

AutoWallis Group Green Finance Framework

Limited Assurance Report to AutoWallis Nyrt

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Introduction

AutoWallis Nyrt ('AutoWallis' or 'Issuer' or 'Company'), a retail and wholesale trader of vehicles and rental services based in Hungary, is proposing to raise green bonds and/or loans and has appointed SustainAdvisory S.r.l. ("SustainAdvisory") to provide an independent limited assurance on AutoWallis' Group Green Finance Framework (the 'Framework'). The Limited Assurance Report contains SustainAdvisory's opinion on the conformance of the Framework with both ICMA's latest June 2021 Green Bond Principles ("GBP") and LMA's February 2021 Green Loan Principles ("GLP") and is attached to this document in Section 2.

Company Profile

AutoWallis (together with its subsidiaries 'AutoWallis Group' or 'Group') is engaged in the retail and wholesale trade of vehicles, spare parts, vehicles repair and rental services, directly and through its group subsidiaries, in 14 countries of the Central and Eastern European region including: Albania, Bosnia and Herzegovina, the Czech Republic, Bulgaria, Croatia, Kosovo, Poland, Romania, Serbia, Slovakia, Slovenia, North-Macedonia, Hungary, and Montenegro. The brands represented by the Group include BMW passenger cars and motorcycles, Dacia, Isuzu, Jaguar, Land Rover, Maserati, MINI, Nissan, Opel, Peugeot, Renault, Ssangyong, Suzuki, Toyota, Saab parts and Sixt rent-a-car, of which BMW and Sixt are dominant players in the premium car market and the car rental market, respectively. In 2020 the Group reported consolidated sale of EUR244.2m and a workforce of 662 employees. The Group is pursuing a consolidation strategy to become the leading car dealership and mobility service provider of the Central and Eastern European region by the end of the decade.

AutoWallis' Sustainability Strategy

The automotive industry has a relatively high exposure to environmental risks due to regulatory pressure towards CO2 neutral vehicles, while social risks will become more relevant with the progressive change of consumers' habits and evolution of mobility infrastructures. Car traders are indirectly exposed to the same risks of producers and their mitigation strategy approach follows and mirrors the automotive producers' choices. AutoWallis' cars bands portfolio, although diversified, is largely exposed towards BMW thanks to a long-standing partnership and a significant share of BMW's market services (40%) in Hungary.

The Company has developed a sustainability strategy focused on innovation and adaptation: offering innovative, environmentally friendly, mobility solutions like car sharing, short term and long-term car rentals; increasing fleet electrification rate (with more full electric or hybrid models); and improving the energy efficiency of its real estate portfolio (dealership buildings and show rooms) to reduce the Company's direct and indirect carbon footprint and environmental impact. The Company's approach to business and investment decisions includes environmental and social risk assessments, while strategic objectives are aligned to the UN Sustainable Goals and the Paris Agreement target ambitions.

Green Bond and Loan Rationale

As part of its sustainability strategy, AutoWallis is proposing to fund a portion of its investment

plan through a combination of green bonds and green loans. The eligible projects include new investments and the addition of 'green features' to existing assets. The projects will address Sustainability Development Goals indicated by AutoWallis as strategic priorities: Affordable and Clean Energy (Goal 7), Sustainable Cities and Communities (Goal 11), Sustainable Consumption and Production (Goal 12). The projects will contribute to environmental objectives of 'Climate Change Mitigation' and 'Pollution prevention and Control'.

AutoWallis Group Green Finance Framework

AutoWallis has established a Group Green Finance Framework to be able to issue Green Finance (both Bonds and Loans) and attract dedicated funding for the business. AutoWallis' Group Green Finance Framework has been developed in line with ICMA's new Green Bond Principles, and LMA's Green Loan Principles (jointly the "Green Principles") and as such follows the Green Principles' core components:


1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting





To enhance the transparency of the Framework, AutoWallis has appointed SustainAdvisory as external reviewer to provide a Second Party/Assurance Opinion on the Group Green Finance Framework. The Green Finance Framework will be available on AutoWallis' website.

GBP/GLP Core Component Assessment

Use of Proceeds

AutoWallis' Eligible Green Projects provide environmental benefits and contribute to environmental objectives connected to 'Climate Change Mitigation' and 'Pollution Prevention and Control' as well as SDGs. Here below is a list of Eligible Green Projects and content description:

Green Objectives/ Project Categories	Eligible Projects	Eligible Project Content	SDGs Contribution
Climate Change Mitigation, Pollution Prevention and Control / Clean Transportation	Development of e-mobility and mobility-as-a-service	<ul style="list-style-type: none"> • Increasing the ratio of zero emissions vehicles in the total fleet • Increasing the number of EV charging stations at dealership sites 	

Climate Change Mitigation, Pollution Prevention and Control / Energy Efficiency	Integrations/additions to green assets	<ul style="list-style-type: none"> • Investments for real-estate retrofitting to reach higher energy efficiency by increasing renewable energy and other technical solutions. • Investments in new commercial buildings with high energy efficiency certified by an energy certificate. • Investments in manufacturing and mobility services contributing to energy efficiency improvement and avoidance of GHG emission by reducing the transportation route 	 
Climate Change Mitigation / Renewable energy	Installation of renewable energy solutions for commercial building	<ul style="list-style-type: none"> • Installation of photovoltaic systems for power generation 	
Climate Change Mitigation / Energy Efficiency	Improvement of auxiliary infrastructure and energy usage	<ul style="list-style-type: none"> • Renewal of lighting in commercial buildings • Renewal of cooling-heating systems • Centralizing energy purchase from green sources 	

Eligible Projects are expected to substantially contribute to direct and indirect GHG emission avoidance/reduction. The bulk of investments will be directed towards energy efficiency projects including improvements or new developments of commercial buildings as well as renewable energy solutions. The engineering and architectural standards of dealers' building spaces (interior and exterior) is mostly driven by the recommendation of vehicles manufacturers and in the case of AutoWallis, by BMW Group's Sustainable Dealership Standards.

BMW building policies must feature a "Building Management System" allowing a constant measurement and control of energy consumption and the impact of the sustainability measures and efficiencies.

The minimum key indicators to be measured are:

- Total energy consumption in MWh per sqm
- Total water consumption in m3 per sqm (drinking water)
- Total wastewater in m3 per sqm
- Metric tons of waste for disposal per sqm
- Metric tons of waste for recycling or other recovery per sqm
- Gross floor area of dealership in sqm

The most relevant key indicators for the dealer must be made visible to customers/stakeholders on a display system in the interior of the building.

As for renewable energy solutions, AutoWallis is consolidating a long-standing strategic

partnership with ALTEO Nyrt. ('Alteo'), a Hungarian-owned energy service and trading company that completed a 49kW solar power station on a commercial building recently acquired by AutoWallis (from DALP Kft.). This eco-design element of the investment covers c. 30% of the dealership's energy needs, translating into an annual reduction of greenhouse gas emissions of 20,000 tons.

The second largest area of investment will be the increase in electric and/or hybrids fleet vehicles, installation of electric vehicle charging stations at dealership sites and a step-up in e-mobility offering solutions to facilitate and support the penetration rate of electric vehicle utilization (owned and rented). The partnership with Alteo will also cover these areas of future development.

Process for Evaluation and Selection

To supervise the governance of the Green Framework, AutoWallis has created a Green Finance Committee ('GFC' or 'Committee'). The GFC's members are elected from, and the GFC will be supervised, by the Company's Board of Directors. The GFC has very clear operating rules and will meet on a quarterly basis.

The GFC is responsible for:

- the evaluation and selection process of Eligible Projects and more generally for the development of the Group's Green Strategy;
- the dissemination and enforcement of green and circular economy best practices in the Group's operations to reduce negative environmental impacts;
- the control of Use of Proceeds - allocation and environmental impact;
- the monitoring and development of green KPIs and the achievement of targets.

In matters requiring special sustainability expertise, the Committee will require the involvement of an external expert.

Eligible Project Category	Eligible Projects	Eligibility Project Criteria
Clean transportation	Development of e-mobility and mobility-as-a-service	<ul style="list-style-type: none"> • CO₂ emissions reduced/avoided in tCO₂ • Number of EV charging stations • Geographical coverage of the EV charging stations in km² • Ratio of zero-emission vehicles compared to the total fleet
Clean transportation	Projects related to green investments	<ul style="list-style-type: none"> • CO₂ emissions reduced/avoided in tCO₂ • Annual energy savings in MWh
Renewable energy	Installation of renewable energy solutions for commercial building	<ul style="list-style-type: none"> • Capacity of renewable energy plants to be served in MW • Annual renewable energy generation in MWh/GWh
Energy efficiency	Improvement of auxiliary infrastructure and energy usage	<ul style="list-style-type: none"> • Number of LED lighting fixtures with lumen/watt • Energy use reduced/avoided vs. local baseline/building code • Ratio of green energy compared to the total consumption in %

Management of Proceeds

AutoWallis' process for the Management and Allocation of Proceeds is clearly defined in the Framework. In accordance with the Group's treasury policy, the proceeds from the Green Finance instruments will be firstly allocated to AutoWallis Szolgáltató Kft, which is a 100%

subsidiary of the AutoWallis Nyrt and a fully consolidated member of the AutoWallis Group. AW Szolgáltató Kft. is solely responsible for the financing services of all the companies belonging to the AutoWallis Group. In turn, AW Szolgáltató Kft. will lend a given amount of green finance proceeds to the Group company developing the Committee approved green project. Any amount of unallocated proceeds must be returned to AW Szolgáltató Kft. as the sole manager of the green finance proceeds.

The Finance Department will establish an internal record keeping system that will track the allocation of proceeds to the projects. The proceeds will be kept in a separate account and will be the subject of a separate accounting procedure. Pending allocation, the net proceeds may be invested in cash or cash equivalents in accordance with AutoWallis' cash management policies, not harming any of the environmental objectives. By the end of each calendar year, the net proceeds of the issuance will be reduced by the amounts invested in eligible investment projects in the given annual period. The information on actual allocation will be made available to Investors on the Group's website and will be updated annually until full allocation. To ensure a high level of transparency the use of proceeds will be audited by an external auditor, which will verify the internal tracking method and the allocation of funds from the Green Finance proceeds.

Reporting

AutoWallis will make and keep readily available reporting on the Eligible Green Project Portfolio and Green Finance instruments outstanding. The GFC will supervise the development of monitoring and reporting procedures related to the use of Green Bond/Loan proceeds, that will be included in the Allocation Report and Impact Report.

Allocation Report:

AutoWallis will report one year after issuance/borrowing, and on an annual basis thereafter, until full allocation. The allocation report may provide, on a portfolio basis, the following:

- The total amount of investments and expenditures in the Eligible Green Project Portfolio
- The amount or number of new and existing investments or projects
- The total aggregated proportion of net proceeds used per green project category
- The balance of unallocated proceeds

Impact Report:

The Impact report will illustrate the expected and achieved environmental impacts of the investments to which Green Finance proceeds have been allocated. It will be based on ex-ante estimates (calculated prior to project implementation) considering previous status for a representative year before the individual project is completed and operating at normal capacity. The calculation will be made for the individual projects comparing the impacts before the project started (base year 2020) with the impacts after implementation.

The calculation will be based on a company-wide energy audit that will be used as baseline for the relevant assets. The environmental impact calculation for each individual new project will be supported by AutoWallis' strategic partner, the sustainable energy solution provider Alteo.

As part of the Company's annual audit process, the internal monitoring system will follow the use of green proceeds and the results will be presented to the auditor. The results will be available in the Impact Report and will be published on the Group's website.

Disclaimer

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hereof or the information contained herein in any form or in any manner. In addition, this Report may not be used for commercial purposes other than by the Recipient.

This Report was produced following the Green Bond Principles (“GBP”) of the International Capital Markets Association (“ICMA”) which were in effect at the time the Report was prepared.

This Report is produced “as is” and as a point-in-time product. The Report is based on the information that was provided by the Recipient during the time of production. Neither the Report, nor the information therein is updated by SustainAdvisory. Neither this Report nor the information therein constitute a representation or warranty of any kind. The Report does not contain investment advice of any kind and explicitly does not assess the Recipient’s economic performance, nor its financial obligations, nor its creditworthiness.

No reliance may be placed solely on the Report and any person or party viewing the Report must consult the Recipient or ICMA for any queries relating thereto.

Independent Limited Assurance Report to AutoWallis Nyrt (“AutoWallis” or the “Issuer” or “Borrower”)

1. Assurance Conclusion

Based on our limited assurance procedures as described in this statement as of 08 July 2021, nothing has come to our attention to suggest that the AutoWallis Group Green Finance Framework, is not, in all material respects, conforming to the requirements of the ICMA Green Bond Principles (June 2021) and the LMA Green Loan Principles (February 2021).

2. Scope

SustaindAdvisory S.r.l. (“we” or “SA Srl”) have performed a limited assurance engagement in relation to AutoWallis’ Group Green Finance Framework (the “Framework”) in order to provide a conclusion as to whether anything has come to our attention that causes us to believe that the subject matter detailed below (“Subject Matter”) does not meet, in all material respects, the criteria presented below as at 08 July, 2021.

3. Subject matter

SUBJECT MATTER	CRITERIA
<p>AutoWallis Group Green Finance Framework that sets out:</p> <ul style="list-style-type: none"> – Policies and procedures relating to the proposed use of proceeds, process for project evaluation and selection, and the management of proceeds from AutoWallis’ Group Green Finance Framework. – Procedures for reporting on the use of proceeds and eligible investments associated with the Green Bond and/or Green Loans. 	<p>Green Bond Principles (June 2021) (‘GBP’) on:</p> <ol style="list-style-type: none"> 1. Use of proceeds 2. Process for Project Evaluation and Selection 3. Management of Proceeds 4. Reporting <p>Green Bond criteria can be found at this link: https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/</p> <p>Green Loan Principles (February 2021) (GLP’) on:</p> <ol style="list-style-type: none"> 1. Use of proceeds 2. Process for Project Evaluation and Selection 3. Management of Proceeds 4. Reporting <p>Green Loan criteria can be found at this link: https://www.lma.eu.com/application/files/9716/1304/3740/Green_Loan_Principles_Feb2021_V04.pdf</p>

4. AutoWallis’ Management Responsibility

The Management of the Issuer is responsible for ensuring that the Issuer and their Framework comply with the requirements of the GBP and GLP. This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of green finance proceeds. The Management of the Issuer is also responsible for preventing and detecting fraud and for identifying and ensuring that Issuer complies with laws and regulations applicable to its activities.

5. Assurance Practitioner's Responsibilities

Our responsibility is to express a limited assurance opinion as to whether the Subject Matter is presented in accordance with the Criteria, in all material respects. We conducted our engagement with a multidisciplinary team which included professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of the International Standard on Assurance Engagements 3000 (Revised) standard, *Assurance Engagements other than the Audits or Reviews of Historical Financial Information* ("ISAE 3000").

Level of Assurance

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance we will obtain in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. A limited assurance engagement consists of making enquires and applying analytical or other limited assurance procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance.

6. SustainAdvisory's Approach

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above Subject Matter. The procedures we performed, which are set out in more detail below, were based on our professional judgment and included, as appropriate, inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies and agreement or reconciliation with underlying records. We believe that the procedures we have performed and the evidence we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

To reach our conclusion we:

- Conducted interviews with Management and its Advisors responsible for the Green Finance Framework to obtain an understanding of the processes, systems and controls in place for management of bond and /or loan proceeds;
- Checked the Issuer's Green Finance Framework that includes processes, systems and controls in place for management of bond proceeds; investment areas for green bond proceeds and intended types of temporary investment instruments for the management of unallocated proceeds; and
- Checked the projects proposed to be associated with the green finance and its conformance with the eligible green project categories specified in the GBP and GLP.

The detailed list of testing procedures carried out are provided in Appendix A.

7. Limitations

There are inherent limitations in performing assurance – for example, assurance engagements are based on selective testing of the information being examined – and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards that require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE 3000 and GBP and GLP is subjective and will be interpreted differently by different stakeholder groups.

Our assurance process was limited to AutoWallis' Group Green Bond Framework and did not include statutory financial statements.

8. Use of Report

This assurance report is made solely to the Issuer in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to the Issuer those

matters we have been engaged to state in this assurance report and for no other purpose. Our assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Issuer for any purpose or in any context. Any party other than Issuer who obtains access to our assurance report or a copy thereof and chooses to rely on our assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any.

9. Independence

The work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our team has the required competencies and experience for this assurance engagement.



SustainAdvisory S.r.l.

Maurizio Cavarai
Amministratore Unico
Prato
08 July 2021

**PPENDIX A: ASSESSMENT OF THE GREEN FINANCE FRAMEWORK
AGAINST GREEN BOND PRINCIPLES (GBP), JUNE 2021 AND GREEN LOAN PRINCIPLES (GLP), FEBRUARY 2021**

REQUIREMENTS	SUSTAINADVISORY FINDINGS/ASSESSMENT	SUPPORTING DOCUMENTATION
<p>The Issuer/Borrower explains in the Green Finance Framework and/or in the legal documentation the alignment of the Green Bond/Loan or Green Bond/Loan programme with the four core components of the GBP and GLP. The Green Finance Framework and/or in the legal documentation are available in a readily accessible format to investors</p>	<p>AutoWallis' Green Finance Framework for either issuance of Green Bonds or Green Loans borrowing and follows ICMA's Green Bond Principles, 2021 and LMA's Green Loan Principles, 2021. The Framework includes the alignment with the four recommended components of GBP and GLP:</p> <ol style="list-style-type: none"> 1. Use of Proceeds 2. Process for Project Evaluation and Selection 3. Management of Proceeds 4. Reporting. <p>The Green Finance Framework will be publicly available on the Investor Relation section of AutoWallis' website.</p>	<p>AutoWallis Green Finance Framework</p>
<p>The Issuer/Borrower has appointed (an) external review provider(s) to assess, through a pre-issuance external review, the alignment of its Green Finance Framework or Green Finance programme with the four core components of the GBP and GLP. The external review is publicly available on the Issuer/Borrower's website and/or through any other accessible communication channel as appropriate.</p>	<p>AutoWallis has appointed an independent advisor to assess through a pre-issuance Second Party/Limited Assurance Opinion the alignment of its Green Finance Framework with the four core components of ICMA's 2021 GBP and LMA's 2021 GLP. The result is documented in a Second Party/Limited Assurance Opinion which will be publicly available in the Investor Relation section of AutoWallis' website.</p> <p>AutoWallis intends to obtain a Limited Assurance report from its auditor or any other qualified party on the allocation of the Green Finance Instruments proceeds. Such report will be published starting year one after issuance and until full allocation.</p>	<p>AutoWallis Green Finance Framework</p>
<p>Green Bond Principles and Green Loan Principles 1 - Use of proceeds</p>		
<p>The utilisation of the proceeds of the Bond/Loan is for Green Projects, as defined into the list of ICMA and LMA Eligible Green Project categories</p>	<p>According to the sustainability and environmental goals of the Company, all the proceeds are directed towards Green Projects to finance 4 Eligible Green Project Portfolios, related to new assets or investments, in part or in full for:</p> <ol style="list-style-type: none"> 1. Developing e-mobility and related services: increasing electric and hybrid vehicles in the AutoWallis fleet; increasing electric vehicle (EV) charging stations in the dealerships site, 2. Improving the existing commercial buildings sustainability to reach higher energy efficiency with green and efficiency solutions (rainwater harvest and reuse in irrigation, sanitation and other waterless solutions and technologies), investments in new commercial buildings with high energy efficiency certified by an energy certificate, and investments in manufacturing and mobility services which can contribute relative improvement in energy efficiency and GHG emission avoidance by reducing the transportation route, 3. Renewable energy solutions for commercial buildings (a solar power plant), and finally 4. Improving commercial buildings and auxiliary infrastructure, and energy usage (renewal of lighting in commercial buildings, of cooling-heating system and centralizing energy purchase from green resources). 	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management</p>

REQUIREMENTS	SUSTAINADVISORY FINDINGS/ASSESSMENT	SUPPORTING DOCUMENTATION
	<p>Partial projects refer to adding green features to existing assets through new investment in support of existing projects for associated eligible green projects/activities defined in the Framework.</p> <p>These projects fall under the following 3 ICMA and LMA categories:</p> <ul style="list-style-type: none"> ▪ Renewable energy, ▪ Energy efficiency, ▪ Clean transportation. <p>They contribute to the high-level environmental objectives of 'Climate change mitigation' and 'Pollution prevention and control'.</p>	
<p>The Framework for the Bond/Loan appropriately described the use of the proceeds for Green Projects</p>	<p>The reviewed evidence confirms that the AutoWallis Green Finance Framework appropriately describes the use of the proceeds for the Green Projects, in terms of relevant information, completeness, clarity, understanding. It also includes the decision-making process to determine the projects evaluation and selection, the management of proceeds and the periodical reporting.</p>	<p>AutoWallis Green Finance Framework</p>
<p>All designed eligible Green Projects provide clear environmental benefits</p>	<p>The reviewed evidence confirms that the AutoWallis Green Finance Framework describes the environmental benefits of the Green Projects identified and assessed by the Issuer/Borrower.</p>	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management</p>
<p>The environmental benefits are assessed by the Issuer/Borrower</p>	<p>The projects financed by the Green Bond/Loan will make these positive environmental contributions:</p> <ul style="list-style-type: none"> ▪ GHG emissions reduction or avoidance (CO2) in transports: direct contribution to GHG emission avoidance via increasing the electric and/or hybrid vehicles in the fleets and indirect positive contribution avoidance via increasing the number of EV charging stations supported by high-performance charging stations, ▪ savings in energy consumption: indirect contribution to GHG emission avoidance via increasing the number of low-energy consumption LED lighting fixtures, improvements of auxiliary infrastructure and energy usage, ▪ savings in water consumption and re-use of rainwater, via increasing recyclability of rainwater and by reducing the water consumption. ▪ renewable energy produced: direct contribution to GHG emission avoidance via installation of renewable energy solutions and increasing the ratio of green energy of the total centralized energy purchase. 	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management</p>

REQUIREMENTS	SUSTAINADVISORY FINDINGS/ASSESSMENT	SUPPORTING DOCUMENTATION
The environmental benefits are quantified by the Issuer/Borrower	<p>The Framework also presents AutoWallis' commitments for achieving these positive environmental benefits by category, as reported in last table of the Framework:</p> <ul style="list-style-type: none"> ▪ Avoidance or reduction of CO2 emissions by electric and hybrid vehicles: +20% (compared to 2020), ▪ Number of EV charging stations at the dealership sites: +50% (compared to the basis year 2020), ▪ Installation of charging stations at all relevant sites of AutoWallis: 10 stations (compared to 2020), ▪ Energy savings: for the green and efficiency solutions for buildings at least 20% (compared to the building performance before the project), validated by Energy Performance Certificate and 30% from the usage of LED fixtures (compared to 2020) and 10% for the cooling-heating solutions, validated by Energy Performance Certificate (compared to 2020), ▪ Number of LED lighting fixtures of the total lighting fixtures used: the LED ratio at least + 50%, ▪ Rainwater harvested and reuse in irrigation: 20% of the total water usage (compared to the basis of 0%), ▪ Annual water saving of 10% by sanitation and other waterless solutions and technologies (compared to the pre-investment), ▪ Increase of renewable energy: 30% of total energy usage will be generated from renewable sources (compared to 2020), ▪ Renewable energy on the total centralized energy purchase: +30% (compared to the basis 2020), ▪ Renewable sources on total energy usage: 30%. 	AutoWallis Green Finance Framework
In the event that all or a proportion of the proceeds are or may be used for refinancing, an estimate of the share of financing vs. re-financing is provided	<p>The proceeds of the Bond/Loan will be used to finance new Green Projects, in part or in full. No existing project will be refinanced.</p> <p>Partial projects refer to adding green features to existing projects through new investment in support of existing projects for associated eligible green projects/activities defined in the Framework.</p>	AutoWallis Green Finance Framework Discussions with AutoWallis' Management
Which investments or project portfolios may be refinanced are clarified (where appropriate)	No existing project will be refinanced.	
The expected look-back period for refinanced Green Projects is clarified (to the extent relevant)	No existing project will be refinanced.	
Green Bond Principles and Green Loan Principles 2 - Process for Project Evaluation and Selection		
The Issuer/Borrower has clearly communicated to investors the environmental sustainability objectives of the eligible Green Projects	<p>According to the Green Bond and Loan Principles categories identified and the AutoWallis sustainability approach, the Eligible Green Projects contribute to the high-level environmental objectives of 'Climate change mitigation' and 'Pollution prevention and control'.</p> <p>The proposed Green Projects are related to AutoWallis' sustainable strategies and actions to align with the goals of the Paris Agreement and contribute to the UN Sustainable Goals supporting the objectives of the SDG 7 (Affordable and cleaning energy), the SDG 11 (Sustainable cities and communities) and the SDG 12 (Sustainable consumption and production).</p>	AutoWallis Green Finance Framework Discussions with AutoWallis' Management

REQUIREMENTS	SUSTAINADVISORY FINDINGS/ASSESSMENT	SUPPORTING DOCUMENTATION
	<p>AutoWallis is highly committed to green objectives and goals finalized to reduce the climate impact and the harmful environmental effects of its activities related to GHG emissions, energy and water consumption, and wastewater. The Company is actively working on the progress of greening which will affect the internal operation methods, processes, and mechanisms also for reducing the carbon footprint and applying clean technologies. AutoWallis is committed to define its vision and mission accompanied with green objectives and awareness to prepare for ESG objectives, incorporating ESG aspects into the corporate governance mechanism.</p>	
<p>Information communicated is positioned within the context of the Issuer/Borrower's overarching objectives, strategy, policy and/or processes relating to its environmental sustainability and including reference to the five high level environmental objectives</p>	<p>In the business and investment decisions the Company is committed to contribute to the automotive industry transitions. The Company offers alternative mobility solutions, car sharing and long-term retail rental solutions. AutoWallis aims to transform its business field more sustainable and environmentally friendly via e.g., increasing the zero-emission vehicles within the fleet and an innovative business model related to the technology transformation (online sales solutions).</p> <p>Moreover, AutoWallis intends to strengthen its real-estate portfolio. The new investments will be aligned with the mandatory green and sustainability requirements. Currently, only BMW Group (BMW, MINI, Rolls-Royce) applies such criteria which will be mandatory for any investments connected to BMW Group dealership real-estate projects. New and existing BMW dealership buildings have to fulfil the target level set by the "BMW Group Sustainability" in term of energy and water consumption, impact of the realized sustainability measures and efficiencies. Alternatively, an official Green Building certificate equivalent to the "BMW Group Sustainability" target level (e.g., US LEED level silver, BREEAM level very good) is accepted.</p> <p>A minimum of the following key indicators has to be measured:</p> <ul style="list-style-type: none"> ▪ Total energy consumption in MWh per sqm, ▪ Total water consumption in m3 per sqm (drinking water), ▪ Total wastewater in m3 per sqm, ▪ Metric tons of waste for disposal per sqm, ▪ Metric tons of waste for recycling or other recovery per sqm, ▪ Gross floor area of dealership in sqm. <p>Information provided by the Company does not show the presence of environmental controversial issues.</p>	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management Company's website Controversies declaration (absence of Controversies)</p>

REQUIREMENTS	SUSTAINADVISORY FINDINGS/ASSESSMENT	SUPPORTING DOCUMENTATION
<p>The Issuer/Borrower has clearly communicated to investors the process by which the Issuer/Borrower determines how the projects fit within the eligible Green Projects categories</p>	<p>AutoWallis has set out a process for the evaluation and the selection of green projects eligibility and defined transparent criteria.</p> <p>A Green Finance Committee (GFC) has been established, supervised by the company's Board of Directors. The GFC is composed by permanent representatives from the Board of Directors. Its Chairman and the other members are appointed by the Board.</p> <p>The reviewed evidence describes GFC's responsibilities and activities. At this stage, the GFC will be involved in the whole process of decision-making and the monitoring. For example, but not limited to, the GFC is responsible for the dissemination and enforcement of green practices in the operations, taking measures to reduce negative environmental impacts, supervises the project selection, the alignment of the use of the proceeds to the Framework, the identification and management of the social and environmental risks associated to the Green Projects, the allocation of funds, the KPIs monitoring and the achievement of the set goals. The GCF will also ensure the development of monitoring and reporting procedures related to the use of green proceeds, with special attention to the Allocation Report and Impact Report and will be responsible to the Green Finance Investor reporting.</p> <p>According to the criteria defined for the Eligible Projects selection, the GFC takes all decisions in consensus. The decisions made by the GFC are documented and recorded in the minutes of the meetings.</p>	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management Green Finance Committee establishment directive</p>
<p>The Issuer/Borrower has clearly communicated to investors complementary information on processes for the identification, mitigation and management of perceived social and environmental risks associated with the relevant project(s)</p>	<p>AutoWallis is committed to reduce its energy use and the greenhouse emissions associated with its activities. The Green Finance Committee identifies and manages the social and environmental risk associated to the Projects taking measures to reduce negative environmental impacts.</p>	<p>AutoWallis Green Finance Framework</p>
<p>The Issuer/Borrower has communicated to investors the related eligibility criteria, including exclusion criteria (if applicable)</p>	<p>For the selection and evaluation process, Autowallis has defined selection and exclusion criteria disclosed publicly in the Green Finance Framework.</p> <p>In relation to the selection criteria, only such assets and projects that comply with the set of criteria disclosed in the Green Finance Framework are eligible to be financed with Green Bond/Loan.</p> <p>With reference to the exclusion criteria, the proceeds of Green Bond and/or Green Loan will not be used to finance standalone projects connected to high-polluting activities, nuclear energy generation, weapons and defence, gambling or tobacco, and potentially environmentally negative resource extraction. Also, AutoWallis will not finance standalone projects connected to activities that would cause a significant harm to six objectives of the EU Taxonomy.</p>	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management</p>
<p>The Issuer/Borrower's process for project evaluation and selection is supplemented by an external review</p>	<p>The evaluation and selection criteria are subject to an in-house assessment. In matters requiring special sustainability expertise, the Green Finance Committee will require the involvement of an external expert.</p>	<p>AutoWallis Green Finance Framework</p>

REQUIREMENTS	SUSTAINADVISORY FINDINGS/ASSESSMENT	SUPPORTING DOCUMENTATION
	<p>In particular, new and existing BMW dealership buildings must feature a "Building Management System" and have to fulfil the "BMW Group Sustainability" minimum target level confirmed by a third-party authority or by a documented self-assessment. Alternatively, an official Green Building certificate equivalent to the "BMW Group Sustainability" target level (e.g., US LEED level silver, BREEAM level very good) is accepted.</p>	
Green Bond Principles and Green Loan Principles 3 - Management of Proceeds		
<p>The net proceeds of the Green Bond/Loan, or an amount equal to these net proceeds, is credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer/Borrower in an appropriate manner</p>	<p>The proceeds from the Green Finance will be managed by the Board and allocated to approved Eligible Green Projects following the decisions by the Green Finance Committee.</p> <p>The proceeds will be kept in a separate account and will be the subject of a separate accounting procedure.</p>	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management</p>
<p>There is a formal internal governance process attested to by the Issuer/Borrower linked to the Issuer/Borrower's lending and investment operations for eligible Green Projects</p>	<p>The Finance Department will be establishing an internal record keeping system that will track the allocation of proceeds to the projects. Proceeds will be allocated to eligible green assets within a timeframe of 24 months of issuance.</p> <p>The proceeds from the Green Bond/Loan will be firstly allocated to the AW Szolgáltató Kft which is a 100% subsidiary of the AutoWallis Nyrt) and a fully consolidated member of AutoWallis Group. AW Szolgáltató Kft is solely responsible for the financing services of all the companies belonging to the AutoWallis Group. Hence, AW Szolgáltató Kft will lend a certain amount of funds from green finance proceeds to the Group company which will conclude the green project within the Group. The amount of unallocated proceeds must be returned to AW Szolgáltató Kft as the sole manager of the proceeds.</p>	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management</p>
<p>The balance of the tracked net proceeds is periodically adjusted to match allocations to eligible Green Projects made during that period (so long as the Green Bond/Loan is outstanding)</p>	<p>From the time of issuance to the time of disbursement, by the end of each calendar year, the net proceeds of the issuance will be reduced by the amounts invested in Eligible Projects in the given annual period. The information about actual allocation will be published to investors and to be updated annually until full allocation.</p>	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management</p>
<p>The Issuer/Borrower makes known to investors the intended types of temporary placement for the balance of unallocated net proceeds</p>	<p>Pending allocation, the net proceeds may be invested in cash or cash equivalents in accordance with AutoWallis cash management policies not harming any of the environmental objectives. Throughout the life of the Instruments, AutoWallis will make and keep readily available information on the allocation of amounts equal to the Net Proceeds.</p>	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management</p>
<p>Issuer/Borrower's management of proceeds is supplemented by the use of an auditor, or other third party, to verify the internal tracking method and the allocation of funds from the Green Bond/Loan proceeds to eligible Green Projects</p>	<p>To ensure a high level of transparency the use of proceeds will be audited by an external auditor, to verify the internal tracking method and the allocation of funds from the Green Bond/Loan proceeds.</p>	<p>AutoWallis Green Finance Framework</p>

REQUIREMENTS	SUSTAINADVISORY FINDINGS/ASSESSMENT	SUPPORTING DOCUMENTATION
Green Bond Principles and Green Loan Principles 4 – Reporting		
<p>Up to date information on the use of proceeds is renewed annually until full allocation, and on a timely basis in case of material developments</p>	<p>AutoWallis is committed to a high level of transparency and intends to make and keep readily available reports on the Eligible Green Project Portfolio and Green Bond/Loan proceeds. Starting year one after issuance, the Company will disclose annually to investors the use of proceeds and associated environmental benefits and will provide an annual Green Finance Report (Allocation Report and Impact Report) on the activities related to its Green Projects until the proceeds of the Green Bond/Loan have been fully allocated, and as necessary in the event of material changes of the Eligible Green Projects. The Green Finance Report will be made publicly available via the Company's website.</p> <p>As part of the Company's annual audit process, the internal monitoring system will follow the use of Green Bond/Loan proceeds and the results will be presented to the auditor. The figures about the use of the Green Bond/Loan proceeds, with respective descriptions and the amounts utilized, will be available in the Impact Report and will be published on the Company's web site.</p>	<p>AutoWallis Green Finance Framework</p>
<p>The annual report includes a list of the projects to which Green Bond/Loan proceeds have been allocated as well as a brief description of the projects and the amounts allocated</p>	<p>AutoWallis will issue an annual Allocation Report, until full allocation of the proceeds on a portfolio basis. The Company proposes to include in the report, in addition to the use of the Green Bond/Loan proceeds, with respective descriptions and the amounts utilized, the following information:</p> <ul style="list-style-type: none"> ▪ The total amount of investments and expenditures in the Eligible Green Project Portfolio ▪ The amount or number of new and existing investments or projects ▪ The total aggregated proportion of net proceeds used per green project category ▪ The balance of unallocated proceeds. <p>Moreover, for the Impact Reporting, the Company commits to disclosing project performance specific measures as listed in the last table of the Green Finance Framework to present the environmental benefits and positive impacts of the planned investments.</p>	<p>AutoWallis Green Finance Framework</p>
<p>The annual report presents the expected and/or achieved impact of projects</p>	<p>Autowallis will also provide annually to investors the Impact Report starting year one after issuance and until full allocation of the proceeds. This report will illustrate the expected and achieved environmental impacts associated to the green projects financed by the Green Bond/Loan proceeds (2020 levels will be used as the base line to perform reduction measurements).</p> <p>The Company is committed to high-level of transparency. Autowallis plans to report on a number of project performance specific measures as listed in the last table of the Company Green Finance Framework. The impact indicators will be measured and monitored regularly and published for assuring transparency of AutoWallis' commitment to sustainable and green activities. Each value assigned to the impact indicators covers the total maturity period of the green finance instruments, i.e., 10 years.</p>	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management</p>

REQUIREMENTS	SUSTAINADVISORY FINDINGS/ASSESSMENT	SUPPORTING DOCUMENTATION
<p>The annual report includes qualitative performance indicators and, where feasible, quantitative performance measures (e.g. energy capacity, electricity generation, greenhouse gas emissions reduced/avoided, number of people provided with access to clean power, decrease in water use, reduction in the number of cars required, etc.)</p>	<p>For the quantitative determination, the reporting will disclose impact metrics of the projects related to the reduction/avoidance of GHG emissions and energy and water consumption savings.</p> <p>The impact assessment will include, but not be limited to, the metrics listed in the last table of the AutoWallis Green Finance Framework, of which the relevant targets are also disclosed: the number of new EV charging stations, the number of EVs in the fleet, installation of solar power station, installation of LED lighting fixture.</p>	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management</p>
<p>The annual report discloses the key underlying methodology and/or assumptions used in the quantitative determination</p>	<p>The Green Finance Framework describes the methodology used by AutoWallis in assessing the quantitative determination of the Green Project impacts. The calculation will be made on each individual project comparing the ex-ante impact estimates calculated prior to project implementation for a representative year (base year 2020) with the impacts after the project is completed.</p> <p>The calculation will be based on a company-wide energy audit representing the 2020 baseline for the relevant assets. The environmental impact calculation for each individual new project will be supported by AutoWallis strategic partner, the sustainable energy solution provider Alteo.</p>	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management</p>
<p>The impact reporting is based on voluntary guidelines aiming at a 'Harmonised Framework for Impact Reporting'</p>	<p>For its Impact reporting, the indicators proposed by AutoWallis are related to the categories and the expected benefits identified for the projects. AutoWallis is committed to align its reporting with indicators suggested by ICMA for the Impact Reporting in the 'Handbook for Harmonized Framework for Impact Reporting', June 2021' for the category 'Clean transportation', 'Renewable energy' and 'Energy efficiency'.</p>	<p>AutoWallis Green Finance Framework Discussions with AutoWallis' Management</p>