

WING

Green bond Allocation and Impact report

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Management statement



„We are committed to environmental sustainability, therefore we are keen on increasing our contribution to climate change mitigation and adaptation through our developments.“

Noah Steinberg
Chairman of the Management Board

- WINGHOLDING (WING) Plc. successfully issued green bonds in a volume of HUF 24.5 billion in the end of Sept 2021.
- As a part of the Green Finance Framework WING has set up the Green Finance Committee (GFC) to oversee and control the allocation of green proceeds.
- The Green Finance Committee has approved 2 eligible green projects, with an allocation of around HUF 13.1 billion in the first year.
- In the second year, WING allocated HUF 11.4 billion for the same two approved projects, whereby the entire green financial resource has been used.
- Green investments have been improving: the Liberty Project delivers BB energy rating for the first phase, and the East Gate PRO II. project has already got BB energy rating.



Sustainability at WING

WING takes continuous steps towards sustainability

Green Finance

- In September 2021, WING Plc. issued green bonds in a volume of HUF 24.5 billion to finance green and sustainable projects.
- An agreement has been concluded with Zöldterv Kft. in order to monitor the evolution of energy targets, efficiency gains or consumption reductions determined in the Green Bond Framework and the achievement of the target KPIs.
- WING set up a Green Finance Committee to oversee and control potential and ongoing projects considered as eligible green.
- During the past 12 months, the Green Finance Committee met **four** times to review the utilization of the green funding resource.

ESG

- WING is working on the transition to ESG-based operation.
- In 2023, WING held a management workshop on the topics of sustainability and ESG reporting.
- Over the past year, we have established a sustainability group within the organization.
- In 2023, WING published their annual ESG report which is available on their [website](#).
- WING also prepared their [ESG strategy](#), which is to be reviewed and refined annually.

Green finance for energy efficient property developments

The objective of Green Finance Framework is to prioritize green investments



Supports the carbon transition through the issuance of green finance instruments



Enables financing opportunities for green projects through its green finance framework



Preparations for ESG reporting are underway to strengthen investor confidence

Green bond in a nutshell

Main features of the issued green bonds

**Auction date:
20th Sept 2021**

**Volume of issued capital
HUF 24.5 billion**

ISIN: HU0000360805





**Scheduled maturity at
2031**

**Coupon rate fixed 3%,
payment dues annually**





**100% of green proceeds for
finance projects in part or
full**

Green Finance Framework

Use of Proceeds

Eligible category	Eligible projects	Contribution to the SDGs	Eligibility Project Portfolio
Green buildings	Investments for new projects		<ul style="list-style-type: none"> • Design and construction of buildings which meet recognized standards: <ul style="list-style-type: none"> • BREEAM (Very good or above) or • LEED (Gold or above) and • Hungarian EPC rating of at least BB
Energy efficiency	Investments for refurbishment projects		<ul style="list-style-type: none"> • Refurbishment of existing buildings • Design and installation of building management systems based on renewable energy sources
Clean transportation	Investments for the development of e-mobility		<ul style="list-style-type: none"> • Design and construction of electric vehicle charging stations related to real estate development • E-carsharing availability and support for real estate projects
Biodiversity	Investments for new or refurbishment projects		<ul style="list-style-type: none"> • Natural landscape restoration through the establishment of green roofs, green facades and roof gardens

About the indicators

Eligible projects	Impact indicators and criteria
 <p>Investments for new projects</p>	<p>Number of buildings compared to the total real estate portfolio, which have meet at least one of the following standards:</p> <ul style="list-style-type: none"> • BREEAM (Very good or above) • LEED (Gold or above) • Hungarian EPC rating of at least BB
 <p>Investments for retrofitting projects</p>	<p>On an annual basis</p> <ul style="list-style-type: none"> • CO₂ emissions reduced/avoided in tCO₂ • Energy saving in kWh/m² • Water saving/reused in m³/m² • Amount of waste minimized, reused, or recycled in tons
 <p>Investments for the development of e-mobility</p>	<p>On an annual basis</p> <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
 <p>Investments for new or retrofitting projects</p>	<p>On an annual basis</p> <ul style="list-style-type: none"> • developed natural surface in m²

Green Finance Committee has approved 2 projects in recent years



Liberty office and hotel development project – the extent of resources used up to the date of the report:

- 20th of Sept 2021 – 20th of Sept 2022: HUF 9.2 billion
- 21th of Sept 2022 – 20th of Sept 2023: HUF 9.8 billion



East Gate PRO logistic park development project – the extent of resources used up to the date of the report:

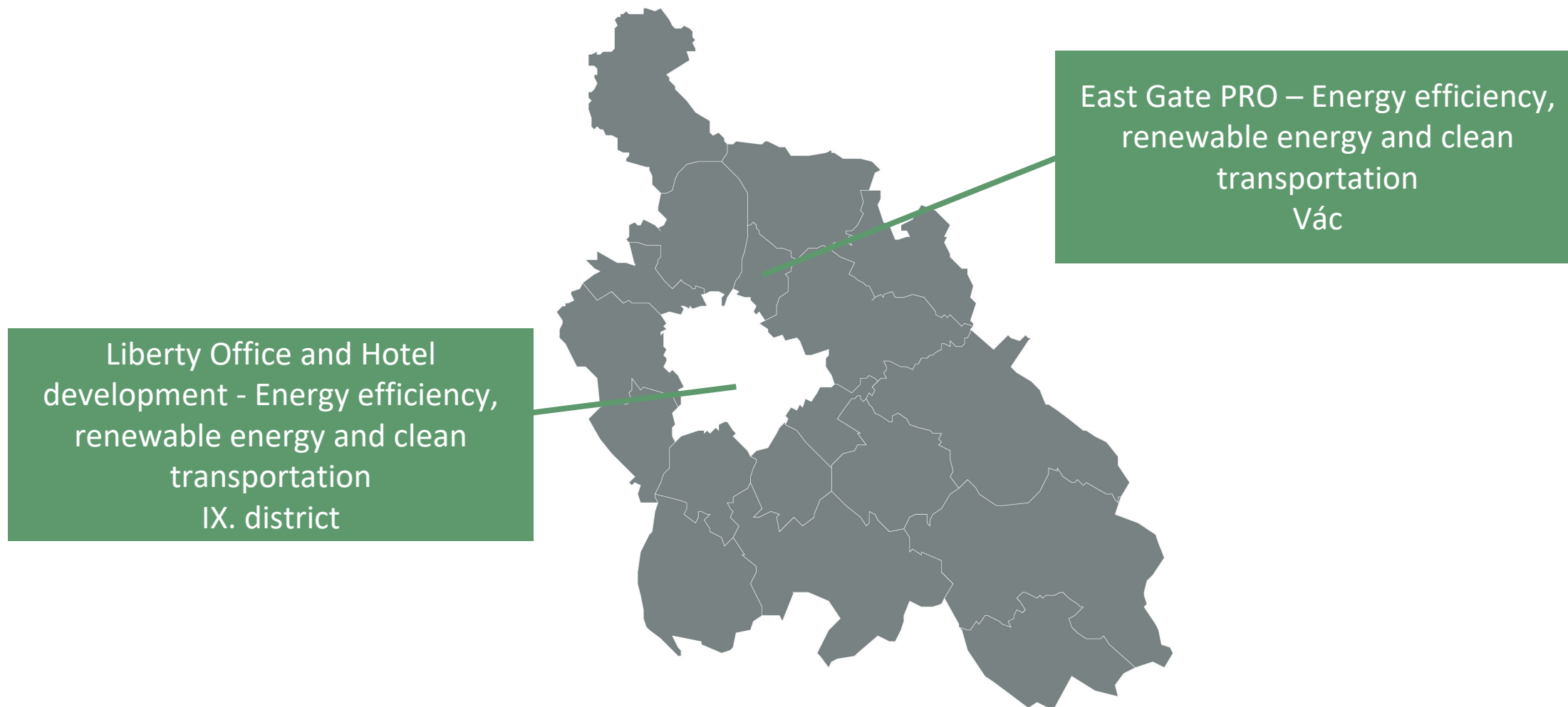
- 20th of Sept 2021 – 20th of Sept 2022: HUF 3.85 billion
- 21th of Sept 2022 – 20th of Sept 2023: HUF 1.6 billion

Overview of eligible green projects

EAST
GATE PRO
BUSINESS PARK

2151 Fót, Kopp Ferenc út 4.

Overview of eligible green projects in and around Budapest



Liberty hotel and office - Overview



Project Name: Liberty Project

UN SDG Goal – 7,12

Current status - Phase II. is under construction, further green developments are undertaken.

- Phase I of the Liberty includes a 332-room Ibis-Tribe dual-branded hotel on floors 5-8 of the South wing, while the other parts of the building will function as office – **current EPC level BB**
- Total planned project cost of the property development is HUF 48 billion, part of which was covered by WING's green bonds.
- The environmentally conscious and high quality building will provide nearly 30.000 m² of office space.
- Received BREEAM Excellent certification for the plan

Well-being services:

- Electric car chargers
- Bicycle storage, changing rooms and showers
- Bicycle and scooter rental
- Rooftop running track, sports fields, relaxation gardens
- Courtyard garden of 1.000 m² with outdoor workstations

KPIs:

The first phase of the project has been delivered with a BB EPC rating.

East Gate PRO II. - Overview



Project Name: East Gate PRO II.

UN SDG Goal – 7, 12

Current status - The first of the three-phase development was launched in June 2021, and received usage permit in August 2022.

- East Gate PRO investment is a logistic park development project in Fót, near East Gate Business Park – **EPC level BB**
- The total investment project budget amounted to HUF 27,5 billion, part of which was covered by WING's green bonds.
- The continuous development of the logistics industry has created a need for the expansion of logistics parks.
- The East Gate PRO will offer a total of 60.000 m² of rental space in 6 halls.
- Buildings A1-A2 and B1-B2 will offer different sizes of rental space according to individual needs and will also provide the possibility for future expansion.
- BREEAM certification is planned

Well-being services:

- 2 electric car charging stations were constructed
- LED and natural lighting
- Bicycle storage, electric car chargers

KPIs:





Buildings A1, B1 B1 already achieved BB EPC rating, and Breeam Very Good certification.

Allocation report

Allocation of green proceeds

Key information	Amount in HUF
Green bond proceeds – September 2021	24 503 000 000
Net balance of green proceeds	24 503 000 000
Total amount of investments in the Eligible Project Portfolio	24 503 000 000
Number of new and existing investments – geo dist.	2
Liberty Hotel and Office – Budapest IX. district; multiple-use property development	19 062 698 325
East Gate Pro phase II. – Vác, Pest county; logistic center	5 440 301 675
The balance of unallocated proceeds	0

Allocation of the green proceeds by Eligible Project Categories

Key information	Amount in HUF
Total amount of investments in the Eligible Project Portfolio	24 503 000 000
Distribution between Eligible Project Categories	4 Categories
 Green building	99,988%
 Energy efficiency	0%
 Clean transportation	0,001%
 Biodiversity	0%

Impact report

Green investment impacts

Eligible category	KPIs	Status
Green buildings	Number of buildings compared to the total real estate portfolio, which have meet at least one of the following standards: <ul style="list-style-type: none"> • BREEAM (Very good or above) • LEED (Gold or above) • Hungarian EPC rating of at least BB 	<ul style="list-style-type: none"> • Liberty Phase I. achieved BB, got BREEAM Excellent certification for design • East Gate PRO II achieved BB, and got BREEAM Very Good certification
Energy efficiency	On an annual basis <ul style="list-style-type: none"> • CO2 emissions reduced/avoided in tCO2 • Energy saving in kWh/m2 • Water saving/reused in m3/m2 • Amount of waste minimized, reused, or recycled in tons 	Funds have not yet been allocated to this project category.
Clean transportation	On an annual basis <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 	2 EV charging stations have been installed
Biodiversity	On an annual basis <ul style="list-style-type: none"> • developed natural surface in m2 	Funds have not yet been allocated to this project category.

Disclaimer

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