

**RCI BANQUE S.A.**

**GREEN BOND FRAMEWORK**

**May 2022**

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## 1. INTRODUCTION: PRESENTATION OF RCI BANQUE S.A.

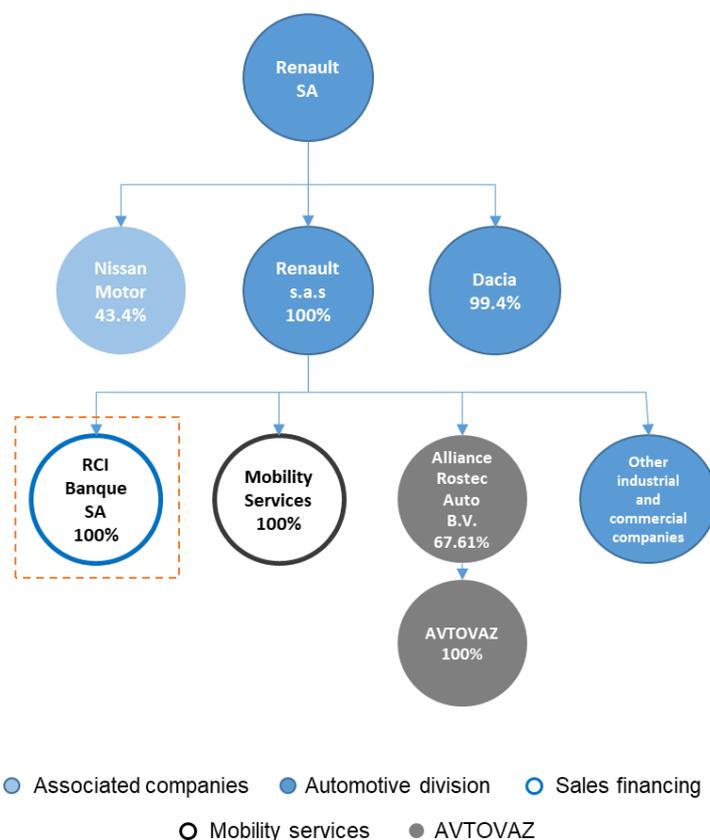
RCI Banque S.A. is the financial services provider for the Renault Group brands (Renault, Dacia, Alpine, Renault Samsung Motors and Lada), the Nissan Group brands (Nissan and Datsun) and Mitsubishi Motors in the Netherlands.

RCI Banque S.A. provides financing and associated services to Alliance customers and dealers in countries where it operates. In seven countries<sup>1</sup>, it provides savings offers to any retail customer, owner or not of a Group's car; and those collected deposits then contribute to the car financing offer. RCI Banque S.A. also finances the activities of car dealer networks of the Alliance Renault-Nissan-Mitsubishi helping them in their daily management to enable to develop their sales and guarantee, and their financial sustainability.

Due to its activities, RCI Banque S.A. is under the supervision of the European Central Bank.

RCI Banque S.A. covers 36 countries and contribute to the growth of the Alliance brands. In 2021, it financed the purchase of nearly 1.4 million vehicles and sold 4.7 million service contracts.

**The purpose of RCI Banque S.A. is to serve as a strategic lever for the Alliance Renault-Nissan-Mitsubishi brands: it partners with them in their sales policies, in order to win new customers and earn lasting loyalty.**



### RCI Banque S.A. within the Renault Group

<sup>1</sup> France, Germany, Austria, the UK, Brazil, Spain and the Netherlands.

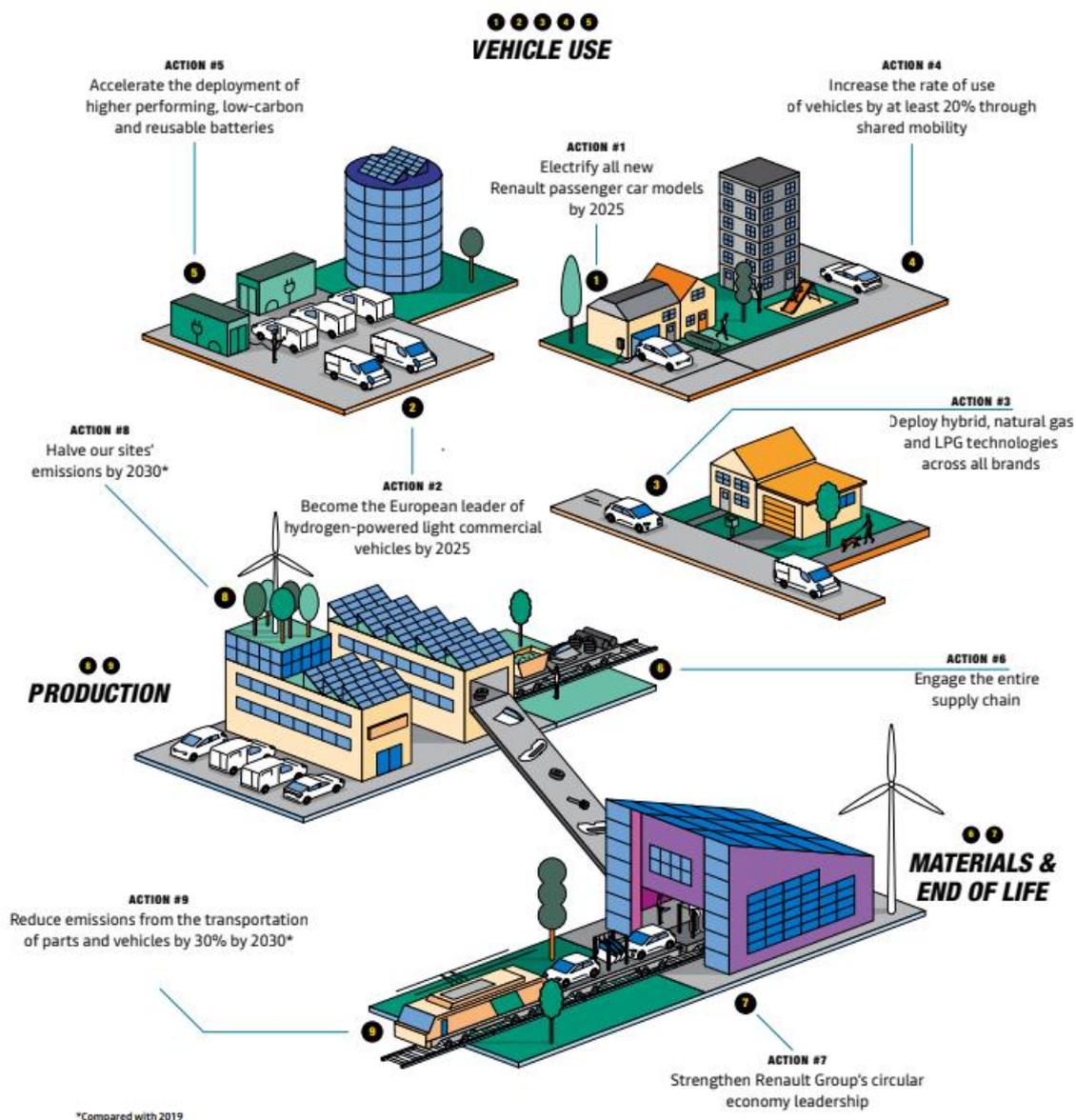
## 2. APPROACH TO SUSTAINABILITY

### 2.1. RENAULT GROUP'S CLIMATE ACTION PLAN

The “Renaulution” strategic plan has started moving the Renault Group from a volume to a value approach and from the mindset of car manufacturer to that of mobility operator. It will ensure sustainable profitability and alignment with its ambition to achieve carbon neutrality in Europe by 2040 and worldwide by 2050.

As part of this plan, Renault has defined its Climate Project, which is composed of nine main actions that will be gradually rolled out across the Group until 2030, an interim milestone toward Renault’s ambition of carbon neutrality in Europe by 2040 and worldwide by 2050.

Vehicle Use, Production and Materials & end of life are considered to be the most material activities of Renault Group with regards to climate change. Vehicle Use is covered by actions 1 to 5, Production by actions 8 and 9, and materials & end of life by actions 6 and 7.

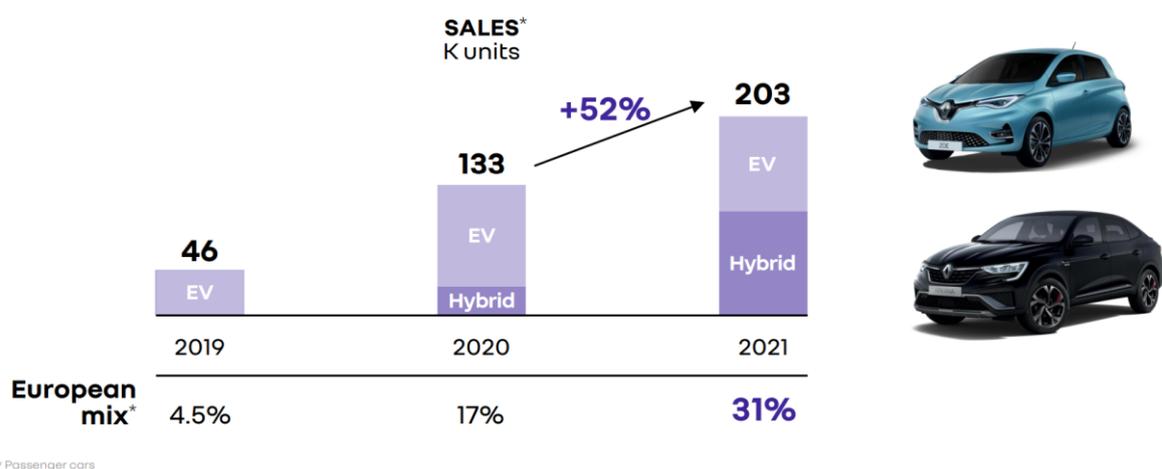


Renault Group was the first Original Equipment Manufacturer (OEM) to believe in all-electric mobility, and still leads the way. It benefits from a decade’s experience in the design, manufacture, sales and after-sales servicing of electric vehicles. Renault’s electric vehicles represent more than 10% of all 100%-electric vehicles sold in Europe in 2021. On a global scale, more than 670,000 electric and electrified vehicles have already been sold by the group.

The Renault Group is also at the forefront of innovation as shown by the recent announcement of its common roadmap with Nissan and Mitsubishi Motors through “Alliance 2030: Best of 3 worlds for a new future”. The Alliance has defined a common 2030 roadmap on pure-BEV<sup>2</sup> and Intelligent & Connected mobility, sharing investments for the benefits of its three-member companies and their customers.

In 2021, Renault delivered its rapid shift in the electrified market and strengthened its position in Europe. The E-Tech (BEV and hybrid<sup>3</sup> powertrains) range represents 30% of Renault passenger cars sales in Europe in 2021 (vs 17% in 2020).

- In Europe, Renault is 3<sup>rd</sup> brand in the BEV PC market, and ZOE ranks 2<sup>nd</sup> model.
- Renault BEV sales in Europe represent 14%, in a BEV market at 10%.
- Renault is leader in France also in electrified market (BEV + Hybrid).



Success of the Renault E-Tech technology

<sup>2</sup> Battery Electric Vehicle (BEV).

<sup>3</sup> Includes Hybrid (HEV) and Plug-In Hybrid (PHEV), excludes Mild-Hybrid (MHEV).

## 2.2. SUSTAINABILITY STRATEGY AT RCI BANQUE S.A.

- RCI BANQUE S.A.'S ROAD TO SUSTAINABILITY

RCI Banque S.A. is currently shaping its global sustainability strategy to evolve from an organization driven by local sustainability initiatives to a top-to-bottom sustainability committed company.



*RCI Banque S.A.'s sustainability landscape*

- MAIN PILLARS OF RCI BANQUE S.A. CSR STRATEGY

At RCI Banque S.A., the company's purpose is to care for its customers by building innovative financial solutions creating sustainable mobility for all. By anchoring the company purpose, all company's executive and employees aspire to transform RCI Banque S.A. into a Sustainability-committed captive finance company, creating shared value for the stakeholder ecosystem - customers, people, investors, the planet, and the societies in which it operates.

RCI Banque S.A. has published in 2022 its Manifesto, a letter of commitment to all its internal and external partners based on 3 pillars and 3 ambitions:



**Climate and environment**  
Contribute to CO<sub>2</sub> neutrality

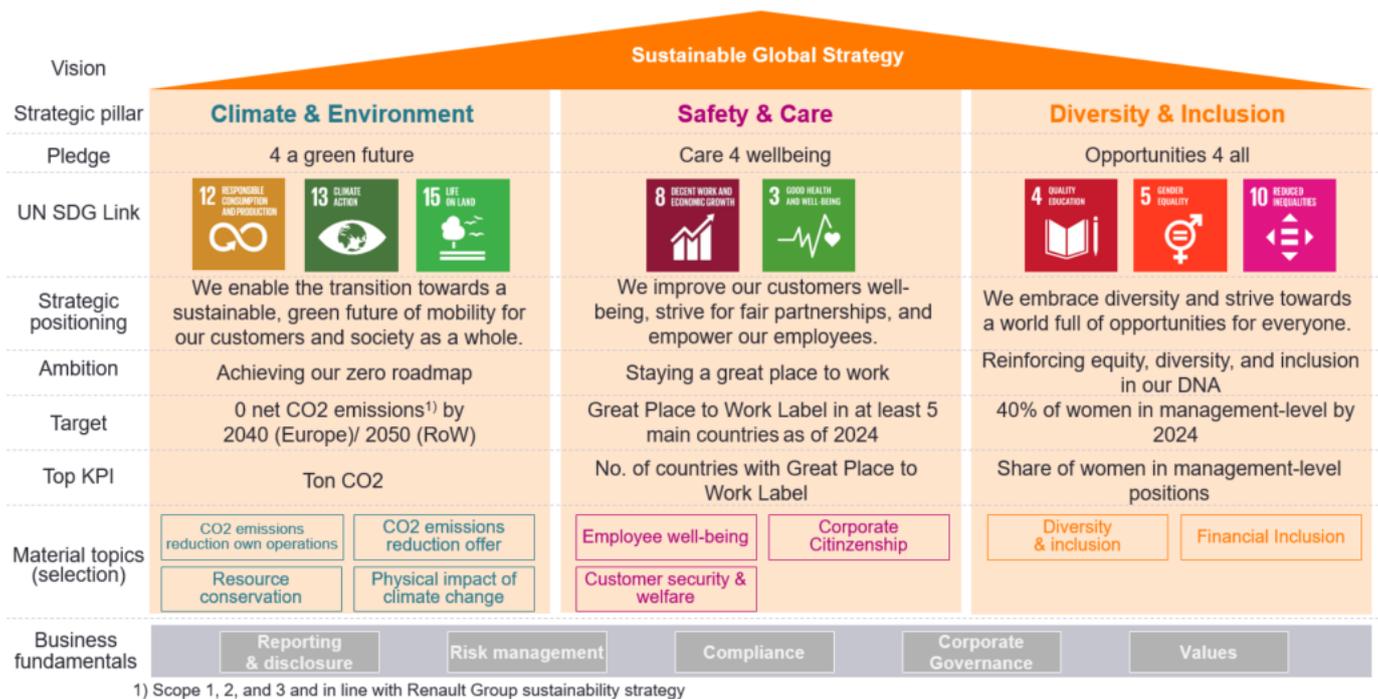


**Diversity and inclusion**  
40% of women in management-level positions



**Safety and care**  
Great Place to Work Label in at least 5 main countries

These ambitions will be achieved through collaborative work based on a benchmark of best practices in the market. The Sustainable Global Strategy of RCI Banque S.A. stems from these ambitions.



Sustainability strategy framework: Sustainability House

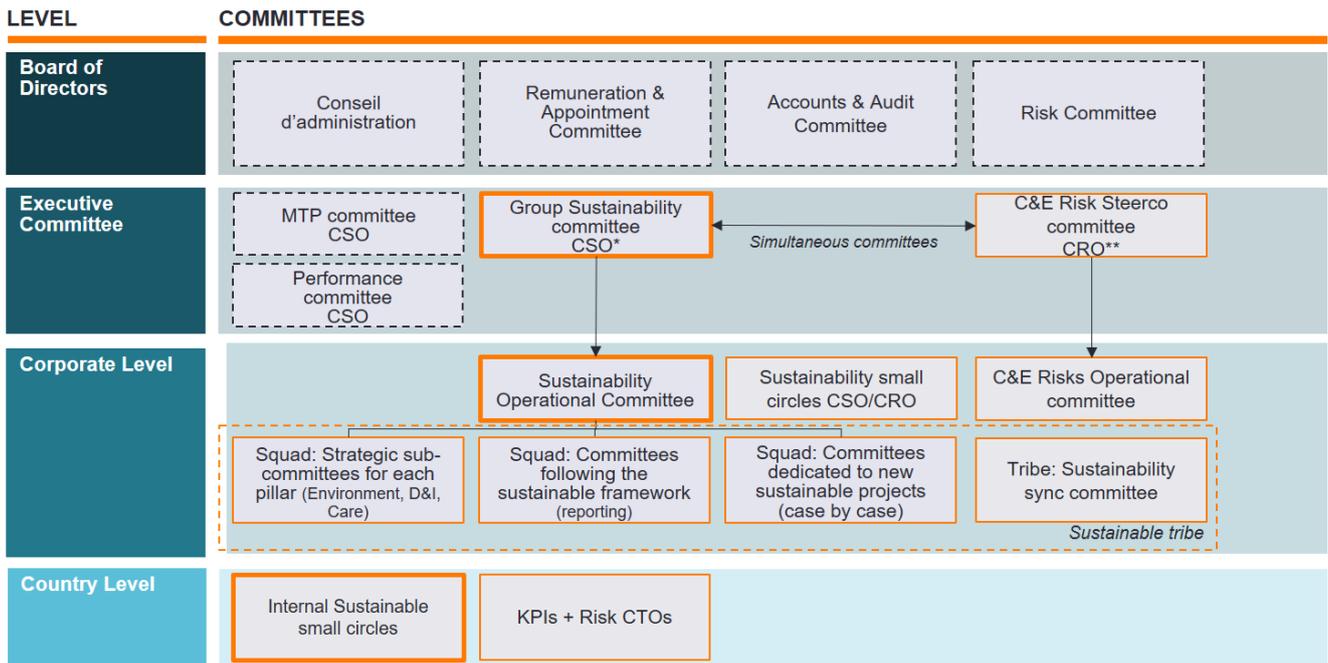
● STEERING THE STRATEGY

The definition, implementation, and deployment of Sustainability policies at RCI Banque S.A. is led at the highest level by the Chief Sustainability Officer (CSO) and the Chief Risk Officer (CRO). Dedicated governance bodies and committees have been put in place including a Climate & Environmental Risk Steerco and a Sustainability Committee, as well as an operational sustainability committee in order to support and ensure the implementation of good practices. All this will include the full involvement of the executive committee.

Additionally, a global Sustainability Tribe<sup>4</sup> and a network of Sustainability champions in all subsidiaries has been implemented in order to foster a sustainability mindset, implement good practices, and execute on our Sustainability flagship initiatives.

The success and steering of the Sustainability strategy will require new ways of working, new ideas, new skills and capabilities. As such, RCI Banque S.A. also commits to help its employees and company to prepare for the future of work. Continuing to invest in and develop all its people is a key enabler of creating shared value for all customers and stakeholders.

<sup>4</sup> Volunteers from across the business who come together to work on a topic not part of their normal day to day tasks.



- Dedicated new sustainability committee
- Dedicated existing sustainability committee
- General committee, sustainability a part

\*first line of defense  
 \*\*second line of defense

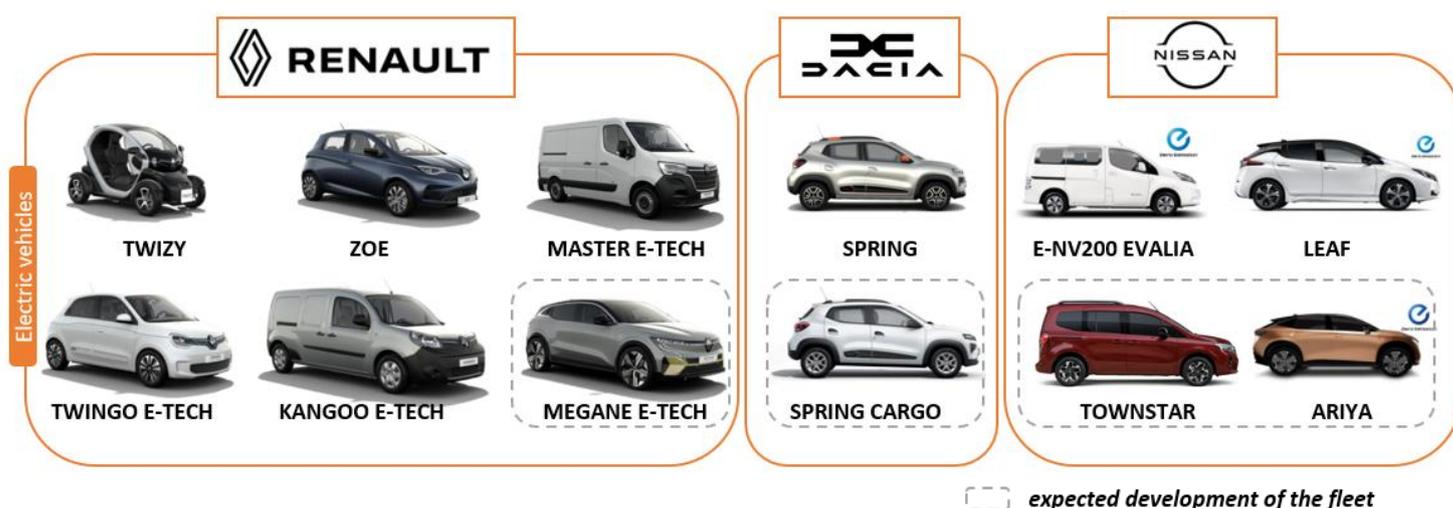
RCI Banque S.A.'s sustainability governance across multiple levels of the organization (as extended in 2022)

### 2.3. RCI BANQUE S.A.'S DEDICATED OFFER TOWARDS SUSTAINABLE MOBILITY

RCI Banque S.A. is committed to supporting the energy transition in line with the Renault Group and the Paris Agreement. RCI Banque S.A. is optimistic that it can meet this goal by building and by offering new and sustainable mobility solutions.

- THROUGH THE FINANCING OF BATTERY ELECTRIC VEHICLES

RCI Banque S.A., as a financial service provider, is supporting Renault Group in the fleet electrification across the main brands of the alliance.



- THROUGH THE DEVELOPMENT OF LOCAL INITIATIVES

Countries	Examples of initiatives
	Increase of BEV competitiveness through interest rate/ insurance discounts.
	Switch offers: ICE car as an alternative to EV cars in case of long journey or holidays.
	1st Visa Card in France that allows the opening of electric public charging stations
	Dealer support for old BEV-buybacks (support for difference between actual value and buyback value).

- THROUGH THE DEVELOPMENT OF DEDICATED SUSTAINABLE MOBILITY SERVICES

In 2021, Renault launched the Mobilize brand for new shared mobility and energy supply services. Mobilize targets customers who wish to adopt more sustainable, flexible forms of mobility. It will feature four brand-specific electric models by 2025: two for car-sharing, one for ride-hailing and one for the “last mile”.

As a preferred partner, RCI Banque S.A. allows Mobilize to provide its customers with easier access to financing services ranging from leasing to payment plans tailored to use. Starting in 2021, RCI Banque S.A. puts its expertise to allow Mobilize to offer more digital customer journeys and give these customers the option to adapt ownership costs to how they use their vehicle.

### 3. RCI BANQUE S.A.'S GREEN BOND FRAMEWORK

RCI Banque S.A. has established this Green Bond Framework (the “**Framework**”) to cover the issuance of Green Bonds to finance and/or refinance, in full or in part, sustainable assets intended to have a clear benefit to environment and society.

This Framework is aligned with the four core components of the Green Bond Principles published by ICMA - International Capital Market Association (2021 edition) which provide guidelines in the form of four core components:

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

All Green Bonds, issued in public and private format by RCI Banque S.A., 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 Framework will be allocated to the financing or refinancing of loans and lease contracts for “Eligible Vehicles” and “Eligible Infrastructure” (the “**Eligible Green Portfolio**”) as defined below.

The eligibility criteria set out below are in line with the Technical Screening Criteria of the EU Taxonomy<sup>5</sup>.

ICMA/LMA Green Eligible Category	Description of Eligible Asset and Eligibility Criteria	EU Economic Activity	Contribution to UN SDGs	Contribution to EU Environmental Objective
Clean Transportation	Loans, and lease contracts for “Eligible Vehicles”. Eligible vehicles comply with the following criteria <sup>6</sup> :	<ul style="list-style-type: none"> <li>▪ Manufacture of low carbon technologies for transport</li> <li>▪ Infrastructure enabling low-carbon road transport and public transport</li> </ul>	  	<ul style="list-style-type: none"> <li>▪ <b>EU Environmental Objective 1:</b> Substantial contribution to climate change mitigation (Article 10)</li> <li>▪ Substantial contribution to EU Objective 1: <b>(1.c)</b> Increasing clean or climate-neutral mobility</li> </ul>
	Loans, and lease contracts for “Eligible Infrastructure” means a selected pool of charging infrastructure for electric vehicles			

<sup>5</sup> In accordance with the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 ([link](#))

<sup>6</sup> A minor part of the loan might be related to Eligible Infrastructure and services

The financing and/or refinancing 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

The Eligible Green Portfolio is expected to comply with European regulations, including any applicable regulatory environmental and social requirements. Eligible loans are assessed against RCI Banque S.A. governance guidelines, principles and management systems which serve as minimum standards for all business processes, including the Eligible Green Portfolio (re)financed with the proceeds of Green Bonds issued under this Framework.

RCI Banque S.A. complies with the Renault Group Code of anticorruption conduct, and with the Renault Charter of Ethics, which set clear rules in terms of relationships with suppliers. RCI Banque S.A. and each of its subsidiaries respect national laws relating to borrower protection (which may differ from one country to another) as well as the General Data Protection Regulation in Europe.

Furthermore, RCI Banque S.A. has defined:

- objectives of responsible conduct and good practices as part of its Risk governance policy at all levels of the company to ensure compliance with good practices and ethical credit services
- compliance procedures related to various regulatory topics such as: tax transparency, data privacy, anti-money laundering and counter financing terrorism, anti-corruption and influence peddling and, customer protection.

The process for evaluation and selection of the Eligible Green Portfolio is set up as follows:

- On a semi-annual basis, RCI Banque S.A. Data department will be in charge of collecting data allowing to identify the loans and lease contracts not yet funded through an asset-based funding programme (e.g securitization), or if funding has already been obtained for such asset, the un-refinanced portion of such assets that qualify for the Eligible Green Portfolio., based on the eligibility criteria as described in the Use of Proceeds section of this Framework. RCI Banque S.A. treasury division will check the consistency of the data, acting as a 4 eyes control and validate this selection.
- Based on the selected Eligible Green Portfolio provided by RCI Banque S.A. Treasury department, the dedicated Sustainability Committee will approve the composition of the Eligible Green Portfolio.
- The Sustainability Committee will review and approve allocations of Green Bond proceeds to the Eligible Green Portfolio.

The RCI Banque S.A. Sustainability Committee will be chaired by the Chief Sustainability Officer (CSO) and include various departments representatives among which the Treasury Department and Accounting Department. The Sustainability Committee will oversee all Sustainability Topics and will be divided into several streams, chaired by different functions. Among these will be the Governance of the issuance of Green Bonds.

The RCI Banque S.A. Sustainability Committee will meet on a semi-annual basis plus once at the upstream of each new Green Bond issuance, and will be responsible for:

- checking the compliance of the loans and lease contracts for Eligible Vehicles and Eligible Infrastructure constituting the Eligible Green Portfolio with the eligibility criteria defined in this Framework
- monitoring RCI Banque S.A.'s Eligible Green Portfolio
- approving allocations of net proceeds
- validating the Green Bond Report
- managing any future updates to this Framework. Such updates will only apply to Green Bonds that are issued after the publication of a new Second-Party Opinion.

### 3.3. MANAGEMENT OF PROCEEDS

The net proceeds of any Green Bond will be managed on a portfolio basis by the Treasury Department. An amount equivalent to each Green Bond net proceeds will be used to finance or refinance loans and lease contracts for Eligible Vehicles and Eligible Infrastructure which are part of the Eligible Green Portfolio<sup>7</sup>. RCI Banque S.A. will track its proceeds through a green bond register and will ensure that the amount of receivables is always greater than the amount of green debt issued.

The Treasury Department will report on a semi-annual basis to RCI Banque S.A.'s Sustainability Committee the information on the use of proceeds of each Green Bond, including the amount of allocation per Eligible Asset category.

RCI Banque S.A. will make its best efforts to allocate the net proceeds in full within two calendar years following each 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 Bonds. Furthermore, RCI Banque S.A. will consider, for the purpose of each new Green Bond issuance, refinancing of the Eligible Green Portfolio within the two preceding calendar years from the date of the issuance.

The amount of net proceeds which cannot be allocated to the Eligible Green Portfolio as at the issuance date will be held in accordance with RCI Banque S.A.'s liquidity management policies in deposits with central bank and high-quality liquid assets pending allocation.

### 3.4. REPORTING

For as long as a Green Bond is outstanding, RCI Banque S.A. commits to annually publishing a Green Bond Report, which will contain an allocation report and an impact report, as detailed below. The allocation and the impact reporting will be provided until the maturity of the Green Bonds and will be performed on an aggregated basis.

The Green Bond Report will be made available on the Mobilize Financial Services website: [finance | Mobilize Financial Services \(mobilize-fs.com\)](https://finance.mobilize-fs.com) .

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<sup>7</sup> limited to the portion of such assets not yet re-financed by other instruments such as securitization

## ALLOCATION REPORT

RCI Banque S.A.'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 Asset category (Eligible Vehicles and Eligible Infrastructure)
- Amount of unallocated proceeds (if any)
- Share of financing and refinancing

## IMPACT REPORT

On an annual basis, RCI Banque S.A. 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 financed
- Number of charging points financed
- Estimate of annual GHG emissions avoided

The impact report will include information on the methodology and assumptions used to evaluate RCI Banque S.A.'s estimate of GHG emissions avoided. An independent advisory firm is going to assist with impact report and develop robust and transparent methodology to calculate estimated annual CO<sub>2</sub> emissions avoided (versus a scenario with Internal Combustion Engines).

## 4. EXTERNAL REVIEW

### 4.1. SECOND OPINION

RCI Banque S.A. has appointed Sustainalytics to provide a Second Party Opinion on this Framework, its transparency, governance, and alignment with the Green Bond Principles (GBP) issued by the ICMA. The second party opinion document will be made available on Mobilize Financial Services' website: [finance | Mobilize Financial Services \(mobilize-fs.com\)](https://finance.mobilize-fs.com).

### 4.2. EXTERNAL VERIFICATION

An independent auditor's verification on the allocation section of the Green Bond Report will be provided on an annual basis. The external auditor will verify that the proceeds of the Green Bonds are either allocated to Eligible Assets or invested in approved financial instruments.

This will be published on Mobilize Financial Services' website.

## 5. PERIODIC IMPROVEMENT

As the green finance market continues to evolve, this Framework may be subsequently revised or updated to remain consistent with shifting expectations, best market practices and regulatory landscape.

## DISCLAIMER

This Framework is not, and is not intended to be, an offer to sell any security or the solicitation of an offer to purchase any security.

This Framework has been prepared to provide information about RCI Banque S.A.; Information have been obtained from sources believed to be reliable. None warrant its completeness or accuracy.

This Framework may contain forward-looking statements, in particular statements regarding our plans, strategies, prospects and expectations regarding our business. You should be aware that these statements and any other forward-looking statements, in this Framework, only reflect our expectation and are not guarantees of performance near and in the future.

These statements involve risks, uncertainties and assumptions about events or conditions and is indented only to illustrate hypothetical results under those assumptions. Actual events or conditions are unlikely to be consistent with, and may differ materially from, those assumed. In addition, not all relevant events or conditions may have been considered in developing such assumptions. Accordingly, actual results will vary, and the variations may be material. Prospective investors should understand such assumption and evaluate whether they are appropriate for their purposes.

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