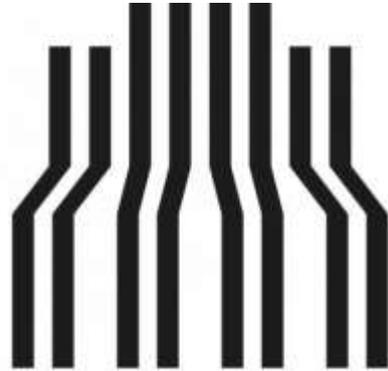


**Green Bond Framework for Biggeorge Property Ltd., including
related co-investment ventures and other affiliates**



BIGGEORGE
PROPERTY



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Introduction

Biggeorge Property Ltd. (hereinafter “Biggeorge Property”) is a member of Biggeorge Holding, a leading vertically integrated Hungarian owned real estate group, which is providing innovative services in the fields of real estate agency, mortgage and insurance intermediation, real estate development, construction, facility management and fund management. Biggeorge Property. has 3 main service categories: real estate development, real estate investment, and fund management.

Biggeorge Property, including related co-investment ventures, funds and other affiliates (collectively, Biggeorge), is one of the most determining participants of the local real estate market for more than seventeen years. Its field of activities now includes both commercial (office, hotel, retail, industrial/logistic) and residential real estate developments. In its activities Biggeorge always focuses on the creation of buildings that fully satisfy the users’ needs and are not only of great quality but comfortable and loveable at the same time. At the moment, Biggeorge. handles real estate development projects in the total project value of more than HUF 150 billion.

Sustainability strategy/focus

Biggeorge has paid increasing attention in recent years to energy efficiency, sustainability and social responsibility in its operations. In the residential real estate developments started after 2018, geothermal heating systems were built in accordance with renewable energy requirements, which have a much smaller ecological footprint than traditional fossil fuel usage, furthermore both thermal insulation and green roofs supported the energy efficiency of individual buildings. The handed over buildings using the above-mentioned technical solutions with outstandingly high energy efficiency, higher than the legal requirements.

In addition, long-term environmental considerations are becoming increasingly important. During the construction of the residential properties, Biggeorge pays special attention on good accessibility to public transport. Besides, Biggeorge is promoting sustainable modes of transport by installing electric vehicle charging infrastructure and encouraging cycling by providing safe bicycle parking (and showers, lockers and restrooms in the case of our head office). Additionally, dust protection and noise reduction will be implemented during the construction and / or operation of the buildings.

As the issue of waste becomes more and more important on a global scale, Biggeorge strives to minimize the generation of waste and to improve the rate of recycled waste in both the construction and use phases of buildings. Biggeorge is improving waste management by offering multiple possibilities to recycle and dispose of waste. Besides this, in the case of BREEAM certified buildings Biggeorge is paying attention to recycle the construction waste. In addition to these, Biggeorge also places great emphasis on water conservation. A few examples for this can be installation of water-efficient equipment, such as automatic tap water sensors, to reduce the use of water; installation of water recycling equipment, such as grey water tanks; rain water collection and (re-)use. Additionally, Biggeorge is designing green spaces.

In addition to sustainable operation and the protection of the environment, we also pay great attention to the social and governance pillar. We place great emphasis on the safety and health of our employees, comply with occupational safety legislation and apply a number of Environmental, Health and Safety (EHS) solutions in our daily work. Our company wants to ensure that both current and future colleagues are treated in a fair, non-discriminatory manner. Our employees have access to training opportunities and the infrastructure necessary for environmentally conscious everyday life, which is supported by the fact that our own office has a BREEAM In-Use Very good green building rating.

We also engage in social dialogue, and the buildings we develop also take into account the needs of people with reduced mobility. Beyond all that, Biggeorge Fund Management Company has a Policy for integrating sustainability risks into investment decision-making processes. Biggeorge Fund Management Company integrates sustainability – typically environmental – risks into its investment decision-making processes, taking into account the specific of real estate investments and the Fund’s investment policy. The Fund Management Company analyses sustainability risks among classic risk categories, especially as one of the aspects of business risks and/or risks related to real estate developments and real estate investments however there is no specific and explicit assessment of the sustainability risks in the course of the investment decision-making process. The policy can be found on [our website](#).

In addition to compliance with the law, Biggeorge pays attention to ethical, prudent and transparent operations (eg. continuous access and information, group internal code of ethics).

In 2015, the United Nations (UN) formulated seventeen key development goals for 2030. Biggeorge acknowledges their importance and takes measures to implement them into the everyday life of the company. In the Use of Proceeds chapter, in addition to each Green Eligible Category, SDGs are also presented.

Green Bond Framework

Due to the company’s or any of its co-investment venture’s or other affiliate’s possible intention of issuing green bonds (Green Bonds), Biggeorge Property Ltd. has established the following Green Bond Framework (The Framework). The purpose of this Framework is to have a comprehensive methodology in place for all future Green Bond issuances. The Framework will apply to any Green Bond issued by Biggeorge Property. or any of its co-investment ventures or other affiliates (collectively, Biggeorge) after its publication.

Generally, the Framework is aligned with the ICMA Green Bond Principles¹ (GBP), which are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market. The Framework consists of the following core components, which will be described in more detail below:

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

Use of Proceeds

The net proceeds of Biggeorge’s Green Bond(s) will be allocated exclusively to finance and/or refinance in whole or in part, real estate projects that contribute to making the building stock sustainable (“Eligible Green Projects”). Eligible Green Projects include sustainable and energy efficient property construction or renovation. Such financing or re-financing may include in part or in full, new or already existing Eligible Green Projects. Eligible Green Projects can be owned directly or indirectly (including a chain of legal entities, such as companies, funds, sub-funds as well as joint venture companies) by Biggeorge Property. or any of its subsidiaries. Projects shall qualify for refinancing with a maximum 36

¹ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-140621.pdf>

months look-back period before the issuance of the Green Bond as long as they follow the relevant eligibility criteria.

Biggeorge’s objectives with the Eligible Green Projects are to increase the portfolio of energy efficient buildings, and foster energy efficient and sustainable infrastructure. These projects will also have environmental benefits, such as energy savings and GHG emissions reduction.

Eligible Green Projects will contribute to climate change mitigation while Green Buildings will also contribute to climate change adaptation, pollution prevention and control, and natural resource conservation.

The Eligible Green Projects are also mapped to the UN Sustainable Development Goals (UN SDGs). Eligible Green Projects are required to meet the eligibility criteria as set in the table below:

Eligible Green Projects	Description of Eligible Green Projects	Contribution to the SDGs
<p>Green buildings</p>	<p><u>Commercial buildings:</u> Acquisition, construction or refurbishment of office, hotel, retail, industrial and logistics buildings which meet at least one of the criteria mentioned below:</p> <ul style="list-style-type: none"> • Certified or to be certified according to one of the following internationally recognized green building standard ²: <ul style="list-style-type: none"> ○ BREEAM: “Very Good” or above ○ BREEAM In-use “Very good” or above ○ LEED “Gold” or above 	
<p>Energy efficiency</p>	<p><u>Commercial buildings:</u> Acquisition, construction or refurbishment of office, hotel, retail, industrial and logistics buildings which meet at least one of the criteria mentioned below:</p> <ul style="list-style-type: none"> • Increased installed renewable energy share for the whole building ³ ₄ <ul style="list-style-type: none"> ○ 10 % higher renewable energy share than the requirement where Nearly Zero Energy Building (“NZEB”) requirements are applicable, in addition to complying with the NZEB requirements ⁴ ○ 25% renewable energy share for building parts which are not subjected to the national regulations, therefore neither the NZEB requirement, nor the renewable share requirement applies (industrial unit or storage area) ³ 	

² The certifications will be obtained at the latest at the delivery of the building.

³ According to the requirements of the Hungarian legislation, in the case of logistics buildings only the special conditions apply, for more information, see [Government Decree 178/2008](#) (VI. 30.) 1. § e.).

⁴ Commercial buildings, including office, hotel, retail, industrial and logistics buildings which do not have low energy demand (for more information, see [Government Decree 178/2008](#) (VI. 30.), have to comply with the NZEB requirements, including that the energy demand of the building must be provided from at least 25% of renewable energy sources. More details can be found in [Ministry without Portfolio Decree No. 7/2006. \(V.24.\) on the determination of buildings’ energy performance.](#)

	<ul style="list-style-type: none"> Major renovations leading to reduction of Primary Energy Demand of at least 30% in comparison with the energy performance of the building before the renovation <p><u>Residential buildings:</u> Acquisition, construction or refurbishment of residential buildings which meet at least one of the criteria mentioned below:</p> <ul style="list-style-type: none"> Primary Energy Demand at least 10 % lower than the threshold⁵ set for the nearly zero-energy building (NZEB) requirements^{2 6 7} Major renovations leading to reduction of Primary Energy Demand of at least 30% in comparison with the energy performance of the building before the renovation 	
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Process for Project Evaluation and Selection

The Project Evaluation and Selection Process will ensure that the proceeds of Green Bond(s) are allocated to finance or refinance projects that meet the criteria and objectives set out in this Framework (in the Use of Proceeds section). Biggeorge has established a Green Bond Committee (GBC) in order to identify, select and monitor Eligible Green Projects to be funded by Green Bonds.

The Committee is chaired by the Chief Executive Officer (CEO), and consisting of the following representatives:

- Chief Executive Officer
- Chief Financial Officer
- Development and Acquisition Director
- Construction Development Director
- Investor Relations Director

The Green Bond Committee will review, select and validate the pool of Eligible Green Projects, based on the Green Bond Framework and will screen the projects whether they meet the Eligibility Criteria and comply with local laws and regulations. In addition, the GBC maintains the Green Bond Framework up to date in order to be in-line with market best practices and latest environmental and social standards, local laws and regulations. The GBC will review and validate the annual report for investors and also approves the annual Allocation and Impact Report. It is also the GBC's responsibility to modify and approve the pre-defined eligibility criteria, or to exclude projects that no longer comply with these criteria.

⁵ Upper limit

⁶ As required in the EU Taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council), the Primary Energy Demand is 10% lower than the threshold set for the nearly zero-energy building requirements in the Hungarian Directive: [Ministry without Portfolio Decree No. 7/2006. \(V.24.\) on the determination of buildings' energy performance. ANNEX to the Commission Delegated Regulation Supplementing Regulation \(EU\) 2020/852 of the European Parliament and of the Council](#) ;„The Primary Energy Demand (PED), defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. The energy performance is certified using an as built Energy Performance Certificate (EPC)”.

⁷ Covering more than 25% of consumption with renewable energy (new or existing on-site renewable energy assets such as rooftop solar panels, energy storage capabilities, etc).

The GBC will meet at least semi-annually following the issuance of a Green Bond, or as further required in order to review and approve allocation of proceeds and reporting.

Management of Proceeds

The net proceeds from Biggeorge's Green Bonds will be deposited in the general account and an amount equal to the net proceeds will be earmarked for allocation to the Eligible Green Projects in accordance with Biggeorge's Green Bond Framework. This process will be managed by Biggeorge's Green Bond Committee.

Biggeorge will track all issued amounts of Green bonds based on its own internal process. To ensure proceeds are allocated in accordance with the Green Bond Framework, this internal process will contain necessary information about the bonds, Eligible Green Projects, allocation, etc., ensuring all Eligible Expenditures in the Green Bonds are appropriately identified. This information will serve as a basis of the allocation and impact reporting.

Biggeorge will strive, over time, to achieve a substantial level of allocation for the Eligible Green Project Portfolio. As long as the Green Bonds under this Framework are outstanding, Biggeorge aims to allocate an amount equivalent to the net proceeds of these instruments towards its Eligible Green Project Portfolio, as defined in the Use of Proceeds section. Additional Eligible Green Projects will be added to Biggeorge's Eligible Green Project Portfolio to the extent required to ensure that the net proceeds from outstanding Green Bonds will be allocated to Eligible Green Projects. Whilst any Green Bond net proceeds remain unallocated, Biggeorge will hold the balance of net proceeds not yet allocated to Eligible Green Projects in its portfolio of money market instruments at its own discretion based on its own policy (Policy for integrating sustainability risks into investment decision-making processes). Biggeorge intends to allocate the full amount of proceeds within the next 36 months following the issuance of the Green Bonds.

If a project is divested, discontinued or does no longer meet the definition of Eligible Green Projects as included in the Use of Proceeds section, it will be removed from the portfolio of Eligible Green Projects and replaced by another Eligible Green Project.

The payment of principal and interest on the Green Bond issued by Biggeorge under the Green Bond Framework will be made from its general funds and will not be linked to the performance of any Eligible Green Assets and Projects.

Reporting

To be fully transparent towards Green investors and other market stakeholders, Biggeorge will be providing updates for the Green Bond investors by consistent updates of an Allocation Report and an Impact Report. These reports will be available on the company's [website](#) and will provide insight and opportunity to the investors to follow the progress of the Green Bonds. Biggeorge will report on the allocation of net proceeds and associated environmental benefits annually until the proceeds of each Green Bond have been fully allocated, and as necessary in the event of material changes.

The reports will cover the following areas:

Allocation reporting

To the extent practicable, Biggeorge may provide information such as:

- Total amount of Green Bonds issued;

- The total amount of proceeds allocated;
- The share of financing / refinancing;
- The number of projects and level of certification, geographical distribution of Eligible Green Projects; and
- The balance of unallocated proceeds.

Impact reporting

Biggeorge will provide an impact report in line with the approach outlined under the Harmonized Framework for Impact Reporting⁸. Biggeorge will on an annual basis report on the impact of the asset's environmental aspects until full allocation of the Green Bond net proceeds or until the applicable Green Bonds are no longer outstanding. The impact reporting will be reviewed and approved by the Green Bond Committee. The impact reporting will aim to provide, where feasible, metrics regarding the Eligible Green Project's environmental impacts. Set out examples of the providable impact reporting can be found in the table below. The impact report will contain one or several of the relevant (below stated) information regarding to the projects, in context of the project categories.

⁸ <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Handbook-Harmonized-Framework-for-Impact-Reporting-December-2020-151220.pdf>

GBP Eligibility Criteria	Impact reporting metrics (examples)
Green buildings	<ul style="list-style-type: none"> • Type of scheme, certification level and m² Gross Building Area (GBA)⁹ • Annual greenhouse gas emissions reduced/avoided (tCO₂eq/year) • Expected annual renewable energy generation (MWh) • Installed renewable energy capacity (MW)
Energy efficiency	<ul style="list-style-type: none"> • Annual energy savings in MWh/GWh and/or GJ/TJ • Annual greenhouse gas emissions reduced/avoided (tCO₂eq/year) • Expected annual renewable energy generation (MWh) • Installed renewable energy capacity (MW)

External Review

ISS ESG, the independent second party opinion (SPO) provider has reviewed and verified Biggeorge's Green Bond Framework and certified its alignment with ICMA's Green Bond Principles 2021. The second opinion can be found on Biggeorge's webpage.

Disclaimer

This Framework is intended to provide non-exhaustive, general information and is subject to change without notice. This Framework may contain or incorporate by reference public information or information based on sources believed to be reliable not separately reviewed, approved or endorsed by Biggeorge Property Ltd. or including related co-investment ventures and other affiliates (together Biggeorge) and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted or undertaken by Biggeorge as to the trueness, fairness, accuracy, reasonableness or completeness of such information.

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⁹ For commercial properties or buildings only

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