Autonom

Evolve. Daily.

Towards a Sustainable Mobility

Sustainability Strategy - July 2021

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1. Introduction

Autonom stands for integrity, transparency, authentic values, and open communication. We consider these characteristics as being the main pillars of our goal's achievement in terms of business development.

Our activity started in 2006 when we began to offer short-term car rentals to our clients. Since then, our company has been involved in a continuous development and expansion, being able to deliver more different types of services for a large and varied range of clients. Thus, in 2021, we reached a point where we can deliver a wide range of services, all related with mobility, as for example:

Rent-A-Car	Leisure Rentals Business Travel Rentals Business Mid-Term Rentals
Lease	Operating Lease Equipment Lease
Chauffeur Drive	Airport Shuttle InterCity Transfers Urban Transfers Special Transfers

Used Cars	Second Hand Car Sales
Road Assistance	Car Replacement Road Assistance Towing Vehicles
Fleet Management	Fleet Management Car Wash

Autonom's values represent the core of all our actions. We strongly believe that honesty and integrity are among the most powerful features one business can rely on. Furthermore, we are totally engaged in satisfying our clients choosing customized and proper action in this regard, individually, for each client.

Considering the major challenges of the planet, we are aware that acting before we reach irreversible tipping points will allow us to design that transformation in a timely manner, rather than react and adapt to it. We aim to design our sustainability strategy to strengthen our position in our industry, as well as fight against climate changes and its effects, together with our stakeholders and our communities.

Our most valuable assets are the people. We are keen on developing respectful and trustful relationships with all our employees and we encourage smiles and positive vibe at the workplace. We are also aware that flexibility and adaptability at the market dynamics are representing the winning attitudes that we are determined to embrace in our day-to-day work. Together with our stakeholders we aim to strengthen the sustainable development of our community, adding also, besides our local impact, our contribution to a global positive impact.

We know for sure that these values will lead us to business success, professional evolution, and an added value to a global impact in terms of prosperity, balanced with a higher quality of life, while helping in greening the economy and the planet's recovery.

2. Sustainability overview at Autonom

Enforcing sustainability practices places us among the top companies that are showing relevant concerns in matters like increased quality life, ecosystem protection, natural resources preservation, all being results of the right implementation of sustainability actions.

We also associate sustainability as being a holistic approach managing under its wide range of duty, all our internal and external processes as a top to down approach. In order to become a resilient company, we consider sustainability concepts as a core area of concern for our further development and market intervention in our business industry. Thus, we are engaged to embrace into all our business activity practices that will lead our corporate sustainable performance.

We, as an organization, are committed to contribute to a better, cleaner, and safer world, a friendly place to enjoy life and work.

2.1. Sustainability premises

The main drivers of our Sustainability Strategy Inception were:

- **The 2030 Agenda for Sustainable Development and the SDGs**
- **Paris Agreement**
- **The European Green Deal** and ***'Fit for 55'***
- **The European Climate Pact's goals and target**
- **EU Taxonomy**
- **EU legislation in the field of transportation (EU/Directive 631/2019, and EU/Directive 1161/2019)**
- **REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**, on sustainability-related disclosures in the financial services sector
- **REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020** on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088
- **The Romanian perspective on sustainable development,** National Sustainable Development Strategy of Romania – Horizons 2013-2020-2030.

For a more detailed approach regarding the topics above, please check Appendix 1, at the end of the document.

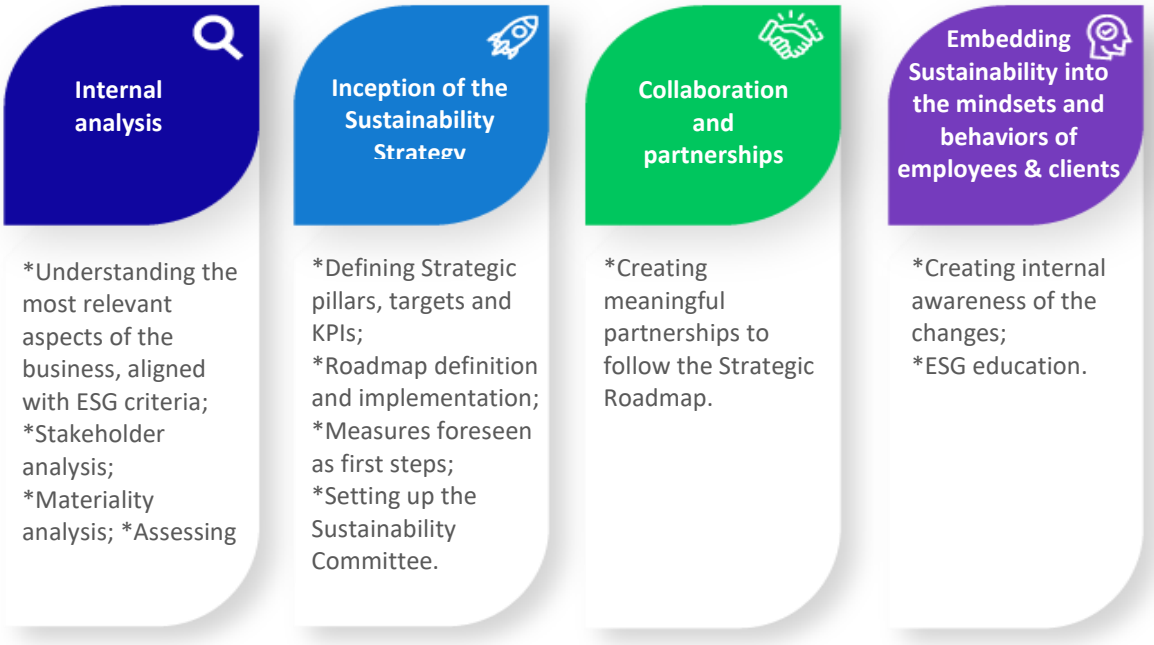
2.2. Our path to Sustainability

Considering our future Business Development Plan, we believe it is relevant to establish our Sustainability Strategy in 2021 to show the commitment of our organization towards a sustainable development. Our organization's social and environmental responsibility was always a priority and we by far had constant preoccupation in these dimensions.

We consider that creating and developing a sustainability strategy will make us more resilient and target oriented and we will show our commitment towards the global fight against the most significant challenges of nowadays, majorly by contributing to a global emission reduction.

We started with internal analysis consisting in evaluating our Corporate Carbon Footprint, together with understanding the potential impact that our business is creating in the community.

We continued to establish the main pillars of the sustainability strategy considering the most relevant material aspects and we started to set up priorities in alignment of different collaboration with interested parties.



The most important area will be to enable people in understanding our new path in development and to educate them to create a common understanding and an easier approach in the Sustainability Strategy implementation.

2.3. Understanding the organization and its context

In order to plan, develop, support, and continuously improve our Sustainability Strategy and its management, we used the SWOT analysis to determine the context of our organization and the main risks and opportunities. The SWOT analysis was conducted by the management team and all responsible persons deeply involved in sustaining the Sustainability Strategy into operation.

Potential influences deriving from political, economic, social, technologic, legal and environmental factors were identified which could end up into a risk or opportunity for the organization. Some of the opportunities, which could be used further to achieve performance with different stakeholders, are identified in the same analysis.

Also, the stakeholder analysis, as a basis for identification of main stakeholder's groups and their interest in the organization, was performed as a start in defining our Sustainability Strategic inception.

During the analysis, all business conditions were considered in a wide spectrum of operation:

- **SWOT analysis** which brings insights of main strengths, weaknesses, threats and opportunities for the organization;
- **List of needs and expectation of stakeholders and stakeholder mapping.**

Risks and Opportunities which derive from the stakeholder analyses were considered in development of the Sustainability Strategy.

Stakeholder Mapping

Considering the specific needs of the stakeholders, with those groups with medium & high influence on the organization, Autonom will develop specific engagement activities thus transparently create frameworks for collaboration on medium- and long-term perspective and create a common understanding of mutual needs and expectation of both parties. The engagement activities will be diverse and specific for each specific group of stakeholders.

From board members to management team and employees, our organization has a constant engagement activity with specific business professional, educational and networking organizations (ARIR, RBL, YPO, CEO Clubs, Teach for Romania, Entrepreneurship Academy, Industry and Commerce

Chambers, Biz Club, etc.) and these activities will continue in diversifying as part of our community involvement and our stakeholder engagement process in the future.

Below is a list of desired engagement processes which we considered that will empower a good relationship with our stakeholders.

Key stakeholder categories - evaluation of power/influence

Main groups of stakeholders	Type of stakeholder internal/external	Type of interaction desired
Agencies employees	Internal	Intensive dialogues, engagement process with specific actions
Support functions	Internal	Intensive dialogues, engagement process with specific actions
Management	Internal	Intensive dialogues, engagement process with specific actions
Shareholders	Internal	Intensive dialogues, engagement process with specific actions
Customers	External	Intensive dialogues, engagement process with specific actions
Suppliers of direct materials	External	Intensive dialogues, engagement process with specific actions
Suppliers of services	External	Information & communication & Satisfaction of their expectation
Suppliers of outsourced service	External	Information & communication & Satisfaction of their expectation
Authorities/city halls	External	Information
Universities/Schools	External	Intensive dialogues, engagement process with specific actions
Disposal companies	External	Information
Neighbors	External	Information & communication & Satisfaction of their expectation
Press / media/bloggers-social media	External	Intensive dialogues, engagement process with specific actions
Competitors	External	Intensive dialogues, engagement process with specific actions
International/Local NGOs	External	Intensive dialogues, engagement process with specific actions
Agencies building owners	External	Information, engagement process with specific actions
Potential employees	External	Information & communication & Satisfaction of their expectation
Investors/Analysts	External	Intensive dialogues, engagement process with specific actions
Professional association	External	Intensive dialogues, engagement process with specific actions

2.4. Our material topics

We realize the impact generated by the kind of services we deliver on environmental, social and governance levels, and we are committed to empower more and more actions that lead our activity closely to the features of sustainable mobility.

We considered an important milestone to identify and define our materiality aspects to have a clear view also on deliverables on environment, social and governance levels, but mainly on the impact our approach has on our stakeholders.

Materiality Aspects	Description
ENVIRONMENT	
Energy & Fuel Management	We are aware that we need to involve consistent resources in managing all the energy and fuel involved in our business daily routine, in order to reach a level of optimization in this regard. We continuously work on maintaining appropriate database tools which can offer us a straight overview regarding our level of consumption, highlighting the areas which need improvement.
Waste & Hazardous Materials Management	The outcomes from our activity can generate some important negative impacts on the environment and economy. We put efforts on making a correct waste management by maintaining proper recycling actions.
GHG Emissions and Climate Impact	We fully understand our impact on climate change due to our activities. We are committed and willing to engage all efforts needed to reduce the CO2 emissions generated by our activity, directly and indirectly. We strongly believe that our actions in this regard will overcome important milestones for our business resilience.
PEOPLE & COMMUNITY	
Community involvement	We took the responsibility of being involved in the community in a very strong sense, ever since we started our business. Beginning with 2013 we keep materializing our vision through more than 500 CSR campaigns carried out by Autonom Foundation. Furthermore, our employees are constantly engaged in other projects (education, social, sports), without the direct involvement of the Autonom Foundation. Furthermore, during the Covid Crisis in 2020 we engaged immediately and developed the HELP 100 project, offering 100 free usages of cars to ONGs and organizations directly involved in COVID combat.
Employees Health and Safety	We value our employee's integrity driven by the awareness regarding their role in our business success. Therefore, we always pay attention to their needs in terms of equipment, devices and instructions necessary to ensure a safe workplace.
	We put emphasis on a relaxed and friendly atmosphere at the workplace, being sure that a positive attitude is the right key for our employee's wellbeing. Also, we show openness when it comes to needs of development and we are careful to take into consideration everybody's professional development goals. We have a consistent training budget

Employee wellbeing and development	available for everybody and we emphasize personal development as daily practice (Ex: ED_ Evolve Daily Project and focus on topic in biannual evaluations).
Quality Education	We consider the business domain as being one of the most entitled actors in the society regarding knowledge sharing. This belief turned into a strong motivation for Autonom and leads us to a strong involvement in our communities, with positive impact in environmental and educational issues. We will continue our projects promoting learning and reading in our communities and within our partners (ex: "A book I recommend" initiative), also increasing awareness on a more sustainable behavior and climate actions.
Equality Diversity & Human Rights	In Autonom, we accept and encourage diversity and we do not tolerate any kind of hostile behavior in this regard. We will always treat this aspect with maximum attention and we will make sure that Human Rights are always respected in our company and other external contexts related to our company. We value gender equality and we have a strong position regarding women in management positions.
Working conditions	We are engaged in providing the best solutions for our employees, in order to have proper working conditions. We customize and supply all our working areas with suitable assets for our business nature.
SUSTAINABLE BUSINESS & GOVERNANCE	
Corporate Governance & Compliance	Autonom is led by its primely settled pillars, which empower all our corporate governance. We are driven by integrity and transparency with a systematic approach on risk management and compliance. We are sure that only by following our values and motivations we will reach satisfaction in all areas of our business, but mainly we will ensure the resilience of our business.
Supply Chain Management	We recognize the role of successful partnerships in our business and we struggle to ensure and maintain a structured approach along the entire supply chain. We have a close relationship with car dealers and we develop customized services together. We always promote the values of Autonom within our social and business interactions, value chain included.
Business Ethics & Transparency	We identify this materiality aspect as constituting the foundation of our company. We are clearly devoted to respect and promote all our motivations regarding our business: strong ethics, total transparency and full integrity.
Data Security	Our decision to provide high level services to our clients, involves strong awareness for data security. We enroll the right solutions to be able to further ensure the security of all client data we manage.
Customer satisfaction, Selling & Market Practice	We consider the loyal practices as being the only tools which can help us to show respect to the market's development and its exigent requirements. We also respect our competitors and we focus mainly on the market's needs. We will always be ready to develop new services and approaches in order to continue to be one of the most important providers of mobility in Romania.

We are determined and engaged to assume all our already settled materiality aspects, to define suitable approaches which will lead us to proper actions needed to be taken in order to contribute to a sustainable business model. We are aware that, to achieve this goal, we need to focus on the impact we generate on environmental, societal and economic levels.

We assessed internally our business impact and importance of these above-mentioned material aspects for our organization to better define the Sustainability Strategic Pillars. The internal assessment and input on materiality was given by Executive and Operational Management. During our internal assessment we carefully related the importance and business impact of these material aspects also considering the potential influence on the stakeholder.

A deeper assessment on the material aspects will be developed in the near future considering all internal and external stakeholder views. The future materiality matrix, which we are intending to have developed until November 2021, will be performed by questioning the most important and relevant stakeholder groups of Autonom organizations. The new defined matrix after this future internal and external analyses will adjust, if needed, the current Matrix accordingly and will be the basis for our future Sustainability Reporting perspective, aligned also with our performance track with relevant performance indicators per material aspects.

2.5. SWOT Analysis

We considered having an internal approach on analyzing very carefully the main risks and opportunities also from the business internal perspective when we defined our Sustainability Strategic Pillars and the Sustainability Goals. For us, to understand the key opportunities from the market as well as the threats, is very important, thus, to align the most important goals for short, medium and long term to strengthen our business and to be aligned with the market trends, sectorial approached as well as with the customer demands in the near future.

Our strong brand and recognition have been revealed through the years by receiving different prizes or recognition placement by different organizations, such as:

- ✔ Fitch Rating in June 2020: IDR – Long Term Issuer Default Rating B+, updated in June 2021 from 'negative' to 'stable';
- ✔ Receiving for 5 years in a row the title of "Best Employer" (2014 – 2018);
- ✔ Autonom was recognized by the "WorldBlu" among the 123 worldwide companies as promoting democratic principles and freedom in the workplace;

- ✔ In 2018, we have been the first Romanian company to be included in BERD's Program: Blue Ribbon;
- ✔ Autonom has been selected in the first edition of "Made in Romania", organized by the Bucharest Stock Exchange, as being among the 15 representative companies for sustaining the development of the Romanian economy.

We have an internal risk management process which integrates all business risks analysis (strategic, operational, liquidity, market, reputational/image, credit and compliance risk). These assessments will be supplemented in the future with risk analyses on climate change. The risks analysis on climate change for our business will be driven by implementation of the TCFD framework. The future results will show a deeper understanding of specific climate change risks for our business financial area. We target to have the climate risk mapping until the mid of 2022.

We have made internal scenarios analysis to identify how we can work towards a 2-degree Celsius mitigation plan considering our business development and the effort in operational fleet substitutions, considering adding more LEVs (low emission vehicles) trough the time considering a medium to long term scenarios 2020÷2025÷2030. We have evaluated our fleet substitution scenarios considering also the market perspective and also enforcement of the new legal EU requirements. The main indicator considered in this evaluation was the WLTP (gCO_2/km) average rate of the active fleet. The scenarios considering a fleet increase of 140% by 2030. These scenarios helped us to understand better the sustainability indicator towards we can commit for medium- and long-term perspective.

Also, until mid-2022 we would like to assess in deep and make scenarios analyses based on science-based emission reduction targets aligned with the SBTi's target-setting criteria. We aim to understand better if our organization can commit and in what extent to greenhouse gas emissions reduction targets that are in line with the level of decarbonization required to meet the goals of the Paris Agreement, to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C, considering the current limitations for Scope 1 and 2 within the SBTi focus and the relevance for our core activity, as a mobility provider company.

2.6. GHG Baseline Emission inventory

The interest in the environmental impact of products and services is becoming increasingly important among producers, retailers, administrators and even responsible consumers. Not mentioning that for the mobility/transportation sector this is widely important as they are acting in the B2C economic sector.

On the downside, climate change has anchored awareness of the problems caused by greenhouse gases. An indicator of quantifying a potential impact by highlighting this aspect is the **Carbon Footprint of the Organization (CCF).** This provides information on the total greenhouse gas emissions, involvement and responsibility of an organization throughout its life cycle. Therefore, a concrete analysis can identify with relatively little effort, options for improvement (potential changes in the operational segment) or even the staggering of new products or services.

The carbon footprint is expressed in CO2 equivalent emissions and provides transparent, easy-to-understand and communicable results.

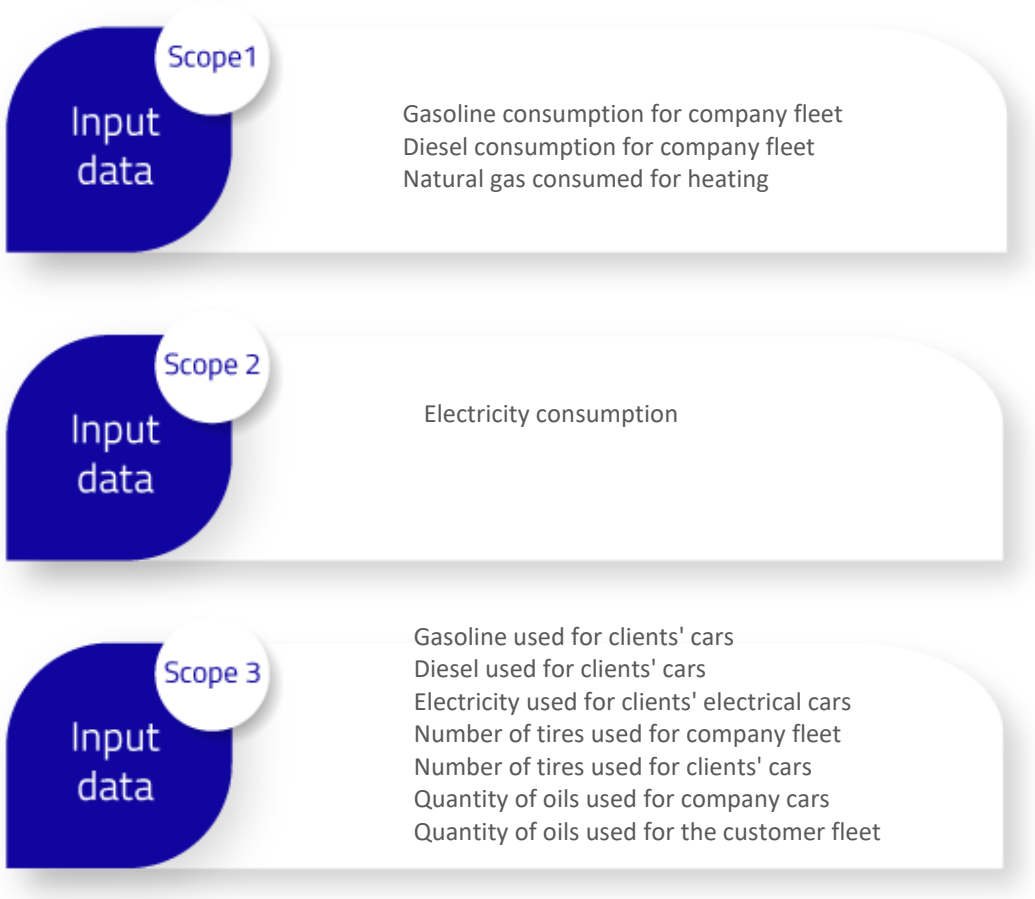
Autonom has undertaken to calculate the greenhouse gas emissions that are associated with its agencies' activities and its customer fleet. It should be emphasized that this calculation had an important role in developing the Sustainable Strategy, since it provides an overview for the consumption of resources and energy on a wide spectrum of operation considering life cycle perspective (downstream, activity, upstream).

Each cause is highlighted as a result of the calculation process, therefore the sector responsible for the most emissions will be easier to identify. Greenhouse gas emissions imply high costs. The irresponsible consumption of energy will not only generate a high amount of emissions, but also financial burdens, which will be reflected as impact on financial health or the organization.

We are aware that our main activities could lead to an important impact on the environment. To better define the baseline and the overall impact on the environment we considered relevant to analyze the GHG emission level from our activities (developing the CO2 emission baseline inventory), considering the value chain perspective (upstream activities, downstream impact).

Therefore, we have started to gather relevant data about our consumption dynamics, in order to assess our CO2 emissions resulting from our activity. To obtain the most accurate results, we used the **GHG Protocol Standard** methodology, to have an overview on our emission level for each of the three Scopes (Scope 1, 2 and 3). We conducted the assessment considering three-year data.

In this regard, we considered and used for calculation the following consumption parameters:



This assessment increases our awareness regarding the reduction potential of the CO2 emissions, putting emphasis on Scope 3 outcomes – which are considered to be responsible for more than 99% of our total emissions.

Our Corporate Carbon Footprint results

We have assessed our Corporate Carbon Footprint in accordance with the GHG Protocol, taking into consideration our main consumption related to our activity.

The quantitative input data included in our Corporate Carbon Footprint assessment is the following:

Scope 1		Consumption		
Source of emissions	**Unit**	**2018**	**2019**	**2020**
Company fleet - gasoline	liters	4,051	4,337	11,634
Company fleet – diesel	liters	23,890	34,555	21,669
Natural gas for heating	kWh	588,742	750,731	879,169

Scope 2		Consumption		
Source of emissions	**Unit**	**2018**	**2019**	**2020**
Electricity consumption	kWh	212,173	312,441	234,838

Scope 3		Consumption		
Source of emissions	**Unit**	**2018**	**2019**	**2020**
Customer fleet - gasoline	litters	2,183,059	2,942,521	3,345,291
Customer fleet – diesel	litters	4,976,337	8,222,125	9,134,017
Customer fleet - electricity	kWh	803	18,672	92,331
Customer fleet - gasoline production	liters	2,183,059	2,942,521	3,345,291
Customer fleet - diesel production	liters	4,976,337	8,222,125	9,134,017
Customer fleet – tires	number	4,782	15,458	12,253
Customer fleet - lubricants	liters	20,732	25,170	28,827
Company fleet - gasoline production	liters	4,051	4,337	11,634
Company fleet - diesel production	liters	23,890	34,555	21,669
Company fleet – tires	number	84	96	112
Company fleet - lubricants	liters	90	112	126
Electricity losses	kWh	212,975	331,113	327,169

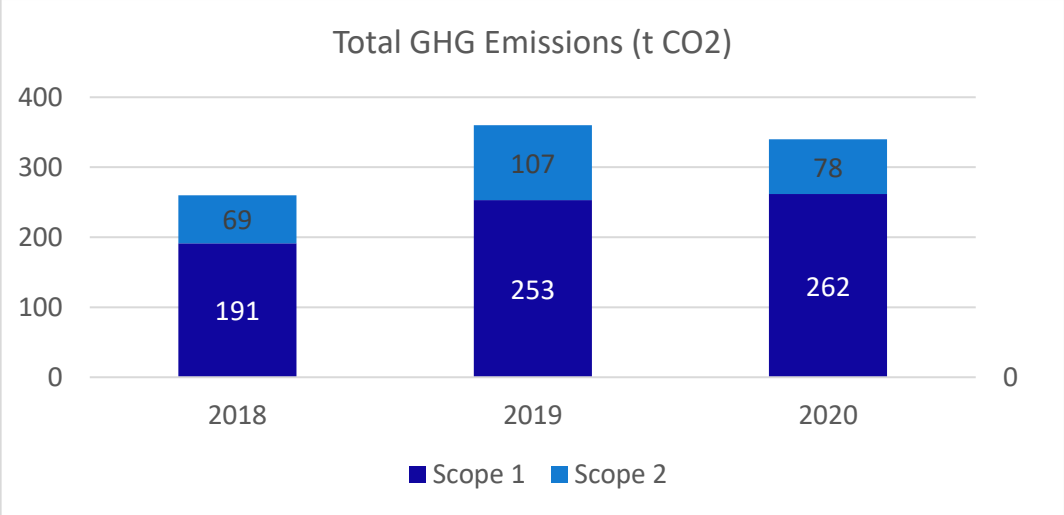
Based on these inputs, we assessed our Corporate Carbon Footprint, and our results are the following:

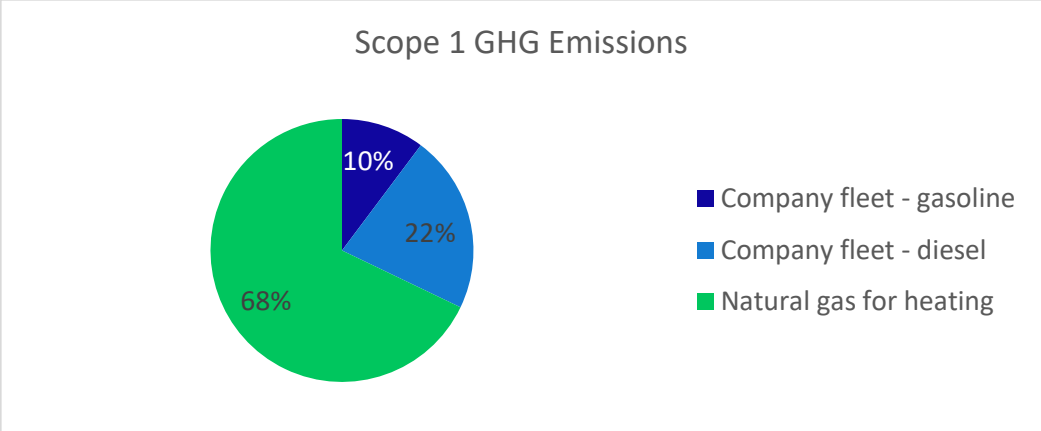
		Total GHG Emissions (t CO2)		
Source of emissions	**Unit**	**2018**	**2019**	**2020**
Scope 1	t CO2	191	253	262
Scope 2	t CO2	69	107	78
Scope 3	t CO2	21,604	34,004	37,909

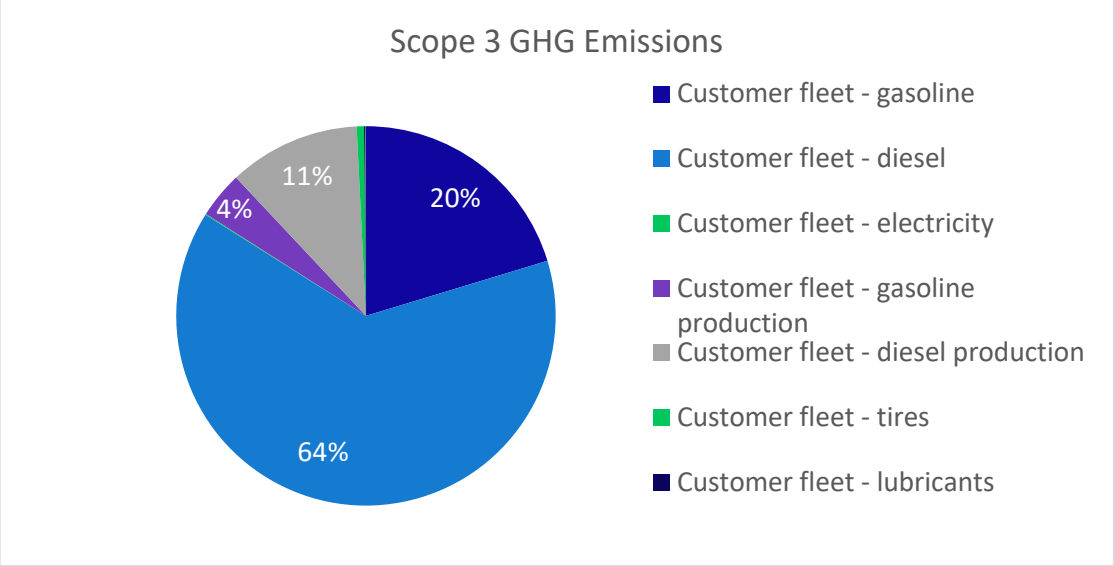
The assessment showed that Scope 3 indirect emissions are responsible for more than 99% of our total emissions.

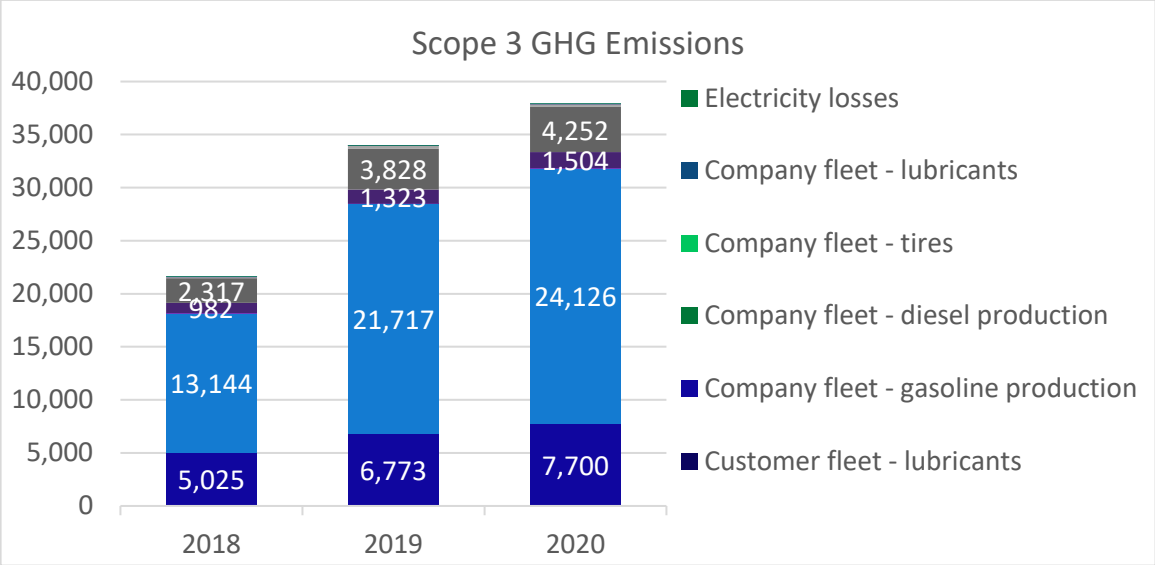
Scope 3 emissions were identified as the main source with the highest mitigation potential.

In Q1 of 2020, we started the shift towards the usage of hybrid cars for management. All the hybrid cars are gasoline powered and the results are visible in the fuel consumption mix, which showed a clear decrease of diesel consumption in 2020 compared to 2019 and increase in gasoline. (Scope 1 data).









Note: We used for our GHG` Inventory calculation the methodology of the standards - **The Greenhouse Gas Protocol: The Corporate Accounting and Reporting Standard, WRI & WBCSD**

Conclusions

Our main source of emissions is Scope 3 indirect emissions. Scope 3 is responsible for more than 99% of our total emissions. Diesel cars are responsible for 64% of the total Scope 3 emissions, followed by Gasoline driven cars which are responsible for 20% of our Scope 3 emissions. 15% of our Scope 3

emissions are related to the production of the diesel and gasoline used by our customers, while 1% are the emissions related to the use of lubricants and tires.

Diesel consumption in 2020 (considered for Scope 1 calculation) decreased by more than 37% which was the result of Autonom's decision to shift the company's own operational fleet, used by management, to a fleet consisting mostly of hybrid cars.

With our OMV partner, we started offsetting emissions related to our fuel consumption, for our fleet, starting from March 2021 (282 tons of CO2 up to date).

2.7. Operational fleet assessment and increasing scenarios impact analysis

In order to asses our environmental impact, beside considering the GHG emission calculation we calculated our average CO2 emission considering WLTP (Worldwide Harmonised Light Vehicle Test Procedure) of our fleet, based on the manufacturer information's.

Thus, we have identified for 3 years our fleet average WLTP in gCO2/fleet.

Historical data, end year operational fleet;	2018	2019	2020
WLTP CO2g/km	150.00	153.57	153.57

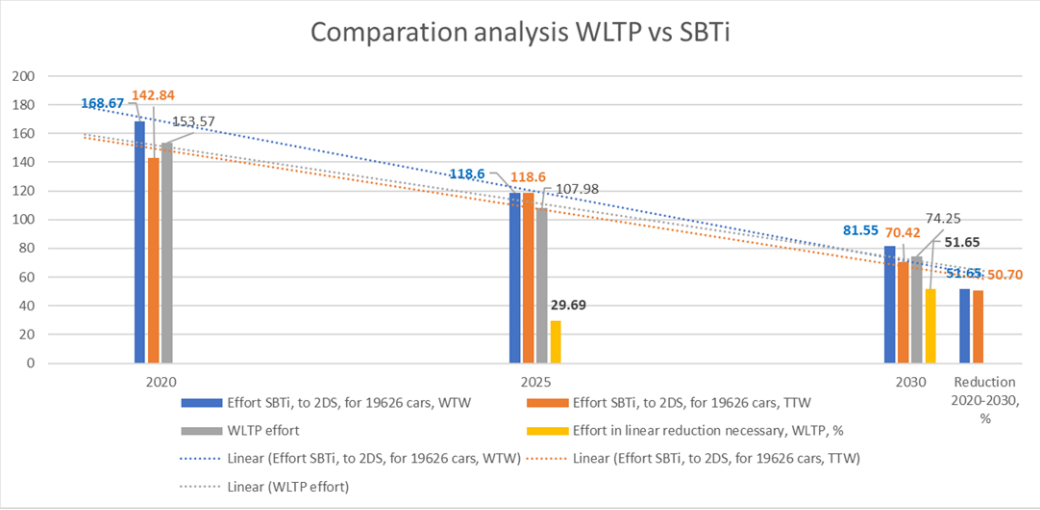
Considering that our business service model might add a potential increase trough the time of the operational fleet car numbers we consider valuable to assess the impact of the increase considering also the new EU Automotive Directive requirements (EU/Directive 631/2019, and EU/Directive 1161/2019, see annex references) on which Autonom as entity should comply and also should proactively engage its operational activities to achieve these targets. The EU Directives sets from 1 January 2025, a target equal to a 15 % reduction of the target in 2021 for the average emissions of the new passenger car fleet and from 1 January 2030, a target equal to a 37,5 % reduction of the target in 2021 for the average emissions of the new passenger car fleet. Also considering the market potential and target set up by the EU/Directive 1161/2019, for Romania is foreseen a **minimum procurement targets** for the share of clean light-duty vehicles of about 18.7% until 2025 and 18.7% until 2030.

We also took into account the SBTi scenarios in reduction of the environmental impact for our fleet considering the Target modelling for 2DS (2 degree Celsius). The Target modelling for 2DS according

SBTi transport calculation tool (https://sciencebasedtargets.org/sectors/transport) sets a sector growth rate of about 17.42% for the period 2020÷2030 and the following targets:

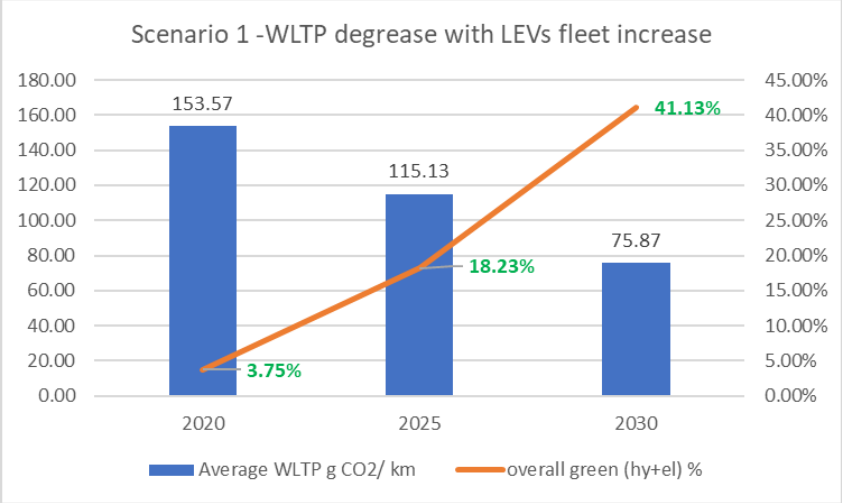
- for WTW (well to wheel) carbon intensity (g CO2e/pkm) of about 118.6 gCO2 g/pkm (for 2025) and 81.55 gCO2 g/pkm (for 2030), which consider a 51.65% of reduction potential considering the baseline for 2020.
- for TTW (tank to wheel) carbon intensity (g CO2e/pkm) of about 118.6 g CO2e/pkm (for 2025) and 70.42 g CO2e/pkm (for 2030), which consider a 50.70% of reduction potential considering the baseline for 2020

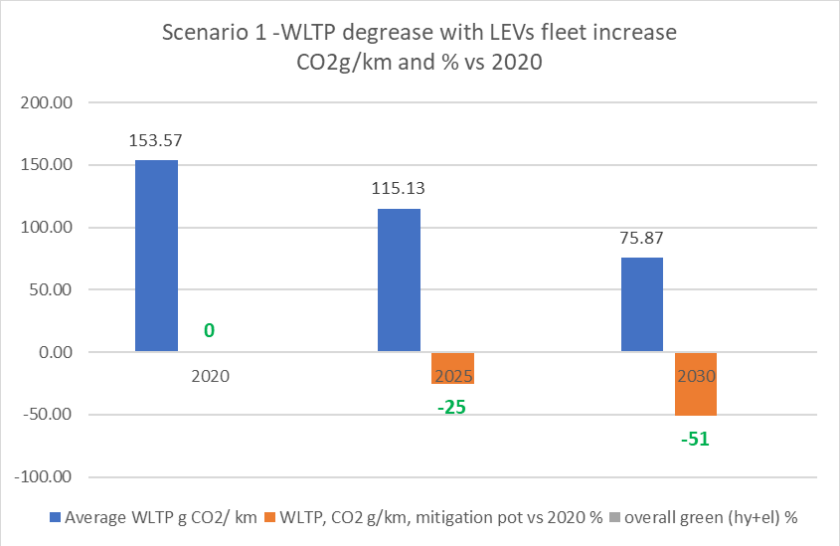
The comparation analysis shows the intensity reduction potentially needed for our fleet and gave us the main areas to be considered for the fleet substitutions to meet the compliance rate imposed by the EU Directive as well as the added value towards lowering the CO2 intensity for our company footprint. This comparation takes into account a direct linear decreasing option for WLTP which could be taken into account and reflect a potential effort for substitutions.



In order to align our business scenarios with the compliance EU targets we have handled 3 scenarios which were considered into definition of our future Sustainability Target for our company.

After assessment we considered that the Scenario 1 reflect better the future growth of our business and also the substitution perspective which will allow us to comply with the binding obligation in the market for our business sector and could help us defining a meaningful sustainable development business goal and target to mitigate our Environmental Footprint.





3. Sustainability Strategic Pillars

We defined our **Sustainability Strategic pillars** considering our main future positive impact. Our priority in sustainability pillars definition was to be linked with ESG principles of operation and to be aligned with the most relevant EU strategies towards a sustainable business operation.

Because our business core values are important, these pillars are aligned with the organizational cultural performance matrix. Our strategy was defined and aligned with our sustainable vision, mission and values. We defined our Sustainability Strategy with a time horizon of 2030 and an intermediate 2025 timeline. We aligned our strategic goals with the Sustainable Development Goals of Agenda 2030. The baseline for the target horizon was chosen as the year 2020.

After analyzing potential scenarios considering Science Base Target criteria we will consider a potential commitment to SBTi if possible and we will define the level of decarbonization required to meet the goals of the Paris Agreement. The SPT tracking and results will be further communicated in our Sustainability Reports.

Our Vision

AUTONOM's vision is to be an authentic and sustainable business model.

Our Mission

AUTONOM is a long-term family company that understands that sustainability is an essential element of the future. The success for us is given by the satisfaction of the clients and by the evolution of the colleagues.

- ✔ The management system and daily decisions are based on autonomy and filtered through our value system;
- ✔ Autonom is a learning organization. We encourage the personal development of everyone and support the continuous transformation of the company;
- ✔ We have a positive impact on society and the environment, by supporting education, being an active part in our communities and using resources responsibly.

Our Values

THE TEAM: We are a team of teams. Respect, common sense and smiles are our secrets;

CUSTOMERS: We do what is necessary to help our customers;

CONTINUOUS EVOLUTION: We evolve daily;

RESILIENCE AND AGILITY: We are adaptable and flexible. Simplicity is our way. We learn from every experience.

INTEGRITY: Honesty, integrity and transparency are fundamental to the company's development;

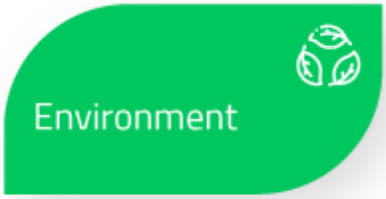
AUTONOMY: We have the responsibility of freedom for our decisions.

Our Organizational Culture

We consider our organizational culture as being a strong characteristic driving forward our business and our employees. Beside our values that we consider key for our business, our organizational matrix is based on **four principles**:

- ✔ Continuous development mindset of our employees; reading at least 1 book / month is a duty;
- ✔ Flexibility, working program and conditions included;
- ✔ Permanent community involvement, with or without Autonom Foundation;
- ✔ Encouraging innovation: each employee should propose an innovative idea each month.

Our Sustainability Strategic pillars, Goals / Targets



Friendly with our Planet

- Reducing our ecological footprint will be driven by a responsible consumption of different resources that we need for our operations;
- According to climate change awareness, we settled priorities, in order to reduce the Corporate Carbon Footprint.

Friendly with our People and Community

- Community involvement represents a big part of what we are engaged in regarding society's needs; We are developing different kind of actions through Autonom Group, actions closely related to ESG education, sports, youth engagement and general community support;
- Our people are the most important assets for us and we are committed to develop our people thus to have an agile organization.

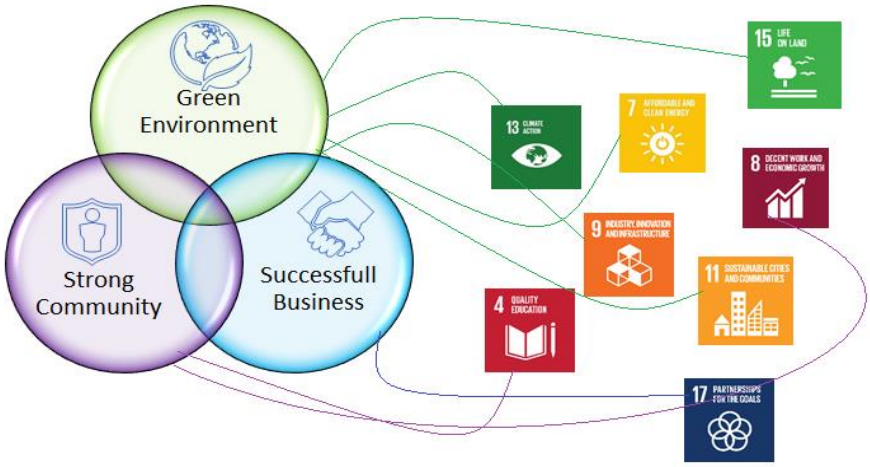
Friendly with our Partners

- Our business is driven by values with a strong sense of ethics, transparency and integrity. These being the majos aspects we will follow and respect in all our actions, and the only ways which will lead us to a successful business;
- We aim to offeer to our customers sustainable mobiility solutions.

PILLAR – ENVIRONMENT	Reducing the CO2 g/km intensity by 25% until 2025, and 51% until 2030; Contributing to a circular economy by mitigating paper usage in administrative and operational activities with 10% per year; Assuring 50% recyclability for used oil and tires by 2030;
PILLAR – PEOPLE & COMMUNITY	Community involvement in the area of education, developing projects with high impact, with investment of minimum 2% of the net profit in community projects; Evolve. Daily. Personal development of the employees;
PILLAR - SUSTAINABLE BUSINESS & GOVERNANCE	Business driven by transparency and simplicity, empowering the sustainability responsibility. High rate of client satisfaction (measured by the Net promoter score); Optimizing resources and processes through digitalization; top 5 in our industry in Romania in terms of Business Visibility and Brand awareness.

Our sustainability view

We strongly believe in a harmonious coexistence of three main pillars, which will fulfill all three parties (ENVIRONMENT, COMMUNITY, BUSINESS) needs.



4. Governance Structure - Sustainability Committee

To have a clear governance of our strategic goals and to achieve results we set up a Governance structure to promote sustainable business activities -from strategic planning to operation and implementation. The following map describes the roles and responsibilities in Autonom to sustain the Sustainability Strategic implementation and further revision of our strategy per internal needs:

The role of the Sustainability Committee will be to:

- Integrate sustainability into the business strategy, developing policies and procedures embedding sustainability into every business day operation
- Select and monitor the KPIs and relative Targets included in the Sustainability Strategy
- Track performance with respect to the implementation of the Sustainability Strategy, progress vs targets, KPIs and SPTs, in any relevant operational area
- Oversee the correct implementation of the Sustainability Strategy
- Monitor the publication of the Sustainability annual performance reporting
- Monitor the on-going evolution in sustainable finance markets and funding instruments, to be in-line with market best practices and analyze opportunities
- Manage any future updates of the Sustainability Strategy, including supervising the engagement of independent providers.

The Sustainability Committee will meet twice per year and will have a Sustainability Management Review.

On specific topics, representatives of any other teams may also be included as deemed appropriate.

5. Sustainability Strategy ROADMAP

The following roadmap shows a foreseen scenario to achieve our set up targets:

Sustainability Strategic PILLARS GOALS/TARGETS	KPI definition	Real 2018	Real 2019	Baseline year 2020	2021	2022	2023	2024	2025	2030
ENVIRONMENT										
ENV 1 - ENV 1 - Reducing the operational CO2 intensity by 25% until 2025, and 51% until 2030	Average WLTP gCO2/km for the operational fleet	149.71	154.14	**153.57**	144.51	136.48	130.26	124.86	115.13	75.87
ENV 2 - Contributing to a circular economy by mitigating paper usage in administrative and operational activities with 10% per year, Zero paper target by 2030	Tone of paper waste/year	2.43	2.53	**3.53**	2.28	2.02	1.77	1.52	1.27	0.00
ENV 3 - 50% recyclability for used oil and tires by 2030, starting 2021	%Tone of oil waste recycled/year %Tone of tires waste recycled/year	0	0	**0**	10	15	20	25	30	50
PEOPLE & COMMUNITY										
PEC 1 - Community involvement in the area of education, developing projects with high impact. Investment of minimum 2% of the net profit in community projects	% of Total Euro investment from the Net profit	3	3.46	**15**	>=2	>=2	>=2	>=2	>=2	>=2
PEC 2 - Evolve. Daily. Personal development of the employees.	Number of training hours / FTE	N/A	50.57	**38.6**	>=50	>=50	>=50	>=50	>=50	>=50
SUSTAINABLE BUSINESS AND GOVERNANCE										
SBG 1 - Business driven by transparency and simplicity, empowering the sustainability responsibility. High rate of client satisfaction	Net promoter score	N/A	75	**82**	>=80	>=80	>=80	>=80	85	85
SBG 2: Optimizing resources and processes through digitalization	Number of digitalized processes /organization	2	3	**3**	4	5	6	6	6	10
SBG 3: Business Visibility and Brand awareness	Top 5 in our industry RO	N/A	N/A	**Top 5**	-	**	-	-	**	**

6. Autonom's Sustainability Performance Targets explanations

To achieve our sustainability goals, we already considered some important measures that will give the start of our Sustainability Strategy Implementation. We divided our main SPTs considering the three pillars of the sustainability holistic approach: Environment, Social and Business Governance.

For each SPTs we defined a specific KPI which we will report on an annual basis. We defined our Sustainable Performance Target Trigger per each SPT and we defined our Sustainability Performance Target Observation Date as 31.12.2025 as intermedial target and 31.12.2030 as long-term target.

6.1. Environmental Performance Targets (KPIs)

Our targets on Environmental Pillar are:

SPT - ENV 1 - Reducing the operational CO2 intensity by 25% until 2025, and 51% until 2030	Consideration and Proposed measures to achieve the target
KPI 1 - Average WLTP gCO2/km for the operational fleet **Long-term goal:** Reducing operational fleet CO2 intensity by 51% by year end 2030 reported to 2020 (considering average WLTP rate per total active fleet). That leads to an operational fleet reaching an average WLPT of about 75.87 gCO2/km in 2030. We have an **intermediate target** for 2025 of about 25% That leads to an operational fleet reaching an average WLPT of about 115.13 gCO2/km in 2025.	**Rationale:** Our Sustainability Performance Target was defined considering the indirect emissions coming from our operational fleet. **We considered also the business development in the next 5 to 10 years scenarios and according to our projection we align to specific medium and long term targets.** Reducing the CO2 emissions of our operational fleet represents the first step into minimizing the impact of our main activity that has on the environment. Calculating our baseline overall fleet average WLTP (gCO2/km) and considering our service system and business model we could estimate that considering a balanced substitution in the next years we can reduce our fleet CO2 footprint considering the WLTP indicator. Calculating, monitoring the WLTP will also add value to the GHG emissions calculation in the next years related to our activity and differentiating on Scopes will provides Autonom a clear overview where our effort should be focused to minimize the emissions

The year 2020 was chosen as a **baseline** because it gives us a more confident approach, considering BT Operational Leasing fleet integration in 2018 and the balanced activities in operation on Romanian market.	related to our activity in the most efficient way considering also other areas. **So, we target to `Increase the share of lower and zero emission vehicles in our fleet and improve vehicle efficiency` as the main <u>Mitigation criteria.</u>** **Intermediate goal**: Autonom is engaged in decreasing its CO2 emissions intensity for its operational fleet related to WLTP indicator by 25% at the end of 2025 compared to the emissions level from 2020, considered as the baseline for our target. **Long-term goal**: Autonom is engaged in decreasing its CO2 emissions intensity for its operational fleet related to WLTP indicator by 51% at the end of 2030 compared to the emissions level from 2020, considered as the baseline for our target. **Measures foreseen:** - Deep substitute analysis for the fleet from fossil fuel vehicles to more extensive fleet in low, hybrid and electric - Increasing the percentage of low carbon, hybrid and electrical vehicles from the total vehicles owned/leased or rented with at least 15% until 2025 and a potential long term target for 35% at least - Financial modelling for impact on the forecasted and real substitution - Pre Feasibility study for PV Electric Charging stations - Analysis of potential commitment to the SBTi and preliminary screening of potential decreasing scenarios mid 2022 - Analysis of potential implementing TCFD framework, by mid-2022 **Additional measures.** Nevertheless, considering the GHG emission and its overall impact are important, Autonom has foreseen also measure to mitigate its Corporate Carbon Footprint considering also new actions such as: - Continuing the project with OMV Climate Partner for Offsets - RES (renewable energy source) from direct suppliers for our agencies, where possible - Considering implementation of PV solar power plants, where possible - Finding Carbon Off-setting projects, aligned with the organizational material areas for further exploration of

	potential mitigation of corporate carbon footprint by external contribution - Creating client awareness campaign in order to increase the willingness for LEVs operational leased cars. The awareness campaign will mainly raise the information about mitigation of client environmental footprint by choosing LEVs but also will raise information about a more sustainable service model for their own companies. **Sustainable Performance Target Trigger** is calculated as follows: the average CO2 emissions intensity for the active fleet (in gCO2/km) for the year ended 2025 respectively end of 2030.
SPT - ENV 2 - Contributing to a circular economy by mitigating paper usage in administrative and operational activities with >10% per year	Consideration and Proposed measures to achieve the target
KPI 1 – tone of paper waste/year	**Rationale:** We believe we can massively contribute to a circular economy by reducing the usage of paper in our daily routine, thus combating bureaucracy and its negative effects, through an intensive digitalization of all our working processes. **Intermediate and long-term goal:** We are committed to mitigate paper usage in both operational and administrative sectors with at least 10 % per year. **Measures foreseen:** • Zero paper Project implementation • Increasing awareness of proper recycling methods among our employees • Knowledge share for all our both internal and external stakeholders regarding the importance of this aspect **Sustainable Performance Target Trigger** is calculated as follows: the total quantity of paper waste derived from administrative/office or other operational areas by the year ended 2025, respectively end of 2030.
SPT - ENV 3 - increase recyclability for used oil and tires by 2030	Consideration and Proposed measures to achieve the target
KPI 1 – tone of oil waste recycled/year	**Rationale:**

KPI 2 – tone of tires recycled/year	Autonom, by its main activity, has an important number of cars, most of them with thermal engines (>90% of overall fleet); according to producer's instructions, the oil must be frequently changed during the maintenance process. The full car maintenance is performed on Autonom's own facility or by subcontractors. The tires and used oils are collected and treated according to the law. Nevertheless, we need to have a better traceability of these waste elimination and we need to find proper collaboration to reuse, recycle and whenever possible contribute a circularity approach in this area. **Intermediate and long-term goal**: We target a 30% recyclability rate for tires until 2025 and a long-term target of 50% until 2030. **Measures foreseen:** • Collaboration and partnerships with subcontractors in the field • Project with NGOs, in the up-cycling areas • Internal projects **Sustainable Performance Target Trigger** is calculated as report from the total quantity of tires and oil waste derived from car maintenance generated and recycled by the year ended 2025 respectively end of 2030
SDGs alignment 	**Our SPTs contributes to the following SDGs:** 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix 8.1: Sustainable Economic Growth 9.2: Promote inclusive and sustainable industrialization 11.6: Reduce the environmental impacts of cities 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. 15.5: Protect biodiversity and natural habitat
Risks	• Pandemic continuation for more than 2 years • Epidemics or other health market constraints • Restrictions imposed by different authorities

6.2. People & Community Performance Targets (KPIs)

Our targets on People & Community pillar are:

SPT – PEC 1 - Community involvement in the area of education, developing projects with high impact. Investment of minimum 2% of the profit in community projects	Consideration and Proposed measures to achieve the target
KPI 1: % of Total Euro investment from the Net profit	**Rationale:** Our Sustainability Performance Target was defined considering our social responsibilities. Autonom is focused to sustain the community by developing a higher range of actions in this regard and we encourage the direct involvement of the employees in all the processes. Most of our activities are related to youth engagement by developing educational programs, mentoring actions and sports activities. At the same time, we pay attention to the needs we may identify from a social point of view, and we supply different schools, kindergartens and clubs with learning materials, books and other kinds of supplies needed. Also, we are aware about the positive impact on our day-to-day evolution, including all Autonom's employees. **Intermediate and long-term goal**: Autonom is engaged to increase its community engagement into education activities and thus to contribute to a better quality of education in Romania. The investment level in the community was always a target for us, in 2019 the level was 3.5% from the profit. We want to continue and we commit to at least 2% each year until 2030. **Measures foreseen:** • Analyzing the market and the needs of specific projects in the education of young people for a period of 5 years • "Devino AutonOM" Project, starting 2021 • Developing Autonom grant program (scholarships) and mentoring for talented young children • Supporting group activities (clubs) based on different abilities • Supporting educational activities in different ways • Defensive driving education

	Sustainable Performance Target Trigger is calculated and reported yearly: the total sum of Euro invested per net profit by the year ended 2025 respectively end of 2030.
SPT - PEC 2 - Evolve Daily. Personal development of the employees	Consideration and Proposed measures to achieve the target
KPI 1 – Number of training hours/FTE	**Rationale:** We realize the huge importance of intensive knowledge sharing among our employees and we pay attention to their needs on both technical and soft skills. Training and different kinds of instructions are the main activities our company enables through its easy knowledge access mission. **Intermediate and long-term goal**: We target a minimum of 50 hours of training per FTE each year until 2030. **Measures foreseen:** • Analyzing the needs of our employees in terms of training • Creating a basic plan of training for each employee • Engaging the employees in teaching courses **Sustainable Performance Target Trigger** is calculated and reported as follows: the total number of hours of training / FTE at the end of the year ended 2025 respectively end of 2030
SDGs alignment 	**Our SPTs contributes to the following SDGs:** 4.2: By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship 8.3: Promote policies to support job creation and growing enterprises 8.6: Promote youth employment, education and training
Risks	Pandemics, epidemics or health and transportation restrictions may prevent us from direct physical activities.

6.3. Sustainable Business & Governance

Our target on Sustainable Business & Governance pillar are:

SPT – SBG 1 - Business driven by transparency and simplicity, empowering the sustainability responsibility. High rate of client satisfaction.	Consideration and Proposed measures to achieve the target
KPI 1: Net promotor score	**Rationale:** At Autonom, we put emphasis on clients' satisfaction and we consider this as being the handiest way to measure our services quality and also to identify the right spots with needs of improvement. We consider this aspect as being the trigger of our motivation to go forward on our path to a desirable business. Measuring clients' satisfaction ratio considering net promoter score is valuable for us. We have a very good rate for NPS in 2020, of 82%, and we want to keep this score and even increase it through the time. **Intermediate and long-term goal:** We want to keep the NPS above or equal to 80% each year, to reach 85% until 2025 and continuing with 85% at the level of 2030. **Measures foreseen:** • Development of policies and corporate governance frameworks until 2023 • Integrating sustainability issues in the Annual Report • Issuing Sustainability Reports on yearly basis starting 2022. Communicating sustainability performances considering GRI reporting frameworks and indicators. The first Sustainability Report will be issued for 2021 • Increasing awareness and responsibility on ESG issues **Sustainable Performance Target Trigger** is calculated as follows: the NPS value in % by the year ended 2025 respectively end of 2030
SPT – SBG 2 Optimizing resources and processes through digitalization	Consideration and Proposed measures to achieve the target
KPI 1 – Number of digitalized processes /organization	**Rationale:** Autonom operates considering different important processes. Enabling a smooth process of service acquisition for our clients, also contributing to protecting the environment represents a very good

	approach for us and contributes to empowering our values and missions. Digitizing our processes will bring us more efficiency in delivering our activities but also tracking important dates which we need to measure and report. Considering that today we have 3 processes digitized, with a good rate in process improvements we consider increasing the numbers each year, covering all our important processes with digital systems. **Intermediate and long-term goal:** We target 6 internal processes to be digitized until 2025, reaching the level of 10 processes until 2030. **Measures foreseen:** • Workflow automation • Re-arrange all data regarding the fleet • Structural changes in the way we collect data (fleet, utilities) • Reduce no of / better organize emails • Sustainability Data Management **Sustainable Performance Target Trigger** is calculated as follows: the total of processes digitized by the year ended 2025 respectively end of 2030
SPT – SBG 3 - Business Visibility and Brand awareness	Consideration and Proposed measures to achieve the target
KPI 1 – Top 5 in our industry RO	**Rationale:** We, as a business, need to be visible to continue to evolve, to be competitive and to show our commitments toward sustainable development. Thus, it is very important to stay among the TOP 5 in our industry in Romania. **Intermediate and long-term goal**: To understand our position on the market we will launch a specific Market Survey each 3 years, starting with 2022. **Measures foreseen:** • To also engage our clients and partners, we find appropriate to promote and organize Business Elite Events as special encountering and networking zones. We believe in interaction and in a collective benefit resulting from these kinds of actions;

	• Quality networking by specific connections between compatible partners; • Educational moments with our customers; • Increasing visibility through Autonom ambassadors; • Continuing involvement in business and networking associations like ARIR, RBL, etc. and joining new ones as considered appropriate to our strategy and business. **Sustainable Performance Target Trigger** is calculated as follows: the survey result shows that Autonom is between TOP 5 in the industry in Romania by the year ended 2025 respectively end of 2030
SDGs alignment 	**Our SPTs contributes to the following SDGs:** 8.2: Diversify, innovate and upgrade for economic productivity 9.1: Develop sustainable, resilient and inclusive infrastructures 17.6: Knowledge sharing and cooperation for access to science, technology and innovation 17.17: Encourage effective partnerships
Risks	• Unfair market competition • Health restrictions for live events

7. Resource allocation

For our Sustainability strategy implementation, we aim to invest financial, human and social capital. Thus, we are confident that we could overcome our expectations. Our mindset is focused on the statement that it is better to under promise followed by being able to over deliver.

We will consider financial and human resource allocation each year for different programs, projects or actions that will be delivered or implemented under the umbrella of the Sustainability Strategy.

Financial Resources

To fully implement our goals and targets we will include Sustainability in our regular budget, in the beginning of each year, starting with 2022.

Human Resources

Each individual department and regional director, being in the Sustainability Committee, will delegate employees for different projects, as needed.

On the other hand, considering our internal culture, our people will also embrace the volunteering role for specific community projects in the Sustainability area, that will make us proud and eager to later communicate internally and externally.

The Ambassador program could facilitate the volunteering of our employees and partners.

8. Holistic Conclusions

- Autonom is one of the most relevant companies in Romania acting in the field of mobility and its responsibility also includes an important range of activities closely related with needs of sustainability practices;
- Our company committed to and is willing to integrate in its processes everything that is needed in order to perform as a sustainable business model;
- Our targets and KPIs regarding all concerns settled and exposed above are meant to express our engagement regarding our company sustainability view on the main three pillars: environment, social and business governance;
- We identified actions already in place, supporting our sustainability strategic development, but also areas that need improvement;
- We fully understand that our businesses activities are bringing an impact on the environment as we counted the corporate carbon footprint and we are committed to show responsibility and to take immediate measures on mitigation of the reduction of these emissions;
- We are voluntarily taking action against climate change driven by our corporate responsibility culture approach;
- We hope our partners will embrace our view and together we will find new paths toward changing the attitude in order to boost a more sustainable approach of mobility in our industry.

"We do not inherit the Earth from our ancestors, we borrow it from our children."

(Ralph Waldo Emerson)

9. Definitions and terminology

KPI – Key Performance indicator: The unit definition to track success at reaching our targets. We use measurable value that demonstrates how effectively Autonom is achieving key business objectives listed in the Sustainability Strategy Roadmap.

GHG Emissions Intensity: GHG emissions intensity means Scope 1 (emissions from direct operations) and Scope 2 (electricity purchased) and Scope 3 will be considered as a numerator of the indicator, net turnover as the denominator (tCO2e/million RON).

Sustainability Performance Target Observation Date: the as of date that will determine if the sustainability performance target has been achieved

GHG Emissions Intensity Reduction Percentage: means the proportion of GHG emissions intensity that is reduced (expressed as a percentage) and estimated according to the 2019 baseline

CO2e: carbon dioxide equivalent, is a way of expressing all the different greenhouse gases as a single number

Scope 1 emissions: emissions from direct operations

Scope 2 emissions: electricity purchased

Scope 3 emissions: use of goods and services sold

TCFD: Task Force on Climate-related Financial Disclosure

ARIR: The Romanian Investor Relations Association

RBL: Romanian Business Leaders

YPO: Young Presidents Organization, The global leadership community of extraordinary chief executives

10. Appendix 1 – Premises overview

Paris Agreement

The agreement aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by:

a. Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change;
b. Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and
c. Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

The European Green Deal

'Fit for 55': delivering the EU's 2030 Climate Target on the way to climate neutrality

In this spirit, the package of proposals aims to make the EU 'fit for 55' and deliver the **transformational change needed across our economy, society and industry**. This is a collective responsibility and opportunity that must be open to all, whether innovators and investors, companies and cities, or consumers, households and individuals.

- ✔ Objective: Striving to be the first climate-neutral continent
- ✔ Key objective of -55 % mitigation of CO2 emission until 2030 and a long target to EU carbon neutral until 2050
- ✔ more ambitious targets for reducing the CO2 emissions of new cars and vans.
    - 55%reduction of emissions from cars by 2030
    - 50% reduction of emissions from vans by 2030
    - 0 emissions from new cars by 2035
- ✔ Making transport sustainable for all: transition to greener mobility will offer clean, accessible and affordable transport even in the most remote areas.
- ✔ Circular Economy Action Plan

- ✔ European climate law
- ✔ EU Biodiversity Strategy for 2030
- ✔ Biodiversity, “From Farm to Fork” Strategy, Sustainable agriculture, Clean energy, Sustainable industry, Building and renovating, Sustainable mobility, Eliminating pollution, Climate action

The EU Commission also promotes the growth of the market for zero- and low- emissions vehicles. In particular, it seeks to ensure that citizens have the infrastructure they need to charge these vehicles, for short and long journeys. In addition, from 2026, road transport will be covered by emissions trading, putting a price on pollution, stimulating cleaner fuel use, and re-investing in clean technologies.

The European Climate Pact’s goals and target

The European Climate Pact aims to inform, motivate and mobilize a large number of **individuals** and **organizations** across Europe and different societal levels to participate in climate action and help build a greener Europe. Individuals or organizations can for example commit to (small or large) pledges for the climate, become volunteer Pact Ambassadors to inspire action in their communities and networks, take part in events and participatory processes, and connect with others to learn, share and develop solutions together.

Core target groups of the Pact’s activities are the so-called “Lukewarm” – individuals and organizations that are concerned by the consequences of climate change, but less keen or unsure how to take action. Another focus will be on stakeholders who belong to the Committed and Advocates as they are already leading the way in climate action and ready to champion the cause and encourage others to do so.

The EU Climate Pact will lead the way to accelerate climate and environmental action on all fronts.

The Climate Pact will provide a space for working together to tackle climate change and environmental degradation and to grasp the opportunities that come with decisive action and sustainable lifestyles. The Pact will connect people from all walks of life to improve their understanding of the challenges, to invite all Europeans to participate and benefit, to develop solutions big and small and to trigger and scale up positive change. The European Climate Pact will keep on growing and evolving over time, spurred by the engagement and creativity of all the citizens and stakeholders that will become part of it.

EU Taxonomy

The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. It could play an important role in helping the EU scale up sustainable investment and implement the European green deal. The EU taxonomy would provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. In this way, it should create security for investors, protect private investors from greenwashing, help companies to become more climate-friendly, mitigate market fragmentation and help shift investments where they are most needed.

One of the cornerstones of the EU Sustainable Finance Action Plan is to bring clarity to the market regarding which economic activities can be considered sustainable with the aim of encouraging sustainable investing and preventing greenwashing.

The EU Taxonomy is an ambitious attempt to define these activities and the related technical standards for six environmental objectives.

REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL, on sustainability-related disclosures in the financial services sector.

This Regulation lays down harmonized rules for financial market participants and financial advisers on transparency regarding the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect to financial products.

'Financial adviser' means:

a. an insurance intermediary which provides insurance advice with regard to IBIPs;
b. an insurance undertaking which provides insurance advice with regard to IBIPs;
c. a credit institution which provides investment advice;
d. an investment firm which provides investment advice;
e. an AIFM which provides investment advice in accordance with point (b)(i) of Article 6(4) of Directive 2011/61/EU; or
f. a UCITS management company which provides investment advice in accordance with point (b)(i) of Article 6(3) of Directive 2009/65/EC.

‘Financial product’ means:

a. a portfolio managed in accordance with point (6) of this Article;
b. an alternative investment fund (AIF);
c. an IBIP;
d. a pension product; (e) a pension scheme; (f) a UCITS; or (g) a PEPP

‘**Sustainable investment’** means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labor relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;

‘**Sustainability risk’** means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Review of Disclosures

Financial market participants shall ensure that any information published in accordance with Article 3, 5 or 10 is kept up to date. Where a financial market participant amends such information, a clear explanation of such amendment shall be published on the same website.

REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

This Regulation establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable.

This Regulation applies to:

a. measures adopted by Member States or by the Union that set out requirements for financial market participants or issuers in respect of financial products or corporate bonds that are made available as environmentally sustainable;
b. financial market participants that make available financial products;
c. undertakings which are subject to the obligation to publish a non-financial statement or a consolidated non-financial statement pursuant to Article 19a or Article 29a of Directive 2013/34/EU of the European Parliament and of the Council (68), respectively. Article

Criteria for environmentally sustainable economic activities

For the purposes of establishing the degree to which an investment is environmentally sustainable, an economic activity shall qualify as environmentally sustainable where that economic activity:

a. contributes substantially to one or more of the environmental objectives set out in Article 9 in accordance with Articles 10 to 16;
b. does not significantly harm any of the environmental objectives set out in Article 9 in accordance with Article 17;
c. is carried out in compliance with the minimum safeguards laid down in Article 18; and (d) complies with technical screening criteria that have been established by the Commission in accordance with Article 10 (3), 11(3), 12(2), 13(2), 14(2) or 15(2).

Environmental objectives

For the purposes of this Regulation, the following shall be environmental objectives:

(a) climate change mitigation.

(b) climate change adaptation;

(c) the sustainable use and protection of water and marine resources;

(d) the transition to a circular economy;

(e) pollution prevention and control;

(f) the protection and restoration of biodiversity and ecosystems.

Substantial contribution to climate change mitigation

An economic activity shall qualify as contributing substantially to climate change mitigation where that activity contributes substantially to the stabilization of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris Agreement through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals, including through process innovations or product innovations, by:

(a) generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001, including through using innovative technology with a potential for significant future savings or through necessary reinforcement or extension of the grid;

(b) improving energy efficiency, except for power generation activities as referred to in Article 19(3);

(c) increasing clean or climate-neutral mobility.

Extras from Technical Annex 6 – of the Regulation - TRANSPORTATION AND STORAGE

To achieve climate neutrality, a 90% reduction in transport emissions is needed by 2050 (compared to 1990). Road, rail, aviation, and waterborne transport will all have to contribute to the reduction.

Technical screening criteria and scope

There are several principal options for climate mitigation in the transport sector including:

- Increasing the number of low- and zero emission vehicles, improving vehicle efficiency and Infrastructure
- Increasing substitution of fossil fuels with sustainable alternative and net-zero carbon fuels
- Improving efficiency of the overall transport/mobility system

Examples of specific criteria

✔ Efficient, low- and zero direct emissions fleets

This category of criteria requires that operated fleets to become more efficient over time by linking eligibility to emissions performance below a certain threshold set to ensure substantially reduced emissions. Thresholds are based on performance metrics (vehicle km, passenger km or tone km).

✔ Fuel substitution to net-zero carbon fuels

The operation of vehicle fleets where fossil fuels are substituted with low- or net-zero carbon fuels such as advanced bio- and synthetic fuels can make a substantial contribution to CO2 net emissions savings in the transport sector by enhancing climate neutral mobility.

A set of mitigation criteria and other considerations are set into the Technical Transport Regulation annex, which direct and guide for medium- and long-term actions implementation.

Set 6.5. Passenger cars and commercial vehicles

Applicable for Passenger cars, light commercial vehicles, and category L vehicles (this includes all M1, N1 and L category vehicles including where applicable NACE 49.32, 53.10, 53.20, 77.11). Rental and leasing of cars and light motor vehicles where these activities may include the operation of eligible vehicles.

Zero direct emission vehicles and vehicles with low and reducing emission intensities contribute substantially to climate mitigation and are aligned with

- increasing clean or climate neutral mobility,
- phasing out anthropogenic emissions of greenhouse gases, including from fossil fuels.

Mitigation criteria consideration:

Principles

Demonstrate substantial GHG emission reduction by:

- Increasing the number of low- and zero emission vehicles, and improving vehicle efficiency

Criteria

- CO_2 emissions per vehicle kilometer (gCO_2/km).

Do no significant harm assessment (DNSH) consideration:

Key environmental aspects to be considered for investments on passenger cars and light commercial vehicles are the following:

- Direct emissions to air from the exhaust gases of internal combustion engine: nitrogen oxides (NOx), total hydrocarbon (THC), non-methane hydrocarbons (NMHC), carbon monoxide (CO),particulate matter (PM) and particle number, and from tire abrasion and brakes friction and noise emissions

- Indirect emissions to air from the production of fuels and energy carriers. However, this is out of the control of vehicle manufacturers and operators.
- waste generation (hazardous and non-hazardous) during maintenance and end-of-life of the vehicle.
- Recycling of materials in order to reduce consumption of critical raw materials and impact on ecosystems and natural capital.

EU legislation in the field of transportation (EU/Directive 631/2019, and EU/Directive 1161/2019

EU/Directive 631/2019

This Regulation establishes CO2 emissions performance requirements for new passenger cars and for new light commercial vehicles in order to contribute to achieving the Union's target of reducing its greenhouse gas emissions, as laid down in Regulation (EU) 2018/842, and the objectives of the Paris Agreement and to ensure the proper functioning of the internal market.

From 1 January 2020, this Regulation sets an EU fleet-wide target of 95 g CO2/km for the average emissions of new passenger cars and an EU fleet-wide target of 147 g CO2/km for the average emissions of new light commercial vehicles registered in the Union, as measured until 31 December 2020 in accordance with Regulation (EC) No 692/2008 together with Implementing Regulations (EU) 2017/1152 and (EU) 2017/1153, and from 1 January 2021 measured in accordance with Regulation (EU) 2017/1151.

Requirements:

- From 1 January 2025, the following EU fleet-wide targets shall apply: (a) for the average emissions of the new passenger car fleet, an EU fleet-wide target equal to a 15 % reduction of the target in 2021.
- From 1 January 2030, the following EU fleet-wide targets shall apply: (a) for the average emissions of the new passenger car fleet, an EU fleet-wide target equal to a 37,5 % reduction of the target in 2021.
- From 1 January 2025, a zero- and low-emission vehicles' benchmark equal to a 15 % share of the respective fleets of new passenger cars and new light commercial vehicles shall apply in accordance with points 6.3 of Parts A and B of Annex I, respectively.
- From 1 January 2030, the following zero- and low-emission vehicles' benchmarks shall apply in accordance with points 6.3 of Parts A and B of Annex I, respectively:

(a) a benchmark equal to a 35 % share of the fleet of new passenger cars; and (

b) a benchmark equal to a 30 % share of the fleet of new light commercial vehicles.

Note and definitions:

- ✓ 'average specific emissions of CO2' means, in relation to a manufacturer, the average of the specific emissions of CO2 of all new passenger cars or of all new light commercial vehicles of which it is the manufacturer;
- ✓ 'EU fleet-wide target' means the average CO2 emissions of all new passenger cars or all new light commercial vehicles to be achieved in a given period;
- ✓ 'zero- and low-emission vehicle' means a passenger car or a light commercial vehicle with tailpipe emissions from zero up to 50 g CO2/km, as determined in accordance with Regulation (EU) 2017/1151;
- ✓ $WLTPCO2_{,measured}$ is the average, for each manufacturer, of the measured CO2 emissions combined of each new passenger car registered in 2020, as determined and reported in accordance with Article 7a of Implementing Regulation (EU) 2017/1153.

EU/Directive 1161/2019

Automotive directive consideration

In order to improve air quality in municipalities, it is crucial to renew the transport fleet with clean vehicles. Furthermore, the principles of the circular economy require the extension of product life. Therefore, vehicles that meet the clean vehicles or zero-emission vehicles requirements as a result of retrofitting should also be counted towards the achievement of the respective minimum procurement targets.

Light-duty and heavy-duty vehicles are used for different purposes and have different levels of market maturity, and it would be beneficial that public procurement provisions acknowledge those differences. The impact assessment recognized that markets for low- and zero-emission urban buses are characterized by increased market maturity, whereas markets for low- and zero-emission trucks are at an earlier stage of market development.

Setting minimum targets for the procurement of clean vehicles to be met in two reference periods ending in 2025 and in 2030 at Member State level should contribute to policy certainty for markets

where investment in low- and zero-emission mobility is needed. The minimum targets support market creation for clean vehicles throughout the Union.

This Directive shall apply to procurement through contracts for the purchase, lease, rent or hire-purchase of road transport vehicles awarded by contracting authorities or contracting entities in so far as they are under an obligation to apply the procurement procedures set out in Directives 2014/24/EU (*) and 2014/25/EU (**) of the European Parliament and of the Council.

Minimum procurement targets. Member States shall ensure that the procurement of vehicles and services referred to in Article 3 complies with the minimum procurement targets for clean light-duty vehicles set out in Table 3 of the Annex and for clean heavy-duty vehicles set out in Table 4 of the Annex. Those targets are expressed as minimum percentages of clean vehicles in the total number of road transport vehicles covered by the aggregate of all contracts referred to in Article 3, awarded between 2 August 2021 and 31 December 2025, for the first reference period, and between 1 January 2026 and 31 December 2030, for the second reference period.

Minimum procurement targets for the share of clean light-duty vehicles in accordance with Table 2 in the total number of light-duty vehicles covered by contracts referred to in Article 3 at Member State level.

Member State	From 2 August 2021 to 31 December 2025	From 1 January 2026 to 31 December 2030
Romania	18,7 %	18,7 %

The Romanian perspective on sustainable development. National Sustainable Development Strategy of Romania – Horizons 2013-2020-2030:

The strategy vision is citizen centered and focuses on innovation, optimism, resilience, and the belief that the role of the state is to *serve the needs of each citizen in a fair, efficient, and balanced manner, all within a clean environment strategy.*

The main aim is to *reduce the socio-economic gap* vis-à-vis the member states of the European Union. The clear goals are keeping with the 2030 Agenda for Sustainable Development and the relevant EU provisions, providing a roadmap for achieving the 17 SDGs.