

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 (the “Green Bonds”) to finance or refinance the acquisition of battery electric vehicles (BEVs). In 2024, LeasePlan engaged Sustainalytics to review the projects and assets financed with proceeds from the Green Bonds (the “Nominated Projects”) and provide an assessment as to whether the projects meet the use of proceeds criteria and the reporting commitments outlined in the Green Finance Framework (the “Framework”),¹ which was updated in September 2022, following an update in March 2020 to the 2019 Green Bond Framework.² Sustainalytics provided a Second-Party Opinion on the Framework in September 2022,³ and for the previous frameworks in March 2020⁴ and February 2019.⁵ This is Sustainalytics’ fifth annual review of allocation and reporting of the instruments issued under the Framework, following previous reviews in March 2020,⁶ April 2021,⁷ April 2022,⁸ and April 2023.⁹

Evaluation Criteria

Sustainalytics evaluated the Nominated Projects based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

¹ LeasePlan, “Green Finance Framework”, (2022), at: <https://www.ayvens.com/-/media/ayvens/public/cp/files/leaseplan-documents-and-publication-archives/debt-investor/2022/30-sep-2022-green-finance-framework.pdf>

² LeasePlan, “Green Bond Framework”, (2019), at: <https://www.ayvens.com/-/media/ayvens/public/cp/files/leaseplan-documents-and-publication-archives/debt-investor/2019/21-feb-2019-green-bond-framework.pdf>

³ Sustainalytics, “Second-Party Opinion, LeasePlan”, (2022), at: <https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/leaseplan-green-finance-framework-second-party-opinionb8557fe4-a7a2-4c35-b4da-d93695300ca4.pdf>

⁴ Sustainalytics, “Second-Party Opinion, LeasePlan”, (2020), at: <https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/leaseplan-green-finance-framework-second-party-opinion.pdf>

⁵ Sustainalytics, “Second-Party Opinion, LeasePlan”, (2019), at: <https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/leaseplan-green-bond-second-party-opinion.pdf>

⁶ LeasePlan, “Annual Review, LeasePlan”, (2020), at: <https://www.ayvens.com/-/media/ayvens/public/cp/files/leaseplan-documents-and-publication-archives/debt-investor/2019/31-mar-2020-annual-review-assessment.pdf>

⁷ LeasePlan, “Annual Review, LeasePlan”, (2021), at: <https://www.ayvens.com/-/media/ayvens/public/cp/files/leaseplan-documents-and-publication-archives/debt-investor/2020/30-apr-2021-annual-review-assessment.pdf>

⁸ LeasePlan, “Annual Review, LeasePlan”, (2022), at: <https://www.ayvens.com/-/media/ayvens/public/cp/files/leaseplan-documents-and-publication-archives/debt-investor/2021/29-apr-2022-annual-review-assessment.pdf>

⁹ LeasePlan, “Annual Review, LeasePlan”, (2023), at: <https://www.ayvens.com/-/media/ayvens/public/cp/files/leaseplan-documents-and-publication-archives/debt-investor/2023/leaseplan-corporation-nvannualreview.pdf>

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

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
<p>Clean Transportation</p>	<p>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.</p>	<ul style="list-style-type: none"> i. Weighted average carbon intensity of LeasePlan’s passenger car fleet (in carbon emissions per kilometre travelled) ii. Estimated CO₂ emissions avoided compared to a baseline¹⁰ (in tCO₂e.) to measure the Portfolio’s indirect emissions¹¹ iii. Estimated CO₂ emissions avoided vs baseline to measure the Portfolio’s direct emissions¹² (in tCO₂e.)

Issuer’s Responsibility

LeasePlan is responsible for providing accurate information and documentation relating to the details of the funded projects, including descriptions 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,¹³ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed projects 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 Bond were fully allocated as of 31 December 2023.

¹⁰ LeasePlan defines “Baseline” in its 2024 Impact Report as “a hypothetical scenario in which BEVs in the LeasePlan funded fleet were replaced with ICE vehicles” or “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.”

¹¹ LeasePlan defines “Indirect Emissions” in its 2024 Impact Report as emissions originating from “production of electricity required to charge BEVs.”

¹² LeasePlan defines the “Direct Emissions” in its 2024 Impact Report as emissions occurring from “ICE vehicles during the combustion of fuel, often referred to as ‘tailpipe’ emissions”.

¹³ Sustainalytics’ limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the Nominated Projects to determine alignment 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 Nominated Projects to determine if impact was reported in line with the KPIs outlined in the Framework.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

Appendices

Appendix 1: Allocation as of December 2023

LeasePlan issued two EUR 500 million green bonds in 2019 and 2020, and two EUR 1000 million green bonds in 2021, amounting to EUR 3,000 million to finance or refinance the acquisition of battery electric vehicles (BEVs). As of 31 December 2023, 100% of the proceeds raised from the green bond issuances have been fully allocated.

Table 3: Allocation Reporting by Eligible Projects

Use of Proceeds Category	Eligible Projects	Green Bond	Issuance Date	Net Proceeds Allocated (EUR million)
Clean Transportation	Battery Electric Vehicles (BEVs)	XS1960260021	7 March 2019	500
		XS2155365641	9 April 2020	500
		XS2305244241	23 February 2021	1,000
		XS2384269101	7 September 2021	1,000
Total Allocated Proceeds (EUR million)				3,000

Appendix 2: Reported Impact¹⁴ as of December 2023

Table 4: Reported Impact by Eligible Projects

Use of Proceeds Category	Eligible Projects	Weighted average fleet carbon intensity (gCO ₂ e/km) ¹⁵	Estimated CO ₂ emissions avoided vs baseline (tCO ₂ e) ¹⁶	Estimated CO ₂ emissions avoided vs baseline (tCO ₂ e) ¹⁷
Clean Transportation	Battery Electric Vehicles (BEVs)	93.2	250,895	232,750

¹⁴ Sustainability notes that the impact data pertains to LeasePlan's Eligible Project Portfolio (EUR 6,212 million) and is not the pro-rated impact proportional to the net proceeds allocated from the Green Bonds (EUR 3,000 million).

¹⁵ This is based on vehicle manufacturer's data concerning engine carbon emissions per kilometre travelled. Only the carbon intensity of LeasePlan's passenger cars fleet (rather than the total funded fleet) was considered.

¹⁶ Estimated CO₂ emissions avoided vs baseline (in tonnes of CO₂ eq.) when using country trade-adjusted emission factor to calculate the indirect emissions generated by the LeasePlan's Eligible Project Portfolio. Indirect emissions originate from the production of electricity required to charge BEVs.

¹⁷ Estimated CO₂ emissions avoided vs baseline (in tonnes of CO₂ eq.) when using EU trade-adjusted emission factor to calculate the direct emissions generated by the LeasePlan's Eligible Project Portfolio. 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.

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