

AutoWallis
GROUP

**AutoWallis Group
ESG Strategy**

2024



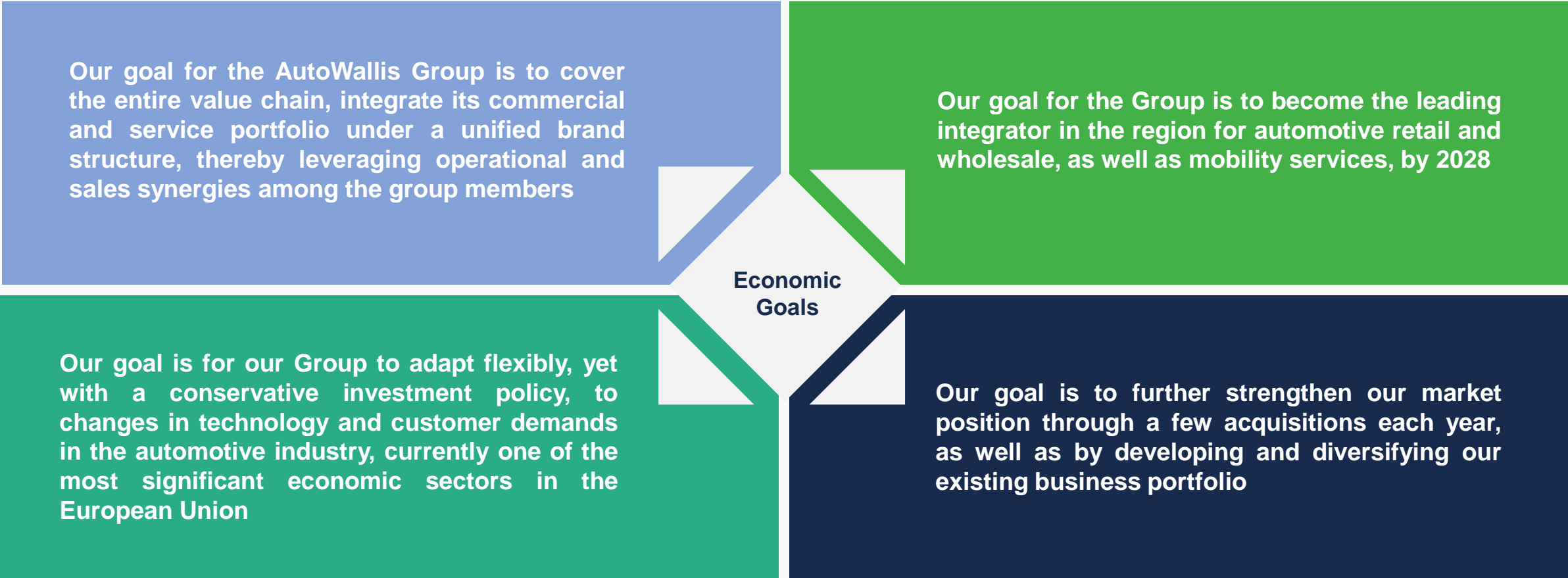
A light blue BYD SEAL U SUV is shown driving on a paved road that runs along a coastline. The scene is set during sunset, with the sky transitioning from a deep blue at the top to a warm orange and yellow near the horizon. The ocean is visible to the right of the road. The car is positioned on the left side of the frame, moving towards the right. The text 'On the Green Path to mobility' is overlaid on the right side of the image. The car's license plate area displays 'BYD SEAL U'.

On the Green Path to mobility

We are building the leader car dealership and mobility service provider in the Central and Eastern European region

Our Business and Economic Goals

WE INTEGRATE OUR ESG GOALS INTO THE OVERALL STRATEGY OF THE COMPANY AND SET THEM IN ALIGNMENT WITH IT



Regulatory requirements and the structure of the ESG strategy

THE ESG STRATEGY TAKES INTO ACCOUNT THE EXISTING OBJECTIVES OF THE AUTOWALLIS GROUP AND THE RELEVANT LEGISLATIVE REQUIREMENTS - WHICH THE GROUP MONITORS CONTINUOUSLY

Structure of the sustainability strategy

- We have grouped the main objectives into 5 key thematic areas, based on the materiality topics deemed significant in the double materiality assessment conducted according to ESRS, and aligned with the UN Sustainable Development Goals (SDGs)
- For each of the 5 key thematic areas, 2-3 strategic objectives have been defined with measurable KPIs

The objectives were established based on the Sustainability Policy, the ESG Reports 2022 and 2023, the ESG Strategy Workshop materials, the Green Bond Framework and the Allocation Reports

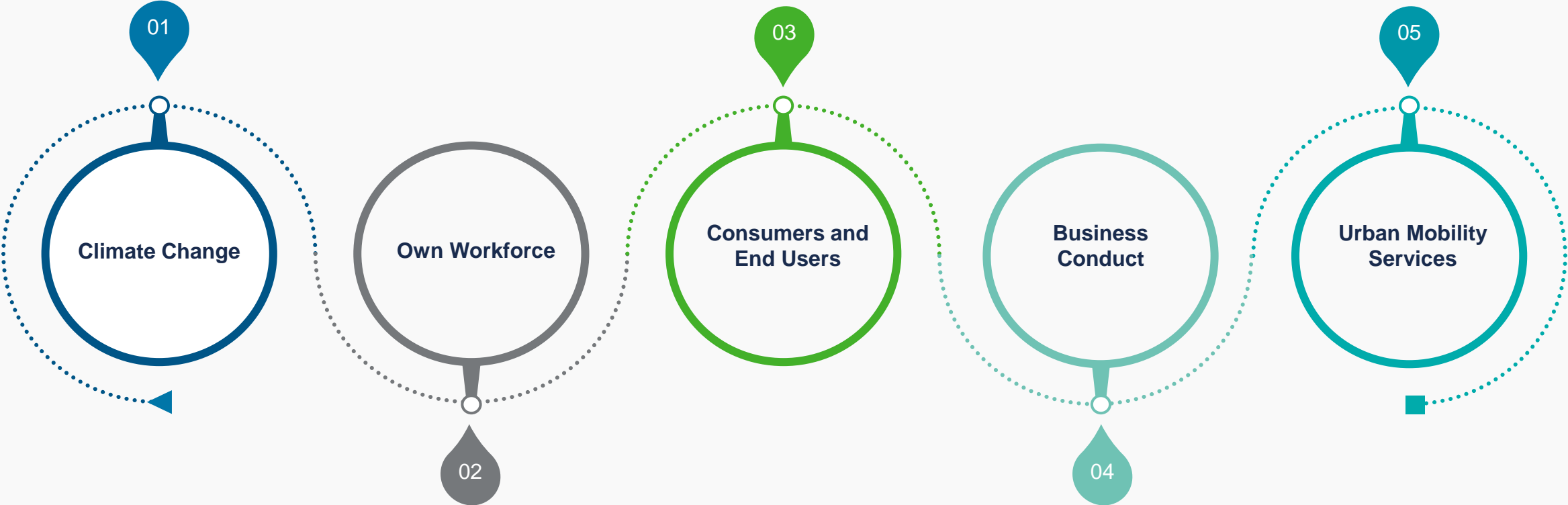
Legal and other requirements

- The regulatory environment related to ESG is changing dynamically both in the EU and in Hungary. The CSRD Directive, which mandates sustainability reporting for large companies, along with the associated reporting framework, ESRS, requires companies to report on their relevant sustainability impacts, risks, opportunities, related strategies and risk management processes (e.g., climate change adaptation plans, corporate policies) across environmental, social, and governance topics. Under the ESRS framework, more than 100 key performance indicators (KPIs) can be identified, which can serve as a basis for defining companies' sustainability strategies
- In addition, the Hungarian ESG law mandates due diligence of supply chains for large companies
- Additionally, the main guidelines for the automotive industry, the sustainability expectations and data requirements of car manufacturers, as well as the expectations of the financier side, are continuously evolving.








Accordingly, the AutoWallis Group is continuously reviewing and developing its ESG strategy

The AutoWallis Group's Main ESG Topics

STRATEGIC FOCUS AREAS, BASED ON THE MAIN ESRS TOPICS AND THE AUTOWALLIS GROUP'S ESG APPROACH



Overview of the ESG strategy

Theme area	CLIMATE CHANGE	OWN WORKFORCE	CONSUMERS AND END USERS	BUSINESS CONDUCT	URBAN MOBILITY SERVICES
Strategic goals	ACTIVE CONTRIBUTION TO THE FIGHT AGAINST CLIMATE CHANGE	HIGH EMPLOYEE SATISFACTION AND ENGAGEMENT	QUALITY, TRANSPARENCY, AFFORDABILITY	IMPROVING THE ORGANISATIONAL CULTURE AND STRUCTURE	DEVELOPMENT AND MODERNIZATION OF URBAN TRANSPORTATION INFRASTRUCTURE
Sub-goals	<ul style="list-style-type: none"> Improving energy efficient operations, including increasing the use of renewable energy sources Reducing primary energy consumption and increasing the proportion of green energy in the energy mix Increase the share of renewable energy to 30% by 2031 By 2031: <ul style="list-style-type: none"> ✓ One solar power plant on every new commercial site ✓ 10,000 LED lights ✓ 1,000 tons of CO2 saved 	<ul style="list-style-type: none"> Annual ESG-themed training and regular employee development programs Establishing a long-term sustainable organizational structure that ensures permeable career paths and effective communication Employee retention and the attraction of a sufficient quantity, composition and quality of workforce at group level 	<ul style="list-style-type: none"> Providing our customers with vehicles in pristine condition, incorporating the latest technological innovations Ensuring access to safe, affordable and sustainable transportation system by 2030 	<ul style="list-style-type: none"> Maintaining a consistent complaints management system across the entire company Adoption of uniform corporate governance policies at group level An audit-compliant data collection system supported by IT solutions, meeting the requirements of the CSRD and ESG regulations 	<ul style="list-style-type: none"> Developing a high-quality, reliable, sustainable and flexible infrastructure for our mobility service customers Modernization of the related infrastructure, increasing resource efficiency and the use of clean and environmentally-friendly technologies by 2030 By 2031: <ul style="list-style-type: none"> ✓ 100 charging station ✓ 250 EV
Related SDGs	 	  	 		 

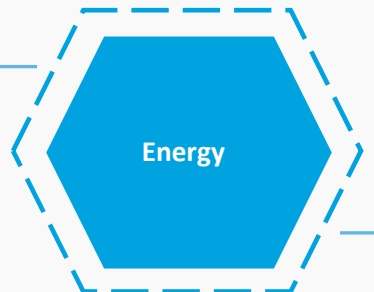
Climate Change | Active Contribution to the Fight Against Climate Change

SUB-GOALS

- Implementation of projects supporting environmental transition through our Green Bond program

- Making innovative mobility services available and application of digital solutions
- Increasing the share of electric vehicles in the supply (including hybrid vehicles)
- Annual reporting on Scope 1 & 2 & 3 emissions

- Establishing energy efficient operations, increasing energy efficiency, including maximizing the use of renewable energy
- Reducing primary energy consumption and increasing the share of green energy in the energy mix



GREEN BOND AND SDGs

GREEN BOND

- Raising the proportion of LED bulbs to at least 50%, achieving energy savings of 30%
- Annual energy savings of 10%
- Renewable energy share of 30%
- One solar power plant on each new commercial site
- 10,000 LED
- 1,000 tons CO2 savings

- **SDG 13.** – Action Against Climate Change: We consider effective and prompt measures crucial, utilizing the sustainability strategy and its objectives, as well as the deliberate adjustment of the focus of the company



- **SDG 7.** – Affordable and Clean Energy: Utilizing clean energy sources and achieving the highest possible energy efficiency in our buildings and mobility services is a primary goal for us



Own Workforce | High Employee Satisfaction and Engagement

SUB-GOALS

- Ensuring measurability at every stages of the employee lifecycle to identify risk points and improve in employee retention and satisfaction
- Providing a safe, eco-friendly and comfortable working environment (showrooms, offices, workshops)
- Establishing and maintaining a high work culture for our employees, in line with social value creation

Working Conditions

GREEN BOND AND SDGs

SDG 8. – Decent Work and Economic Growth: Shaping a livable work environment and enhancing employee satisfaction and safety are priorities for achieving long-term economic growth.



- Developing a long-term sustainable organizational structure that ensures career paths flexibility and effective communication
- Ensuring transparency in the workforce composition and implementing an action plan to maintain equality
- Annual ESG-themed training and regular mandatory employee development programs
- Implementation of a unified group-wide performance evaluation system, career map and incentive program
- Increasing the proportion of women in management to comply with anticipated future EU regulations on this matter

Equal Treatment and Opportunities

- **SDG 5.** – Gender Equality: Gender equality in leadership is important to us, so we are increasingly implementing leadership training programs for women.



Consumers and End Users | Quality, Transparency, Affordability

SUB-GOALS

- Focusing attention and communication on ESG issues
- Winning brand-specific sustainable showroom awards (pl. BMW Group Award for Social Responsibility)

- Always providing our car rental customers with new and pristine vehicles that have low mileage and incorporate the latest technological innovations
- Ensuring access to safe, affordable, accessible and sustainable transport systems by 2030, improving road safety, with particular focus on the needs of vulnerable groups, women, children, people with disabilities and the elderly

Information-related
Impacts on Consumers
and/or End Users

Personal Safety of
Consumers and/or End
Users

GREEN BOND AND SDGs

SDG 12: Responsible Consumption and Production: Encouraging large companies to adopt sustainable practices and incorporate sustainability information into their reporting cycles



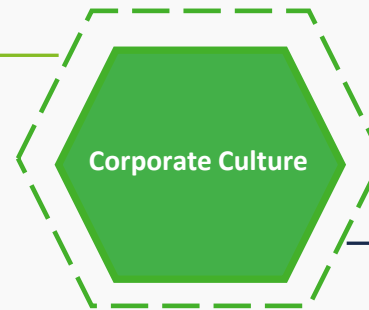
- **SDG 11.** Sustainable Cities and Communities



Business conduct | Themes, targets, SDGs

SUB-GOALS

- Integrating data traceability as a key consideration in IT reforms
- An operational automated data collection system that meets the mandatory minimum requirements set by the CSRD
- Developing a systematic approach to integrating ESG considerations into investment decisions
- Operating a consistent complaint management system across the entire organization
- Establishing corporate support functions and building an international management team
- Developing and implementing group-level training on compliance, money laundering, insider trading - planned for 2024
- Adopt of unified corporate governance policies at group level



GREEN BOND AND SDGs

- **SDG 16:** Peace, Justice, and Strong Institutions
 - 16b: Promoting and implementing non-discriminatory laws and policies for sustainable development



Urban mobility services | Themes, targets and SDGs

SUB-GOALS

- Creating accessible mobility services
- Developing high-quality, reliable, sustainable and flexible e-mobility services, MaaS (Mobility as a Service) and related infrastructure
- Creating innovative and accessible car infrastructure as a mobility service provider
- Our priority and future plan include, for example, promoting electric transportation and environmentally conscious mobility services



GREEN BOND AND SDGs

GREEN BOND

- Increase the number of EV charging stations by 50%
- Installation of Mode 4 charging stations +10 units
- Increasing the proportion of zero emission and/or hybrid vehicles by 20%
- Improving complementary infrastructure
 - Installation of 100 charging stations
 - + 250 EV

- **SDG 9.** – Industry, Innovation and Infrastructure:
Improve infrastructure and industry by 2030 and make them more sustainable, enhancing resource use efficiency and increasing the adoption of clean and environmentally-friendly technologies



Comparison of objectives outlined in previous sustainability policies and ESG strategies

	CLIMATE CHANGE	OWN WORKFORCE	CONSUMERS AND END USERS	BUSINESS CONDUCT	URBAN MOBILITY SERVICES	WASTE
Goals under the sustainability policy	<ul style="list-style-type: none"> • Electromobility: prioritizing low-emission vehicles • Energy procurement practices, and consumption: We will conduct a comprehensive assessment of the energy performance and consumption of our buildings to operate showrooms and service centers equipped with the most modern and energy-efficient building systems • Mitigation of climate risks and transition to eco-friendly solutions, making innovative mobility services available and applying digital solutions 	<ul style="list-style-type: none"> • Employee Training: In addition to mandatory and optional training (e.g. language courses), we also offer ESG training for our employees. • Equality and diversity, ethical workplace: Further development of a workplace that supports diversity, equal opportunities, health and safety. • A safe and employee-friendly environment 	<ul style="list-style-type: none"> • <i>No specific objective found</i> 	<ul style="list-style-type: none"> • Supporting social initiatives and local communities • Transparent communication: We ensure transparent and clear communication to our customers, partners, shareholders and employees. We publish our sustainability report annually in the form of a regular report 	<ul style="list-style-type: none"> • <i>No specific objective found</i> 	<ul style="list-style-type: none"> • Waste management practices: We strive to minimize the environmental impact of generated waste. We aim to maximize the recycling of waste produced during our operations
2024 strategic objectives	<ul style="list-style-type: none"> • Development of energy-efficient operations, including maximizing the use of renewable energy sources • Reducing primary energy consumption and increasing the share of green energy in the energy mix • Increase the proportion of renewable energy to 30% by 2031 	<ul style="list-style-type: none"> • Annual ESG-themed training and regular mandatory employee development programs • Introduction of a uniform group-wide performance evaluation system, career map and incentive program • Employee retention and attracting the right quantity, composition and quality of talent at group level 	<ul style="list-style-type: none"> • <i>Always providing our customers with impeccably maintained vehicles that incorporate the latest technical innovations</i> • <i>Ensuring access to safe, affordable and sustainable transport systems for everyone by 2030</i> 	<ul style="list-style-type: none"> • Establish a company-wide complaints management system • Adopt unified corporate governance policies at group level • An audit-compliant, IT-supported data collection system that meets CSRD and ESG legal requirements 	<ul style="list-style-type: none"> • Development of high-quality, reliable, sustainable and flexible infrastructure • Modernizing infrastructure to increase resource use efficiency and enhance the adoption of clean and environmentally-friendly technologies by 2030 	<ul style="list-style-type: none"> • <i>Given the amount of waste generated by the AutoWallis Group, it is not recommended to set a separate strategic objective for this issue</i>

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