



# Green Bond Framework

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**LEASYS**

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## 1. Introduction

Within the context of climate change and the challenges it represents globally, Leasys believes that the mobility industry in which it operates has a responsibility to minimize its CO<sub>2</sub> footprint.

With a fleet of over 300,000 vehicles under management, Leasys is one of Europe's largest lease and rent operators and as such Leasys feels the responsibility to lead the transition towards a more sustainable mobility system.

Leasys' strategy to accelerate this transition is based on three key elements designed to stimulate demand for Plug-in Hybrid (PHEV) or fully Electric (EV) powertrains:

- Invest in the development of electric recharge infrastructure to ensure availability of charging stations when customers need them and where they need them
- Invest in the development of products tailored to stimulate Customers' approach to the new electric technologies through mobility offers designed to facilitate that experience while guaranteeing maximum flexibility to reassess needs at any time
- Invest in the development of products tailored to the needs of customers that are looking to transition to electric mobility structurally and require bespoke products and services to ensure this is effective

The launch of this Green Bond Framework will support funding of these initiatives and, in particular, the planned investments in electric infrastructure along with the purchase of Plug-in Hybrid Vehicles (PHEV) and fully Electric Vehicles (EV), thus confirming Leasys' ambition to lead the transition to sustainable mobility and raise to the global challenge of climate change.

## About Leasys

Established in October 2000, Leasys SpA is a wholly owned subsidiary of FCA Bank S.p.A. and part of the FCA Bank Group, a 50:50 joint venture between FCA Italy SpA (a Stellantis NV subsidiary) and Crédit Agricole Consumer Finance S.A. (a Crédit Agricole S.A. subsidiary).



As a provider of mobility, Leasys operates in an industry that is undergoing rapid and far-reaching transformation, with manufacturers adapting themselves to raise to the challenges of the Paris Agreement. In its 20 years' history Leasys has demonstrated ability to evolve and innovate and has become one of Europe's leading providers of mobility with operations in 12 countries.

Leasys' governance model, with both Stellantis and Crédit Agricole represented equally, reflects the commitment to a culture dedicated to integrity, responsibility and ethical behavior in all areas of activity and along the entire value chain.

Fully supportive of the on-going evolution towards more efficient and cleaner vehicles as well as sustainable forms of mobility, Leasys provides end-to-end solutions to its customers from procurement to management and disposal of vehicles through three core business activities:

#### Long-Term Rental

Leasys provides Customers with new vehicles, including a comprehensive selection of optional services that can be configured to fit the diverse nature and set of needs of its Customer base. Typical contract duration is 3-4 years.

Within this activity, sustainability means, for example, the development of products designed to charge for effective use of the vehicle and therefore encourage responsible use (i.e. "Pay-As-You-Go" formulas like Leasys Miles, where a significant proportion of the monthly rental is calculated based on actual distance driven).

Sustainability in this area is also promoted through a comprehensive range of services securing timely maintenance of the fleet (and therefore its efficient operation) and free electricity for PHEV and EV Customers when they recharge through Leasys' electric infrastructure installed at the network of Leasys Mobility Stores (currently around 1,000 charging points).

#### New Mobility & Rent

Through this business division, Leasys develops innovative products addressing Customers' needs for mobility of a less structural nature. Here Leasys promotes the transition to electric mobility by providing solutions designed to encourage Customers to experience Plug-In Hybrid and Electric Vehicles through flexible programs that include a 100% electric Car-Sharing platform, monthly subscriptions and Short-Term Rental including a substantial content of PEHV and EV technology.

#### Remarketing

Clickar.com is the digital platform where Leasys makes available for purchase its high quality used vehicles as well as those supplied from selected third parties. At the same time, being sensitive to sustainable and inclusive mobility, Leasys also offers the possibility to rent used vehicles at discounted terms.

## 2. Leasys' Green Bond programme

Leasys recognizes the necessary transformation away from internal combustion engines and towards alternative, electric powertrains in support of the targets set by the Paris Agreement as well as the climate-related United Nations' Sustainable Development Goals.

Leasys embraces these international goals and, with the aim to reduce substantially carbon dioxide (CO<sub>2</sub>) emissions and it is committed to stimulate an acceleration in Consumers' transition towards cleaner technologies and therefore, ultimately, to contribute to the long-term sustainability of its activities.

To deliver on its commitment and ambition, Leasys has developed a comprehensive strategy based on:

- 1) Low-emission mobility
- 2) Environmental responsibility
- 3) Social responsibility

To fund this strategy (as further detailed below) and with exclusive reference to its elements of developing electric infrastructure and investing in Plug-in Hybrid and fully Electric vehicles, Leasys expects **to invest €500 million within two calendar years from the issue of its debut Green Bond.**

Funding of this strategy, therefore, ultimately contributes to the achievement of the United Nations Sustainable Development Goals insofar as they underpin, directly or indirectly, advances in Good Health and Well-Being (SDG3), Decent Work and Economic Growth (SDG8), Industry, Innovation and Infrastructure (SDG9), Sustainable Cities and Communities (SDG11), Responsible Consumption and Production (SDG12) as well as Climate Action (SDG13).



### 2.1 Low-emission mobility

Leasys recognizes the specific needs of Consumers looking for a transition from internal combustion engines to electric powertrains and embraces the challenge, supporting this transition through innovative products and services that respond to those emerging needs, as well as helping to develop the infrastructure that is required to make that transition viable.

With the ultimate goal of contributing to develop a more sustainable system of transport benefitting congestion and air-quality particularly in urban contexts, the strategy includes:

- Development of electrified parking facilities at the Leasys Mobility Stores' network, as well as on public areas, installing up to **3,000 charging points across Europe by the end of 2022**, the largest electric infrastructure network amongst mobility (lease and rent) operators

- Deployment of an inclusive product development strategy with an offer tailored to foster sustainable mobility through innovative products and services promoting
  - Flexible offers to enable Customers to modify their choices in line with evolving needs (e.g. flexibility of duration including for electric vehicles like “Be Free Hybrid/Electric”)
  - Flexible offers in terms of monthly rentals priced on actual distance driven (e.g. pay-as-you-go formulas including for electric vehicles like “Leasys Miles Hybrid/Electric”)
  - Flexible use and vehicle selection through Subscription programs “Car Cloud” (including to PHEV and EV technology) enabling Customers to unlimited vehicle changes as well as to exit program on a monthly basis
  - Efficient use of vehicles through Car Sharing programs including free-floating platform LeasysGO! (100% electric) as well as tailored to corporate Customers (“I-Share”) and private Customers peer-to-peer (“UGO” and I-Link”)
  - Responsible life-cycle management of vehicles through rental offers of certified used units
  - Effective maintenance of vehicles to ensure continued performance (including safety and emissions) through contract life-cycle
  - Seamless transition to electric powertrains also through dedicated services including e-charge cards, home-charging infrastructure and free electricity for Customers at owned charging points

## 2.2 Environmental responsibility

Leasys feels the responsibility to lead the environmental transition.

With the ultimate aim to help create a healthier and more sustainable future, Leasys adopts business conduct and practices that underpin its environmental responsibility stance by:

- Electing to locate its European Headquarters in Rome moving to new facilities of the highest LEED Platinum<sup>1</sup> environmental standards with estimate energy consumption savings<sup>2</sup> of 25%, 11% less water consumed and 34% lower CO2 emissions
- Investing to equip key office locations<sup>3</sup> with electric re-charge infrastructure, free of charge, to promote adoption of PHEV and EV powertrains by resident staff and visitors
- Targeting a **50% mix of electrified or electric vehicles (Mild Hybrid vehicles or MHEVs, PHEVs, EVs)** within the New Mobility & Rent fleet by the end of 2022. Leasys believes this represents an industry benchmark amongst mobility operators (Short/Mid-Term Rental, Subscription and Car Sharing)
- Expanding 100% Car Sharing program LeasysGO! **to reach up to 1,200 fully electric vehicles by the end of 2022**

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<sup>1</sup> LEED (Leadership in Energy and Environmental Design) is the most widely used green building rating system in the world. IT provides a framework for healthy, highly efficient and energy-frugal green buildings. LEED certification is a globally recognized symbol of sustainability achievement and leadership, managed by the US Green Building Council [www.usgbc.org](http://www.usgbc.org)

<sup>2</sup> Versus standard commercial buildings. Source, [www.usgbc.org](http://www.usgbc.org) citing “Re-Assessing Green Building Performance: A Post Occupancy Evaluation of 22 GSA Buildings”, Kim M. Fowler. Emily M. Rauch. Jordan W. Henderson

<sup>3</sup> Where this is viable based on each location’s specific circumstances

- Advocating for the transition to low-emission mobility. To this end, Leasys is committed to contribute its expertise in the area of mobility to the on-going debate relative to minimizing the impact of automotive emissions on the climate and quality of air

## 2.3 Social responsibility

Employer to some 800 staff across Europe, Leasys feels responsible for and has the opportunity to contribute to the societal wellbeing of its staff and that of the communities it serves.

To act on its social responsibility Leasys adopts a variety of measures to promote ethical business conduct, a diverse and inclusive workplace and clear, transparent communication to consumers and the investor community.

In particular, these measures include

- Maintaining Leasys' Code of Conduct updated and relevant, embedding it in the process of onboarding new staff and circulating updates to existing staff when applicable. Leasys' Code of Conduct is a statement of the Company's values and of the ethical standards expected of each member of staff
- Providing working conditions designed to attract, retain and motivate staff
- Adopting a structured process for the development of New Products and Activities (NPA) designed to ensure, amongst other aspects, relevance of offer for the target Customers as well as compliance with all applicable regulation and clarity of communication
- Training commercial staff on products' characteristics in the effort to promote clear and transparent communication with Customers
- Adopting Policies and Procedures designed to ensure completeness and clarity of Customer communication at each stage of the process
- Implementing business-relevant charitable initiatives benefitting the communities in which Leasys operates

### 3. Leasys's Green Bond Framework

The Green Bond Framework (the "Framework") is aligned with the four core components of the Green Bond Principles published by ICMA - International Capital Markets Association (2021 edition) and has the objective to ensure transparency on Leasys green financings.

Leasys intends to follow best market practice and will communicate in a transparent manner on:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting

This Framework is applied to Leasys, meaning Leasys SpA and any of its branches and subsidiaries.

All Green Bonds, issued in public and private format, shall comply with the procedures set out in this Framework.

#### 3.1 Use of Proceeds

An amount equal to the net proceeds of the Notes under this Green Bond Framework will be allocated to the financing or refinancing of Eligible Vehicles and Eligible Infrastructure (the "Eligible Green Portfolio").

Eligible Vehicles means a selected pool of vehicles that are purchased by Leasys Group and that comply with the following criteria:

- Vehicles with zero tailpipe emissions (i.e. electric vehicles, fuel cells vehicles, hydrogen vehicles);
- Vehicles with emission intensity lower than 50 gCO<sub>2e</sub>/km until 2025, and 0 gCO<sub>2e</sub>/km from 2026 onwards.

Eligible Infrastructure means the investment made by Leasys Group to develop a network of charging points for electric vehicles.

The financing of such Eligible Green Portfolio is expected to create substantial environmental benefits by reducing GHG emissions from the transportation sector and thus participating to Climate Change Mitigation through the development of clean transportation.

#### 3.2 Process for Project Selection and Evaluation

Leasys' Finance Department will monitor the selection of Eligible Green Portfolio on an annual basis. Eligible Vehicles and Eligible Infrastructure will be identified within the assets monitored by Leasys' Finance Department

Leasys' Finance Department will check the compliance of the selected Eligible Green Portfolio with the eligibility criteria defined in the section 3.1 of this Framework and will be responsible for approving allocations of net proceeds on a monthly basis.

Leasys will consider, for the purpose of this allocation, refinancing of the Eligible Green Portfolio within the two preceding calendar year from the date of the issuance

### 3.3 Management of Proceeds

The net proceeds of any Green Bond will be managed on a portfolio basis by Leasys' Finance Department. An amount equivalent to each Green Bond net proceeds will be used to finance the purchase of Eligible Vehicles and Eligible Infrastructure which are part of the Eligible Green Portfolio.

The amount of net proceeds which cannot be allocated to the Eligible Green Portfolio as at the issuance date will be deposited on the Leasys' bank accounts. Such cash position will be used to finance the Eligible Green Portfolio originated by Leasys after the issuance date.

Leasys will make its best efforts to allocate the net proceeds in full within two calendar years from the date of issuance; and thereafter to ensure the Eligible Green Portfolio in its assets be at least equal to the net proceeds until the maturity of the Green Bond.

### 3.4 Reporting

An allocation report and an impact report will be made available to investors annually, until proceeds have been fully allocated. This information will be externally reviewed and will be made publicly available on Leasys S.p.A.'s website.

#### a. Allocation report

Leasys's allocation report will provide the following information:

- List of outstanding Green Bonds
- Total amount of the Eligible Green Portfolio
- Breakdown of the amount of proceeds allocated by eligible category (Eligible Vehicles and Eligible Infrastructure)
- Amount of unallocated proceeds (if any)
- Share of financing and refinancing

#### b. Impact report

On an annual basis and until the full allocation of the proceeds, Leasys will provide an impact report on the share of the Eligible Green Portfolio allocated to outstanding Green Bonds.

The impact reporting will provide the following indicators:

- Number and type of vehicles purchased
- Number of charging points installed
- Estimate of annual GHG emissions avoided

The impact report will include information on the methodology and assumptions used to evaluate Leasys' estimate of GHG emissions avoided.

## 4. External Review

### 4.1 Second Opinion

Leasys commits to appoint an experienced and qualified Second-Party Opinion Provider, to provide a Second-Party Opinion on the Framework, to confirm the alignment of the framework with the ICMA's Green Bond Principles.

The second party opinion document will be made available on Leasys SpA website.

### 4.2 External Verification

An independent auditor's verification on the allocation of the Green Bond proceeds will be provided on an annual basis and until the complete allocation of proceeds.

This will be published on Leasys S.p.A.'s website.

## Disclaimer

This document is intended to provide non-exhaustive, general information. This document may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Leasys and accordingly, no representation, warranty or under-taking, express or implied, is made and no responsibility or liability is accepted by Leasys as to the fairness, accuracy, reasonableness or completeness of such information. This document may contain statements about future events and expectations that are forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. Leasys has no obligation to update, modify or amend this document and the statements contained herein, to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any addressee if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate. This document is not intended to be and shall not be construed as providing legal or financial advice. It does not constitute an offer or invitation or solicitation to subscribe for or purchase or a recommendation regarding any securities. Nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority. This document does not purport to contain all of the information that an addressee may desire before making a decision about its investment. In all cases, addressees should conduct their own investigation and analysis. In particular, it is recommended for addressees to seek the advice of professional advisors or experts and to independently check legal, regulatory, tax or other consequences. The distribution of this document and of the information it contains may be subject to legal restrictions in some countries. Persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them. The information in this document has not been independently verified. To the fullest extent permitted by law, in no event will Leasys or its affiliates, or any of their managers or employees, be liable to any person for any damage of any kind, whether in contract, tort or otherwise, including negligence, direct, indirect or consequential damages including loss of revenue, loss of profit, loss of opportunity or other losses arising from the use of the information contained in this document. The addressees of this document are solely responsible for for any use of the information contained herein and for making their investments and any other decisions.

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