



**October
2020**

Green Finance Framework

GETLINK SE



GREEN FINANCE FRAMEWORK

Introduction

Getlink is a leader in eco-responsible transport and infrastructure solutions, and a major player in the European transportation sector engaged in three main activities:

- Eurotunnel: Concessionaire of the cross-Channel Fixed Link till 2086
- Europorte: rail freight operator
- ElecLink: France / UK electricity interconnector

The Eurotunnel enjoys a unique position in Europe, conveying €138 billion of goods per year (accounting for circ. 26% of UK-EU trade) in an environmentally friendly mode of transportation.

The Group is fully committed to sustainable development, and in making a contribution to the transition to a low carbon economy. The Group strives for continuous reductions of CO2 emissions. By enabling trains to use the Tunnel, Getlink is contributing to the shift from short-haul air travel to rail, helping to save an estimated 2 million tonnes of CO2 annually compared to ferry travel / airlines. ElecLink, through its installation of the 1GW direct current interconnector between France and the UK via the tunnel, will help reduce an estimated 6.1 tonnes of CO2 emissions, whilst minimising the adverse impact to marine and terrestrial life.

Eurotunnel has been certified by the Carbon Trust Standard since 2009. This independent organisation audited the Group's management of greenhouse emissions in 2011 and set the baseline level for greenhouse emissions for the whole of the group's activity at 2010 levels. In 2019 the Group's Carbon Trust Standard Certification was renewed for Eurotunnel in recognition of its carbon footprint reduction policy for the 2017-2018 period. Eurotunnel reduced its carbon footprint by 55% between 2006 and 2014, and by 9% in 2015-2016, compared to 2012-2013. Eurotunnel further reduced its greenhouse gas emissions by 13% between 2018 and 2019 notably due to the implementation of a *Blue for Business* contract, which guarantees zero-carbon electricity in the United Kingdom. The optimization of the Truck Shuttle loading procedures has enabled Eurotunnel to increase the average number of truck loaded onto each Shuttle and thus generate electricity savings by reducing the number of Truck Shuttle trips. The reduction in unintentional halon releases has helped Eurotunnel to reduce the associated emissions by 44%. At group level Getlink reduced its CO2 emissions by 33% in 2019 vs 2012 while its revenues increased by 28% during the same period. This reduction has enabled Getlink's shares to be included in a number of green indices in particular the Low Carbon Trust Index from 2015

Since inception, Getlink has adopted a social responsibility policy that seeks to reconcile financial performance, social equity and environmental protection all within a framework of continuous improvement. As a signatory of the UN Global Compact, the Group communicates annually on its CSR best practices within a "Communication on Progress" (COP) report. At the heart of our business operations and interactions with our stakeholders lies our CSR responsibilities, and we are committed to ensure that our investment decisions are aligned to what we strongly believe in.

Getlink has based its CSR policy on an understanding of the Group's material challenges.

From 2015 onward Getlink has prepared a materiality analysis to identify and rank the group's material challenges, based on its business activities and its stakeholders' expectations.

In 2019 mindful of a constantly changing environment and rapid changes to internal and external stakeholder expectations, the Group updated its materiality analysis. This enabled the group to identify a number of challenges involving among other challenges CSR and environment protection issues, including in particular the energy transition and the fight against climate change, the preservation of natural environment, the waste management and the circular economy.

A detailed description of the 23 material challenges identified is available on Getlink web site:

<https://www.getlinkgroup.com/en/our-commitments/csr/csr-principles/>

as well as at section 6.1.2 of Getlink SE's Universal Registration Document for 2019.

On this basis, Getlink has reinforced its organisation and engagement in the field of CSR and sustainable development with the appointment of a Group CSR director in 2019 and of a Group environment director.

The Group has updated its stakeholder mapping in 2020 based on a wide internal consultation of its executive officers and managers. Engaging in a constructive dialogue with all its stakeholders will enable to feed the CSR strategy of the Group on the regular basis completing what was already done in the field of procurement where compliance to environment and CSR criteria defined by the Group are included in the selection process of suppliers

Fully conscious of the global challenges of sustainable development, Getlink is committed to ensuring that its growth is achieved in accordance with its precepts, in conjunction with the 17 Sustainable Development Goals of the United Nations. In 2020, Getlink selected 10 Sustainable Development Goals (SDGs), which are the most relevant to its business model, its activities and its material challenge. In terms of environment, these include, in particular, affordable and clean energy, industry innovation and infrastructure, responsible consumption and production, climate action.

In 2020 Getlink launched new projects to renew its CSR strategy and within the CSR strategy its environmental strategy. These projects should be finalized by the end of 2020.

Getlink has also started the calculation its GhG emissions relating to Scope 3 of the Kyoto protocol in order to be able to start providing figures for this scope when in the past reporting was limited to Scope 1 and Scope 2.

This green finance framework ('the Framework') is developed in alignment with International Capital Markets Association's (ICMA) Green Bond Principles 2018 and Loan Market Association's (LMA) Green Loan Principles 2020. The framework replaces Getlink's previous Green Bonds Framework dated October 2018.

With this update, we are broadening possible green financing instruments to include Green Bonds, Green Loans, and other types of debt instruments (“Green Transactions”) to finance green eligible projects.

Getlink intends to update the Green Finance Framework periodically at its sole discretion to reflect developments in the best practices of the Green Bond and Loan Markets or changes to the ICMA and LMA frameworks.

Use of Proceeds

Getlink will apply 100% of the net proceeds from any Green Transaction to finance or to finance or re-finance, in part or in full, new and/or existing green assets (“Eligible Green Assets”) falling within one of the eligible categories detailed below.

- Clean Transportation;
- Energy Efficiency; and
- Pollution Prevention and Control.

Clean Transportation:

Transportation is an important driver of economic growth as it brings about the interconnectedness of people, goods and information. While transportation has paved new grounds for high levels of development, it is also a significant contributor to global warming through the emission of greenhouse gases. Clean transportation can thus spur economic growth while at the same time minimise the damage done to our environment.

Green Assets under this Eligible Investment category may include development, construction, acquisition, installation, operation and upgrades of:

- Energy efficient transport (e.g. running on alternative fuels such as electric, biofuel, hybrid);
- Infrastructure for public transport and clean transport (e.g. tunnels and rail freight transportation that contribute to the shift to low-carbon transportation, dedicated parking lots and charging facilities for electric vehicles etc.);
- Non-diesel rolling stock (zero direct emissions); and
- Multimodal transport systems.

Energy Efficiency:

Energy efficiency minimises the use of fossil fuels and hence reduces the amount of greenhouse gases emitted.

Green Assets under this Eligible Investment category may include development, construction, acquisition, installation, operation and upgrades of:

- Infrastructure improvement and development (e.g. LED lighting, insulation of walls and roofs, efficient heating, ventilation and air conditioning, leakage detection systems, refrigeration units etc.);

- Smart grid installation;
- Cross-border electrical interconnector (ElecLink); and
- Energy recovery technology and high-voltage power transmission investments for more efficient transmission.

Pollution Prevention and Control:

As the world gets increasingly urbanised, proper waste management becomes particularly important. Recycling serves as a locally available means of reducing greenhouse gases for us by recapturing rather than discarding materials used to produce products.

Eligible Green Assets under this category may include the installation, construction and development of:

- Recycling facilities, systems and equipment;
- Environmentally friendly air conditioning systems (increasing efficiency of power usage and using organic refrigerants that have little/no adverse effect on the environment)

Process for Project Evaluation and Selection

Getlink has established a cross-departmental Green Finance Committee (GFC) that has strengthened its overall governance framework and oversee the Green Finance Framework.

The GFC is chaired by the CSR Director and includes the Environment Director as well as members from the following departments across the organisation:

- Finance
- Legal
- Investor Relations
- and
- Other functional departments (as required).

The role of the GFC is to:

- Review, select and validate the pool of Eligible Green Assets based on the Green Finance Framework;
- Validate annual reporting for investors; and
- Monitor on-going evolution related to the green bond/loan market practices in terms of disclosure/reporting in order to be in-line with best market practices.

The selected investments will be added to the list of Eligible Investments that may receive Green Finance proceeds.

The list of Eligible Green Assets will be recorded in our internal accounting systems. Green finance issuance will also be documented in this system. At any time of the lifetime of the Green finance instruments, the outstanding amount of Green finance instruments will not exceed the value of Eligible Green Assets.

Monthly reporting is produced by the Investor Relations Department and distributed to the members of the GFC showing the allocation of the net proceeds to each relevant Green Assets financed or refinanced, in line with the categories outlined above.

Management of Proceeds

The net proceeds from any Green Transactions will be deposited to a general account and an amount equal to the net proceeds will be earmarked for allocation to the Eligible Green Assets as selected by Getlink's GFC.

All relevant information regarding the issuance of Green Bonds/Loans and the Eligible Green Assets (re)financed will be monitored and kept in our internal accounting systems.

The payment of principal and interest on any Green Bond issued by the Bank will be made from our general funds and will not be linked to the performance of any Eligible Green Assets.

Pending the allocation or reallocation, as the case may be, of the net proceeds, Getlink will invest the balance of the net proceeds, at its own discretion, in cash and/or cash equivalent and/or other liquid marketable instruments, as per Getlink's cash management policy.

Getlink intends, to the best of its abilities, to maintain full allocation until maturity by replacing any green projects that may have been divested or are no longer eligible due to other circumstances.

Reporting

Within one year of each Green finance issuance, and annually thereafter until full allocation of the amount equal to the net proceeds of the green issuance, Getlink will prepare and publish a Green Finance Report ("the Report"). The Report will provide information on the allocation and environmental impact of the Green instruments issued.

Allocation Report

Getlink will report on each issuances of Green instrument one year after and on an annual basis thereafter, until full allocation:

- The list of Eligible Green Assets financed or refinanced during the preceding 12 months (subject to confidentiality disclosures);
- Proportion of net proceeds used for new financing versus re-financing
- The aggregated amount of allocation of the net proceeds to the Eligible Green Assets for each of the eligible categories; and
- The balance of unallocated proceeds invested in cash and/or cash equivalent.

Impact Report

Getlink issues annual CSR reporting which covers the environmental impact of the business and its supporting investments.

The Group's social and environmental reporting is based on information stipulated in article 225 of French law 2010-788 of 12 July 2010, known as "Grenelle 2" law, and the transparency principles of the Global Reporting Initiative (GRI).

The part relating to the impact of the Group's business on the environment includes in particular:

- Greenhouse gases (GHG) emission indicators with annual tonnes of CO2 equivalent generated by the Group in the UK and in France on an annual basis (Scope 1 and Scope 2 of the Kyoto protocol)
- A comparison of the gas emission year on year with detailed information on the energy efficient investments and their impact on the environment and CO2 savings
- Energy source indicators with total consumption of energy per category
- Water consumption indicators comparing the amount of water consumed per source (public network or groundwater) and per annum.
- Waste indicator showing the amount of hazardous and non-hazardous industrial waste produce annually with details of the recycling processes in place.

Where possible, Getlink will report on the environmental impacts resulting from the Eligible Green Assets. Subject to confidentiality agreements, competitive considerations, or a large number of underlying projects limiting the amount of detail that can be made available, the information may be presented on an aggregated portfolio basis.

Impact Metrics will be in line with the metrics published in its CSR Report.

External Review

As per the Green Bond Principles and Green Loan Principles, Getlink's Green Finance Framework has been reviewed by [DNV GL], an independent third party who has issued a Second Party Opinion (SPO). The SPO along with the Green Finance Framework will be made publicly available on Getlink's website. <https://www.getlinkgroup.com/>