

A graphic consisting of several overlapping, rounded, wavy shapes in shades of orange and red, resembling a stylized 'W' or a series of hills. The text 'LeasePlan' is centered within the middle section of this graphic.

LeasePlan



Driving to Zero

Sustainability strategy update 2021

What's next

Sustainability overview

Letter from the CEO	01
Sustainability commitments	02
The story so far	03
Strategy overview	05

'Driving to Zero' update

1. Protect the planet	07
2. Contribute to societal wellbeing	11
3. Be responsible	16



View the LeasePlan Sustainability strategy update 2021 at: www.leaseplan.com/corporate

1

Protect the planet

Our approach to tackling climate change and reducing our environmental impact



In detail > page 07

2

Contribute to societal wellbeing

Our approach to helping create a more equal and inclusive society



In detail > page 11

3

Be responsible

Our internal systems, processes and controls to enable effective and ethical business decisions



In detail > page 16

Letter from the CEO

Dear stakeholder,

In 2017, LeasePlan introduced sustainability into the vocabulary of the fleet industry with our ambition to go zero emission by 2030. While I am proud of the progress we have made since then – including increasing EV new orders by a factor of 20 in the past four years – we deeply understand that more needs to be done. The ever-worsening climate emergency, combined with deepening social injustice, mean that the time has come to again set a new standard in our industry for doing what is right for the planet and our people.

It is with that ambition in mind that I am immensely proud to introduce 'Driving to Zero' – LeasePlan's new sustainability strategy.

'Driving to Zero' broadens our focus from addressing car tailpipe emissions to all of today's important Environment, Social and Governance challenges. Key highlights of our new strategy include a commitment to create science-based abatement pathways for all of LeasePlan's GHG emissions (not just those from our fleet), and to formally integrate climate-related and environmental risks into our strategy, risk management framework and disclosures. On the social front, we are enhancing our diversity strategy with new initiatives to achieve gender equality across LeasePlan, as well as launching a range of targeted policies to support LeasePlanners from minority groups, including an inclusive benefits policy for our LGBTQI+ colleagues. We are also introducing a new global procurement policy to help drive up ESG standards not just at LeasePlan, but right across our value chain.

While our focus has broadened from electrification, we remain fully committed to deliver on our core sustainability goal to electrify our funded fleet of 1.5 million vehicles. The importance of fleet electrification cannot be understated: around 20% of global emissions come from road transport and the simple truth is that we have no hope of tackling climate change unless we all transition to zero emission mobility as fast as possible. At LeasePlan, we are at the forefront of this change, and 2020 was the greenest year in our history, with EVs now representing over 20% of all our new orders of vehicles as of Q3 2021.

Just as our electrification strategy set out some ambitious goals, our new 'Driving to Zero' update is no different. To monitor our progress, we have introduced a new sustainability governance structure, and will be enhancing our sustainability disclosures and reporting with new metrics and targets over the coming months. Our mantra is simple: if our performance is measurable, we can be held accountable to our stakeholders – whether they are customers, suppliers, shareholders, regulators or the 8,000 LeasePlanners around the world.

We hope that more corporates, including our colleagues in the fleet industry, follow our lead and take concrete action to build a more sustainable, inclusive world. For my part, I am extremely proud to lead such a progressive organisation, and I am determined we will not take our foot off the (zero-emission) pedal!

Sincerely,

Tex Gunning

CEO, LeasePlan

Amsterdam, the Netherlands

November 2021



Tex Gunning

CEO, LeasePlan



LeasePlan's sustainability commitments

Our 'Driving to Zero' sustainability strategy update commits us to decisively address the most important Environment, Social and Governance (ESG) issues of our time. Combined with our existing ambitions, 'Driving to Zero' further strengthens our industry leading approach to sustainability.

KEY 'DRIVING TO ZERO' HIGHLIGHTS

Environment

- We remain committed to leading the transition to zero-emission mobility and aim to achieve net zero tailpipe emissions from our funded fleet by 2030
- We aim to achieve net zero emissions across our operations and value chain globally (GHG emissions scope 1, 2 & 3) by 2050 at the latest and ensure these ambitions are validated by the Science-Based Targets initiative (SBTi)¹
- We will formally integrate climate-related and environmental risks into our strategy, governance, risk management and disclosures in line with TCFD recommendations and ECB expectations

Social

- We will increase % of diverse employees in top 3 management layers
- We are committed to providing equal benefits to all our LGBTQI+ colleagues and their partners, while further strengthening LeasePlan's progressive culture
- We will implement a new Global Sustainable Procurement Policy to enhance supplier engagement and help drive up ESG standards across LeasePlan's value chain
- We will roll out a global Community Volunteering Standard to enhance the impact we have on our communities

Governance

- We will strengthen our sustainability governance structure to support the strategy roll out and ensure management accountability
- We will fully embed ESG into LeasePlan's remuneration policies for senior executives

1. LeasePlan will ensure its environmental targets are aligned to the SBTi requirements once this process is complete



The story so far

Since 2017, LeasePlan has led the transition to zero-emission mobility and ESG in our industry.

2017

LeasePlan announced its ground-breaking commitment to achieve **net zero tailpipe emissions** from its funded fleet by 2030 at the launch of EV100 in New York



LeasePlan announced the launch of its **full package EV solution** at COP23 in Bonn, Germany

2018

LeasePlan began **offsetting all carbon emissions generated by its employee fleet**



LeasePlan signs the **Talent to the Top** charter for improving gender diversity in our top 3 layers

2019

LeasePlan launched its new DE&I strategy to attract and nurture a diverse global talent base



LeasePlan launched its first **highly successful Green Bond**



LeasePlan published its first **Sustainability Report**, detailing efforts to mitigate climate impact across all emission scopes

Launch of 'Driving to Zero'

LeasePlan's far-reaching sustainability strategy update aims to achieve net zero emissions across all emission scopes, and drive progress across all material ESG issues

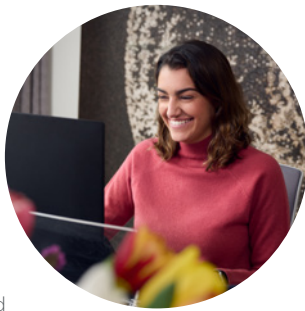
page 05

2021

LeasePlan began formally incorporating climate and environmental risks into its strategy, governance and risk management framework

2020

LeasePlan established a community of DE&I representatives across all LeasePlan entities to share experiences, best practices and strengthen LeasePlan's diverse culture



LeasePlan published its first-ever **Task Force on Climate-related Financial Disclosures (TCFD)**



LeasePlan became a signatory of the **UN Global Compact**



LeasePlan committed to seeking validation of its GHG reduction targets through the **Science-Based Targets initiative (SBTi)**



LeasePlan received limited assurance from its external auditors on **four non-financial KPIs**



LeasePlan received external limited assurance on **five non-financial KPIs**

Our sustainability strategy 2021

LeasePlan's far-reaching sustainability strategy update aims to achieve net zero emissions across all emission scopes, and drive progress across all material ESG issues.

Pillar	Priorities	Key initiatives
1 Protect the planet <small>In detail > page 07</small>	Understand and manage climate risks & opportunities	Understand climate-related risks and opportunities facing LeasePlan via a comprehensive group-wide risk assessment, scenario analysis and financial modelling Integrate impact of material climate-related risks and opportunities into LeasePlan's strategy, governance, risk management and disclosures
	Reduce our carbon footprint	Achieve net zero emissions across all GHG scopes via Science-Based Targets in line with the Paris Agreement
	Lead the transition to zero-emission mobility	Continue to accelerate the uptake of zero tailpipe emission vehicles in our funded fleet, achieving net zero tailpipe emissions by 2030
2 Contribute to societal wellbeing <small>In detail > page 11</small>	Build an ethical, inclusive and progressive culture	Increase % of diverse employees in top 3 management layers Determine and address any gender pay discrepancies Equalise parental leave across natural birth, surrogacy and adoption Expand access to pension-related benefits for partners of LeasePlanners Equalise access to family bereavement policies and entitlements for all LeasePlanners Implement a cultural holiday swap policy Install Employee Resource Group for cultural diversity Support recruitment of talent with disabilities
	Drive supply chain sustainability	Develop and implement a global sustainable Procurement Policy Apply ESG assessments for supplier selection, onboarding and management Incorporate an Sustainable Procurement Charter into major contracts
	Sustainability and customer engagement	Enhance customer satisfaction, achieving a higher Net Promoter Score (NPS) Develop and roll out a new global Customer ESG Risk Policy
	Have a positive impact in the community	Roll out a new Community Volunteering Standard
	Offer a safe, healthy and engaging work environment	Continue to improve employee engagement via NextGen LeasePlan community activities Continue to create an engaging work environment
	Help our people reach their potential	Continue to roll out Leadership Journeys, LinkedIn Learning and NextGen Skill Taster Programme to support employee development and skill building
	Improve driver safety in customer and employer fleets	Continue to roll out SafePlan Zero to facilitate safer driving behaviours among fleet managers and drivers
3 Be responsible <small>In detail > page 16</small>	Ensure successful sustainability governance	Update sustainability governance structure to support sustainability strategy roll-out and assign responsibilities for ESG issues in line with the three lines of defence model
	Implement ESG-linked executive remuneration	Drive meaningful integration of ESG metrics into executive pay for senior management
	Protect privacy & data security	Continue to embed privacy-by-design, while enhancing the privacy control framework
	Promote sustainable financing	Launch new ESG-aligned global Investment Policy to steer LeasePlan investments into instruments with strong ESG credentials, while continuing to roll out our successful Green Bond Programme
	Embed business ethics & integrity	Continue roll out of global ethics and integrity campaign to establish the right 'tone from the top' for employees and ensure compliance with ECB regulation Ensure application of tax principles and policies that are in alignment with our core values and Code of Conduct Update tax policy to ensure alignment with latest guidelines Continue to roll out the Anti-Money Laundering, Counter-terrorist Financing and Sanctions Policy and Standard Continue to roll out the Global Bribery Risk Assessment Continue to implement robust Competition Compliance Framework with policies, standards and rules in accordance with highest standards Fully address any (potential) conflicts of interest



Key metrics

Scope 1 emissions
Scope 2 emissions
Scope 3 emissions
% new EV orders
Average CO ₂ tailpipe funded fleet

Material topics

LeasePlan's carbon footprint
Low emission mobility
Sustainable growth

SDG targets

	3. Good health & well-being 3.9 Deaths and illness due to pollution
	7. Affordable, reliable, sustainable and modern energy for all 7A Cooperate for and invest in clean energy 7.2 Renewable energy share 7.3 Energy efficiency
	11. Sustainable cities and communities 11.2 Safe, affordable, accessible and sustainable transport
	13. Climate action 13.1 Climate resilience & adaptation


% diversity in top 3 management layers
Gender pay ratio
countries with equal LGBTQI+ benefits
of cases of discrimination
% of top 3 management layers that have completed full DE&I curriculum
Suppliers that have signed Sustainable Procurement Charter (%)
Suppliers screened on ESG risk criteria (%)
Procurement staff trained on sustainable procurement (%)
Net Promoter Score (NPS)
hours spent on community volunteering
Employee engagement plus score
Global absenteeism rate
Average learning hours per employee
Bodily injury rate (%)

Diversity & inclusion
Sustainable procurement
Customer satisfaction
Customer education
Societal well-being
Health & well-being
Employee engagement & satisfaction
Employee development
Driver safety
Human rights
Digital solutions
Circular Economy
Partnerships

	3. Good health & well-being 3.6 Halve deaths and injuries from road traffic
	5. Gender equality 5.1 End all discrimination against women and girls 5.5 Ensure women's full and effective participation and equal opportunities for leadership
	8. Decent work & economic growth 8.5 Full employment for all men and women 8.8 Safe and secure work environment for all workers
	10. Reduced inequalities 10.2 Social, economic and political inclusion for all 10.3 Ensure equal opportunity for all
	12. Responsible consumption and production 12.6 Encourage companies to adopt sustainable practices

% of employees trained on privacy & data security
of material data/security breaches reported to relevant authorities
of complaints against LeasePlan with regards to privacy & data security with regulatory institutions
% of employees trained on anti-money laundering (AML) & Counter-terrorism
% of employees trained in anti-bribery and corruption
of alerts of AML or funding of terrorism
of cases of bribery or corruption
of conflict of interest cases
of whistleblower cases

Privacy & data security
Sustainable finance
Business ethics

	16. Peace, justice and strong institutions 16.5 Reduce corruption and bribery in all forms
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1 Protect the planet

As a responsible company, LeasePlan is committed to reducing its environmental impact and helping to tackle climate change



1 Protect the planet

The Intergovernmental Panel on Climate Change (IPCC) has concluded global temperatures must not rise 1.5°C above pre-industrial levels if we are to avoid the worst impacts of climate change, including irreversible damage to our environment and deeper inequality between rich and poor. To achieve this, global annual GHG emissions must roughly halve by 2030 – and drop to net zero by 2050.

As a responsible company, LeasePlan recognises there is only a small window of time to prevent the worst effects of climate change and that bold actions must be taken today. LeasePlan's updated 'Protect the planet' approach therefore focuses on the following three dimensions:

- i. **Understand** and manage the group's climate risks and opportunities to ensure our business is resilient across a range of potential climate futures
- ii. **Reduce** our carbon footprint to net zero in line with the Paris Agreement, with targets validated by the Science-Based Targets (SBT) initiative
- iii. **Lead** the transition to sustainable mobility by accelerating the uptake of zero emission vehicles in our funded fleet

i. Understanding our climate risks and opportunities

LeasePlan aims to understand and manage the impact of climate-related and environmental risks on its business environment in the short, medium and long term, and to integrate climate-related risks that materially impact the business into its strategy, governance, risk management framework and disclosures.

In this context, and in line with regulatory expectations, LeasePlan has begun to formally assess and adaptively manage its current and future climate-related risks and opportunities. In 2021, it undertook a group-wide climate risk (and opportunity) identification and materiality assessment.

Drawing from best practices, such as the Task Force on Climate-related Financial Disclosures (TCFD), we are undertaking detailed scenario analyses of our material climate risks and opportunities. From 2022 onward, we will begin to integrate material climate risks into our risk management and strategy process and develop climate risk disclosures in line with regulatory expectations.

ii. Reduce our carbon footprint

LeasePlan is going further than just understanding its climate impact; it is also taking mitigating actions to reduce its environmental footprint. Having set ourselves the ambition to achieve net zero tailpipe emissions from our funded fleet by 2030, we are now extending our commitment to achieve net zero emissions across all GHG emission scopes (1, 2 & 3) from our operations and value chain globally by 2050 at the latest. In 2022, we will set interim and long-term targets for all scopes based on the criteria and recommendations of the Science-Based Targets initiative (SBTi) and in line with the Paris Agreement.²

We are also committed to reducing the broader environmental impact of our business. To minimise our non-emission footprint, we are therefore establishing global policies and procedures to reduce the use of disposable products, increase recycling, and encourage responsible water use in our operations.

2. LeasePlan will ensure its environmental targets are aligned to the SBTi requirements once the process is complete

iii. Lead the transition to sustainable mobility

Given that around 20% of global GHG emissions come from road transport, LeasePlan has an important role to play in tackling climate change through the transition towards zero-emission mobility.

We have therefore set ourselves the ambitious goal of achieving net zero tailpipe emissions from our funded fleet by 2030 by accelerating the uptake of EVs³ in our funded fleet and providing the infrastructure required to make them a viable option for customers and employees. Since 2017 when this strategy was announced, we have made strong progress, with EVs now accounting for almost 20% of all new vehicle orders, well ahead of market rates.

Supporting the transition to zero-emission mobility is our successful Green Bond programme, with a total of EUR 3 billion raised to date to finance the purchase of BEVs. This highlights the strength of LeasePlan's Green Finance Framework and the ongoing support of institutional investors for LeasePlan's sustainability strategy.

Our plan for understanding and managing climate risk

LeasePlan has begun a multi-year process to integrate climate risks and opportunities into its strategy, governance, risk management framework and disclosures.

Action	2020	2021	2022	2023	
Governance	Update our governance structure to ensure senior management is accountable for identifying, evaluating, monitoring and managing climate risks	●	●	●	●
	Assign responsibility for the management of climate-related and environmental risks within the organisational structure in accordance with the three lines of defence model	●	●	●	●
Strategy	Understand the impact of climate-related and environmental risks on the business environment in which we operate in the short, medium and long term, in order to be able to make informed strategic and business decisions	●	●	●	●
	Integrate into our strategy the climate-related and environmental risks that materially impact the business environment in the short, medium or long term	●	●	●	●
Risk Management	Develop an approach and planning to:				
	1. Implement a process for identifying climate risk	●	●	●	●
	2. Evaluate, monitor and manage climate risk	●	●	●	●
	Include climate-related and environmental risks in our risk management framework	●	●	●	●
	Incorporate climate-related and environmental risks as drivers of established risk categories within our risk management framework	●	●	●	●
Develop and evaluate stress-testing scenarios that incorporate climate-related and environmental risks	●	●	●	●	
Metrics and Targets	Report aggregated risk data on exposures to climate-related and environmental risks to enable management and relevant sub-committees to make informed decisions	●	●	●	●
	Publish meaningful information and key metrics on material climate-related and environmental risks, as a minimum in line with the European Commission's guidelines on non-financial reporting	●	●	●	●

- Not started
- Progress underway
- Expected implementation

³ LeasePlan defines Electric Vehicles (EVs) as Battery Electric Vehicles (BEVs) plus Plug-in Hybrid Electric Vehicles (PHEVs)



CASE STUDY: 1

Revolutionising the eLCV market with Arrival

LeasePlan's new partnership with Arrival is putting the next generation of cleaner, greener delivery vans on the road.

London-based Arrival produces electric light commercial vehicles (eLCVs) with a low total cost of ownership, thanks to its unique modular method of design and production. Its rapidly scalable micro-factories take full advantage of the company's in-house technologies, which include materials, software, hardware and robotics.

By prioritising affordability, Arrival aims to accelerate the mass adoption of electric vehicles globally – an approach that goes hand in hand with LeasePlan's ambition to drive the EV revolution. In July 2021, LeasePlan was announced as Arrival's preferred operational leasing partner for its eLCVs. Beginning with 3,000 vans, this budding partnership will support the growing movement towards zero-emission deliveries, and make eLCVs part and parcel of the new normal.

"Demand for online shopping is skyrocketing, but this demand has to be met responsibly, and concerns about pollution from delivery vehicles need to be addressed," says Tex. "I'm therefore delighted to be partnering with Arrival, which will see LeasePlan delivering some of the greenest, cleanest and truly innovative eLCVs to our customers. Together we are going to revolutionize the fast-growing eLCV market and make zero emission deliveries part and parcel of the New Normal."



"Demand for online shopping is skyrocketing, but this demand has to be met responsibly."

Tex Gunning
CEO, LeasePlan



2 Contribute to societal wellbeing

Our approach to helping create a more equal and inclusive society



2 Contribute to societal wellbeing

LeasePlan's 'Driving to Zero' update marks a step up in our strategy to contribute to societal wellbeing and help create a more equal society. It features new targets, initiatives and policies to address Diversity, Equity & Inclusion (DE&I), an updated approach to ESG engagement with our suppliers, and introduces a new volunteering framework to ensure our efforts in local communities are aligned to LeasePlan's culture and strategy.

LeasePlan's approach to contributing to societal wellbeing is focused on the following priorities:

- Building an ethical, inclusive and progressive culture⁴
- Driving supply chain sustainability⁴
- Promoting sustainability and customer engagement
- Having a positive impact in the communities in which we operate⁴
- Offering a safe, healthy and engaging work environment
- Helping our people reach their potential
- Improving driver safety in customer and employee fleets

i Building an ethical, inclusive and progressive culture

LeasePlan aims to build an ethical, inclusive and progressive culture in which people are able to thrive and be themselves, regardless of their race, nationality, gender, age, disability or sexual orientation.

Our updated strategy on DE&I widens our focus from gender diversity to supporting other underrepresented communities, with an increased focus on enhancing culture diversity and supporting LGBTQI+ colleagues and those with disabilities. As part of this renewed focus, we have set out a number of commitments across the following focus areas:

Gender

We are enhancing our commitment to achieving a greater gender balance in our business, as well as enhancing the proportion of diverse talent in our top 3 management layers. We will achieve this by ensuring diverse talents are well represented in the recruitment and selection process, and by offering them more training and mentoring opportunities. At the same time, we are determining our gender pay ratio and, where necessary, taking action to improve it with the support of external experts.

LGBTQI+

We are committed to providing equal benefits to all our LGBTQI+ colleagues and their families. In 2021, we extended the definition of 'family' so that all partners of LeasePlan employees are covered by our policies and benefits. Our focus for 2022 will be to:

- Implement a global minimum standard for parental leave across natural birth, surrogacy and adoption, regardless of local practice
- Equalise pension benefits for all partners of LeasePlan employees, regardless of local practice
- Equalise family bereavement payments and leave entitlements for all LeasePlanners, regardless of local practice

Disability

We will establish a partnership to help us access candidates with a disability during our recruitment processes.

4. These topics have been updated with new ambitions as part of 'Driving to Zero'. All other material topics in this pillar will be reported in LeasePlan's 2021 Annual Report

Cultural diversity & inclusion

We are implementing a holiday swap policy to allow all LeasePlan employees to swap three national holidays of their choice with holidays that fit their personal beliefs. Additionally, we are setting up an Employee Resource Group (ERG) focused on cultural diversity that will identify solutions to help LeasePlanners from different cultural backgrounds feel more included.

Delivering on our commitments

To deliver on these commitments and continuously improve our approach to DE&I, we have set up a multi-level DE&I governance structure. This governance structure includes a DE&I Steering Committee that will oversee progress across initiatives and prioritise resources. This committee is sponsored by the CEO and is comprised of country-level leadership, a newly appointed DE&I Director, as well as LeasePlan's Chief Legal Officer, Chief People & Performance Officer and Chief Corporate Affairs & Sustainability Officer.

ii Drive supply chain sustainability

With an annual spend of roughly EUR 10 billion, a significant part of both our environmental footprint and our impact on communities is the result of activities in our supply chain. We are therefore implementing an updated approach to sustainable procurement that aims to drive up ESG standards across our supply chain and mitigate ESG risks.

Supplier screening and onboarding

Central to our updated approach to sustainable procurement will be the selection and management of suppliers based on an ESG assessment.

In addition, we have developed an Sustainable Procurement Charter that outlines the contractual minimum ESG standards we expect our suppliers to adhere to. The Sustainable Procurement Charter, which will be included in all new contracts above EUR 50,000 from 2022 onwards, also commits our suppliers to adhering to the ten principles of the United Nations Global Compact.

We will also expand our reporting on sustainable procurement going forward. This will include reporting on the % of suppliers that have signed our Sustainable Procurement Charter, and the % of suppliers screened on ESG criteria.

Customer ESG Risk Policy

To ensure our business activities are consistent with our ESG standards, LeasePlan will make ESG screening and due diligence a part of its overall onboarding process for new customers in 2022. These processes will be outlined as part of a new global Customer ESG Risk Policy.

iii Having a positive impact in the communities in which we operate

LeasePlan and its employees across 29 countries support a wide range of local social and community initiatives through volunteering, donations and fundraisings, often in partnership with established charities. To ensure all community building activities are carried out in line with LeasePlan's culture and strategy, we have developed a new global Community Volunteering Standard, to be rolled out in 2022, which covers the following areas:

- Number of hours employees can spend on volunteering
- Types of community volunteering projects LeasePlan supports
- How employees can register and report their volunteering activities

Our plan for strengthening our contribution to societal wellbeing

LeasePlan has begun a multi-year process to further strengthen its approach to contribute to societal wellbeing. Our Annual Report 2021 will give an update on our progress and will include reporting on the key metrics that track our performance. The table below provides further details on expected implementation of our key initiatives.

Action	2020	2021	2022	2023	
Diversity, Equity & Inclusion					
Gender	Increase representation of diverse talent in top 3 management layers	●	●	●	●
	Determine and address any gender pay ratio gaps	●	●	●	●
LGBTQI+	Implement a global minimum standard for parental leave across natural birth, surrogacy and adoption	●	●	●	●
	Equalise pension benefits for all partners of LeasePlanners	●	●	●	●
	Equalise family bereavement payments and leave entitlements for all LeasePlanners	●	●	●	●
Cultural	Implement cultural holiday swap policy	●	●	●	●
	Create Employee Resource Group for cultural diversity	●	●	●	●
Disability	Set up partnership with staffing solution provider to support recruitment of talent with disabilities	●	●	●	●
Sustainable procurement					
Sustainable procurement	Develop and implement sustainable Procurement Policy	●	●	●	●
	Apply ESG assessments for supplier selection and onboarding	●	●	●	●
	Incorporate Sustainable Procurement Charter in major contracts	●	●	●	●
Community volunteering					
Community volunteering	Roll out global Community Volunteering Standard	●	●	●	●

- Not started
- Progress underway
- Expected implementation



CASE STUDY: 2

The power of a connected community

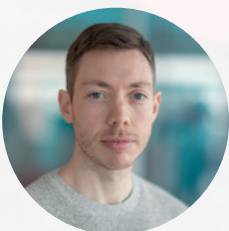
To support LeasePlanners through the Covid pandemic, we launched the NextGen LeasePlan Community.

In April 2020, we launched a new platform, the NextGen LeasePlan Community, to help engage, connect and inspire LeasePlanners during the crisis.

Activities and initiatives took place almost every day throughout 2020, and included everything from daily exercise and mindfulness classes, virtual book groups and running clubs to lip-sync challenges and even a digital 'LeasePlan Olympics'. Employees were also offered one-to-one counselling as a means of extra support.

"We wanted to make sure that, even if we were all in different places, we remained connected and engaged," explains Mike Lightfoot, LeasePlan's Chief Corporate Affairs & Sustainability Officer. "Since the outbreak, it has been important to send a strong signal to all our colleagues – and especially to those living alone – that we care, that we value our connections and that we will be there for them, for as long as it takes."

A survey held at the end of 2020, as part of the company's annual Global Engagement & Integrity poll, asked LeasePlanners to describe their feelings towards our working culture. The overall engagement score rose from 79.5% in 2019 to 84.3% in 2020. "This was a real testament to everyone's efforts to stay connected, even in the most difficult of circumstances."



"We wanted to send a strong signal to all our colleagues that we care and that we will be there for them, for as long as it takes."

Mike Lightfoot
Chief Corporate Affairs & Sustainability Officer



3 Be responsible

Only by conducting business according to our high ethical standards can we win and retain the trust of our stakeholders

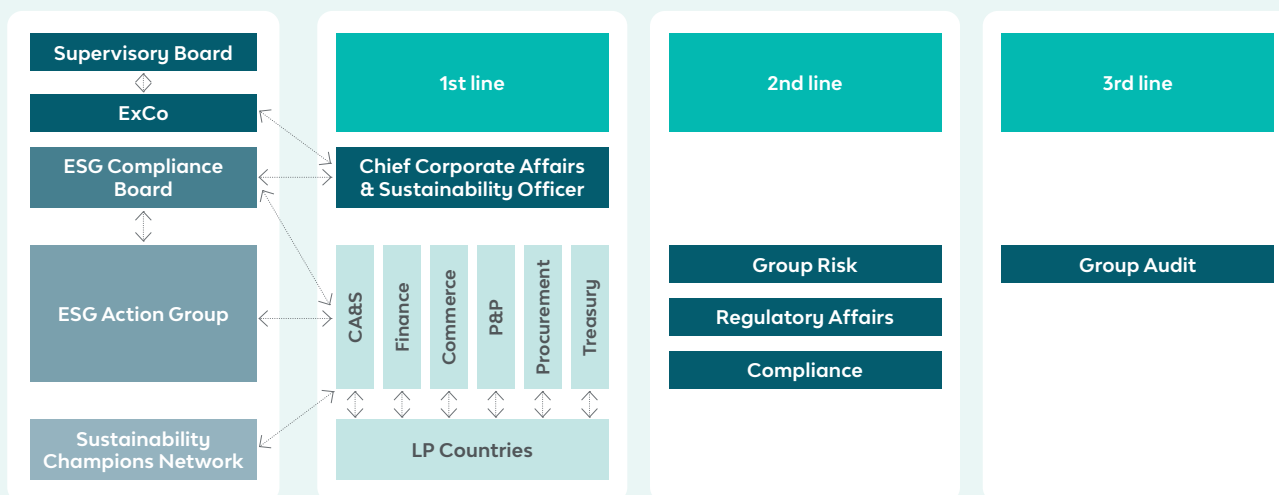


3 Be responsible

LeasePlan's 'Driving to Zero' update includes a new sustainability governance structure, ESG metrics for executive remuneration and a global ESG-aligned Investment Policy.⁵

i Sustainability governance

In March 2021, LeasePlan updated its sustainability governance structure to roll out the 'Driving to Zero' strategy update and to assign responsibilities for ESG issues according to the three lines of defence model. Under the responsibility of the Chief Corporate Affairs & Sustainability Officer, the Sustainability function will report to the Chief Executive Officer, the Managing Board and the wider Executive Committee, on a quarterly basis to ensure full accountability at senior level. The Supervisory Board will also be updated biannually.



1st line

In the 1st line, the Sustainability function is responsible for:

- Identifying, assessing and monitoring any climate-related or other ESG issues
- Defining strategies and actions to address climate-related and other ESG issues
- Providing information and oversight on our exposure to climate-related and other ESG issues
- Allocating roles, responsibilities and objectives to relevant teams across LeasePlan to ensure climate-related and other ESG risks are properly addressed
- Ensuring LeasePlanners have the knowledge, skills and experience to properly assess climate-related and other ESG issues facing the business

In addition, given the rapidly changing expectations of our stakeholders with regard to ESG and climate issues, we have replaced the CSR Taskforce and CSR Steering Committees with a single ESG Action Group, comprising colleagues from Commerce, Finance, People & Performance, Procurement, Risk and Treasury, as well as an independent external advisor. The new ESG Action Group convenes monthly to ensure material topics are effectively addressed. Additionally, the Sustainability team leads a global network of Sustainability Champions, who drive the execution of the sustainability strategy at a country level.

5. Our progress in all other material topics in this pillar (i.e., tax, integrity, bribery & corruption, data & privacy) will be reported in LeasePlan's Annual Report 2021

2nd line

In the 2nd line, Group Risk is responsible for reviewing and challenging climate-related and other ESG risk assessments, and stress testing potential impacts.

3rd line

In the 3rd line, Group Audit audits, where relevant, if there has been sufficient consideration of climate-related and other ESG risks in relevant processes.

ii Executive remuneration

LeasePlan aims to drive a meaningful integration of ESG metrics into executive pay for senior management. LeasePlan will therefore ensure its remuneration policy and practices stimulate behaviours that are consistent with our ESG strategy, including our assessment of climate-related risks. A further update will be given in the LeasePlan Annual Report 2021.

iii Sustainable finance

Supporting the transition to zero-emission mobility is our successful Green Bond programme, with a total of EUR 3 billion raised to date to finance the purchase of BEVs. This highlights the strength of LeasePlan's Green Finance Framework and the ongoing support of institutional investors for LeasePlan's sustainability strategy.

In addition, we are developing, in conjunction with our insurance arm, an ESG-aligned Investment Policy. This policy ensures that LeasePlan's ambition to support a sustainable future extends beyond our own operations to the companies we invest in.

	Action	2020	2021	2022	2023
Sustainability governance	Update LeasePlan's sustainability governance structure to support strategy roll out				
Executive remuneration	Drive meaningful integration of ESG metrics in executive pay for senior management				
Sustainable finance	Launch new ESG-aligned Investment Policy to steer LeasePlan investments into instruments with strong ESG credentials ⁶				

- Not started
- Progress underway
- Expected implementation

6. This is distinct to LeasePlan's Green Bond Framework, which was launched in 2019 and continues to support our transition to zero-emission mobility

CASE STUDY: 3

Plugging into the electric revolution

Europe is readier than ever for the electric vehicle (EV) revolution – but the continent's charging infrastructure has some catching up to do.

These are the findings from LeasePlan's 2021 EV Readiness Index – a comprehensive analysis of the preparedness of 22 European countries for the EV transition. The research, carried out in 2020, takes three factors into account: EV registrations, the maturity of EV infrastructure and the government incentives available in each country.

"The latest study again found that the Netherlands, Norway and the UK are best prepared for the EV transition," says Mathijs van de Goot, Global EV & Charging Manager. "In fact, all 22 countries improved their scores compared to last year's Index. While progress varies greatly between Western and Eastern Europe, there are clear positive signs for electric mobility all across the continent."

What is also clear is that EVs have never been more affordable. In 11 countries, EVs are already cheaper than their internal combustion engine (ICE) counterparts on a total-cost-of-ownership basis. In addition, EV drivers pay on average only 63% of the tax that ICE drivers pay. The picture is even brighter in Austria, Greece, Hungary, Ireland, Poland and the UK: in these countries, EVs are subject to no driver tax at all.

Europe's limited charging infrastructure, however, is still a major roadblock, and one that will need to be overcome if the transition to EVs is to accelerate in line with Paris Agreement. For example, while the installation of charging poles increased by 73% in 2019, this rate fell to just 43% in 2020. According to the 2021 study, essential charging networks are far from sufficient even in the top-ranked countries, posing real concerns for the future of EV readiness.



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