



Green Finance
Impact
Reporting
March 2020



LeasePlan Green Finance Impact Reporting

*In accordance with the Harmonized Framework for Impact Reporting¹
(portfolio approach)*

Portfolio Date, December 2019

In accordance with the LeasePlan Green Finance Framework² dated March 2020³, this Impact Reporting document provides:

1. A brief description of the Eligible Projects
2. Metrics regarding Eligible Projects' environmental impacts.

1. Brief description of the Eligible Projects

LeasePlan, at its discretion but in accordance with the ICMA Green Bond Principles⁴ and LMA Green Loan Principles⁵, will allocate the net proceeds of the Green Finance Instruments⁶ issued under the Green Finance Framework to an 'Eligible Project Portfolio' of new and existing 'Eligible Projects', (as defined below) that contribute to the development of clean transportation and the transition to a low carbon future.

- **Eligible Projects**, are defined as: eligible vehicles meaning battery electric vehicles (BEVs). These are vehicles that meet the criteria of 'Green' under the Climate Bonds Standard and Certification (traffic light) scheme⁷.
- **ICMA GBP / LMA GLP Eligible Category:** Clean Transportation.
- **Alignment with EU Taxonomy:** The criteria used to select Eligible Projects to be included in the Eligible Project Portfolio comply with the recommendations of the final Technical Expert Group (TEG) report on the EU Taxonomy published in March 2019⁸, which establishes a system to classify environmentally sustainable activities by setting out metrics and thresholds. In accordance with the EU Taxonomy, electric powertrain passenger vehicles are considered fully eligible for green finance purposes. LeasePlan has set out in the Green Finance Framework, that any Eligible Project included in future versions of the Framework will follow the recommendation of the TEG report on the EU Taxonomy (March 2020) or any updated version, on a best effort basis.
- **Contribution to EU Environmental Objectives:** Eligible Projects substantially contribute to the achievement of the EU Environmental Objective n. 1: Climate Change Mitigation via increasing clean or climate neutral mobility.
- **Alignment with the UN Sustainable Development Goals (UN SDGs):** Green Finance Instruments issued under this Green Finance Framework directly advance "Sustainable Cities and Communities" (SDG 11, Target 11.2), and indirectly advance "Good Health and Well-Being" (SDG 3), "Industry, Innovation and Infrastructure" (SDG 9) and "Climate Action" (SDG 13).

¹ <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Handbook-Harmonized-Framework-for-Impact-Reporting-WEB-100619.pdf>

² The LeasePlan Green Bond Framework dated February 2019 has been replaced with the LeasePlan Green Finance Framework published in March 2020

³ The LeasePlan Green Finance Framework is available on LeasePlan's website at <https://www.leaseplan.com/corporate/investors/debtholder-centre>

⁴ <https://www.icmagroup.org/green-social-and-sustainability-bonds/>

⁵ <https://www.lma.eu.com/news-publications/press-releases?id=146>

⁶ The LeasePlan Green Bond Framework 2019 refers to Green Bonds, whose proceeds are allocated to an Eligible Portfolio of new and existing Eligible Projects defined as eligible vehicles, meaning BEVs. In February 2019, LeasePlan issued its inaugural Green Bond under the Green Bond Framework

⁷ <https://www.climatebonds.net/files/files/Low%20Carbon%20Transport%20Background%20Paper%20Feb%202017.pdf>

⁸ https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy_en.pdf

2. Metrics regarding projects' environmental impacts: Portfolio based green finance report in accordance with the ICMA Harmonized Framework for Impact Reporting (June 2019)

LeasePlan has relied on the support of external specialised consultant Carbon Trust⁹ to assess the impact of the Eligible Project Portfolio.

The Eligible Project Portfolio is assessed regarding the following environmental impacts:

- Weighted average fleet carbon intensity, based on vehicle manufacturer's data concerning engine carbon emissions per kilometre travelled.
- Estimate of CO2 emissions avoided as a result of increasing the proportion of eligible vehicles in the LeasePlan fleet¹⁰.

Emissions avoided refer to the difference between 'Direct emissions' and 'Indirect emissions'.

- 'Direct emissions' definition: Direct emissions occur from ICE vehicles during the combustion of fuel, often referred to as "tailpipe" emissions. Direct emissions are the emissions that would have been generated by the Baseline.
- 'Baseline' definition: The baseline can be considered as a hypothetical scenario in which BEVs in the LeasePlan funded fleet were replaced with ICE vehicles. In other words, the baseline refers to what would have happened if LeasePlan had not, in recent years, increased the share of BEVs in its funded fleet and had leased ICE vehicles in their place.
- 'Indirect emissions' definition: Indirect emissions originate from the production of electricity required to charge BEVs.

Portfolio Date, December 2019

Eligible ICMA / LMA Project Category	Eligible portfolio (EUR)	Share of Total Financing	Eligibility for Green Finance Instruments	Weighted average fleet carbon intensity (in carbon emissions per kilometre travelled)	Estimated CO2 emissions avoided vs baseline (in tonnes of CO2 eq.) (country emission factor)	Estimated CO2 emissions avoided vs baseline (in tonnes of CO2 eq.) (EU emission factor)
a/	b/	c/	d/	e/	f/	g/
Clean Transportation	897	100%	100%	110.25 gCO2e/km	31,923	34,015

Portfolio based green bond report in accordance with the ICMA Harmonized Framework for Impact Reporting (version June 2019)

a/ Eligible Category

b/ Signed amount represents the amount legally committed by the issuer for the portfolio or portfolio components eligible for Green Financing

c/ This is the share of the total portfolio cost that is financed by the issuer per Eligible Category

d/ This is the share of the total portfolio costs that is eligible for Green Finance Instruments

e/ f/ g/ Impact indicators

- Weighted average fleet carbon intensity (in carbon emissions per kilometre travelled). Only the carbon intensity of LeasePlan's passenger cars fleet (rather than the total funded fleet) was considered.
- Estimated CO2 emissions avoided vs baseline (in tonnes of CO2 eq.) when using country emission factor to calculate the indirect emissions generated by the LeasePlan's Eligible Project Portfolio
- Estimated CO2 emissions avoided vs baseline (in tonnes of CO2 eq.) when using EU emission factor to calculate the direct emissions generated by the LeasePlan's Eligible Project Portfolio

⁹ The Carbon Trust report 'Green bond impact assessment report' can be found on LeasePlan's website, <https://www.leaseplan.com/corporate/investors/results-reports-and-funding-documents>

¹⁰ Funded fleet