



**December
2023**

Green Bond Proceeds Allocation Report

CHANNEL LINK ENTERPRISES
FINANCE LTD/ EUROTUNNEL



Channel Tunnel Enterprises Finance Ltd/ Eurotunnel

Green Notes Proceeds

Allocation Report December 2023

Introduction

On 21 April 2022, the Eurotunnel sub-group refinanced the Tranche C2a of its Term Loan by way of the issue by Channel Link Enterprises Finance Plc (“CLEF”) of 425 million euros of Green Notes (The “CLEF Green Notes”) under a private placement. These notes, which have a final maturity in 2050, have a fixed rate of interest of 3.531% until June 2031 and switch to a floating rate of Euribor + 5.55% at that date.

CLEF, an entity external to the Group, was established as a debt securitisation vehicle for financing the Eurotunnel sub-group’s activities. CLEF is a special purpose vehicle, whose principal activities are raising funds by the issuance of notes and the on-lending of such funds to the Eurotunnel sub-group to fund its activities and refinance existing indebtedness. Whilst CLEF does not form part of the Group, as it is a pass-through securitisation vehicle, the investors in the notes which it issues are exposed to the business and performance of the Eurotunnel sub-group. On this basis the Group has included CLEF in its Green Finance Framework. The Eurotunnel sub-group, being the recipient of the proceeds raised by CLEF, has assumed those responsibilities, including reporting obligations, which CLEF, as an issuer of green instruments, would otherwise oversee or undertake.

The CLEF Green Notes are placed with private investors and their issuance is governed by the Green Finance Framework published by the Getlink group in September 2018, which was updated in October 2021 and in April 2022 and which is aligned with the Green Bond Principles (GBP) as set out by the International Capital Market Association (ICMA). Getlink’s revised Green Finance Framework was assessed by an independent third party, DNV GL Business Assurance Services UK Limited (“DNV GL”) who issued a Second Party Opinion (SPO) on 1 April 2022. The Getlink Green Finance Frameworks and the SPOs issued by DNV GL are available in the Detbholders’ section of Getlink SE’s website.

Allocation and Management of Proceeds

The net proceeds from the issue of the CLEF Green Notes were allocated in accordance with the criteria defined in the Getlink’s Green Bond Framework to the financing of upgrade projects and new projects carried out by Eurotunnel (« Eligible Green Assets »), that were identified prior to the issue of the CLEF Green Notes, as confirmed and listed in Schedule 1 to the SPO issued by DNV GL on 1 April 2022. The list of Eligible Green Assets is recorded in Eurotunnel’s internal accounting systems of the company. The Green Notes issuance is also documented in this system. At any time of the lifetime of the CLEF Green Notes, the outstanding amount of the CLEF Green Notes’ proceeds (net of fees, costs and expenses) will not exceed the value of the Eligible Green Assets. All relevant information regarding the issuance of the CLEF Green Notes, the Eligible Green Assets financed and refinanced is closely monitored by the Getlink Financial Control Department and kept in the internal accounting systems.

A semi-annual reporting is produced by the Getlink Financial Control Department which is distributed to the members of the Getlink Green Bond Committee (GBC) showing the allocation of the net proceeds to each relevant Green Assets financed or refinanced, in line with the construction and implementation of such projects which are split between the following categories:

- Clean Transportation including:
 - o The construction of a scanner at Frethun in France, providing security to attract more railfreight services through the Tunnel, and optimize the use of the infrastructure;
 - o The design of new locomotives to replace the initial diesel-powered locomotives used for maintenance activities (SCHOMA) to improve maintenance and environmental performance
 - o The construction of a new electricity supply balancer (SVC load)
 - o The purchase of 3 new generation freight shuttles to optimize the availability and the capacity of the railway freight services
 - o The purchase or upgrade of 19 new passenger loaders to optimize the availability of the railway freight services and the revamping of the existing loaders
 - o The design and prototype phases of a mid-life renewal programme for passengers Shuttles (except the projects related to Halon and HVAC which are mentioned below)
 - o The on-going maintenance of the Eurotunnel fleet of shuttles.
- Pollution Prevention and Control, climate change prevention including:
 - o The replacement of the Halon gas used in all technical rooms inside the Tunnel with Novec, a gas that is less carbon generating than the previous system (*removal of 16 tonnes of Halon-1301 with a GWP of 6290*);
 - o The design phase of the replacement of the Halon gas used in all passenger Shuttles (part of the mid-life renewal programme for passengers Shuttle) *with the objective of removing 58 tonnes of Halon-1301*;
 - o The design phase of the replacement of the cooling fluid in passengers Shuttle HVAC (part of the mid-life renewal programme for passengers Shuttle) *with the objective of removing 13 tonnes of R407C with a GWP of 1624*;
 - o The design phase of the removal of Refractory Ceramic Fiber (RCF) in passengers Shuttle walls (part of the mid-life renewal programme for passengers Shuttle) *with the objective of removing 84 000 m² of RCF*;
 - o The replacement of R22 gas (*4 tonnes*) with HFO fluid (*1,5 tonne*) in the Tunnel cooling systems (HFO fluid has a Global Warming Power <1 whereas R22 GWP is 1760)

Use of the Proceeds from issue date to 31 December 2023

As at 31 December 2023, a total of €420 million was spent on the above projects corresponding to 100% of the Net Proceeds of €420 million of the CLEF Green Notes issued on 21 April 2022 in the following proportions:

- Clean Transportation: 93% (all on upgrade projects for Eurotunnel);
- Pollution Prevention and Control, climate change prevention: 7% (all on upgrade projects for Eurotunnel).

Details on the environmental impact of the projects completed until 2023 are included in the Corporate Social and Environmental section (Chapter 6.4) of the Getlink SE's 2023 Universal Registration Document.