



# Second-Party Opinion

## RCI Banque S.A. Green Bond Framework

### Evaluation Summary

Sustainalytics is of the opinion that the RCI Banque S.A. (RCI) Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



**USE OF PROCEEDS** The eligible category for the use of proceeds Clean Transportation is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 9 and 11.



**PROJECT EVALUATION / SELECTION** RCI's Sustainability Committee will oversee the evaluation and selection of eligible projects. RCI's process of assessing eligible projects against its internal governance guidelines, principles and management systems relating to environmental and social risks is applicable to all allocation decisions made under the Framework. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.



**MANAGEMENT OF PROCEEDS** RCI's Treasury Department will manage the allocation of net proceeds and track it using a green bond register. RCI intends to fully allocate proceeds within two years of issuance. Unallocated proceeds will be held in deposits and high-quality liquid assets in accordance with RCI's liquidity management policies. This is in line with market practice.



**REPORTING** RCI intends to report on allocation of proceeds on its website on an annual basis until maturity of the green bonds. Allocation reporting will include a list of outstanding green bonds, total amount of the eligible green portfolio, breakdown of the amount of proceeds allocated by category, amount of unallocated proceeds, and share of financing and refinancing. In addition, RCI is committed to reporting on relevant impact metrics. Sustainalytics views RCI's allocation and impact reporting as aligned with market practice.

<b>Evaluation Date</b>	May 25, 2022
<b>Issuer Location</b>	Paris, France

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## Introduction

RCI Banque S.A. (“RCI”, or the “Bank”) is the financial service provider for Renault Group brands (Renault, Dacia, Alpine, Renault Samsung Motors and Lada) and for the Nissan Group brands (Nissan and Datsun) and Mitsubishi Motors in the Netherlands. RCI offers finance and services to individual and business customers for buying new and used cars. It also provides savings offers to retail customers in France, Germany, Austria, the UK, Brazil, Spain and the Netherlands, as well as finances activities of car dealer networks of the Alliance Renault-Nissan-Mitsubishi. In 2021, RCI financed the purchase of 1.4 million vehicles, materialized by a EUR 17.8 billion asset production, and sold 4.7 million service contracts.

RCI has developed the RCI Banque S.A. Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance or refinance, in whole or in part, existing or future loans and lease contracts for the financed vehicles and infrastructure that contribute to low-carbon transportation in the EU. The Framework defines eligibility criteria in one area:

### Clean Transportation

RCI engaged Sustainalytics to review the Framework, dated May 2022, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).<sup>1</sup> This Framework will be published in a separate document.<sup>2</sup>

### Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>3</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of RCI’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. RCI representatives have confirmed (1) they understand it is the sole responsibility of RCI to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and RCI.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. The Second-Party Opinion is valid for issuances aligned with the

<sup>1</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

<sup>2</sup> The RCI Banque S.A. Green Bond Framework will be made available on the RCI Banque S.A.’s website at: <https://www.mobilize-fs.com/en>

<sup>3</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that RCI has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the RCI Banque S.A. Green Bond Framework

Sustainalytics is of the opinion that the RCI Banque S.A. Green Bond Framework is credible and impactful and aligns with the four core components of the GBP 2021. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible category of Clean Transportation is aligned with those recognized by the GBP. Sustainalytics considers that RCI's financing of eligible projects is expected to facilitate low-carbon transportation in the EU.
  - RCI has established a two-years look-back period for its refinancing activities, which Sustainalytics views to be aligned with market practice.
  - Under the Clean Transportation category, RCI may finance loans and lease contracts for vehicles with zero tailpipe emissions, as well as loans and lease contracts for a selected pool of electric vehicle (EV) charging infrastructure (EV charging stations for individuals and for EV fleets). Sustainalytics views this to be in line with market practice.
- Project Evaluation and Selection:
  - RCI's Sustainability Committee will oversee the evaluation and selection of eligible projects. The Sustainability Committee is chaired by the Chief Sustainability Officer and comprises representatives from various departments such as the Treasury Department and the Accounting Department. The Sustainability Committee will be responsible for, among others, checking compliance of eligible vehicles and infrastructure (the "Eligible Green Portfolio"), approving and monitoring the Eligible Green Portfolio as well as approving allocation of net proceeds.
  - RCI has in place a process to assess eligible projects against its internal governance guidelines, principles and management systems based on regulatory environmental and social requirements. This process is applicable to all allocation decisions made under the Framework, which Sustainalytics considers to be adequate and aligned with market expectation. For additional details, see Section 2.
  - Based on the cross-functional oversight of project selection and risk management system, Sustainalytics considers this process to be aligned with market practice.
- Management of Proceeds:
  - RCI's Treasury Department will manage the allocation of net proceeds and track it using a green bond register.
  - RCI intends to allocate the net proceeds in full within two years following each green bond issuance. Unallocated proceeds will be held in deposits and high-quality liquid assets in accordance with RCI's liquidity management policies.
  - Based on the established tracking system and disclosure of temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:

- RCI intends to report on the allocation and impact of proceeds in the Green Bond Report on an annual basis until maturity of the green bonds. The Green Bond Report will be made public on mobilize financial services website.<sup>4</sup>
- Allocation reporting will include a list of outstanding green bonds, total amount of the Eligible Green Portfolio, breakdown of the amount of proceeds allocated by category, amount of unallocated proceeds, and share of financing and refinancing.
- Where feasible, impact reporting will include the number and type of vehicles financed, number of charging points financed and estimates of annual GHG emissions avoided.
- Based on the frequency and accessibility of allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

### **Alignment with Green Bond Principles 2021**

Sustainalytics has determined that the RCI Banque S.A. Green Bond Framework aligns with the four core components of the GBP. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

## **Section 2: Sustainability Strategy of RCI Banque S.A.**

### **Contribution of framework to RCI Banque S.A.' sustainability strategy**

RCI demonstrates a commitment to sustainability with a focus on three sustainability pillars: (i) climate and environment, (ii) safety and care, and (iii) diversity and inclusion.<sup>5</sup> Under the climate and environment pillar, RCI commits to support energy transition and contribute towards a low-carbon strategy in line with the Renault Group.<sup>6</sup>

RCI has been financing EVs since 2013.<sup>7</sup> RCI has facilitated corporate customers in the UK to finance their own EV charging infrastructure. In 2021, RCI has also launched a green savings product in the UK whereby deposits were used to finance EV, charging infrastructure and green mobility projects.<sup>8</sup> In other European countries, RCI has also developed local initiatives such as providing interest rate or insurance discounts to owners of battery electric vehicles ("BEVs"), issuing credit cards for use in public electric charging stations, and supporting buybacks of old BEVs.<sup>9</sup> In 2021, the number of electric and hybrid vehicle financing contracts rose by 44% to 91,805 contracts, representing 8.7% of new vehicle financing contracts in Europe.<sup>10</sup>

In 2022, RCI committed to defining a global green strategy that incorporates the target of achieving zero CO<sub>2</sub> emissions by 2040 in Europe and by 2050 outside of Europe. RCI intends to achieve this target by reducing its operational CO<sub>2</sub> emissions, as well as engaging value chain partners to reduce their own footprint through internal initiatives, value proposition and partnerships.

Sustainalytics is of the opinion that the Framework is aligned with the Bank's overall sustainability strategy and initiatives and will further the Bank's action on its key environmental priorities. Additionally, Sustainalytics notes that RCI is currently in the process of developing a carbon net zero roadmap and initiatives for measuring, reporting and reducing its carbon footprint that covers scope 1, 2 and 3 emissions, and encourages the Bank to publicly disclose targets and report on progress.

### **Approach to managing environmental and social risks associated with the projects**

Although Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects may include, environmental risks associated with activities carried out by businesses financed, sustainability of supply chains, business ethics, responsible lending and protection of customers.

<sup>4</sup> Mobilize Financial Services, "Finance", at: <https://www.mobilize-fs.com/en/finance>

<sup>5</sup> Mobilize Financial Services, "Sustainability", at: <https://www.mobilize-fs.com/en/our-group/sustainability>

<sup>6</sup> Renault Group commits to achieve carbon neutrality in Europe by 2040 and worldwide by 2050.

<sup>7</sup> RCI Bank and Services, "Manifesto This is the Time to Act Together", at:

[https://www.mobilize-fs.com/sites/default/files/media/pdf/Sustainability%20Manifesto%20RCI%20Bank%20and%20Services-March%202022\\_0.pdf](https://www.mobilize-fs.com/sites/default/files/media/pdf/Sustainability%20Manifesto%20RCI%20Bank%20and%20Services-March%202022_0.pdf)

<sup>8</sup> Mobilize Financial Services, "RCI Bank E-Volve Saver, The Green Savings Product that Finances Electric Vehicles In the UK", (2021), at:

<https://www.mobilize-fs.com/en/news/rci-bank-e-volve-saver-green-savings-product-finances-electric-vehicles-uk>

<sup>9</sup> RCI Banque S.A. Green Bond Framework (2022)

<sup>10</sup> RCI Bank and Services, "Commercial Performance, Profitability, Customer Satisfaction: RCI Bank and Services Posts Robust Annual Results in 2021", (2022), at: <https://ml-eu.globenewswire.com/Resource/Download/1a302f6d-db1f-4d34-9c8c-37f182330921>

Sustainalytics is of the opinion that RCI, through the implementation of the Renault Group's and RCI's policies and strategies, is able to manage or mitigate potential risks through implementation of the following:

- Regarding environmental risks, the Renault Group has an environmental policy that commits to applying environmental management and preventing or reducing environmental impact. The Group is committed to controlling the use of non-renewable resources and chemicals as well as reducing noise pollution and emissions. In addition, it is committed to reducing GHG emissions and other environmental impacts such as acidification and eutrophication. The Group's production sites have established environmental management systems that are ISO 14001 certified.<sup>11</sup>
- RCI has incorporated the identification and monitoring of climate and environmental risks as part of its risk management system.<sup>12</sup> The Bank has developed a Climate and Environment center under the Risk Management division and appointed a Chief Sustainability Officer to create its ESG strategy. RCI aims to develop a complete risk management framework for climate and environmental risks in 2022.
- The Renault Group has adopted the CSR Guidelines for Suppliers<sup>13</sup> which outlines expectations on supplier governance and performance in relation to a range of sustainability issues such as human rights, safety and health, and the environment. Suppliers are required to adhere to all guidelines and to take a CSR compliance assessment conducted by a third party. In addition, Renault requires all new suppliers to acknowledge and endorse its global framework on social and environmental responsibility<sup>14</sup> with respect to general purchasing conditions and it conducts site visits on suppliers' individual plants as part of the purchasing processes.
- The Renault Group has established the Anti-corruption Code of Conduct and commits to a zero-tolerance policy with respect to corruption.<sup>15</sup> The code provides guidance and procedures for employees to identify, prevent and remedy corruption-related risks. Renault has established a dedicated whistleblowing system for internal and external stakeholders, and a third-party integrity management process to assess the integrity of third parties and identify potential corruption risks. Renault has also provided a structured network dedicated to addressing ethics and compliance issues, as well as online or face-to-face business ethics training for all employees.
- RCI and its subsidiaries have established internal rules and procedures to protect the interest of borrowers. The Bank has set up internal procedure in line with the applicable national law, provided training to relevant employees and dealers about fair and responsible credit lending, and commitment to transparency in customer engagement.
- RCI has a policy for the governance and supervision of new products placed on the market. The policy requires all new products to have an internal decision note (NDD) and product study approved by the Committee of New Products before it is launched. RCI must also inform product distributors of the product studies results, including product risks and restrictions. Once a product is brought to market, RCI must ensure that consumer's interests are considered during the life of the product and that distributors act in the best interest of clients.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that RCI has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

### Section 3: Impact of Use of Proceeds

All use of proceeds under the Clean Transportation category are aligned with those recognized by the GBP 2021. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

<sup>11</sup> Ibid.

<sup>12</sup> RCI, "Annual Report 2021", at:

[https://www.mobilize-fs.com/sites/default/files/media/pdf/RCI2021\\_URD\\_EN%20MEL\\_220330.pdf](https://www.mobilize-fs.com/sites/default/files/media/pdf/RCI2021_URD_EN%20MEL_220330.pdf)

<sup>13</sup> Renault Group, "Renault-Nissan Corporate Social Responsibility Guidelines for Suppliers", (2015) at: [https://www.renaultgroup.com/wp-content/uploads/2020/06/v1-20151215\\_rn-supplier-csr-guidelines-en.pdf](https://www.renaultgroup.com/wp-content/uploads/2020/06/v1-20151215_rn-supplier-csr-guidelines-en.pdf)

<sup>14</sup> Renault Group, "Committing together for sustainable growth and development", at:

<https://www.renaultgroup.com/wp-content/uploads/2014/07/global-framework-agreement-july-2013.pdf>

<sup>15</sup> Renault Group, "Anti-Corruption Code of Conduct", at: [https://www.renaultgroup.com/wp-content/uploads/2021/11/uk\\_anti-corruption-code-of-conduct.pdf](https://www.renaultgroup.com/wp-content/uploads/2021/11/uk_anti-corruption-code-of-conduct.pdf)

### Importance of clean mobility and infrastructure in the EU

The transportation sector is the source of roughly 22% of all GHG emissions in the EU,<sup>16</sup> with passenger vehicles responsible for approximately 12% of total emissions in 2019.<sup>17</sup> In the EU, emissions from transport increased by 20% between 1990 to 2018, reaching a total of 951,926 ktCO<sub>2</sub>e,<sup>18</sup> the only major economic sector in which emissions are substantially higher than they were in 1990.<sup>19</sup>

Under the EU Green Deal, the Sustainable and Smart Mobility Strategy<sup>20</sup> set the goal to have at least 30 million zero-emissions vehicles operating on European roads with scheduled collective travel under 500 km to be carbon neutral by 2030. This goal is crucial to achieving a 90% reduction in greenhouse gas emissions from transport, and for the EU to become a climate-neutral economy by 2050.

In view of an expected increasing number of plug-in EVs,<sup>21</sup> the European Automobile Manufacturers Association estimates that the current number of 100,000 charging stations across Europe will need to increase by at least 20 times to 2 million by 2025.<sup>22</sup> However, about 76% of charging stations in Europe were located in just four countries: the Netherlands, Germany, France and the UK.<sup>23</sup> A 2018 report published by the European Environment Agency noted that investment in vehicle recharging infrastructure is severely lacking and that there are not enough EU member states providing economic incentives.<sup>24</sup> In a January 2020 resolution on the Green Deal, the EU Parliament welcomed the proposal to review the Alternative Fuels Infrastructure Directive, and called on the Member States to commit to fund and step up the deployment of innovative strategies, charging infrastructure and alternative fuels.<sup>25</sup>

Given the above, Sustainalytics is of the opinion that RCI’s investments to support clean transportation and related infrastructure will contribute to the greening of the transport sector and provide significant GHG emission reductions.

### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bonds issued under the Framework are expected to advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Clean Transportation	9 industry, innovation and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
	11 sustainable cities and communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in

<sup>16</sup> European Environmental Agency, “Annual European Union greenhouse gas inventory 1990–2018 and inventory report 2020 Submission to the UNFCCC Secretariat”, (2020), at: <https://www.eea.europa.eu/publications/european-union-greenhouse-gas-inventory-2020>

<sup>17</sup> European Commission, “Reducing CO<sub>2</sub> emissions from passenger cars-before 2020” (2018), at: [https://ec.europa.eu/clima/policies/transport/vehicles/cars\\_en](https://ec.europa.eu/clima/policies/transport/vehicles/cars_en)

<sup>18</sup> Ibid.

<sup>19</sup> European Energy Agency, “Greenhouse gas emissions from transport in Europe”, (2020), at: <https://www.eea.europa.eu/data-and-maps/indicators/transport-emissions-of-greenhouse-gases-7/assessment>

<sup>20</sup> EU, Sustainable and Smart Mobility Strategy at: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020DC0789&from=EN>

<sup>21</sup> Reuters, “Electric car sales in Europe jump, but still just 4% of market” (2020), at: <https://www.reuters.com/article/us-europe-autos-electric-idUSKBN2202AR>

<sup>22</sup> Ibid

<sup>23</sup> Kane, M., “76% Of Charging Points In Europe Are Concentrated In Just 4 Countries” (2018), at: <https://insideevs.com/news/340641/76-of-charging-points-in-europe-are-concentrated-in-just-4-countries/>

<sup>24</sup> ACEA, “Insufficient support for electric vehicle charging infrastructure hampers uptake, new report shows” (2018), at: <https://www.acea.auto/press-release/insufficient-support-for-electric-vehicle-charging-infrastructure-hampers-uptake-new-report-shows/>

<sup>25</sup> European Parliament resolution of 15 January 2020 on the European Green Deal, at: [https://www.europarl.europa.eu/doceo/document/TA-9-2020-0005\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/TA-9-2020-0005_EN.pdf)

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		vulnerable situations, women, children, persons with disabilities and older persons
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## Conclusion

RCI Banque S.A. has developed the RCI Banque S.A. Green Bond Framework under which it intends to issue green bonds to finance or refinance in full or in part, sustainable assets intended to have potential advantages to the environment and society. The Framework defines eligibility criteria in the Clean Transportation area. Sustainalytics considers that the financing or refinancing of such an Eligible Green Portfolio is expected to contribute to reducing GHG emissions in the transportation sector and provide positive environmental impact.

RCI's processes for project selection and evaluation, and project management and reporting are aligned with market practice. Furthermore, Sustainalytics believes that the Framework is aligned with the overall sustainability strategy of the Bank and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 9 and 11. Sustainalytics also notes that RCI is in the process of establishing quantified, time-bound CO<sub>2</sub> emissions reduction targets and encourages the Bank to publicly disclose targets and report on the progress. Additionally, Sustainalytics is of the opinion that RCI has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds. Based on the above, Sustainalytics considers the RCI Banque S.A. Green Bond Framework to be impactful and aligned with the GBP 2021.

## Appendix

### Appendix 1: Green Bond / Green Bond Programme - External Review Form

#### Section 1. Basic Information

Issuer name: RCI Banque S.A.

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: RCI Banque S.A. Green Bond Framework

Review provider's name: Sustainalytics

Completion date of this form: May 25 2022

Publication date of review publication:

Original publication date *[please fill this out for updates]:*

#### Section 2. Review overview

##### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

##### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other <i>(please specify):</i>                         |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

##### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

Overall comment on section (if applicable):

The eligible category for the use of proceeds Clean Transportation is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 9 and 11.

#### Use of proceeds categories as per GBP:

- |   |  |
|---|--|
| <input type="checkbox"/> Renewable energy   | <input type="checkbox"/> Energy efficiency   |
| <input type="checkbox"/> Pollution prevention and control   | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation  | <input checked="" type="checkbox"/> Clean transportation   |
| <input type="checkbox"/> Sustainable water and wastewater management  | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                            | <input type="checkbox"/> Green buildings   |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other (please specify):   |

If applicable please specify the environmental taxonomy, if other than GBP:

#### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

RCI's Sustainability Committee will oversee the evaluation and selection of eligible projects. RCI's process of assessing eligible projects against its internal governance guidelines, principles and management systems relating to environmental and social risks is applicable to all allocation decisions made under the Framework. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.

#### Evaluation and selection

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives            | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories               |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |

- Summary criteria for project evaluation and selection publicly available  Other (*please specify*):

#### Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification  In-house assessment
- Other (*please specify*):

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

RCI's Treasury Department will manage the allocation of net proceeds and track the allocation by a green bond register. RCI intends to fully allocate proceeds within two years of issuance. Unallocated proceeds will be held in deposits and high-quality liquid assets in accordance with RCI's liquidity management policies. This is in line with market practice.

#### Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

#### Additional disclosure:

- Allocations to future investments only  Allocations to both existing and future investments
- Allocation to individual disbursements  Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds  Other (*please specify*):

### 4. REPORTING

Overall comment on section (*if applicable*):

RCI intends to report on allocation of proceeds on its website on an annual basis until maturity of green bonds. Allocation reporting will include a list of outstanding green bonds, total amount of the Eligible Green Portfolio, breakdown of the amount of proceeds allocated by category, amount of unallocated proceeds, and share of financing and refinancing. In addition, RCI is committed to reporting on relevant impact metrics. Sustainalytics views RCI's allocation and impact reporting as aligned with market practice.

#### Use of proceeds reporting:

- Project-by-project  On a project portfolio basis

- Linkage to individual bond(s)  Other (please specify):

**Information reported:**

- Allocated amounts  Green Bond financed share of total investment
- Other: a list of outstanding green bonds; total amount of the Eligible Green Portfolio; breakdown of the amount of proceeds allocated by category; amount of unallocated proceeds; and share of financing and refinancing

**Frequency:**

- Annual  Semi-annual
- Other (please specify):

**Impact reporting:**

- Project-by-project  On a project portfolio basis
- Linkage to individual bond(s)  Other (please specify):

**Information reported (expected or ex-post):**

- GHG Emissions / Savings  Energy Savings
- Decrease in water use  Other ESG indicators: number and type of vehicles financed; number of charging points financed

**Frequency**

- Annual  Semi-annual
- Other (please specify):

**Means of Disclosure**

- Information published in financial report  Information published in sustainability report
- Information published in ad hoc documents  Other (please specify):
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.mobilize-fs.com/en/finance>

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- |  |  |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input checked="" type="checkbox"/> Verification / Audit             | <input type="checkbox"/> Rating        |
| <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): |  |
| Impact report assistance from independent advisory team              |  |

**Review provider(s):**

**Date of publication:**

**ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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