



# Green Finance Framework

2024

# 1. INTRODUCTION

## 1.1. About Eve Air Mobility

Eve Air Mobility (“Eve”) started in 2017 as an electric vertical take-off and landing (eVTOL) aircraft project within Embraer-X, Embraer’s incubator that transforms innovative ideas into businesses. Urban Air Mobility (“UAM”) was created to rethink people’s mobility within cities across the globe. Embraer-X enabled Eve to access this potential new market, develop and test diverse business models, and engage with employees and other stakeholders to create a new ecosystem. Among Eve’s solutions are the development and certification of an eVTOL, as well as an agnostic next-generation Urban Air Traffic Management (Urban ATM) software and Services and Operations Solutions, allowing Eve to offer its services to eVTOLs produced by other manufacturers.

In 2023, our latest lift + cruise design configuration was unveiled, with eight rotors for take-off and landing and a rear pusher to fly in cruise mode. This configuration also allows a fully electric operation and the potential to exclusively use clean and renewable energy.

### EVE AIR MOBILITY TIMELINE

2017

#### Origin

Eve emerges as an innovation project within Embraer-X, a unique business accelerator within Embraer, one of the largest aircraft manufacturers in the world.

2020

#### Independent

Eve is the first project to graduate from Embraer-X and become a standalone company.

2021

#### Merger with Zanite


Announcement of Eve’s merger with Zanite Acquisition Corp, an investment company focused on emerging technologies.

2022

#### IPO

On May 10, 2022, Eve goes public with an initial public offering (IPO) on the New York Stock Exchange (NYSE). The company’s common stock and warrants are traded under the ticker symbols “EVEX” and “EVEXW”, respectively.





Eve's values are based on innovative and sustainable attributes, bringing attention to accessibility, employees, and social impact, putting safety above everything we do.

Eve's core principles guide the team and focus on urban mobility, the benefits of air mobility for everyone, and the passion for transforming aviation into a green industry by embracing electrification and putting sustainability at the heart of its activities.

## **1.2. Activity and Sustainability**

Eve seeks to transform how people commute by reimagining human connections and creating safe, sustainable, and accessible mobility experiences. For Eve, mobility is not just about routes, solutions or infrastructure; it is about people. The company believes that mobility is the key to making life more fluid and cities friendlier, reducing distances and increasing the quality of time for everyone in a practical, accessible and smart way. Eve's goal is to lead the evolution of mobility and help accelerate the world's transition to sustainable air transport above cities. The company is connecting its engineering and technology expertise with a human-centered design approach to create more vibrant ways of moving from one point to another. The goal is to replace the stress of being stuck in traffic congestion with a fast, efficient and comfortable journey by air. Eve has a passion for innovation, a focus on people, and a collaborative mindset, reimagining mobility to enable what matters most: human connection. And it's all done in a safe and sustainable way for everyone, everywhere.

Eve is committed to sustainability, which has led the company to several projects and initiatives including:

- **Development of an electric aircraft:** Eve is developing an electric vertical take-off and landing (eVTOL) aircraft for urban mobility, aiming to reduce greenhouse gas emissions and make air transport more sustainable
- **Focus on sustainability:** Eve aims to help transform aviation into a green industry by embracing electrification and putting sustainability at the core of its activities
- **Collaboration with other companies and organizations:** Eve is collaborating with other companies and organizations around the world to help develop a new sustainable urban air mobility ecosystem
- **Sustainable materials:** Eve seeks sustainable materials to build its aircraft from clean, responsible and renewable sources
- **Commitment to reducing carbon emissions:** Eve is committed to reducing carbon emissions in its operations, aiming to contribute to the fight against climate change

Eve is committed to making air mobility more sustainable and accessible by collaborating with other companies and organizations and adopting sustainable practices.

## 2. EVE - GREEN FINANCE FRAMEWORK

Eve contributes to the preservation of the environment and the promotion of ethical and socially responsible practices. To achieve this goal, the company has created a Sustainable Finance Framework with criteria and indicators that guide the allocation of capital to sustainable projects. Eve's framework was created to advance its efforts toward sustainability and specifically to:

- **Contribute to the promotion of sustainable practices:** Eve recognizes the importance of promoting sustainable practices in its activities and projects. The creation of the Sustainable Finance Framework is a way to ensure that the funds raised by the company are used responsibly and sustainably
- **Meet the eligibility criteria:** Eve commits to using the funds raised through green bonds and/or loans in projects that meet the eligibility criteria outlined in the framework. These criteria include promoting sustainable practices and contributing to the preservation of the environment
- **Lead the transition to sustainable aircraft:** Eve aims to lead the transition to sustainable aviation, including an eVTOL aircraft, contributing to the promotion of transport powered by clean and renewable sources
- **Ensure the effectiveness of the commitment to sustainability:**  
The creation of the sustainable finance framework is a way to ensure the efficacy of Eve's dedication to sustainability. The framework establishes criteria and indicators that guide capital allocation in sustainable projects, contributing to the preservation of the environment and promoting ethical and socially responsible practices

## **2.1. Rationale for the Framework**

The net proceeds raised through the bonds, loans and/or green guarantee instruments by Eve will be used to finance, refinance or make possible, in whole or in part, one or more, future or existing investments of the company, any of its affiliates and/or subsidiaries. This is provided that Eve meets the Eligibility Criteria described below and are directly linked to projects with environmental benefits.

Investments in the categories described in the "Resource Usage Table", created in the last 24 months before the date of disbursement of the operations labeled as Environmental, Social and Governance (ESG), will also be eligible. The allocation will take place during 36 months, which refers to the period in which the resources will be allocated. This means that Eve intends to use all net proceeds raised before the maturity of the Green Instruments. During this period, the resources will be distributed and used according to the context of the framework mentioned above, as projects involving Research and Development (R&D) need a more extended period to validate their results and report the consolidated information.

## **2.2. Alignment with the Principles Governing Green Instruments**

Green Instruments are financing options in which resources are applied exclusively to finance or refinance projects with environmental benefits or to label the guarantees that make the operation viable. This framework follows the pillars of the 2023 edition of Green Loans Principles from Loan Syndications and Trading Association (LSTA) and the 2022 edition of Green Bonds Principles from International Capital Market Association (ICMA). This framework aims to assist Eve in raising funds based on its social and environmental projects.

This Green Finance Framework is aligned to the four main components of sustainability-linked bonds/loans:

- Use of resources
- Evaluation and selection process of projects
- Resource management
- Report

### 2.3. Use of Resources

The Resource Usage Table below describes the categories and types of projects and assets eligible to receive funds raised by financial operations adhering to this framework.

Resource Usage Table

Eligibility Category	Project	Performance Indicator	Associated SDGs <small>Sustainable Development Goals</small>
<b>R&amp;D</b>	Investment related to research, development and operationalization of sustainable aircraft	<p>Volume intended for the development of prototypes and manufacture of zero-emission vehicles</p> <p>Number of patents originated as a result of the research and development process of zero-emission vehicles</p>	SDG 9 – Industry, Innovation and Infrastructure
<b>Clean Transport</b>	Increasing the production of sustainable eVTOL aircraft	<p>Number of Sustainable Aircraft produced</p> <p>Volume of sustainable and low-environmental impact materials used in the manufacture of eVTOLs</p>	<p>SDG 11 – Sustainable Cities and Communities</p> <p>SDG 12 – Responsible Consumption and Production</p>

### 3. PROJECT SELECTION AND EVALUATION

Eve has selected the following projects for the use of funds raised through green bonds and/or loans based on the Eligibility Criteria and the associated Sustainable Development Goals (SDGs).

#### **Research and Development**

Investments related to the research, development and operationalization of the use of sustainable aircraft are significant for the advancement of green aviation. A promising concept in this field is the eVTOL, which represents a new aircraft generation capable of vertical take-off and landing. eVTOLs are designed with electric motors, resulting in fewer emissions of greenhouse gases and reduced noise footprint, making them highly sustainable and community-friendly. In addition, the electric propulsion technology allows greater control and precision during flight, contributing to greater energy efficiency.

With the continued development of eVTOLs, they are expected to be utilized in various missions, such as urban transportation, delivery services, medical rescue, and even short-haul travel. These aircraft provide a cleaner and more efficient alternative to traditional transportation methods.

#### **Volume intended for the development of prototypes and manufacture of zero-emission vehicles**

The R&D indicator for the development of eVTOL will be measured using the following indicators:

**a) R&D Investment:** Analyze the financial investment dedicated to eVTOL research and development, including the financial resources allocated to research activities, hiring of specialists, and acquisition of equipment and technologies, among others. This will be carried out based on the company's balance sheet.



**b) Number of Originated Patents:** During the research and development process of a zero-emission vehicle, intellectual property items, such as patents, will be generated to promote knowledge and technology and develop more sustainable businesses.

## **Clean Transport**

Clean transport plays a crucial role in creating a more sustainable future. We can significantly decrease the transportation sector's environmental impact by adopting vehicles and transportation technologies that reduce or eliminate greenhouse gas emissions and pollutants. Additionally, clean transportation helps to improve air quality in urban environments, reducing pollution levels and improving public health. Investing in clean transportation solutions, such as electric vehicles and efficient public transportation systems, is essential for mitigating climate change and promoting a healthier and more sustainable environment for future generations.

eVTOLs are emerging as an innovative and promising technology in the clean transportation sector. These electric aircraft are designed to fly vertically and have the potential to revolutionize urban mobility and overcome the challenges of traffic congestion in densely populated urban areas. With zero emissions and a low noise footprint, eVTOLs can significantly reduce air pollution and the environmental impact of transportation, providing an efficient and sustainable alternative to short-distance travel. Additionally, eVTOLs can improve regional connectivity, allowing faster and more affordable travel to remote areas. With their vertical take-off and landing capabilities, these aircraft can facilitate multimodal transportation by integrating with other modes of transportation, such as subways and buses. They will offer more efficient and convenient mobility solutions.

## **Number of Sustainable Aircraft produced**

To monitor the eVTOL production indicator, we will calculate the number of units produced from the resources obtained through this framework.

## **Volume of sustainable and low-environmental impact materials used in the manufacture of eVTOLs**

Eve's environmental and sustainability requirements determine the selection of materials, components and suppliers. Based on the careful selection already carried out by Embraer, Eve has developed more rigorous criteria to comply with two out of its five core values: sustainability leading the way and a focus on a positive impact on communities.

Based on the Bill of Materials (BOM) and other aircraft configuration management aspects already applied to the 30+ aircraft produced by Embraer in the last 50+ years, it will be possible to determine which materials and components come from a reduced carbon footprint and other environmental impacts according to current methodologies.

### **3.1. Exclusion Criteria**

Eve will not to use the funds raised under this framework context in projects related to acquiring, developing, operating and maintaining generation systems or aircraft powered by fossil fuels. In addition, the company will not accept projects with notes or connection with the following practices listed below:

- Aircraft for military use
- Child and slave labor

To ensure the effectiveness of its commitment to sustainability, Eve has additionally included the following in its exclusion criteria:

- Projects involving the exploitation of natural resources in protected areas
- Projects involving the use of toxic or hazardous materials
- Projects that involve the violation of human or labor rights

Including these additional criteria can help ensure that the funds raised by Eve are used responsibly and sustainably, contributing to the preservation of the environment and the promotion of ethical and socially responsible practices.

## 4. RESOURCE MANAGEMENT

The funds will be directed to the eligible projects as long as they comply with the pre-established requirements and are not associated with the terms mentioned in the sub-item Exclusion Criteria (3.1).

Eve will carry out accounting and financial control on each project to manage and guarantee information about the projects that have already been carried out or are in progress, including proving the right to reimbursement through invoices or contracts already paid.

Eve invests its funds in low-risk, short- and long-term, and fixed-income instruments, primarily in U.S. dollars and at high-quality financial institutions. Eve's management team believes that the financial institutions in which the funds are allocated are financially solid, and therefore, there is minimal credit risk concerning investments.

Eve's investment policy is focused on preserving capital and supporting its liquidity needs. The company's policy for managing the risk of fluctuations in interest rates on financial investments is to maintain a system for measuring market risk, consisting of an aggregate analysis of various risk factors that may affect the return on these investments.

Funding in this framework's context may be made by the company itself and/or any of its subsidiaries and/or affiliates. The net proceeds will be administered by Eve and managed by the Finance Department using internal tracking systems.

The funds raised will be allocated to eligible projects as defined in this framework's Use of Resources topic. The complete allocation of resources must be finalized until the maturity of the financial instrument used. In reimbursement cases, it will be limited to expenses on projects/assets that occurred within 24 months before funding.

Eve is committed to using the funds raised through green bonds and/or loans in projects that meet the Eligibility Criteria and are directly linked to projects with environmental benefits. The company also undertakes not to use the same green ballast for more than one fundraising, avoiding double counting, which will be prohibited. Capital allocation to sustainable projects is one of Eve's priorities, aiming to preserve the environment and promote ethical and socially responsible practices.

## **4.1. Report**

The company will report on an annual basis the monitoring of the indicators and the evolution of the allocation of resources to eligible projects linked to the topic Use of Resources and the indicators listed in the Project Selection and Evaluation section.

Indicators to be reported include:

- Investment in R&D
- Number of originated patents
- Clean transport
- Number of sustainable aircraft produced
- Volume of sustainable and low-environmental impact materials used to manufacture eVTOLs

Reporting will be done while the instruments are still active. The annual reports will present the information on the Green Instruments and their respective post-issuance opinions made in the context of this framework in a dedicated report ("Report - Sustainable Finance") that will be made publicly available on Eve's website ([eveairmobility.com](https://eveairmobility.com)).

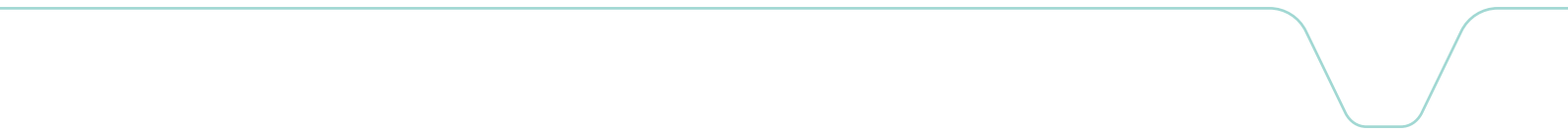
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This framework may contain information about future events, such information would not only be historical facts but would also reflect the wishes and expectations of the company's management. The words "believes", "expects", "plans", "predicts", "estimates", "projects", "targets", and the like are intended to identify statements that necessarily involve known and unknown risks so that they may or may not be realized.



Known risks include uncertainties, which are not limited to the impact of price and service competitiveness, market acceptance of services, service transactions of the company and its competitors, regulatory approval, currency fluctuation and other risks described in the company's reports.

This framework does not constitute an offer, recommendation or solicitation to purchase any of the company's real estate assets.

The information and opinions in this framework consider the principles of the 2022 Green Bond Principles issued by the International Capital Market Association and the 2023 Green Loan Principles from the Loan Market Association, and are provided as of the date hereof, so they are subject to change without notice. The company undertakes to update this framework upon new information and/or new guidelines and/or future events. This framework is not intended and cannot be invoked to create legal relationships, rights or obligations.