

LeasePlan Corporation N.V.

Type of Engagement: Annual Review

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Introduction

Since 2019, LeasePlan Corporation N.V. (“LeasePlan” or the “Company”) has issued four green bonds to finance or refinance the acquisition of battery electric vehicles (BEVs). In September 2022, LeasePlan updated its Green Finance Framework (the “Framework”).¹ Sustainalytics provided a second-party opinion on the Framework in September 2022.² In April 2023, LeasePlan engaged Sustainalytics to review the assets financed and refinanced with proceeds from the Framework between 1 January 2019 and 31 December 2022 (the “Nominated Assets”), and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the Framework.

Evaluation Criteria

Sustainalytics evaluated the Nominated Assets as to whether they:

1. Met the use of proceeds and eligibility criteria outlined in the Framework;
2. Reported on at least one impact indicator for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated Impact Indicators

Use of Proceeds Category	Eligibility Criteria	Impact Indicators
Clean Transportation	Battery electric vehicles (BEVs) excluding vehicles powered by liquefied petroleum gas, compressed natural gas, ethanol, biofuels and conventional internal combustion engines, hybrid electric, including plug-in hybrid electric vehicles.	<ul style="list-style-type: none"> • Weighted average fleet carbon intensity of LeasePlan’s passenger car fleet (in carbon emissions per kilometre travelled) • Estimated CO₂ emissions avoided compared to a baseline³ (in tCO₂e.) to measure the Portfolio’s indirect emissions⁴ • Estimated CO₂ emissions avoided vs baseline to measure the Portfolio’s direct emissions⁵ (in tCO₂e.)

¹ LeasePlan, “Green Finance Framework”, (2022), at:

https://www.leaseplan.com/corporate/~/_/media/Files/L/Leaseplan/DB/LP_Green_finance_framework%20Sept%202022.pdf

² Sustainalytics, “LeasePlan Green Finance Framework Second-Party Opinion (2022)”, at: [https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/leaseplan-corporation-n-v/leaseplan-green-finance-framework-second-party-opinion-\(2022\)/leaseplan-green-finance-framework-second-party-opinion-\(2022\)](https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/leaseplan-corporation-n-v/leaseplan-green-finance-framework-second-party-opinion-(2022)/leaseplan-green-finance-framework-second-party-opinion-(2022))

³ LeasePlan defines the “Baseline” in its 2023 Impact Report as: “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.”

⁴ LeasePlan defines “Indirect Emissions” in its 2023 Impact Report as “Indirect emissions originate from the production of electricity required to charge BEVs.”

⁵ LeasePlan defines the “Direct Emissions” in its 2023 Impact Report as “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.”

Issuer’s Responsibility

LeasePlan is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from LeasePlan’s green bonds. The work undertaken as part of this engagement included collection of documentation from LeasePlan and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by LeasePlan. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein 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 of the review.

Conclusion

Based on the limited assurance procedures conducted,⁶ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the Nominated Assets do not conform with the use of proceeds criteria and reporting commitments in the Framework. LeasePlan has disclosed to Sustainalytics that the proceeds from the green bonds were fully allocated as of 31 March 2022.⁷

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded with proceeds from the green bonds from 1 January 2019 to 31 December 2022 to determine if projects aligned with the use of proceeds criteria outlined in the Framework.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded with proceeds from the green bonds from the 1 January 2019 to 31 December 2022 to determine if impact of projects was reported in line with the impact indicators outlined in the Framework. For a list of impact indicators reported, please refer to Appendix 2.	All projects reviewed reported on at least one impact metric per use of proceeds category.	None

⁶ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, their estimated and realized costs and impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

⁷ LeasePlan communicated to Sustainalytics that EUR million 3,071 were allocated as of 31 March 2022.

Appendix

Appendix 1: Reported Allocation as of December 2022

LeasePlan has an eligible assets portfolio of EUR 4,024 million as of 31 December 2022. The proceeds raised from the green bonds total EUR 3,000 million, which have been fully allocated to LeasePlan's eligible assets portfolio. LeasePlan has not added new liabilities in the portfolio in 2022. Please find below the details of the allocation:

Eligible Category	Date issued	Percentage Allocated	Amount green bonds issued (EUR million)
Clean Transportation	7/3/2019	100%	500
	9/4/2020		500
	23/2/2021		1,000
	7/9/2021		1,000
Total allocated (EUR million)			3,000

Appendix 2: Reported Impact as of December 2022

Eligible Category	Weighted average fleet carbon intensity (gCO ₂ /km)	Estimated CO ₂ emissions avoided vs baseline (tCO ₂ e) ⁸	Estimated CO ₂ emissions avoided vs baseline (tCO ₂ e) ⁹
Clean Transportation	99.22	175,798	169,233

⁸ Country trade-adjusted emission factor.

⁹ EU trade-adjusted emission factor.

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

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