicles-hybrids-gasoline-vehicles-emit.html>

³⁸ EY, “Fleet electrification set to accelerate the decarbonization agenda with significant upside for the fastest movers”, (2021), at: https://www.ey.com/en_nl/news/2021/02/fleet-electrification-set-to-accelerate-the-decarbonization-agenda-with-significant-upside-for-the-fastest-movers

³⁹ European Environment Agency, “Decarbonising road transport – the role of vehicles, fuels and transport demand”, at: <https://www.eea.europa.eu/publications/transport-and-environment-report-2021>

⁴⁰ IEA, “Net Zero by 2050: A Roadmap for the Global Energy Sector”, (2021), at: https://iea.blob.core.windows.net/assets/beceb956-0dcf-4d73-89fe-1310e3046d68/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

Conclusion

LeasePlan has developed the LeasePlan Green Finance Framework, under which it may issue green bonds, green loans and private placements,⁴¹ using their proceeds to finance projects in one category, Clean Transportation. Sustainalytics considers that the project funded by the green finance proceeds are expected to contribute to the transition to a low-carbon transportation system and generate positive environmental impacts in the EU, UK, Norway and Switzerland.

The LeasePlan Green Finance Framework outlines a process for tracking, allocating and managing proceeds and makes commitments for LeasePlan to report on the allocation and impact of their use. Sustainalytics believes that the LeasePlan Green Finance Framework is aligned with the overall sustainability strategy of the Company, and that the green use of proceeds category is expected to contribute to the advancement of the UN Sustainable Development Goal 11. Additionally, Sustainalytics is of the opinion that LeasePlan has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Sustainalytics has assessed the LeasePlan Green Finance Framework and its alignment with the EU Taxonomy, and is of the opinion that the Framework's use of proceeds criteria, which map to one EU activity, align with the applicable Technical Screening Criteria in the EU Taxonomy. The Framework's criteria align with three of the EU Taxonomy's applicable Do No Significant Harm criteria. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

Based on the above, Sustainalytics is confident that LeasePlan is well positioned to issue green bonds, loans and private placements and that the LeasePlan Green Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2021.

⁴¹ LeasePlan has confirmed to Sustainalytics that private placements are limited to established debt instruments.

Appendices

Appendix 1: Approach to Assessing Alignment with the EU Taxonomy

Sustainalytics has assessed each of the eligible green use of proceeds criteria in the Framework against the criteria for the relevant NACE⁴² activity in the EU Taxonomy. This appendix describes Sustainalytics' process and presents the outcome of its assessment of alignment with the Taxonomy's applicable Technical Screening Criteria (TSC) and Do No Significant Harm (DNSH) criteria. Sustainalytics' assessment involves two steps:

1. Mapping Framework Criteria to Activities in the EU Taxonomy

The initial step in Sustainalytics' assessment process involves mapping each criterion in the Framework to a relevant and applicable NACE activity in the EU Taxonomy. Note that each Framework criterion may be relevant and applicable to more than one NACE activity and vice versa. Sustainalytics recognizes that some Framework criteria relate to projects that do not map well to a NACE activity. In such cases, Sustainalytics has mapped to the NACE activity that is most relevant with respect to the primary environmental objective and impacts.

In some cases, the Framework criteria cannot be mapped to an activity in the EU Taxonomy, as some activities are not yet covered by the Taxonomy, and some categories which are traditionally included in green bonds and loans may not be associated with a specific economic activity. While recognizing that financing projects in these areas may still have environmental benefits, Sustainalytics has not assessed these criteria for alignment.

The outcome of Sustainalytics' mapping process for LeasePlan Framework is shown in Table 2 below.

2. Determining Alignment with EU Taxonomy Criteria

The second step in Sustainalytics' process is to determine the alignment of each criterion with relevant criteria in the EU Taxonomy. Alignment with the TSC and DNSH criteria is usually based on the specific criteria contained in the issuer's Framework, and may in many cases (especially DNSH criteria) also be based on management systems and processes and/or regulatory compliance. To assess alignment with the EU Taxonomy's Minimum Safeguards Sustainalytics has conducted an assessment of policies, management systems and processes applicable to the use of proceeds, as well as examining the regulatory context in the geographical location in which the issuer will finance activities and projects. (This assessment is included in Section 2, above.)

In cases where the Framework criteria describe projects which are intended to advance EU environmental objectives other than Climate Mitigation or Climate Adaptation, the Taxonomy does not include relevant TSC. In these cases, Sustainalytics has assessed the activity for alignment with the DNSH criteria across all objectives.

Sustainalytics' detailed assessment of alignment is provided in Appendix 2.

Table 2: Framework mapping table

Framework Category	Framework Criterion (Eligible Use of Proceeds)	EU / NACE Activity	NACE Code	Primary EU Environmental Objective	Refer to Table
Clean Transportation	Clean Transportation	6.5. Transport by motorbikes, passenger cars and light commercial vehicles	H49.32, H49.39 N77.11	Mitigation	3

⁴² The EU Taxonomy is based on economic activities defined in NACE (Nomenclature des Activités Économiques dans la Communauté Européenne). The Taxonomy currently lists 70 economic activities that have been chosen due to their ability to substantially contribute to climate change mitigation or adaptation.

Appendix 2: Comprehensive EU Taxonomy Alignment Assessment

The tables below provide a detailed assessment of the alignment of Issuer's Framework criteria with the EU Taxonomy's TSC and DNSH criteria for the relevant NACE activity.

Table 3

Framework Activity assessed		Clean Transportation		
EU Activity		6.5. Transport by motorbikes, passenger cars and light commercial vehicles		
NACE Code		H49.32, H49.39 and N77.11		
EU Technical Screening Criteria		Alignment with Technical Screening Criteria		
Mitigation	The activity complies with the following criteria: (a) for vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007: i. until 31 December 2025, specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are lower than 50gCO₂/km (low-and zero-emission light-duty vehicles); ii. from 1 January 2026, specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero. (b) for vehicles of category L, the tailpipe CO₂ emissions equal to 0g CO₂e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013.	LeasePlan has confirmed that the Company will finance battery electric vehicles (BEVs), with zero specific emissions, which fall under criterion (a) i. and ii.		Aligned
DNSH Criteria		Alignment with DNSH Criteria		
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 4			Aligned
Transition to a circular economy	Vehicles of categories M1 and N1 are both of the following: (a) reusable or recyclable to a minimum of 85% by weight; (b) reusable or recoverable to a minimum of 95% by weight. Measures are in place to manage waste both in the use phase (maintenance) and the end-of-life of the fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein), in accordance with the waste hierarchy.	<u>EU</u> LeasePlan's business model is to purchase new fleets and lease the fleets for around three years before reselling them to the market. In this sense, LeasePlan does not directly deal with the end-of-life of the fleets, hence the risk of end-of-life waste management is limited for the Company's operations. Nonetheless, LeasePlan has confirmed that EU Directive 2000/53/EC 2015 updates with the new 85% and 95% thresholds apply to its operations in all EU locations.		Aligned

		For use phase waste management, LeasePlan has confirmed that European Community Directive 2012/19/EU, Directive 2008/98/EC, and Directive 2006/66/EC apply to its operations in all EU locations. In addition, LeasePlan has demonstrated its intention to continue carrying on discussions across its value chains to implement end-of-life and use-phase waste management requirements during the contracting process with third parties and external channels including lessees and end-use buyers. <u>UK</u> EU Directive 2000/53/EC was transposed by UK-wide legislation to "The End-of-Life Vehicles (Producer Responsibility) Regulations 2005" and is applicable to LeasePlan's operations in the UK. For use phase waste management, LeasePlan has confirmed that the Company abides by European Community Directive 2012/19/EU, Directive 2008/98/EC, and Directive 2006/66/EC for its operations in the UK. <u>Norway</u> Norway's local regulation "Chapter 4 of Regulations relating to recycling and treatment of waste (Waste Regulations)" sets the recycling share requirements for the individual product groups covering both end-of-life and use phase waste management. Furthermore, LeasePlan confirmed that its operations in Norway, a member of the EEA, also comply with relevant EU regulations on waste management as listed above. <u>Switzerland</u> LeasePlan has confirmed that the Company will ensure fulfilment of the end-of-life and use phase waste management requirements set forth in Swiss regulations 814.6010 Ordinance on the Avoidance and the Disposal of Waste and 814.600 Ordinance on the Handling of Waste.	
Pollution prevention and control	(a) Vehicles comply with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval set out in accordance with Regulation (EC) No. 715/2007.	LeasePlan abides by all applicable national laws and regulations. The Regulation (EC) No. 715/2007 and the thresholds set out in Table 2 of the Annex to Directive 2009/33/EC of the European	Aligned

	(b) Vehicles comply with the emission thresholds for clean light-duty vehicles set out in Table 2 of the Annex to Directive 2009/33/EC of the European Parliament and of the Council. (c) For road vehicles of categories M and N, tyres comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the two highest populated classes as set out in Regulation (EU) 2020/740 and as can be verified from the European Product Registry for Energy Labelling (EPREL). (d) Vehicles comply with Regulation (EU) No 540/2014 of the European Parliament and of the Council.	Parliament and of the Council are not applicable as the BEV's being financed under this Framework have zero tailpipe emissions. Regulation (EU) 2020/740 suggests electric vehicles tyres should comply with external rolling noise requirements in the highest populated class for the awareness of road users. Regulation (EU) No 540/2014 suggests electric vehicles to be equipped in the coming years with acoustic vehicle alerting systems (AVAS) to compensate for the lack of audible signals in electric and hybrid electric vehicles for the awareness of road users. <u>EU</u> LeasePlan has confirmed its compliance with Regulation (EU) 2020/740 and Regulation (EU) No 540/2014 for its operations in all EU locations. <u>UK</u> LeasePlan has confirmed its compliance with Regulation (EU) 2020/740 and Regulation (EU) No 540/2014 for its operations in the UK. <u>Norway</u> LeasePlan has confirmed its compliance with Regulation (EU) 2020/740 and Regulation (EU) No 540/2014 for its operations in Norway. <u>Switzerland</u> The Swiss Federal Energy Efficiency Ordinance, harmonized with Regulation (EC) 2020/740, regulates the design of the energy label of tyres. The use of energy label has been mandatory in Switzerland since 1 August 2014. It indicates the energy efficiency (rolling resistance), the degree of grip on wet roads as well as the noise level. Furthermore, LeasePlan has confirmed that its Swiss portfolio for vehicle brands and models is compatible with that of other EU	
--	--	--	--

		countries, which abides by Regulation (EU) 2020/740 and Regulation (EU) No 540/2014.	
--	--	--	--

Appendix 3: Criteria for Do No Significant Harm (“DNSH”) to Climate Change Adaptation

Table 4

Criteria for DNSH to Climate Change Adaptation		
DNSH Criteria	Alignment with DNSH Criteria	
The physical climate risks that are material to the activities mentioned above have been identified by the Issuer by performing a robust climate risk and vulnerability assessment.⁴³ The assessment must be proportionate to the scale of the activity and its expected lifespan, such that: - for investments into activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using downscaling of climate projections; - for all other activities, the assessment is performed using high resolution, state-of-the-art climate projections across a range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 years climate projections scenarios for major investments. The issuer has developed a plan to implement adaptation solutions to reduce material physical climate risks to the selected activities under this framework. - For new activities the Issuer ensures that adaptation solutions do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of assets and of other economic activities and are consistent with local, sectoral, regional or national adaptation efforts. - For activities that involve upgrading or altering existing assets or processes, the Issuer must implement adaptation solutions identified within five years from the start of the activity. In addition, selected adaptation solutions must not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of assets and of other economic activities and are consistent with local, sectoral, regional or national adaptation efforts.	LeasePlan has an internal process that enables the Company to evaluate climate risk and perform vulnerability assessment for the eligible projects. LeasePlan has communicated to Sustainalytics that the Company qualitatively assessed the vulnerability of its supply chain, assets, operations and customers to the physical effects of climate change. LeasePlan has performed a group-wide climate risk assessment, based on scenario analysis for climate-related and environmental (C&E) risk identification, this assessment consist of four stages: - External assessment of climate-related risks - Internal bottom-up assessment of LeasePlan’s Environmental, Social and Governance Risks led by Group Risk - Consolidation of assessments into a top-20 climate risk shortlist - Validation and materiality exercise with the Executive Committee and CEO LeasePlan’s management body (LeasePlan’s three lines, Supervisory Board, Supervisory Board Risk Committee, the Managing Board and the Executive Committee) is accountable for identifying, assessing, monitoring and managing climate risks. LeasePlan’s climate risk assessment considers expected lifespan of eligible projects in-line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and European Central Bank expectations, and has identified the following expected lifespan of the eligible assets under this Framework: - Short-term (0-5 years): Accounts for current Risk Management Framework, capital planning and asset lifecycle	Aligned

⁴³ The EU Delegated Act identifies several climate related risk and classifies them into chronic or acute risks, Chronic risks include -changing temperature (air, freshwater, marine water), changing wind patterns, changing precipitation patterns and types, coastal erosion, heat stress, ocean acidification, sea-level rise, and solifluction. Acute risks pertain to – heat/ cold wave, wildfire, cyclone, hurricane, tornado, storm, drought, landslide, flood, and glacial lake outburst. For a complete list of climate related risk please refer to Section 2 of Appendix E of EU’s draft delegated regulation (Annex 1), at: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12302-Climate-change-mitigation-and-adaptation-taxonomy#ISC_WORKFLOW

	• Medium-term (6-15 years): Accounts for significant policy timeframes, including a variety of climate targets at the 2030 horizon • Long-term (16-30 years): Accounts for significant policy timeframes towards the Paris Agreement 2050 deadline for a net zero economy Leaseplan confirmed that the Company plans to implement adaptation solutions to reduce identified material physical climate risks to the eligible projects under this Framework. LeasePlan commits to actively managing its C&E risks and opportunities and implementing mitigating actions. The Company has confirmed that, to the best of its knowledge, selected adaptation solutions do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of assets and of other economic activities.	
--	--	--

Appendix 4: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	LeasePlan Corporation N.V.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	LeasePlan Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	September 2, 2022
Publication date of review publication:	
Original publication date [please fill this out for updates]:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| ☒ Use of Proceeds | ☒ Process for Project Evaluation and Selection |
| ☒ Management of Proceeds | ☒ Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| ☒ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification | ☐ Rating |
| ☐ Other (please specify): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The eligible category for the use of proceeds, Clean Transportation is aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 11.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| ☐ Renewable energy | ☐ Energy efficiency |
| ☐ Pollution prevention and control | ☐ Environmentally sustainable management of living natural resources and land use |
| ☐ Terrestrial and aquatic biodiversity conservation | ☒ Clean transportation |
| ☐ Sustainable water and wastewater management | ☐ Climate change adaptation |
| ☐ Eco-efficient and/or circular economy adapted products, production technologies and processes | ☐ Green buildings |
| ☐ Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | ☐ Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

LeasePlan's Sustainable Finance team, which is a member of its ESG Action Group, is responsible for evaluating and selecting eligible projects under this Framework. LeasePlan has adopted internal codes and policies to address environmental and social risks associated with projects financed under the Framework. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.

Evaluation and selection

- | | |
|--|---|
| ☒ Credentials on the issuer's environmental sustainability objectives | ☒ Documented process to determine that projects fit within defined categories |
| ☒ Defined and transparent criteria for projects eligible for Green Bond proceeds | ☒ Documented process to identify and manage potential ESG risks associated with the project |
| ☒ Summary criteria for project evaluation and selection publicly available | ☐ Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- ☐ Evaluation / Selection criteria subject to external advice or verification ☒ In-house assessment
- ☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

LeasePlan's centralized Treasury department will record and track the allocation of proceeds on a portfolio basis through an internal reporting system. LeasePlan intends to allocate all proceeds within 24 months of issuance. Pending full allocation, unallocated net proceeds will be managed in accordance with LeasePlan Treasury's Funding policy. LeasePlan has established a look-back period of 24 months for capital expenditure refinancing preceding the Company's inaugural green bond issuance.⁴⁴ This is in line with market practice.

Tracking of proceeds:

- ☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- ☐ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other (please specify):

Additional disclosure:

- ☐ Allocations to future investments only ☒ Allocations to both existing and future investments
- ☐ Allocation to individual disbursements ☒ Allocation to a portfolio of disbursements
- ☒ Disclosure of portfolio balance of unallocated proceeds ☐ Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

LeasePlan intends to report on the allocation of proceeds on an annual basis until full allocation. Allocation reporting will include information on the amount of proceeds allocated, the share of financing versus refinancing, and unallocated proceeds. In addition, LeasePlan is committed to reporting on relevant impact metrics. Sustainalytics considers the allocation and impact reporting process to be aligned with market practice.

Use of proceeds reporting:

- ☐ Project-by-project ☒ On a project portfolio basis

⁴⁴ LeasePlan's inaugural Green Bond was issued in February 2019 and based upon the asset portfolio as of December 2018.

☐ Linkage to individual bond(s)

☐ Other (please specify):
Information reported:
☒ Allocated amounts

☐ Green Bond financed share of total investment

☐ Other (please specify):
Frequency:
☒ Annual

☐ Semi-annual

☐ Other (please specify):
Impact reporting:
☐ Project-by-project

☒ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other (please specify):
Information reported (expected or ex-post):
☐ GHG Emissions / Savings

☐ Energy Savings

☐ Decrease in water use

☐ Other ESG indicators (please specify): weighted average fleet carbon intensity; estimated CO₂ emissions avoided
Frequency
☒ Annual

☐ Semi-annual

☐ Other (please specify):
Means of Disclosure
☐ Information published in financial report

☐ Information published in sustainability report

☐ Information published in ad hoc documents

☒ Other (please specify): Issuer's website

☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE
Type(s) of Review provided:

- | | |
|--|--|
| ☐ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification / Audit | ☐ Rating |
| ☐ Other (<i>please specify</i>): | |

Review provider(s):
Date of publication:
ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

Disclaimer

Copyright ©2022 Sustainalytics. All rights reserved.

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

Or contact us contact@sustainalytics.com

