

## Green Bond / Green Bond Programme

### Independent External Review Form

#### Section 1. Basic Information

Issuer name: AutoWallis Nyrt

Green Bond ISIN: HU0000360664

Independent External Review provider's name: SustainAdvisory S.r.l.

Completion date of this form: 27/07/2021

Publication date of review publication: NA

#### Section 2. Review overview

##### SCOPE OF REVIEW

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

The review assessed the following elements and confirmed their alignment with the GBPs:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

##### 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 |
| <input checked="" type="checkbox"/> Other (please specify): External third party limited assurance |   |

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

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

AutoWallis Nyrt ('AW' or 'Issuer' or 'Company') appointed SustainAdvisory S.r.l. to provide an independent limited assurance on AutoWallis' Group Green Finance Framework (the 'Framework'). AutoWallis 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. 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. 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. 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'.

### Section 3. Detailed 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.*

#### 1. USE OF PROCEEDS

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

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. Eligible Projects are expected to substantially contribute to direct and indirect GHG emission avoidance/reduction by: increasing the ratio of zero emissions vehicles in the total fleet; increasing the number of EV charging stations at dealership sites; 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; renewal of lighting and cooling-heating systems in commercial buildings; centralizing energy purchases from green sources.

#### Use of proceeds categories as per GBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy   | <input checked="" type="checkbox"/> Energy efficiency  |
| <input type="checkbox"/> Pollution prevention and control  | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation   | <input checked="" type="checkbox"/> Clean transportation   |
| <input type="checkbox"/> Sustainable water and wastewater management   | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings   |

- ☐ Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs
- ☐ Other (please specify):

If applicable please specify the environmental taxonomy, if other than GBPs:

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

### Overall comment on section (if applicable):

AutoWallis has created a Green Finance Committee ('GFC' or 'Committee') to supervise the governance of the Green Framework including the process for project evaluation and selection. Project categories are identified according to the Green Bond and Loan Principles definitions and AutoWallis' sustainability objectives. Eligible Green Projects will be selected on the basis of their contribution to the environmental objectives of 'Climate change mitigation' and 'Pollution prevention and control' and the UN Sustainable Goals SDG 7 (Affordable and clean energy), the SDG 11 (Sustainable cities and communities) and the SDG 12 (Sustainable consumption and production). Autowallis has defined selection and exclusion criteria disclosed publicly in the Green Finance Framework. 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 environmentally negative resource extraction.

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.

### Evaluation and selection

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives            | <input type="checkbox"/> Documented process to determine that projects fit within defined categories               |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other (please specify):   |

### Information on Responsibilities and Accountability

- |   |   |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input checked="" type="checkbox"/> Other (please specify): Involvement of an external expert       |   |

## 3. MANAGEMENT OF PROCEEDS

### Overall comment on section (if applicable):

AutoWallis' process for the Management and Allocation of Proceeds is clearly defined in the Framework. The proceeds from the Green Bonds/Loans will be allocated to approved Eligible Green Projects following the decisions by the Green Finance Committee. The proceeds will be segregated in a separate account. According to 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 is responsible for the

financing services of the group companies. In turn, AW Szolgáltató Kft. will lend a given amount of green finance proceeds to the Group company developing the green project. Any unallocated amount of proceeds will be returned to AW Szolgáltató Kft. as the sole manager of the green finance proceeds. 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. AutoWallis will make and keep readily available information on the allocation of amounts equal to net proceeds.

**Tracking of proceeds:**

- ☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- ☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other (*please specify*):

**Additional disclosure:**

- |   |  |
|---|--|
| <input type="checkbox"/> Allocations to future investments only                             | <input type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements                  | <input type="checkbox"/> Allocation to a portfolio of disbursements          |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other ( <i>please specify</i> ):                    |

## 4. REPORTING

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

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. 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).

**Use of proceeds reporting:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis                                      |
| <input checked="" type="checkbox"/> Linkage to individual bond(s) | <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): linkage to individual green loan |

**Information reported:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts                   | <input type="checkbox"/> Green Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other ( <i>please specify</i> ):    |  |
| – amount of unallocated proceeds  |  |
| – aggregated proportion of net proceeds used per green project category |  |

**Frequency:**

- ☒ Annual ☐ Semi-annual  
☐ Other (please specify):

### Impact reporting:

- ☒ Project-by-project ☐ On a project portfolio basis  
☒ Linkage to individual bond(s) ☒ Other (please specify): linkage to individual green loan

### Frequency:

- ☒ Annual ☐ Semi-annual  
☐ Other (please specify):

### Information reported (expected or ex-post):

- ☒ GHG Emissions / Savings ☒ Energy Savings  
☐ Decrease in water use ☒ Other ESG indicators (please specify):
- the number of new EV charging stations
  - the number of EVs in the fleet
  - installation of solar power station
  - installation of LED lighting fixture

### Means of Disclosure

- ☐ Information published in financial report ☐ Information published in sustainability report  
☒ Information published in ad hoc documents ☒ Other (please specify): company website: <https://autowallis.hu/>  
☒ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

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

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

[Press Releases – Autowallis \(https://autowallis.hu/press-releases/?lang=en\)](https://autowallis.hu/press-releases/?lang=en)  
[AutoWallis Green-Finance-Framework\\_06\\_07\\_finalversion.pdf](#)  
[SPO\\_Assurance-Report-AutoWallis\\_Executed-08072021-SA-Srl.pdf](#)

### SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

#### Type(s) of Review provided:

- ☐ Second Party Opinion ☐ Certification  
☐ Verification ☐ Scoring/Rating  
☐ Other (please specify): Assurance Opinion

Review provider(s): SustainAdvisory S.r.l.

Date of publication:



## ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.