



GREEN BOND FRAMEWORK



European Company for the Financing of Railroad Rolling Stock

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1. PRESENTATION

1.1 EUROFIMA OVERVIEW

EUROFIMA is a supranational organization with the public mission to support the development of rail transportation in Europe and to support the railways operators, which are also its shareholders, in renewing and modernizing their rolling stock.

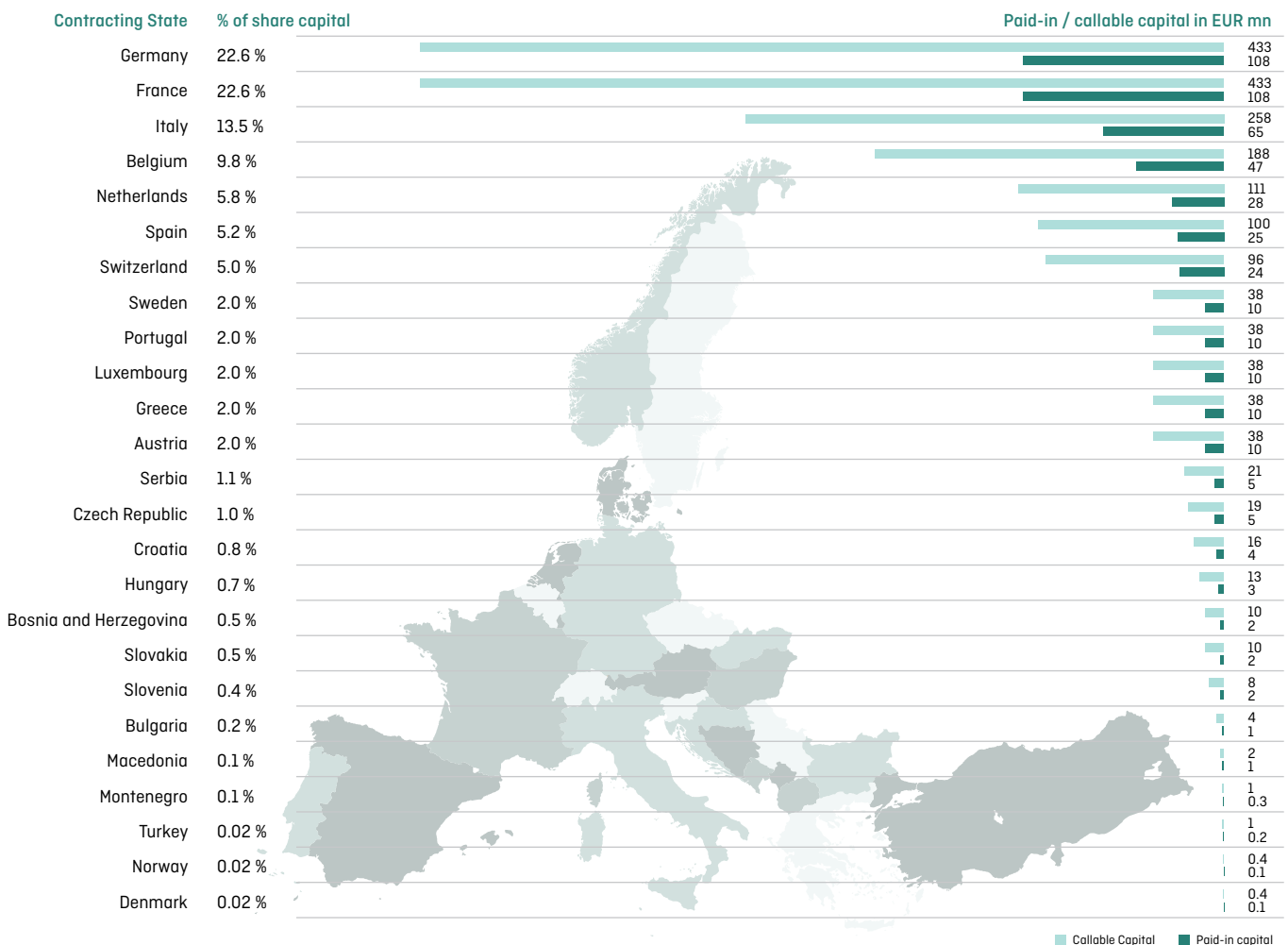
subsidary manner by the law of the country in which it is located. Originally founded for a period of 50 years, all Contracting States approved the extension of this period for additional 50 years until 2056, at the extraordinary General Assembly on February 1, 1984.

EUROFIMA was established on November 20, 1956, based on an international treaty (the “[Convention](#)”) between sovereign States. It is governed by the Convention signed by its Contracting States, its articles of association (“[Statutes](#)”) and in a

EUROFIMA’s shareholders include the Railway Administration of its European Contracting States that are parties to the Convention.

1.1.1 Mission and Ownership Structure

EUROFIMA’s mission is to support the development of rail transport in its 25 Contracting States. As such, the shareholders of EUROFIMA include 26 national railway operators, infrastructure managers and Government departments of its Contracting States. The chart below shows the shareholder distribution of its largest shareholders.



The three largest shareholders (Deutsche Bahn AG, Société nationale SNCF, and Ferrovie dello Stato Italiane S.p.A.) are also the three largest national railway operators in Europe.

1.1.2 Activity

EUROFIMA finances railway equipment through borrowings or equity capital. EUROFIMA secures title to/or obtains security interests deemed equivalent (in particular pledges) on/or in respect of rolling stock. The general principles of EUROFIMA's activity are defined in an agreement (the "Basic Agreement") between the shareholder railways and EUROFIMA. The Basic Agreement remains valid for the entire duration of EUROFIMA's existence and can only be altered with the consent of all the railways and EUROFIMA. EUROFIMA's equity is primarily used for investments in liquid assets.

1.1.3 EUROFIMA Asset Portfolio

EUROFIMA supports its shareholder railways by providing attractive financings for rolling stock investments. The chart below indicates the equipment to which EUROFIMA holds title or in which it has direct or indirect security interest deemed equivalent, in particular pledges, as of December 31, 2020:

Total number of rolling stock items

Contracting State	Railway	Locomotives			Multiple-unit trains			Passenger cars		Freight cars	Infra-structure equipment	Total
		mainline		shunting	motor units		trailer cars	in fixed formation	not in fixed formation			
		diesel	electric		diesel	electric						
Austria	ÖBB	6	120	14	16	228	209	243	60	1 467	182	2 545
Belgium	SNCB		91	23	60	499	260		277		27	1 237
Croatia	HZ					22	22					44
Denmark	DSB		44			20	10					74
France	SNCF					8	32					40
Germany	DB AG		50									50
Greece	OSE		12		15		14					41
Italy	FS		451		58	253	224		1277			2 263
Luxembourg	CFL					56	28		53			137
Portugal	CP				13	183	209					405
Serbia	ŽS		2		24							26
Spain	RENFE	32	100		86	960	901					2 079
Switzerland	SBB					805	924					1 729
Total		38	870	37	272	3 034	2 833	243	1 667	1 467	209	10 670

Additional information is available on EUROFIMA's website (www.eurofima.org).

1.2 MARKET OVERVIEW OF RAIL PASSENGER TRANSPORTATION

The European railway market represents the largest and the most developed in the world. The extensive network of urban, sub-urban, regional and international railway infrastructure has played a key role in promoting greater trade, both domestic and international, and social mobility. Despite the advances already made in this sector throughout Europe, rail transport in Western and Eastern Europe is still expected to grow 3.1% and 2.8% respectively in 2021¹. This expected growth trend is larger than in any other region in the world. The average expected growth in the global rail transport sector is 2.6% over the same period.

More recently, the EU reported that passenger-kilometers in Europe totalled 522.7 billion in 2019, representing an 18.9% increase between 2009 and 2019².

¹ UNIFE: World Rail Market Study – Forecast 2016 to 2021

² Eurostat pocketbook 2020

In response to the continued growth of the rail transport sector in Europe, extensive efforts have been made by the countries to improve the overall competitiveness and efficiency of the sector. Throughout much of the 20th century, rail transport in Europe was dominated by national monopolies, which at times resulted in large government subsidies being allocated to the sector and to inefficiencies in performance. In an effort to address these issues, the European Parliament has passed a series of “Railway Package”³ reforms. These regulatory reforms lay the framework that will allow for technical standardization and open access to the European rail transport sector, resulting in competition that will encourage cost reduction and promote greater efficiency throughout the sector.

1.3 ACTIVITY

Establishing a low-carbon future has become an increasing point of geopolitical focus. The COP21 conference in Paris in 2015 marked a milestone of international cooperation in which 196 representatives in attendance reached an agreement on the reduction of climate change. The centre of the agreement focused on reducing global warming to less than two degrees Celsius compared to pre-industrial levels and for zero net greenhouse gas emissions to be reached during the second half of the 21st century. On April 22nd 2016, 174 countries signed this agreement and began to take steps to implement these measures into their own legal systems.

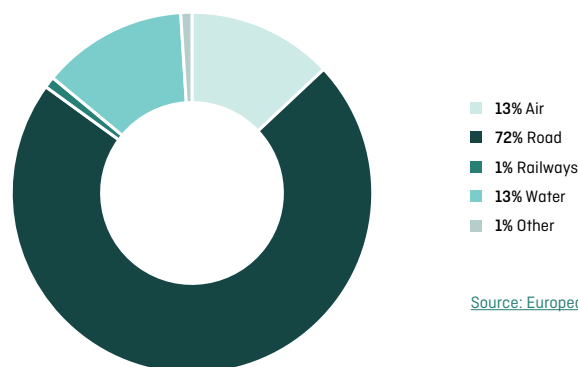
The goal of promoting sustainability is at the core of EUROFIMA’s public mission. Supporting the growth and development of passenger rail transport is key to addressing the problem of CO₂ emissions attributable to the transportation sector and to reducing overall energy consumption. As countries across Europe work to meet the sustainability targets outlined by Europe 2020 and by the COP21 agreement, EUROFIMA is determined to serve as partner to its Contracting States in fulfilling their objectives.

1.3.1 Rail Transport Greenhouse Gas Emissions

The transportation sector accounts for nearly 23% of energy-based CO₂ emissions according to the International Energy Agency⁴, of which road, maritime and air transport are the leading contributors. Despite efforts to make airplanes more energy efficient, the increasing use of air travel has offset the benefits realized per aircraft according to the European Environment Agency. In the automobile sector, the use of hybrid and electric vehicles has continued to increase, but automobiles still account for 72% of the total EU CO₂ emissions⁵.

Rail passenger transportation offers a viable solution to counteract these high levels of CO₂ emissions. The International Union of Railways indicates that greenhouse gas emissions from rail transport is 85% lower than the average emission from road and air transport. In terms of land usage per passenger-km, rail is 3.5 times lower than for automobiles. In assessing the external costs of transport (i.e. the costs of the negative effects from transport not borne by the company but by society), rail usage has four times less the cost than roads for passenger transport and six times less for freight services⁶.

European CO₂ Emissions per Mode of Transport



Source: European Commission

³ [The fourth railway package: Another step towards a Single European Railway Area](#)

⁴ [Transport, Energy and CO2 International Energy Agency IEA](#)

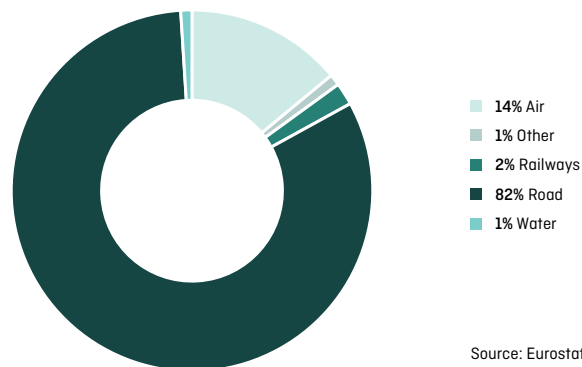
⁵ [European Commission: Reducing CO2 emissions from passenger cars](#)

⁶ [Community of European Railway and Infrastructure Companies: Rail Transport and Environment Facts & Figures 2015](#)

1.3.2 Rail Transport Energy Efficiency

In addition to concerns regarding CO₂ emissions, consideration must also be given to the efficiency with which energy is consumed. According to Eurostat, the rail transport sector accounts for only 2% of the energy consumed by the transport sector whereas road transportation accounts for 82%⁷. This sharp contrast is due to the significant efforts made within the rail transport sector in Europe to electrify power lines and construct more energy efficient trains. Modern electric train consumes 85% less energy than an airplane and 70% less energy than a hybrid car per passenger/km.

European Energy Consumption per Mode of Transport



1.3.3 Social Mobility

The rail transportation sector plays a key role in furthering social cohesion, which in turn contributes to the overall improvement in the standard of living. Further development of international and regional rail lines aides in promoting increased cross-border and domestic trade and in a more sustainable manner. Rail development, particularly regional and suburban, also aides in furthering labor mobility and social integration in an increasingly interconnected and diverse Europe. Lastly, according to the European Union Agency for Railways, rail transport represents one of the safest modes of transport with only 0.13 fatalities per billion passenger/km as compared to 3.14 for automobiles and 48.94 for motorcycles.

1.3.4 EUROFIMA Sustainable Projects

EUROFIMA published its first Green Bond Framework in November 2017 and updated it in October 2018⁸. As of December 2020, EUROFIMA published an Allocation report⁹ showing net proceeds of EUR 2'898 million of four outstanding Green Bonds fully allocated to fund Electric Passenger Rail Transport Rolling Stock, as per EUROFIMA's Green Bond Framework. The Green Bond net proceeds were used to finance Electrical Multiple Unit trains (61%), coaches (16%), electric locomotives (16%) as well as high speed trains used on intercity traffic (7%). The geographical allocation was as follows: 40% of all financing was for rolling stock in Switzerland, 27% in Italy, 25% in Spain, 6% in Belgium and 2% in Luxembourg.

In 2020, EUROFIMA also published its first Impact Report¹⁰. It covers EUROFIMA's first Green Bond with EUR 497 million of net proceeds allocated in 2019. Under scope 1, it reports 159'095 tCO₂ annual emissions reduced/avoided and 229.8 GWh annual energy savings.

⁷ [Energy Efficiency Trends in Transport in EU Countries](#)

⁸ [EUROFIMA Green Bond Framework 2018](#)

⁹ [Green Bond Allocation Report 2020](#)

¹⁰ [EUROFIMA Impact report 2020](#)

1.3.5 Sustainability at EUROFIMA

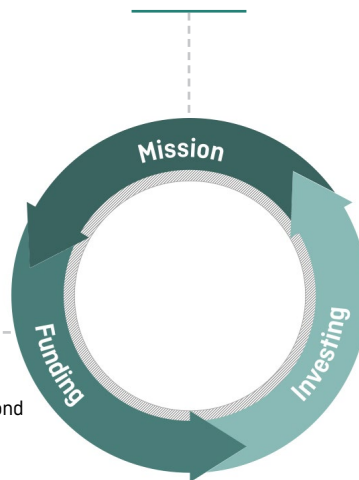
EUROFIMA has a holistic approach to sustainability and aligned all activities with a focus on sustainability. Moreover, EUROFIMA became a signatory of the UN Principles for Responsible Investment (PRI) on January 3rd 2020. While it fulfils its public mission in supporting the development of a sustainable form of transport, EUROFIMA also aims to enact internal measures that ensure its business practices are in-line with its mission to support a low-carbon future and social integration.

Sustainable and public mission



Our mission is key to address the current environmental challenges. We provide millions of people with affordable transportation and with a positive environmental impact. Our business activities support:

- UN goals for sustainable development (Goals 9 and 11)
- EU environmental objective 1 on climate change mitigation
- EU Green deal targeting zero greenhouse gas emissions



Sustainable and Top-Credit-Quality Issuer

We are a frequent bonds issuer with a dedicated Green bond program. As an issuer we are recognized as:

- Top ESG rating assessments from external agencies
- 100% climate-aligned issuer by the Climate Bond Initiative
- First clean transportation EU taxonomy aligned issuer

Our bonds are listed on the dedicated Luxembourg Green Exchange

Sustainable and responsible investor

We commit ourselves to invest our assets in a sustainable and responsible manner based on three pillars:

- Norm-based negative screening
- Integration of ESG third-party ratings
- Engagement with counterparties

We are an official signatory of the UN Principles for Responsible Investment (PRI) and the UN Global Compact (UNGC)

More information on this topic are available in the "Sustainability" section of EUROFIMA's website (<https://www.eurofima.org/sustainability/>). On this site EUROFIMA posted reporting policies on sustainability:

[Code of conduct](#)

[EUROFIMA's actions for a greener office](#)

[Compliance & anti-money laundering](#)

[Environmental & social policy](#)

[Staff regulation](#)

[Supplier code of conduct](#)

[Treasury policy](#)

1.3.6 Rail sector mitigation

EUROFIMA's investments support the railway operators in complying with the UIC (International Union of Railways)¹¹ Declaration on Sustainable Mobility and Transport and achieving the 2050 Target and Vision developed by CER (Community of European Railways)¹² to reduce the environmental impact. EUROFIMA considers environmental impact aspects in its credit review process, which speaks to environmental risk mitigation.

¹¹ [Union Internationale des Chemins de Fer](#)

¹² [Community of European Railway and Infrastructure Companies](#)

1.4 MAPPING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG)¹³

While backing all of the 17 SDGs, as defined by the United Nations in September 2015 for the period 2015-2030, EUROFIMA can mainly contribute to Goal 9 and Goal 11 according to its areas of competence. EUROFIMA's use of proceeds for Electric rolling stock equipment actually shows its commitment to the two following SDG:



Goal 9: Industry, Innovation and Infrastructure



Goal 11: Sustainable Cities and Communities

EUROFIMA strives to foster adequate rolling stock equipment for passenger transport to improve safety, air pollution and inclusive mobility, given the challenges of urbanisation. EUROFIMA considers itself as particularly well positioned to facilitate innovation in and efficient use of resources of sustainable passenger railway transportation.

1.5 EU TAXONOMY ALIGNMENT

EUROFIMA follows the EU Taxonomy for sustainable activities.

1.5.1 Substantial contribution to the environmental objectives (EU Taxonomy regulation)

- Climate Change Mitigation
- Climate Change Adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy, waste prevention, and recycling
- Pollution prevention and control
- Protection and/or promotion of healthy ecosystems

The eligible projects are aligned with the environmental objective (i) climate mitigation due to the fact that Passenger interurban rail transport is an effective means to reduce the greenhouse gas emissions emitted into the atmosphere.

1.5.2 Technical screening criteria of EU Taxonomy:

According to the EU Taxonomy, Passenger interurban rail transport activity, classified as NACE code H49.10¹⁴ complies with the technical screening criteria¹⁵.

The activity is recognized as complying with one or more of the following criteria:

- The trains and passenger coaches have zero direct (tailpipe) emissions.
- The trains and passenger coaches have zero direct tailpipe emission, when operated on an electrified track, and use a conventional engine where the line is not electrified (bimode).

¹³ [Sustainable Development Goals](#)

¹⁴ In accordance with the statistical classification of economic activities established by regulation (EC) No 1893/2006

¹⁵ [EU Article 10\(2\) of Regulation EUR 2020/852](#)

1.5.3 Do No Significant Harm to other environmental objectives of EU taxonomy

Issues to assess the Do-No-Significant-Harm (DNSH) criteria are described in the Second-Party Opinion (SPO) by an external reviewer.

All projects are subject to European or Swiss law, standards and regulations regarding the construction, operation and maintenance of rolling stock, taking into account considerations regarding humans, flora and fauna, and health and safety of workers.

1) Climate change adaptation:

The activity complies with the criteria for technical screening set out in Article 12 of EU regulation to avoid significant harm to environmental objectives.

2) Transition to a circular economy:

There is for now no specific EU legislation concerning circular economy on trains. Circular economy aims to keep products, components and materials at their highest utility and value, at all times. Assessment can be made for the railways in terms of:

- a) the design stage of railway structures:
 - longevity and recyclable: components need to be durable and once reaching the end of their life cycle, they can be recycled
 - modular and biodegradable: components can be disassembled and replaced with single elements less durable, but bio-based or biodegradable

- b) renewable energy options:
 - preferential use of renewable raw materials and energy sources
 - incineration of residual waste to obtain electricity for transport (applied only after all possible other options for reuse and recycling have been explored)

- c) operations and health of assets:
 - influence of a good repair and maintenance plan for the rolling stock
 - dispose of pollutants responsibly and remove asbestos as needed

- d) circular economy strategy:
 - material flow analysis
 - network of end-of-life specialists and reclamations industries
 - partnerships with environmental organisations

3) Pollution prevention and control:

Engines for the propulsion of railway locomotives (RLL) and engines for the propulsion of railcars (RLR) comply with Annex 2 to the regulation (EU 2016/1628 of the European Parliament and of the Council)¹⁶.

1.5.4 Minimum social safeguards








Minimum social safeguards are considered within the framework of the SPO by an external reviewer.

Given that all the rolling stock financing projects are located in Europe, they are all subject to the comprehensive European, national and industry related regulations for working and social conditions.

¹⁶ [Regulation \(EU\) 2016/1628 of the European Parliament and of the Council 14.09.2016](#)

2. GREEN BOND FRAMEWORK

EUROFIMA's Green Bond Framework has been created in alignment with the Green Bond Principles 2018 ("GBP") defined by the International Capital Market Association (ICMA)¹⁷. As such, it follows the four core components as described by the GBP:


1. Use of Proceeds	2. Process for Project evolution and selection	3. Management of Proceeds	4. Reporting	5. External Reviewer
<ul style="list-style-type: none"> Clean transportation for passenger  <ul style="list-style-type: none"> Type of power: electrical, battery, hybrid.   <p>Climate change mitigation </p>	<ul style="list-style-type: none"> Identification of Green eligible pool of loans Sustainability Committee verification of the selection "C" level approval of selection and allocation Board of Directors Notification 	<ul style="list-style-type: none"> Net proceeds are earmarked against eligible Green assets Proceeds not allocated are invested according to EUROFIMA's liquidity policy 	<ul style="list-style-type: none"> Latest 1y after the issuance & as long as outstanding Allocated amounts Brief description of projects Expected environmental impact 	<ul style="list-style-type: none"> Assessment of sustainability verification of procedures, certification process Second opinion, audits, ratings Environmental stewardship  

2.1 USE OF PROCEEDS

2.1.1 Eligible Green Assets

Proceeds raised through Green Bond issuances will be exclusively used to finance or refinance investments purchases, modernisation and refurbishments of Eligible Green Assets owned by the recipient and actually in operation.

The following matrix outlines the types of rolling stock equipment that qualify as Eligible Green Assets (photos for illustrative purpose only):

	Locomotive	Multiple Unit	Coaches
Passenger transport			

¹⁷ More information on <http://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-bonds/green-bond-principles/>.

- 1) Locomotive: Railroad vehicle, which has no payload capacity on its own and is utilized to pull/push passenger coaches
- 2) Multiple Unit: Self-propelled passenger trainset, which consists of two or more carriages coupled in a permanent configuration, one of which at least is motorized
- 3) Coaches: Railroad passenger carriages, not motorized, which are pulled/pushed by a green eligible locomotive

The source of energy to power the rolling stock defines further if it is eligible as green asset; only the following types of propulsion are accepted:

- 1) Electrical: the rolling stock takes the energy from the overhead catenary of the electrified line through a pantograph.
- 2) Battery: the rolling stock takes the power from the energy pre-stored in a battery
- 3) Hybrid: the rolling stock can take the power both from the overhead catenary and from a battery, when the line is not electrified

EUROFIMA sets a 0 (zero) emissions threshold for all the eligible Green assets financed.

2.1.2 Types of Investments

Furthermore, Green Bond proceeds can only be used to fund two types of investments:

- 1) Financing of purchase of newly manufactured rolling stock (equipment that have not been delivered yet to the railway operator)
- 2) Financing of existing rolling stock:
 - a) equipment delivered to the railway operator, but not earlier than January 1st, 2000
 - b) equipment delivered to the railway operator that underwent a major upgrade, carried out not earlier than January 1st, 2000

For major upgrade we consider modernization projects with a significant scope of work, aimed at making the equipment more sustainable, such as the modification of the propulsion system to make the rolling stock more efficient, the upgrade of the signalling system to increase interoperability, the complete refurbishment of the interiors and PIS to improve the comfort, the cleaning up and disposal of hazardous material to enhance the recyclability and better provisions for passengers with limited mobility to reaffirm the social responsibility.

EUROFIMA is committed to disclose the relevant Eligible Green Asset to be utilized for the respective Green Bond to be issued in the respective Allocation and Impact Report. The portion of the respective issuance that is not yet allocated to Eligible Assets at such time will be disclosed separately. EUROFIMA will provide the origination timeframe and maturity profile of the loans per Use of Proceeds on an annual basis.

2.2 PROCESS FOR PROJECT EVALUATION AND SELECTION

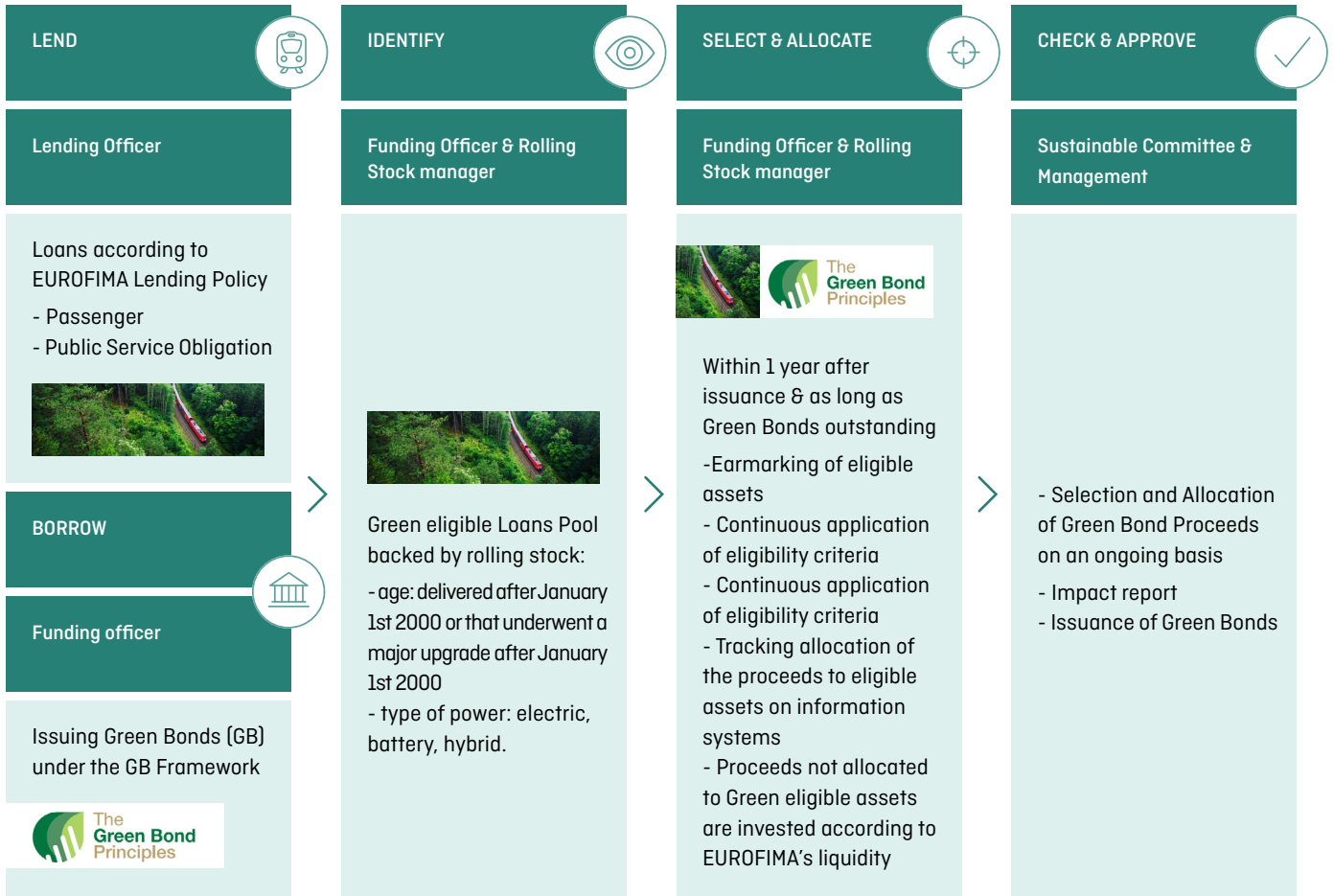
EUROFIMA will conduct a thorough assessment of both the railway(s) and the rolling stock that will be financed with the proceeds raised from a Green Bond issuance. The aim of this assessment process is to evaluate, among other things, the use of the rolling stock (i.e., passenger transport only) and the source of power (electric, hybrid, or battery). The evaluation and selection process will consist of three steps:

- 1) Evaluation Phase: the Sustainability Committee will carry out the identification, selection, and allocation of Eligible Green Assets for each financing project.
- 2) Management Approval: in a second step, the Sustainability Committee presents the verified and identified projects (meeting the eligibility criteria described below) to the Management Committee¹⁸ of EUROFIMA for their approval of the proposed financing rolling stock selection.
- 3) Board of Directors Notification: in case the Management Committee approves the respective project, it sends the notification to EUROFIMA's Board of Directors after disbursement.

¹⁸ CEO and CFO

EUROFIMA will assess the financing eligibility for proposed rolling stock based on the following criteria in line with EUROFIMA’s Equipment Financing Policy and additional criteria of the Green selection criteria:

- **Use:** the purpose of the financed rolling stock must be passenger transport.
- **Age:** all rolling stock delivered after January 1st, 2000 or that underwent a major upgrade (see 2.1.2.), carried out after January 1st, 2000
- **Type of power:** the source of power of the financed rolling stock must be electric, hybrid or battery.



2.3 MANAGEMENT OF PROCEEDS

Within one year of Green Bond issuance and based on the set of selection criteria, EUROFIMA defines a Green Pool of eligible loans pledged with eligible rolling stock assets. As long as Green Bonds are outstanding, EUROFIMA ensures that the Green Pool’s loan volume is at least equivalent to the issued volume of the outstanding Green bonds.

The value of the Green assets is set on the initial value and will not be amortized over the lifetime of the asset.

At any time an amount equal to the net proceeds of the issue of the Green Bonds will be separately earmarked within EUROFIMA’s Treasury. Additionally, Green Bond proceeds will be mapped to and reported along the categories of investments as per Use of Proceeds under 2.1.

- 1) The allocation of Green Bonds proceeds to Eligible Green Assets is done according to the following principles:
 - a) EUROFIMA will establish a Pool for Eligible Green Assets, recording each specific facility ID assigned as Use of Proceeds for an equivalent Green Bond issuance proceeds by a unique position identifier.
 - b) Green assets collateral are specifically (on an asset-by-asset basis) allocated to Green bonds. This allocation is dynamic i.e. might change over time and the reporting is done annually on a portfolio basis enabling optimisation.
 - c) EUROFIMA will track the use of the net proceeds of its Green Bonds via its internal information systems. Each EUROFIMA Green Bond will be booked under an earmarked position, which is specifically set up for each Green Bond.
 - d) Until the maturity of the Green Bonds, if an asset ceases to fulfil the eligibility criteria, or is part of a loan being early repaid or redeemed, EUROFIMA commits on a best effort basis, to replace it by another eligible Green Asset.
- 2) Any balance of Green Bond proceeds not allocated to Eligible Green Assets as previously described (either as the result of changes in the composition of Eligible Green Assets or due to the issuance of additional Green Bonds) will be held in accordance with EUROFIMA's liquidity management policy and highlighted in the Reporting.

The process is overseen and administrated by the Sustainability Committee, who proposes the outcome to the Management Committee. It is also externally reviewed from time to time as part of a verification process and in case of changes will be published in the respective reporting. The Capital Markets policy defines and includes a Framework to manage the risk of a potential shortfall of Green eligible Assets against outstanding Green bonds.

2.4 REPORTING

The reporting includes data and information regarding allocation of Green bonds proceeds and environmental impact. All reporting will be publicly available on the section of EUROFIMA's website dedicated to its Green Bond issuance under the [Link](#).

2.4.1 Allocation Reporting

Up to a maximum of one year after the issuance and until the maturity of the Green Bonds issued, EUROFIMA will make information available to the public on the use of proceeds.

The report will provide an overview of the assets financed through the proceeds of each Green Bond issuance. The report will provide the following information on the Eligible Green Assets financed:

- Summary of assets financed per type of equipment and geography as defined under the Use of Proceeds.
- Summary of the allocation of proceeds raised via a Green Bond issuance.
- Allocation of Green Bond funds as defined under Use of Proceeds (see chapter 2.1)

¹⁹ [Handbook Harmonised Framework for Impact Reporting 2020](#)

2.4.2 Impact Reporting

EUROFIMA will report annually on the Impact of the allocated Green projects on a portfolio basis following the guidelines of the ICMA¹⁹. This will include a summary of the projects to which Green Bond proceeds have been allocated, as well as a brief description of the projects and the amounts allocated.

- Age of rolling stock on the date of financing disbursement
- Passenger – kilometers
- Annual GHG emissions reduced/avoided in tCO₂
- Reduction of air pollutant (CH₄, N₂O)
- Annual GHG emissions in tCO₂e
- Number of clean vehicles deployed
- Estimated reduction in fuel consumption
- Estimated CO₂ emissions per passenger/km
- Estimated energy consumption per passenger/km
- Data to identify the rolling stock

Where available, EUROFIMA will report a quantitative and qualitative summary of the specific measures, planned and carried out by the financing recipient, to reduce energy consumption and pollutant emissions, promote the use of renewable energy and have overall a positive impact on the environment.

Quantitative performance measures for the Green Bond might include at the railway level:

- overall reduction of CO₂ emissions
- overall increase in the use of renewable energy
- overall reduction of energy consumption.

2.5 GOVERNANCE

Besides coordinating cross-units activities related to sustainability, the Sustainability Committee is responsible for recommending the project selection to the Management Committee, and for overseeing the evaluation as well as the management of proceeds process. It ensures best practices in terms of alignment of the framework with EU standards and ICMA principles for Green Bonds. It develops and ensures a risk framework for green assets and its application in the Capital Markets policy.

The Management Committee will attest the allocation of the Green Bond proceeds on a yearly basis and until the maturity of the Green Bond. It also reviews and approves the Allocation Report as well as the Impact Report, on a annual basis or more often, as required. The Board of Directors is notified of the Management Committee Approval after disbursement.

3. SECOND OPINION

EUROFIMA engaged Sustainalytics GmbH (“Sustainalytics”), a provider of environmental, social and governance (ESG) research and analysis, to provide an independent Second Opinion on this Green Bond Framework. Sustainalytics evaluated the alignment of EUROFIMA’s Green Bond Framework with relevant industry standards within the meaning of the Green Bond Principles 2018. Furthermore, Sustainalytics assessed EUROFIMA’s sustainability strategy and the impact of the Use of Proceeds.

Sustainalytics concluded that *“EUROFIMA is well-positioned to issue green bonds and that the EUROFIMA Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018”*

The Second Opinion is publicly available on the section of EUROFIMA’s website dedicated to its Green Bond issuance [\[Link\]](#).