

LeasePlan Corporation N.V.

Type of Engagement: Annual Review

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Introduction

In February 2019, LeasePlan Corporation N.V. (LeasePlan) issued its inaugural green bond, a EUR 500 million 5Y Fixed Rate Note, aimed at financing clean transportation projects, namely the acquisition of battery electric vehicles (BEVs). In March 2020, LeasePlan engaged Sustainalytics to review the projects funded through the issued green bond and provide an assessment as to whether the projects met the Use of Proceeds eligibility criteria and the reporting commitments outlined in the Green Bond Framework, dated February 2019.

Evaluation Criteria

Sustainalytics evaluated the projects funded via the proceeds of the LeasePlan Green Bond issued in 2019 based on whether the projects:

1. Met the Use of Proceeds and eligibility criteria outlined in the Green Bond Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) related to the Use of Proceeds eligibility criteria and in alignment with the reporting commitments outlined in the Green Bond Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs, as outlined in the LeasePlan Green Bond Framework.

Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Clean Transportation	<ul style="list-style-type: none"> • Battery electric vehicles (BEVs) 	<ul style="list-style-type: none"> • Annual weighted average fleet carbon intensity, gCO₂/km • Estimated annual CO₂ emissions avoided as a result of increasing the proportion of BEVs in LeasePlan's fleet

Issuing Entity's Responsibility

LeasePlan is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of LeasePlan's Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from LeasePlan employees and review of documentation to confirm the conformance with the Green Bond Framework.

Sustainalytics has relied on the information and the facts presented by LeasePlan with respect to the eligible projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by LeasePlan.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,¹ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed eligible projects, funded through proceeds of LeasePlan's Green Bond, are not in conformance with the Use of Proceeds eligibility criteria and reporting commitments outlined in the Green Bond Framework. In alignment with its Green Bond Framework LeasePlan has allocated 50% of the green bond proceeds to expenditures on eligible vehicles acquired in the 24-month period prior to the LeasePlan Green Bond issuance date and 50% to expenditures subsequent to that date². LeasePlan has disclosed to Sustainalytics that the proceeds of the green bond were fully allocated as of Q3 2019.

Detailed Findings

Table 3: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the green bond in 2019 to determine if projects aligned with the Use of Proceeds Criteria outlined in the Green Bond Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Commitments	Verification of the projects funded by the green bond in 2019 to determine if impact of projects was reported in line with the KPIs outlined in the Green Bond Framework and above in Table 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria ³ .	None

¹ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

² LeasePlan's inaugural Green Bond was issued on the 28th of February 2019 and based upon the asset portfolio as at December 2018.

³ The final calculations on estimated carbon emissions avoided as a result of increasing the proportion of BEVs in the LeasePlan vehicle fleet will be released in a separate document, which will be made available on LeasePlan's website. Sustainalytics confirms that the estimated carbon emissions avoidance KPI is aligned with the Green Bond Framework.

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Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. In 2015, Global Capital awarded Sustainalytics "Best SRI or Green Bond Research or Ratings Firm" and in 2018 and 2019, named Sustainalytics the "Most Impressive Second Party Opinion Provider". The firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the "Largest Approved Verifier for Certified Climate Bonds" by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan and the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

For more information, visit www.sustainalytics.com

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