

# Second-Party Opinion

## Autonom Sustainability-Linked Bond Framework

### Evaluation Summary

Sustainalytics is of the opinion that the Autonom Sustainability-Linked Bond Framework aligns with the Sustainability-Linked Bond Principles 2020. This assessment is based on the following:

- Selection of Key Performance Indicators (KPIs)** The Autonom Sustainability-Linked Bond Framework includes one KPI (see Table 1): Operational CO<sub>2</sub> intensity (Average WLTP gCO<sub>2</sub>/km for the operational fleet). Sustainalytics considers the KPI to be very strong given that: i) it addresses an issue with material impact to Autonom’s business operations; ii) it has a very high scope of applicability; and iii) it follows a clear and consistent methodology. Sustainalytics further considers the KPI to directly measure performance on the material environmental issue of “Carbon own-operations” while following an externally recognized definition.
- Calibration of Sustainability Performance Targets (SPTs)** Sustainalytics considers the SPTs to be aligned with the Autonom’s sustainability strategy. Sustainalytics further considers the SPTs to be ambitious based on significant improvement from historical performance while aligned with peers’ performance targets, and that the SPTs are comparable against science-based trajectories.
- Bond Characteristics** Autonom will link the bond’s financial characteristics to achievement of the SPTs in the form of a coupon rate adjustment. Failure to meet either of the SPTs by the target observation date, as well as the reporting and verification commitments, will result in a coupon rate step-up.
- Reporting** Autonom commits to report on an annual basis on its performance on the KPIs in its sustainability report to be published on its website starting from 2022. Autonom commits to disclose relevant information that may affect KPI performance, such as any relevant information enabling investors to monitor progress of the SPTs. The reporting commitments are aligned with the Sustainability-Linked Bond Principles.
- Verification** Autonom commits to have external limited assurance conducted on its KPI performance at the communicated SPT deadline, which is aligned with market expectations.

<b>Evaluation Date</b>	October 08, 2021
<b>Issuer Location</b>	Bucharest, Romania

The SPTs contribute to the following SDGs:



### Overview of KPIs and SPTs

KPI	Baseline	SPT	Strength of the KPI	Ambitiousness of SPT
Operational CO <sub>2</sub> intensity (Average WLTP gCO <sub>2</sub> /km for the operational fleet)	2020	By 2025, reduce operational CO <sub>2</sub> intensity by 25% from a 2020 baseline. By 2030, reduce operational CO <sub>2</sub> intensity by 51% from a 2020 baseline.	Very Strong	Ambitious

## Table of Contents

<b>Scope of Work and Limitations</b> .....	<b>3</b>
<b>Introduction</b> .....	<b>4</b>
<b>Sustainalytics’ Opinion</b> .....	<b>4</b>
<b>Section 1: Sustainalytics’ Opinion on the Alignment of Autonom Services S.A’s Sustainability-Linked Framework with the Sustainability-Linked Bond Principles</b> .....	<b>5</b>
Selection of Key Performance Indicators (KPIs) .....	5
Calibration of Sustainability Performance Targets (SPTs) .....	6
Bond Characteristics .....	8
Reporting .....	8
Verification .....	8
<b>Section 2: Assessment of Autonom Services S.A’s Sustainability Strategy</b> .....	<b>9</b>
<b>Section 3: Impact of the SPTs chosen</b> .....	<b>9</b>
<b>Conclusion</b> .....	<b>11</b>
<b>Appendix 1</b> .....	<b>12</b>

## Scope of Work and Limitations

Autonom Services S.A. (“Autonom” or the “Company”) has engaged Sustainalytics to review the Autonom Sustainability-Linked Bond Framework, dated September 2021 (the “SLB Framework”), and to provide an opinion on the alignment of the SLB Framework with the Sustainability-Linked Bond Principles 2020 (SLBP).<sup>1</sup>

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>2</sup> opinion on the alignment of the reviewed SLB Framework with the Sustainability-Linked Bond Principles 2020, as administered by ICMA.

As part of this engagement, Sustainalytics exchanged information with various members of Autonom’s management team to understand the sustainability impact of its business processes and the SPTs, as well as the reporting and verification processes of aspects of the SLB Framework. Autonom’s representatives have confirmed that:

- (1) They understand it is the sole responsibility of Autonom to ensure that the information provided is complete, accurate and up to date;
- (2) They have provided Sustainalytics with all relevant information; and
- (3) 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 SLB Framework and should be read in conjunction with the SLB Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Autonom. Sustainalytics’ Second-Party Opinion reflects on the alignment of the Framework with market standards but provides 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 SPTs but does not measure KPI performance. The measurement and reporting of KPIs is the responsibility of Autonom. 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 Autonom has made available to Sustainalytics for the purpose of this Second-Party Opinion.

The Second-Party Opinion is valid for issuances aligned with the SLB Framework for up to 24 months or until one of the following occurs:

- (1) A material change to the external benchmarks<sup>3</sup> against which targets were set;
- (2) A material corporate action (such as material M&A or change in business activity) which has a bearing on the achievement of the SLBs or the materiality of the KPI.

For inquiries, contact the Corporate Solutions project team:

**Evan Bruner (Amsterdam)**

Project Manager  
evan.bruner@sustainalytics.com  
(+31) 20 205 0027

**Udayakrishnan Azhakath (Mumbai)**

Project Support  
udayakrishnan.azhakath@sustainalytics.com  
(+91) 22 6121 7100

**Kibii Sisulu (London)**

Client Relations  
susfinance.emea@sustainalytics.com  
(+44) 20 3880 0193

**Given Mawodzeka (Amsterdam)**

Project Support  
given.mawodzeka@sustainalytics.com  
(+31) 20 399 8382

**Mousumi Bej (Mumbai)**

Project Support  
mousumi.bej@sustainalytics.com  
(+91) 22 6121 7100

<sup>1</sup> The Sustainability-Linked Bond Principles (SLBP) were launched by ICMA in June 2020. They are administered by the ICMA and are available at: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-PrinciplesJune-2020-100620.pdf>

<sup>2</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.

<sup>3</sup> Benchmarks refers to science based benchmarks

## Introduction

Autonom is a Romanian mobility company that provides transportation and car rental solutions in over 30 cities in Romania, Hungary and Serbia. Autonom intends to use the SLB Framework to issue sustainability-linked bonds whose coupon rate is tied to the achievement of two sustainability performance targets for one KPI related to reducing CO<sub>2</sub> intensity of its operational fleet, measured in terms of average Worldwide Harmonised Light Vehicle Test Procedure (WLTP)<sup>4</sup> emissions.

Autonom has engaged Sustainalytics to review the SLB Framework and to provide an opinion on its alignment with the Sustainability-Linked Bond Principles 2020 (SLBP).

**Table 1: KPI Definitions**

KPI	Definition
Operational CO <sub>2</sub> intensity (Average WLTP gCO <sub>2</sub> /km for the operational fleet)	<p>The KPI is a measure of the CO<sub>2</sub> intensity of the operational fleet (in gCO<sub>2</sub>/km), calculated based on the manufacturers' information related to Worldwide Harmonized Light Vehicles Test procedure ('WLTP'), set out by EU Commission Regulation 2017/1151.<sup>5</sup></p> <p>The KPI covers all CO<sub>2</sub> emissions from the operational fleet consisting of rent-a-car services, fleet operational leases, as well as company own-use vehicles (scope 1 and 3), which represent more than 99% of Autonom's total emissions.</p> <p>The CO<sub>2</sub> emissions inventory was prepared in accordance with the Greenhouse Gas Protocol's corporate reporting standards.</p>

**Table 2: SPTs and Past Performance**

KPI	2018	2019	2020 (baseline)	SPT 2025	SPT 2030
Operational CO <sub>2</sub> intensity (Average WLTP gCO <sub>2</sub> /km for the operational fleet)	149.71	154.14	153.57	115.13	75.87

<sup>4</sup> Under conditions defined by EU law, the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) laboratory test is used to measure fuel consumption and CO<sub>2</sub> emissions from passenger cars as well as their pollutant emissions.

<sup>5</sup> EU-Lex, "Commission Regulation (EU) 2017/1151 of 1 June 2017,(2017)", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R1151&from=EN>

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Alignment of Autonom's Sustainability-Linked Bond Framework with the Sustainability-Linked Bond Principles.

Sustainalytics is of the opinion that the Autonom Sustainability-Linked Bond Framework aligns with the five core components of the Sustainability-Linked Bond Principles 2020 (SLBP).



#### Selection of Key Performance Indicators (KPIs)

##### Relevance and Materiality of KPIs

In its assessment of materiality and relevance, Sustainalytics considers: i) whether an indicator speaks to a material impact of the issuer's business on environment or social issues, and ii) to what portion of impact the KPI is applicable.

Sustainalytics considers the KPI to be material and relevant given the following:

- The car industry is considered a carbon-intensive industry with the sector contributing more than 9% of the global greenhouse gas emissions in 2018.<sup>6</sup> Within the EU, transport is responsible for nearly 30% of the EU's total CO<sub>2</sub> emissions, of which 72% comes from road transportation.<sup>7</sup> In this context, Autonom's internal materiality assessment identified CO<sub>2</sub> emissions and climate impact, along with energy and fuel management as material environmental issues for the Company.
- Sustainalytics' ESG Risk Ratings identifies "Carbon - Own Operations" as a material ESG issue (MEIs) for the Company as well as its sub-industry. Additionally, the Sustainability Accounting Standards Board (SASB) identifies GHG emissions as a relevant topic to track and disclose for the transportation industry within 'Fleet Fuel Economy and Utilization' for the 'Car Rental and Leasing' sub-industry.
- In terms of applicability, Sustainalytics notes that the KPI covers emissions from Autonom's operational fleet consisting of rented, leased and own-use vehicles (scope 1 and 3) together accounting for approximately 99% of Autonom's total emissions, which represents a high scope of applicability.

##### KPI Characteristics

In its assessment of the KPI characteristics, Sustainalytics considers: i) whether a clear and consistent methodology is used; ii) whether the issuer follows an externally recognized definition; iii) whether the KPIs are a direct measure of the issuer's performance on a material environmental or social issue; and, if applicable, iv) whether the methodology can be benchmarked to an external, contextual benchmark.

Sustainalytics considers the KPI – Operational CO<sub>2</sub> intensity – to be a direct measure of performance on the CO<sub>2</sub> emissions profile of the Company's operational fleet. Further, Sustainalytics considers the KPI to be clear and consistently applied across the years under observation and on the historical performance. Autonom calculates its GHG emissions inventory in accordance with the Greenhouse Gas (GHG) Protocol's corporate reporting standards and the methodology used is also consistent with the definitions provided by the Global Reporting Initiative (GRI). Additionally, the calculation also adheres to the manufacturers' information related to Worldwide

<sup>6</sup> Greenpeace, 'Car industry's 2018 carbon footprint exceeds EU greenhouse gas emissions' at: <https://www.greenpeace.org/international/press-release/24131/car-industrys-2018-carbon-footprint-exceeds-eu-greenhouse-gas-emissions-greenpeace/>

<sup>7</sup> European parliament 'CO<sub>2</sub> emissions from cars: facts and figures' at:

<https://www.europarl.europa.eu/news/en/headlines/society/20190313STO31218/co2-emissions-from-cars-facts-and-figures-infographics>

Harmonized Light Vehicles Test procedure ('WLTP'), set out in Commission Regulation (EU) 2017/1151. Sustainalytics further notes that the KPI is comparable against external contextual benchmarks such as the well-below 2-degrees scenario from the Science-Based Targets Initiative (SBTi). Sustainalytics further notes that the KPI is comparable against external contextual benchmarks, such as the well-below 2°C scenario from the Science Based Targets initiative (SBTi). Autonom has stated an intention to submit its emissions target commitment to the SBTi for assessment against the well-below 2°C scenario by mid-2022. Sustainalytics positively notes Autonom’s efforts to align its decarbonization trajectory with established industry benchmarks.

**Overall Assessment**

Sustainalytics overall considers the Operational CO<sub>2</sub> intensity KPI to be very strong given that it speaks to an environmental issue with material impact to Autonom’s business and has a high scope of applicability to the Company’s total emissions. Sustainalytics further considers the KPI a direct measure of performance on the material issue with a clear, consistent, and externally recognizable definition, while also noting that the KPI is comparable against external contextual benchmarks.

Operational CO <sub>2</sub> intensity (Average WLTP gCO <sub>2</sub> /km for the operational fleet)	Not Aligned	Adequate	Strong	Very strong
---	-------------	----------	--------	-------------



**Calibration of Sustainability Performance Targets (SPTs)**

**Alignment with Issuer’s Sustainability Strategy**

Autonom has set the following SPTs for its KPIs:

- By 2025, reduce operational CO<sub>2</sub> intensity by 25% from a 2020 baseline.
- By 2030, reduce operational CO<sub>2</sub> intensity by 51% from a 2020 baseline.

Sustainalytics considers the SPTs to be aligned with Autonom’s sustainability strategy (please refer to Section 2 for an analysis of the credibility of Autonom’s sustainability strategy).

In Autonom’s materiality assessment, the Company identified energy and fuel management, and GHG emissions and climate impact as material aspects for the Company and its stakeholders. In its sustainability strategy, Autonom acknowledges the impact of its operations on climate change and commits to engage all efforts needed to reduce the CO<sub>2</sub> emissions generated from its activities. Further, the Company has conducted an internal scenario analysis to develop a mitigation plan for a 2°C scenario, whose execution is anchored on fleet substitution scenarios to align with best market practice and to comply with the EU’s legal requirements and directives on vehicle fleet emissions. The Company has used the scenario analysis to identify its sustainability indicators and the basis to set medium- and long-term targets. Sustainalytics is of the opinion that Autonom’s overall sustainability strategy is in alignment with the SPTs and will also support its achievement within the timeframe.

**Strategy to Achieve the SPTs**

Autonom intends to achieve the SPT through the following strategy:

- Autonom intends to increase the share of green (low carbon, hybrid and electrical) vehicles in its fleet. Autonom currently has a green fleet share of 3.75% and plans to increase it to 15-18% until 2025 and 35-40% by 2030, if market conditions allow.
- Autonom plans to conduct a pre-feasibility study by mid-2022, for installation of electric charging stations at the locations in Romania where it operates.
- Autonom has planned to do an analysis of potential commitment to the SBTi and undertake deeper screening of potential scenarios for emissions reduction by mid-2022.
- The Company will be conducting awareness campaigns to increase the willingness for adoption of LEVs among clients and help them in reducing their environmental footprint.

**Ambitiousness, Baseline and Benchmarks**

To determine the ambitiousness of the SPTs, Sustainalytics considers: i) whether the SPTs go beyond business-as-usual trajectory, ii) how the SPTs compare to targets set by peers, iii) and how the SPTs compare with science.<sup>8</sup>

Autonom has set the baseline for the SPTs at 2020, considering the integration of BTOL’s fleet in 2018<sup>9</sup> and aligning with the European transportation sector’s goals and targets in the timeframe of 2020-2030.

Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance, peer performance, science-based benchmarks.

In terms of past performance, Autonom has disclosed the emission intensity of its operational fleet since 2018, recording only a 0.37% reduction in emission intensity in 2020 as compared to 2019, yet higher than 2018. To achieve the SPTs, the average annual reduction rate of emissions during the period 2020 to 2030 needs to be above 5%. In this respect, Sustainalytics considers the SPTs to go beyond a business-as-usual trajectory.

For peer comparison, car rent and leasing companies based in Romania were taken into consideration to normalize for differences in infrastructure development across European countries, such as charging stations for electric vehicles. Sustainalytics notes that the majority of Romania-based peer companies do not have any reported quantitative time bound targets for reduction of CO<sub>2</sub> emissions and identified a couple of operators whose disclosed targets are aligned with Autonom’s targets. Sustainalytics considers Autonom’s set targets to be at least aligned with the peer’s performance.

To compare the SPTs with science, Sustainalytics utilised the benchmark scenarios for the auto sector developed by the Transition Pathway Initiative (TPI), using the sectoral decarbonization approach. Sustainalytics assessed Autonom’s SPTs against TPI’s 2°C scenario, which is consistent with the overall aim of the Paris Agreement, albeit at the low end of the range of ambition.<sup>10</sup> The 2°C benchmark scenario for the auto sector established an emission intensity target of 94 gCO<sub>2</sub>/km for 2025 and 77 gCO<sub>2</sub>/km for 2030, where emissions are computed as per NEDC methodology.<sup>11</sup> The issuer’s SPTs, converted from WLTP to NEDC are 95.1 gCO<sub>2</sub>/km for 2025 and 62.7 gCO<sub>2</sub>/km for 2030. This implies the mid-term target to be close and the long-term targets converging towards the TPI’s benchmark. Sustainalytics considers the targets to be consistent with those set by the TPI’s 2°C scenario for the auto sector.

**Overall Assessment**

Sustainalytics considers the SPTs to align with Autonom’s sustainability strategy and considers the SPTs to be ambitious given that they present a material improvement compared to past performance and are aligned with the Company’s peers’ targets, while on a decarbonization trajectory consistent with science-based trajectories.

By 2025, reduce operational CO <sub>2</sub> intensity by 25% from a 2020 baseline.	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
By 2030, reduce operational CO <sub>2</sub> intensity by 51% from a 2020 baseline.	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious

<sup>8</sup> We refer here to contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.  
<sup>9</sup> BTOL, the Operational Leasing division of the BT Financial Group, was acquired by Autonom in May 2018, at: <https://business-review.eu/news/autonom-buys-bt-operational-leasing-from-banca-transilvania-168156>  
<sup>10</sup> Transition Pathway Initiative, “Methodology”, at: <https://www.transitionpathwayinitiative.org/methodology>  
<sup>11</sup> Transition Pathway, “Carbon Performance: Autos”, at: <https://www.transitionpathwayinitiative.org/methodology>



## Bond Characteristics

---

Autonom has disclosed that bonds issued against the Framework will have the financial characteristics linked to the performance on the KPI. A failure to achieve the SPT on the target observation date will trigger a coupon rate step-up. The penalty will also be applicable if the Company is unable to calculate performance level against the SPT or report it in a satisfactory manner supported by verification assurance certificate on a timely basis. Autonom has confirmed that the amount, timing, and mechanism for payment of the premium will be specified in the final terms of the issuances. Sustainalytics positively notes that the SPT needs to be met to avoid an increase in the coupon rate but does not opine on the adequacy of the penalty imposed for not achieving the set SPT.



## Reporting

---

Autonom commits to report on an annual basis on its performance on the KPIs and expects to include the relevant figures in its Annual Report-Non-financial statement or its Annual Sustainability Report accessible on the company's website. The Company also commits to disclose other relevant information that may enable investors to monitor the progress of the SPTs. The report may also include, where feasible, an explanation of the key contributing factors for evolution of KPIs, an illustration of the positive impact of the performance improvement, any reassessment of KPIs or restatement of SPTs and updates on new regulations relevant to the KPI and SPT. Autonom's reporting commitments are aligned with the recommendations of the SLBP.



## Verification

---

Autonom commits to having an external verifier provide limited level of assurance on the published KPI performance figures for each fiscal year at least until the date or period relevant for assessing the achievement of the SPT has been reached. Verification of KPI performance will be made publicly available in the form of a verification assurance certificate on Autonom's website. This is aligned with the SLBP on verification.

## Section 2: Assessment of Autonom's Sustainability Strategy

### Credibility of Autonom Sustainability Strategy

Autonom has embedded sustainability management in its corporate governance structure through the establishment of a sustainability strategy considering the most relevant material aspects and associated risks and opportunities.<sup>12</sup> The Company has established a sustainability committee whose responsibilities are to integrate, monitor and oversee all sustainability initiatives of the Company. The committee, which meets twice a year to conduct sustainability management reviews and strategy formulation, is comprised of Autonom's CEO, CFO, Operational Director and Sustainability Manager.

Autonom's Sustainability Strategy for 2021 has identified three key strategic pillars, namely, (i) Environment (ii) People and Community and (iii) Sustainable Business and Governance. Environment refers to reducing ecological footprint and climate change awareness through responsible consumption.<sup>12</sup> People and Community refers to community and employee engagement for overall development through targeted programmes to improve educational quality and access in Romania and personal development initiatives for Autonom's employees. Sustainable Business and Governance refers to incorporation of ethics, transparency and integrity in business and governance with a view to offering sustainable mobility solutions.

Autonom has set a comprehensive roadmap as part of its sustainability strategy with linked goals and KPIs. To achieve its goal of reducing CO<sub>2</sub> emissions intensity of its operational fleet by 25% (WLTP indicator) by 2015 and by 51% by 2030, Autonom intends to increase the share of lower and zero emission vehicles in its fleet and to improve vehicle fuel efficiency. Regarding waste management, Autonom targets 50% of recyclability for used oils and tires by 2030.<sup>12</sup> Furthermore, Autonom targets to increase the percentage of its low carbon hybrid and electrical vehicles from the total vehicles owned/leased or rented by at least 15% until 2025.<sup>12</sup>

Sustainalytics considers Autonom's sustainability strategy to adequately address key sustainability risks and encourages Autonom to implement comprehensive sustainability reporting on all disclosure topics under its sustainability strategy. Sustainalytics considers that the bonds eventually issued under the SLB Framework will further support Autonom's sustainability strategy.

### Autonom's Environmental and Social Risk Management

Overall, Sustainalytics considers Autonom has adequate ESG risk management provisions. Sustainalytics also recognizes that while the Autonom's defined targets are impactful, achieving the SPTs bears environmental and social risks related to carbon-own operations, fleet fuel economy and waste management.

In the following section Sustainalytics comments on Autonom's ability to mitigate such potential risks:

- Under its Sustainable Business and Governance pillar, Autonom integrates its systemic approach on risk management to sustainability issues. Autonom's Sustainability Strategic Committee's decision-making encompasses the responsibility of risk management and mitigation. The committee meets twice per year for sustainability management review.
- The Company integrates risk assessment and analysis in its internal integrated risk management process. Autonom identifies key risks related to sustainability by integrating it with SWOT analysis and is working to establish climate risk mapping by mid-2022.
- The Company has undertaken to calculate GHG emissions associated with its agencies' activities and its customer fleet based on the GHG Protocol Standard to analyse and monitor its GHG emissions.
- Autonom is working on a potential commitment to the SBTi, as well as preliminary screening of potential decreasing scenarios and an analysis of potential implementation of the TCFD framework by mid-2022.

Overall, Sustainalytics considers that Autonom has put in place management programmes and policies to mitigate risks that are material to Autonom's sub-industry.

---

<sup>12</sup> Autonom, "Towards a Sustainable Mobility: Sustainability Strategy July 2021" which was reviewed by Sustainalytics

### Section 3: Impact of the SPTs Chosen

- The global transport sector is predominantly based on the combustion of fossil fuels, making it one of the largest sources of carbon emissions. It accounts for about 25% of total carbon emissions globally, and 74.5% of those emissions comes from road vehicles.<sup>13</sup> According to the IEA’s Energy Technology Perspective, global transport (measured in passenger-kilometres) is expected to double and car ownership rates are expected to increase by 60% by 2070.<sup>14</sup> Although there has been a steep rise in the development of EVs globally, the total emissions from road transport continues to increase. For the transport sector to meet projected mobility and freight demand while reducing carbon emissions to those required to achieve the Paris Climate Agreement, both fuel switching and energy efficiency measures need to be deployed to maximum effect. This can be achieved by, for example, shifting travel to most efficient modes, implementing systemic and operational efficiency measures and deploying energy-efficient technologies for vehicles and fuels. The energy intensity of the global transport sector (total energy consumption per unit of GDP) dropped by 2.3% in 2019 after falling an average 1.4% per year between 2000 and 2018. However, the IEA predicts that energy intensity must drop by 3.2% on average annually from 2020 to 2030 to put transport efficiency on track with the sustainable development scenario for reaching net zero CO<sub>2</sub> emissions from global energy by 2070.<sup>15</sup>
- Greenhouse gas emissions from the EU’s transport sector increased in 2018 and 2019, which was a deviation from the EU’s general decreasing emissions trend. National projections compiled by the European Environment Agency (EEA) suggest that transport emissions in 2030 will remain above 1990 levels, even with measures currently planned in Member States.<sup>16</sup> In Romania, emissions from the transport sector increased by 40% between 2005 and 2019. Further action is needed particularly in road transport to reduce the emissions in both absolute and relative terms. As part of its Green Deal, the EU has adopted the Sustainable and Smart Mobility Strategy<sup>17</sup>, which aims to boost uptake of zero-emission vehicles, and has set a target to have at least 30 million zero-emission cars in operation on European roads by 2030. In 2020, the EU approved EUR 53 million to support development of an electric vehicle charging station network in Romania.<sup>18</sup> This measure is expected to encourage a significant uptake of low-emissions vehicles, thus making a major contribution towards reducing Romania’s transport sector’s carbon footprint.
- Sustainalytics notes that Autonom’s investment in electric vehicle procurement will contribute meaningfully towards meeting the carbon emissions reduction targets in line with EU’s climate and environmental objectives and the goals set by European Green Deal.

#### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. The sustainability-linked bonds eventually issued under the SLB Framework are expected to contribute to advancing the following SDG goals and targets:

KPI	SDG	SDG Target
Operational CO <sub>2</sub> intensity	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 vulnerable situations, women, children, persons with disabilities and older persons 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

<sup>13</sup> Our World in Data, “Cars, planes, trains: where do CO<sub>2</sub> emissions from transport come from?”, at: <https://ourworldindata.org/co2-emissions-from-transport>

<sup>14</sup> IEA, “Energy Technology Perspectives 2020”, at: <https://www.iea.org/reports/energy-technology-perspectives-2020?mode=overview>

<sup>15</sup> IEA, “Tracking Transport 2020”, at: <https://www.iea.org/reports/tracking-transport-2020>

<sup>16</sup> European Environment Agency, “Greenhouse gas emissions from transport in Europe”, at: <https://www.eea.europa.eu/data-and-maps/indicators/transport-emissions-of-greenhouse-gases-7/assessment>

<sup>17</sup> European Commission, “Mobility Strategy”, at: [https://ec.europa.eu/transport/themes/mobilitystrategy\\_en](https://ec.europa.eu/transport/themes/mobilitystrategy_en)

<sup>18</sup> European Commission, “State aid: Commission approves €53 million public support scheme for charging stations for low emission vehicles in Romania”, at: [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_20\\_224](https://ec.europa.eu/commission/presscorner/detail/en/IP_20_224)

## Conclusion

Autonom Services S.A. intends to issue sustainability-linked bonds whose coupon rate will be tied to achievement of the following SPTs under one KPI – Operational CO<sub>2</sub> intensity (Average WLTP gCO<sub>2</sub>/km for the operational fleet):

- a) By 2025, reduce operational CO<sub>2</sub> intensity by 25% from a 2020 baseline
- b) By 2030, reduce operational CO<sub>2</sub> intensity by 51% from a 2020 baseline

Sustainalytics considers the KPI chosen to be very strong given that it addresses an issue with material impact to the issuer while following a clear, consistent and externally recognized methodology. The KPI is also comparable against external contextual benchmarks. Sustainalytics considers the SPTs to be ambitious given that they represent a significant improvement on past performance while aligned with the Company's peers' targets. Sustainalytics further considers the SPTs to be on a trajectory consistent with the SBTi's well-below 2°C scenario.

Furthermore, Sustainalytics considers Autonom's reporting and verification commitments to be aligned with market expectations.

Based on the above, Sustainalytics considers the Autonom Sustainability-Linked Bond Framework to be in alignment with the five core components of the Sustainability-Linked Bond Principles 2020 and the prospective achievement of the SPTs to be impactful.

## Appendix 1: Sustainability-Linked Bonds - External Review Form

### Section 1. Basic Information

**Issuer name:** Autonom Services S.A

**Sustainability-Linked Bond ISIN:**

**Independent External Review provider's name for second party opinion pre-issuance (sections 2 & 3):** Sustainalytics

**Completion date of second party opinion pre-issuance:** October 08, 2021

**Independent External Review provider's name for post-issuance verification (section 4):**

**Completion date of post issuance verification:**

At the launch of the bond, the structure is:

- a step-up structure  a variable redemption structure

### Section 2. Pre-Issuance Review

#### 2-1 SCOPE OF REVIEW

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

The review:

- assessed all the following elements (complete review)  only some of them (partial review):
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Selection of Key Performance Indicators (KPIs)           | <input checked="" type="checkbox"/> Bond characteristics (acknowledgment of) |
| <input checked="" type="checkbox"/> Calibration of Sustainability Performance Targets (SPTs) | <input checked="" type="checkbox"/> Reporting                                |
| <input checked="" type="checkbox"/> Verification   |  |
- and confirmed their alignment with the SLBP.

#### 2-2 ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification  |
| <input type="checkbox"/> Verification                    | <input type="checkbox"/> Scoring/Rating |

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

#### 2-3 EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Autonom Services S.A intends to issue Sustainability-Linked Bonds which will tie the coupon rate to the achievements of the following SPTs:

Operational CO<sub>2</sub> intensity (Average WLTP gCO<sub>2</sub>/km for the operational fleet):

- a) By 2025, reduce operational CO<sub>2</sub> intensity by 25% from a 2020 baseline,
- b) By 2030, reduce operational CO<sub>2</sub> intensity by 51% from a 2020 baseline.

Sustainalytics considers the KPI chosen to be very strong given that it addresses an issue with material impact to the issuer while following a clear, consistent, and externally recognized methodology. The KPI is also comparable against external contextual benchmarks. Sustainalytics considers the SPTs to be ambitious given that they represent a significant improvement on past performance while aligned with the peer’s targets. Sustainalytics further considers the SPTs to be on a trajectory consistent with the SBTi’s well-below 2-degrees scenario. Furthermore, Sustainalytics considers reporting and verification commitments to be aligned with market expectations. Based on the above, Sustainalytics considers Autonom Services S.A.’s SLB Framework to be in alignment with the five core components of the Sustainability-Linked Bond Principles 2020 and the prospective of achievement of the SPTs to be impactful.

**Section 3. Detailed pre-issuance 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.*

**3-1 SELECTION OF KEY PERFORMANCE INDICATORS (KPIs)**

**Overall comment on the section** *(if applicable)*: Sustainalytics overall considers the operational CO<sub>2</sub> intensity KPI to be very strong given that it speaks to an environmental issue with material impact to Autonom’s business, and a high scope of applicability to the Company’s total emissions. Sustainalytics further considers the KPI a direct measure of performance on the material issue with a clear, consistent and externally recognizable definition, while also noting that the KPI is comparable against external contextual benchmarks.

**List of selected KPIs:**

- Average WLTP gCO<sub>2</sub>/km for the operational fleet

**Definition, Scope, and parameters**

- Clear definition of each selected KPIs
- Clear calculation methodology
- Other (please specify):

**Relevance, robustness, and reliability of the selected KPIs**

- Credentials that the selected KPIs are relevant, core and material to the issuer’s sustainability and business strategy.
- Evidence that the KPIs are externally verifiable
- Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis
- Evidence that the KPIs can be benchmarked
- Other *(please specify)*:

**3-2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)**

Sustainalytics considers the SPTs to align with Autonom Services S.A.’s sustainability strategy and considers Autonom’s SPTs to be ambitious given that it presents a material improvement compared to past performance and aligned with the peer’s targets, while on a decarbonization trajectory consistent with science-based trajectories.

**Rationale and level of ambition**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Evidence that the SPTs represent a material improvement                                  | <input checked="" type="checkbox"/> Credentials on the relevance and reliability of selected benchmarks and baselines |
| <input checked="" type="checkbox"/> Evidence that SPTs are consistent with the issuer’s sustainability and business strategy | <input checked="" type="checkbox"/> Credentials that the SPTs are determined on a predefined timeline                 |
|  | <input type="checkbox"/> Other (please specify):  |

**Benchmarking approach**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Issuer own performance   | <input checked="" type="checkbox"/> Issuer’s peers |
| <input checked="" type="checkbox"/> reference to the science | <input type="checkbox"/> Other (please specify):   |

**Additional disclosure**

- |   |  |
|---|--|
| <input type="checkbox"/> potential recalculations or adjustments description                                  | <input checked="" type="checkbox"/> issuer’s strategy to achieve description |
| <input checked="" type="checkbox"/> identification of key factors that may affect the achievement of the SPTs | <input type="checkbox"/> Other (please specify):                             |

**3-3 BOND CHARACTERISTICS**

**Overall comment on the section (if applicable):** Autonom will link the bond’s financial characteristics to the achievement of the SPTs in the form of a coupon rate adjustment. A failure to meet the SPTs on target observation date or the reporting and verification commitments will result in a coupon rate step-up. To avoid triggering any coupon adjustments, both SPTs need to be met.

**Financial impact:**

- variation of the coupon
- ...
- Other (please specify):

**Structural characteristic:**

- ...
- ...
- Other (please specify):

**3-4 REPORTING**

**Overall comment on the section (if applicable):** Autonom commits to report on an annual basis on its performance on the KPIs in its sustainability report to be published on its website from year 2022. Autonom commits to disclose relevant information that affect the KPI performance, such as any relevant information enabling investors to monitor the progress of the SPT. The reporting commitments are aligned with the SLBP.

**Information reported:**

- performance of the selected KPIs
- level of ambition of the SPTs
- verification assurance report
- Other (*please specify*):

**Frequency:**

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

**Means of Disclosure**

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

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

**Level of Assurance on Reporting**

- limited assurance
- reasonable assurance
- Other (*please specify*):

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

**Section 4. Post-issuance verification**

**Overall comment on the section** (*if applicable*):

**Information reported:**

- limited assurance
- reasonable assurance
- Other (*please specify*):

**Frequency:**

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

**Material change:**

- Perimeter
- KPI methodology
- SPTs calibration

## Disclaimer

**Copyright ©2021 Sustainalytics. All rights reserved.**

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

## About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 25 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 800 staff members, including more than 300 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com)

Or contact us [contact@sustainalytics.com](mailto:contact@sustainalytics.com)

