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Second Party Opinion

EPH Green Finance Framework

May 26, 2025

Location: Czech Republic **Sector:** Power utilities

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✗

✓ Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1)

✓ Green Loan Principles, LMA/LSTA/APLMA, 2025

See Alignment Assessment for more detail.

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Medium green

Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.

Our Shades of Green Analytical Approach >

Strengths

EPH has put in place a transparent climate transition plan, underpinned by science-based decarbonization targets aligned with the Transition Pathway Initiative (TPI). This new framework is intended to help channel capital toward that strategy, particularly through investments in lower-carbon assets such as existing nuclear generation following the acquisition of management control in Slovenské elektrárne (SE). While the issuer focuses on expanding thermal dispatchable generation--mainly gas based--any such assets financed under the framework must meet the EU Taxonomy's Substantial Contribution criteria for climate mitigation. EPH is part of EP Group, which operates large coal generation assets through a sister entity. Some of these have also been transferred to the sister entity as part of the overarching group's transition strategy and are subject to different decommissioning and phaseout timelines.

Weaknesses

Energeticky a prumyslovy holding, a.s (EPH)'s framework includes significant investments in, and exposure to, fossil fuel-based assets and infrastructure. Firstly, proceeds will finance investments in the readiness of EPH's gas distribution network for hydrogen and low-carbon gases. Until the network distributes renewable or low-carbon gases, it is exposed to significant transition risk from the distribution of natural gas and hydrogen produced from natural gas. Secondly, proceeds will finance the conversion to natural gas of lignite coal-powered district heating/cogeneration plants and electricity generation assets. Natural gas remains a fossil fuel exposed to significant transition risk. Proceeds can be invested in district heating networks that can distribute heat from lignite coal and natural gas until EPH's phase in of low-carbon gases.

Areas to watch

EPH operates Slovakia's nuclear power fleet through its subsidiary SE, where a long-term waste management solution remains uncertain. While interim storage exists, the Slovak government has yet to confirm a final site or timeline for deep geological disposal, and repository construction is unlikely to begin for at least another decade, leaving material regulatory uncertainty.

Use of natural gas as a transitional energy source should only be considered if renewable alternatives are unfeasible in EPH's geographical areas of operation in the short term. EPH has undertaken a comparative assessment, open to stakeholder consultation, in line with the asset's eligibility criteria.

Eligible instruments include convertible debt, which could result in equity in a company not fully focused on the green economy. However, issuance is unlikely due to EPH's private ownership.

Shades of Green Projects Assessment Summary

The issuer has provided a pool of eligible green assets and capital expenditures (capex) that may be financed under the framework. These include existing infrastructure such as nuclear power assets, electricity and gas distribution networks, hydropower plants, and district heating systems, as well as investments into Battery Energy Storage Systems (BESS) and high-efficiency combined cycle gas turbine (CCGT) cogeneration plants. While the actual allocation of proceeds will depend on the characteristics of each financing instrument under the green finance framework and may vary over time, the issuer has indicated that, based on current expectations, the majority of proceeds are to be allocated to existing nuclear power assets.

The issuer expects most proceeds to be allocated to refinancing projects, while a smaller proportion of proceeds will be directed to finance new projects.

Based on the project categories' Shades of Green detailed below, the expected allocation of proceeds and environmental ambitions reflected in EPH's green finance framework, we assess the framework as medium green.

Renewable energy – Electricity distribution infrastructure	**Medium green**
Electricity distribution infrastructure and equipment	

Renewable energy – Gas distribution infrastructure	**Light green**
Renewable and low-carbon gas distribution infrastructure and equipment	

Energy efficiency – Power and heat generation, district heating networks	**Light green**
Pipelines and associated infrastructure for distribution of heating and cooling produced	
Cogeneration of heat/cool and power from bioenergy	
Electricity generation from fossil gaseous fuels	
High efficiency cogeneration of heat/cool and power from fossil gaseous fuels	
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	

Nuclear energy	**Medium green**
Electricity generation from nuclear energy in existing installations	

Renewable energy - Hydropower	**Dark green**
Electricity generation from hydropower that meets one of the following criteria: • The electricity generation facility is a run-of-river plant and does not have an artificial reservoir; • The power density of the electricity generation facility is above 5 watts per square meter (W/m2); and	

- The life-cycle greenhouse gas emissions from the generation of electricity from hydropower are lower than 100 grams of carbon dioxide equivalent per kilowatt-hour (g CO2e/kWh).

For new hydropower projects, necessary environmental and social impact assessments will be undertaken with no significant controversies identified as a prerequisite for project eligibility

Renewable energy - Storage of electricity	**Dark green**
Construction and operation of electricity storage through BESS	
Construction and operation of electricity storage through pumped hydro storage	

See Analysis Of Eligible Projects for more detail.

EU Taxonomy Assessment Summary

EPH's updated green finance framework now includes three additional EU taxonomy activities (nuclear, hydropower, and storage of electricity) alongside previous eligible ones.

- Substantial contribution technical screening criteria: We think that all eligible economic activities, including nuclear, hydropower, and storage of electricity, are aligned with climate mitigation criteria.
- Do No Significant Harm (DNSH) technical screening criteria: EPH completed a physical climate risk assessment in 2024 in line with the DNSH requirements. The EU Water Framework and Environmental Impact Assessment (EIA) Directives have been transposed into national laws in all EPH's operating countries. However, limitations remain when demonstrating compliance with DNSH pollution prevention for activities 4.29, 4.30, and 4.31 similar to our last SPO.
- Minimum safeguards: EPH has made progress in human rights due diligence over the year and is now aligned with the Taxonomy's minimum safeguards, considering the further progress expected during 2025. Our view also reflects that EPH mainly finances existing energy infrastructure in countries with low human rights risk and where material extraction is strictly regulated.

We think that activities 4.5, 4.9, 4.10, 4.14, 4.15, 4.20 and 4.28 are aligned with the EU Taxonomy criteria, while others are not aligned with some of the technical screening criteria requirements, as outlined in our EU taxonomy section.

	Technical screening criteria			
Economic activity	**Substantial contribution**	**DNSH**	**Minimum safeguards (Issuer level)**	**Overall alignment**
4.5 Electricity generation from hydropower - NACE code: D35.11, F42.22	✓	✓		✓
4.9 Transmission and distribution of electricity - NACE code: D35.12, D35.13	✓	✓		✓
4.10 Storage of electricity	✓	✓	✓	✓
4.14 Transmission and distribution networks for renewable and low-carbon gases - NACE code: D35.22, F42.21, H49.50	✓	✓		✓
4.15 District heating/cooling distribution - NACE code: D35.30	✓	✓		✓

4.20 Cogeneration of heat/cool and power from bioenergy - NACE code: D35.11, D35.30	✓	✓		✓
4.28 Electricity generation from nuclear energy in existing installations – NACE code: D35.11, F42.22	✓	✓		✓
4.29 Electricity generation from fossil gaseous fuels - NACE code: D35.11, F42.22	✓	✕		✕
4.30 High efficiency cogeneration of heat/cool and power from fossil gaseous fuels - NACE code: D35.11, D35.30	✓	✕		✕
4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system - NACE code: D35.30	✓	✕		✕

Aligned = ✓ Not aligned = ✕ Not covered by the technical screening criteria = –

See EU Taxonomy Assessment for more detail.

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Company Description

EPH, an integrated energy utility company based in Prague, Czech Republic, engages in power and natural gas activities across EU member states, the U.K., and Switzerland. It generates and distributes electricity through coal-, gas-, and biomass-fueled power plants, among others, as well as nuclear and hydropower plants, and wind and solar farms. In addition, the company owns and operates an underground gas storage facility, gas transit and distribution pipelines, and district heating networks. EPH is also involved in rail freight and freight forwarding, railway rolling stock rental, logistics, and energy commodities trading and hedging activities.

As of 2024, EPH's revenue stood at €23 billion and its EBITDA at €2.6 billion. 39% of EBITDA came from flexible power generation, 23% from gas and power distribution, and 7% from the renewables segment. The remainder is split between gas storage and transmission, heat infrastructure, and others. EPH is controlled by and operates as a subsidiary of EP Group a.s.

Material Sustainability Factors

Climate transition risks

Power generation is the largest direct source of global greenhouse gas emissions, exposing the sector to growing pressure to accelerate climate action. Renewable technologies are essential to cutting emissions from electricity and heat, helping to limit global warming to 1.5 degrees Celsius. Currently, natural gas produces around 25% of global electricity (IEA). While it has replaced coal in some regions, its future is uncertain as cleaner, renewable sources gain ground. Without carbon capture, emission cuts from gas can only come through efficiency gains or fuel switching, though options like green hydrogen remain largely uncompetitive. Transition risks also affect electricity and gas networks, which are exposed to upstream generators and play a key role in energy delivery. Gas networks face challenges in reducing dependence on methane-emitting fuels, potentially affecting growth and regulation. Nuclear energy, which generates about 10% of global electricity, offers a low-carbon, reliable power source. It can complement renewables in cutting emissions and ensuring energy security. While some countries avoid nuclear due to safety and environmental concerns others see it as a key part of their energy transition strategies.

Physical climate risks

Given fixed assets, generators, and utility networks are more exposed to physical climate risks than other sectors. More frequent and severe weather events, including wildfires, hurricanes, and storms can result in power outages for large populations of users. As water is often a significant resource for hydro, nuclear and fossil fuel-based power plants, exposure to flooding, drought, or warmer temperatures can also harm operations. In turn, these dynamics, coupled with regulatory pressure to preserve security of supply, are driving players to enhance the resilience of assets. The physical climate risks generally involve significant financial losses for operators due to repairs, but more importantly from exposure to extreme power price spikes or claims due to business disruption. We expect these dynamics to continue but vary regionally depending on regulatory responses. In addition, the networks with extensive service territories are at high risk from physical climate events, leading to service disruptions for large populations. This can increase stakeholder materiality and result in higher costs and leverage for utilities.

Waste and pollution

Nuclear power generates hazardous radioactive waste that has a long half-life and lacks viable disposal options, which can prompt community resistance for disposal sites. Also, end-of-life management--the dismantling and recycling or processing of waste--exposes companies to financial, reputational, or litigation risks if not properly planned and provisioned, especially for nuclear plants. While nuclear operations tend to be well managed with few incidents globally, high-profile events--such as those at Fukushima in 2011--have spotlighted nuclear safety issues and triggered public concern about waste management, although

local acceptance varies across jurisdictions. The combustion of fossil fuels generates other air emissions, notably, sulfur oxides, nitrogen oxides, particulates, and volatile organic compounds; while coal-fired power generates toxic coal ash waste, which, if mismanaged, can contaminate water and harm community health, leading to public opposition. This risk translates into increased regulatory scrutiny and generators must bear the costs of penalties, legal action, and remediation. However, these effects are mostly isolated, and the magnitude depends on the stringency of the regulatory response.

Water

Water is a critical input for many power generation technologies, specifically hydroelectric and nuclear plants, where changes in water availability due to droughts, heatwaves, or flooding can reduce efficiency or cause shutdowns. Hydropower may be affected by drought, while nuclear plants face cooling challenges in heat stress or low river flows. Additionally, operators may be required to release water to protect ecosystems, leading to trade-offs between electricity generation and environmental obligations, which can result in revenue losses and higher compliance costs. As competition for water resources intensifies, especially in water-stressed regions, power companies must adopt adaptive water-management strategies. New infrastructure for green hydrogen, low-carbon fuels, and electricity transmission, though essential for climate goals, can harm biodiversity through land use impacts like habitat fragmentation, vegetation suppression, and increased landslide risk in mountainous areas.

Social considerations

Communities are affected by the proximity of energy infrastructure to where people live and work, and its critical role in health and well-being. Stakeholder issues arise from power line construction, especially in underdeveloped areas, and from disruptions like fires, gas explosions, and untreated wastewater. Networks also require significant land use, often crossing rural or conflict zones. Companies are likely to face social challenges, including community opposition and “not-in-my-backyard” issues. Nuclear power can lead to low-probability, high-impact risks associated with the potential for weapon proliferation along with maximum credible accidental radiation from the operation of plants, with devastating regional consequences.

Issuer And Context Analysis

Through its green finance framework, EPH aims to primarily address climate transition risk, a material sustainability factor, through expanding generation and distribution infrastructure. In line with the company’s overall strategy, including mostly investment related to existing and forthcoming nuclear assets, gas infrastructure (notably the retrofitting of gas distribution networks to become hydrogen-ready), the development of CCGT and open cycle gas turbine (OCGT) power plants to replace coal power production, and several other activities. These gas power plants financed with green proceeds are scheduled to fuel switch to hydrogen or other climate neutral gases in 2035. While many of its investments provide needed backup capacity and may assist with balancing the grid, these may also carry substantial transition risk. In addition, though not the primary focus of the framework, the company has initiatives in place to address other environmental risks, including those related to climate change adaptation, pollution, biodiversity, and social factors.

EPH’s asset portfolio constitutes a substantial share of fossil fuel-based power generation, including coal and natural gas plants in Italy, Germany, the U.K., Ireland, France, the Netherlands, and others. In 2024, EPH held a total of 13,749 megawatts (MW) net installed electricity generation capacity from conventional sources across its subsidiaries, with the majority coming from CCGT (about 70%) and coal plants (about 21%). Net power production from these sources in 2024 stood at 29 terawatts (TWh), with approximately 72% coming from CCGT and the remainder from hard coal and lignite. In contrast, installed capacity from renewable energies stood at 875 MW, with the majority coming from biomass (about 76%), and solar photovoltaics and wind energy (about 23%). Net power production in 2024 from renewable sources accounted for roughly 3 TWh. Nevertheless, EPH continues to reduce its coal assets, with the share of coal in total capacity expected to be lower than 5% by the end of 2025, with a complete cessation of coal by 2030. The company plans to achieve this through decommissioning, replacement with hydrogen-ready gas plants, and the separation of certain coal-based operations into its sister company, EP Energy Transition (EPETr), into which the group intends to channel its coal-intensive operations where the transition typically requires close

coordination with local authorities. This is scheduled to be completed by the end of 2025. EPETr will manage and strategize the decommissioning process, though it is not subject to the same phaseout timeline as EPH and may continue to operate lignite and coal mines and plants, such as its assets in Germany, until 2038, in line with the German official coal exit date.

EPH has reduced its emission intensity, decreasing from 364 g CO2e/kWh in 2022 (the baseline year) to 258 g CO2e/kWh in 2024, representing a 29.12% decrease. The improvement in direct emissions is primarily due to the phased shutdown of four coal-fired plants and reduced use of the remaining fleet in response to market conditions. This was further supported by increased nuclear generation and a decline in full-load hours at gas-fired plants, driven by normalized market spreads and an increasing share of renewables in the European energy mix. EPH aims to reduce its emission intensity in line with the TPI's Below 2 Degrees scenario, targeting an average of less than 174 g CO2e/kWh by 2033. Following the acquisition of an additional 33% stake in SE from Enel Produzione S.p.A., EPH has obtained management control of SE and, therefore, operational control over its existing nuclear and hydropower fleet. Based on this and its current assets and planned projects, EPH expects to outperform this target and reach 118 g CO2e/kWh by 2033. By 2050, EPH aims to achieve net zero within the scope 1 and 2. EPH will explore target-setting options for its Scope 3 emissions, which were reported for the first time in 2024 and accounted for 56% of its total greenhouse gas emissions (most from fuel-related activities). According to EPH, half of these emissions came from coal activities which are subject to disposal during 2025.

EPH's wide geographic presence and the fixed nature of its assets make physical climate risk a key factor. The company operates across various countries, including regions with high exposure to physical climate risks. In 2024, EPH conducted a detailed climate resilience analysis to assess physical and transition risks across its assets. The greatest risks stem from extreme weather affecting grid infrastructure. The company acknowledges that more frequent and extreme weather events are a risk as the events can damage infrastructure assets and lead to interruptions in the supply of vital commodities. For instance, in some of its operating regions, the offtake of cooling water may be reduced, which could affect its heat and power generation capacities. In contrast, assets linked to gas and renewables show lower exposure, especially where adaptation is planned, supporting EPH's strategic shift toward low-carbon technologies.

EPH faces significant environmental risks related to the operation of its nuclear power plants in Slovakia, and the resultant atmospheric pollutants from the fossil fuel-related assets. While interim storage facilities for spent fuel and high-level radioactive waste are in place, a permanent solution--namely, a deep geological repository (DGR)--has yet to be established, with site completion not expected before 2060. Waste management is conducted under strict national regulation, supported by dedicated funds and safety systems aligned with international standards. In addition, physical climate risks such as heatwaves and droughts may challenge reactor cooling systems. Beyond nuclear, the group's operations generate atmospheric pollutants including nitrogen dioxide, sulfur dioxide, and particulate matter. Since 2015, these emissions have declined significantly, with notable reductions in 2024 primarily due to lower coal-fired power generation in Germany and France.

EPH is strengthening its approach to biodiversity and water management across its operations, including nuclear, hydropower, district heating, and lignite mining. The group conducted a high-level biodiversity risk assessment using tools such as ENCORE and the WWF Biodiversity Risk Filter, identifying 12 sites that potentially affect ecosystems. Key drivers include land degradation, greenhouse gas emissions, and water use. Although group-wide biodiversity targets are still under development, EPH applies restoration measures, bird protection on power lines, and sustainable sourcing of biomass and coal. In 2024, EPH withdrew 3,454 million cubic meters of water, returning over 97%. While most sites are in low-stress areas, some assets in Italy, the Czech Republic, and Slovakia face drought risks, addressed through adaptive cooling measures.

The group's primary business activities have a substantial impact on local communities and the "just transition," affecting both environmental and social factors. The group's mining, power, and heat generation activities rely on water, which can significantly affect water

availability for local communities, especially in water-stressed regions. EPH states that it interacts with relevant stakeholders during local consultations. Furthermore, in line with its coal exit strategy, the group implemented measures at certain plants to address employment prospects and support for affected employees, including early pension and retraining.

Alignment Assessment

This section provides an analysis of the framework's alignment to Green Bond and Loan principles.

Alignment Summary

Aligned = ✓ Conceptually aligned = o Not aligned = ×

- ✓ Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1)
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2025

✓ Use of proceeds

The framework's green project categories are shaded in green, and the issuer commits to allocate the net proceeds issued under the framework exclusively to eligible green projects. EPH will allocate an amount equivalent to the net proceeds from the green financing instruments to finance or refinance eligible green projects. Capex and operating expenses will qualify with a lookback period of three years. We note that private placements, loans, and convertible bonds are eligible under the framework, though the issuer considers convertible bond issuance unlikely due to its private ownership according to EPH. If issued, proceeds would go to green assets, but conversion could lead to equity in a company not fully focused on the green economy.

✓ Process for project evaluation and selection

EPH has a dedicated Green Finance Committee (GFC), made up of representatives from Treasury/Financing, Sustainability, Investor Relations, and other parties nominated as subject matter experts. The GFC is responsible for defining and evaluating the eligibility of the project categories. It also monitors internal processes to identify potential environmental and social risks associated with the projects and, where possible, implements mitigation measures. On an annual basis, the GFC reports to the board of directors. Decisions made by the GFC requires consensus from all its members with each having veto power. EPH commits to a robust policy framework that guides decision-making, drawing on various environmental, biodiversity, and asset integrity policies to manage environmental and social risks related to financed projects.

✓ Management of proceeds

The issuer commits to allocating an amount equal to the net proceeds to eligible green projects. The selection of projects will follow the defined eligibility criteria, with full allocation expected within 36 months of issuance. These will be tracked using an internal project register to document and monitor the allocation of all issued amounts. The allocation of proceeds will be managed by the company's finance department to ensure that the allocation of the bonds' net funds coincides nominally with the disbursements made to the eligible green projects, until full allocation of funds. During the time the instrument is outstanding, the company will achieve a level of allocation for the eligible green project portfolio periodically to match allocations to eligible projects. The issuer has specified that unallocated funds will be held in cash or other short-term liquid instruments. Following the last update of the Green Loan Principles, the issuer states that where a green loan takes the form of one or more tranches of a loan facility, each tranche applicable to the eligible green projects will be clearly labelled, with net proceeds, or an amount equivalent to the net proceeds, of the green tranche(s) tracked separately in an internal project register.

✓ Reporting

The issuer commits to report on the allocation and impact of proceeds annually, until full allocation or maturity of green financing instruments. The allocation reporting will include the total amount of assets, investments, and expenditures in the

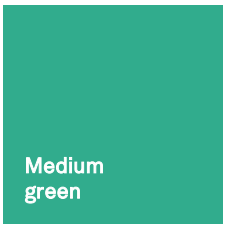
eligible green project portfolio, the share of financing compared with refinancing, and the balance of unallocated proceeds. EPH will also report on the actual environmental impact of the projects. Where available, it intends to disclose Key Performance Indicators at aggregate level. The issuer commits to providing a methodological note on the underlying assumptions. In our view, EPH's commitment to a post-issuance review with limited assurance on both allocation and impact reporting in positive.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "Analytical Approach: Shades Of Green Assessments".

The issuer has provided a pool of eligible green assets and capex that may be financed under the framework. These include existing infrastructure such as nuclear power assets, electricity and gas distribution networks, hydropower plants, and district heating systems, as well as investments into BESS and high-efficiency CCGT cogeneration plants. While the actual allocation of proceeds will depend on the characteristics of each bond issuance and may vary over time, the issuer has indicated that, based on current expectations, the majority of proceeds are likely to be allocated to existing nuclear power assets.

The issuer expects most proceeds to be allocated to refinancing projects, while a smaller portion of proceeds will be directed to finance new projects, depending on investor and lender preferences.



Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.

Our Shades of Green Analytical Approach >

Overall Shades of Green assessment

Based on the project category shades of green detailed below, and consideration of environmental ambitions reflected in EPH's green finance framework, we assess the framework medium green.

Green project categories

Renewable energy – Electricity distribution infrastructure

Assessment	Description
Medium green	Assets, investments, capex, and operating expenses relating to electricity distribution infrastructure and equipment that meets one of the following criteria: • The system is the interconnected European system, i.e. the interconnected control areas of EU member states, Norway, Switzerland, and the U.K., and its subordinated systems; • Over 67% of newly connected generation assets comply with the 100 g CO2e/kWh threshold (over a rolling five-year period); or • The grid's average emissions factor is less than 100 g CO2e/kWh but exclude any grid connections of power plants that are more carbon dioxide intensive than 100 g CO2e/kWh (as a proxy for this threshold any direct grid connections of power plants other than wind, solar, or hydro energy will be excluded). Connections to hydro will only be eligible if aligned with the substantial contribution criteria to climate change mitigation of the Climate Delegated Act.

Analytical considerations

- The project category receives a medium green shade given the critical role of reliable and well-functioning grids in enabling electrification and supporting a low-carbon, climate-resilient future. While EPH does not exclude using proceeds to finance connections to high-emitting or fossil-related end users, it has clarified that such connections represent a marginal share of overall investments.
- The project relates to EPH's electricity distribution network in Slovakia, which is part of the interconnected European system. We understand that the Slovakian electricity grid has made some progress in recent years, although the electricity transmitted through the grid reflects a mix of generation sources with varying carbon intensities, as it includes both domestic generation and imports from countries with higher-carbon electricity. In contrast, Slovakia's overall emission intensity for power generation was 84 g CO2e/kWh in 2023, reflecting the country's reliance on low-carbon sources like nuclear (62.1%) and hydropower (16.4%), but also natural gas (9.2%). According to EPH, between 2019 and 2023, 89% of newly connected capacity has been renewable sources. This makes the generation of electricity much cleaner than the overall consumption, which includes imports.
- EPH does not exclude using proceeds to finance connections to high-emitting or fossil-related end users. While such connections can support the electrification of these sectors--particularly when powered by low-emission electricity--they may remain exposed to transition and lock-in risks, especially if the connections enable business-as-usual operations. However, EPH notes that the value of dedicated connections is generally marginal, and the same is expected for those involving high-emitting industries. Moreover, we understand that the financing of high-voltage transmission lines in Slovakia, such as those that would connect large power generation facilities to the grid, are not within the scope of this framework.
- Investments can include both overground and underground lines, which can give rise to biodiversity and ecosystem risk. According to EPH, EIAs are undertaken as standard, and it points to its work on preventing injuries to birds from its distribution network as an example of its approach to minimizing such risks.

Renewable energy – Gas distribution infrastructure

Assessment	Description
Light green	Assets, investments, capex, and operating expenses relating to renewable and low-carbon gas distribution infrastructure and equipment: • Construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases; • Conversion/repurposing of existing natural gas networks to 100% hydrogen; and • Retrofit of gas transmission and distribution networks that enable the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low-carbon gases in the gas system.

Analytical considerations

- The project category receives a light green shade because of the importance of the readiness of distribution and transmission networks in enabling the use of renewable and low-carbon gases by 2050, while the infrastructure is currently fossil fuel based and remains exposed to significant transition risk until it distributes such gases.
- The project category relates to EPH's gas transmission and distribution activities in Slovakia. According to the issuer, this network reaches approximately 94% of Slovakia's population, with capex for expansion expected to be negligible. Investments under the project category will focus on the retrofitting of EPH's gas distribution network to enable the increase of hydrogen and low-carbon gases in the system. Such investments include the replacement of steel piping with polyethylene piping in low- and medium-pressure networks, the use of higher-grade steel piping in the high-pressure network, and the replacement and retrofitting of certain components at pressure reduction stations.

- Such investments seek to reduce the transition risk to which gas distribution networks distributing natural gas are exposed. Nonetheless, these investments remain exposed to significant transition risk until they distribute renewable or low-carbon gases, from the distribution of natural gas or hydrogen produced from natural gas. While renewable and low-carbon gases are seen as crucial for the future, there are risks and uncertainty relating to their increased production and use, and therefore their distribution.
- According to EPH, it cannot control the type of gas it distributes and cannot therefore set targets for the levels of hydrogen or other low-carbon gases it distributes. However, the readiness of distribution networks to distribute hydrogen and other low-carbon gases is itself crucial in their production and use. Importantly, EPH is also engaged in certain projects across its value chain relating to the development of these sectors.
- EPH has confirmed that investments into methane leak detection and repair are included in other investments under the project category. According to EPH, as well as its compatibility with distributing hydrogen and other low-carbon gases, polyethylene piping almost eliminates methane leakage compared with steel piping.

Energy efficiency – Power and heat generation, district heating networks

Assessment	Description

Light green	Assets, investments, capex, and operating expenses relating to:
	• Pipelines and associated infrastructure for distribution of heating and cooling produced using at least 50% renewable energy, 50% waste heat, 75% cogenerated heat, or 50% of a combination of such energy and heat:
	  • Construction and operation;
	  • Refurbishment;
	  • Modification to lower temperature regimes; and
	  • Advanced pilot systems (control and energy management systems, Internet of Things).
	• Cogeneration of heat/cool and power from bioenergy, as per the substantial contribution criteria to climate change mitigation of the Climate Delegated Act (Annex I) under 4.20;
	• Electricity generation from fossil gaseous fuels, as per the substantial contribution criteria to climate change mitigation of the Complementary Climate Delegated Act on gas energy activities (Annex I) under 4.29;
	• High efficiency cogeneration of heat/cool and power from fossil gaseous fuels as per the substantial contribution criteria to climate change mitigation of the Complementary Climate Delegated Act on gas energy activities (Annex I) under 4.30; and
	• Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system as per the substantial contribution criteria to climate change mitigation of the Complementary Climate Delegated Act on gas energy activities (Annex I) under 4.31.

Analytical considerations

- This project category receives a light green shade, as we consider the relevant activities, notably EPH's conversion of lignite coal powered district heating/cogeneration plants to natural gas and electricity generation from fossil gas, as transitional investments given the eligibility criteria. Natural gas investments are not aligned with a 1.5-degree future--it is therefore crucial to the shading that the turbines to be financed can combust renewable and/or low-carbon gases, and that the eligibility criteria require EPH to commit to combusting only such gases by Dec. 31, 2035. Regarding electricity generation from natural gas, the requirements embedded within the EU Taxonomy's Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation provide important safeguards to ensure that financed plants are highly efficient or serve as backup facilities exclusively, with the plants being mainly used as peaking sources to complement renewable energies that are more volatile.

- The national context is important in evaluating these investments. For instance, in the Czech Republic, a country where the issuer will finance eligible cogeneration plants, coal accounted for about 39.3% of electricity generation and approximately 56% of heat generation in 2023 according to the IEA. In 2022, electricity and heat accounted for about 51% of total emissions. Approximately 40% of households are supplied with heat from district heating plants, while it is estimated that over 300,000 households rely on boilers using solid fuels (mainly coal). Additionally, in 2021, the Czech Republic had the fourth highest greenhouse gas emissions per capita of the EU member states. We note that the issuer has not yet identified all assets to be financed under the framework, so the jurisdictional context may vary.
- In 2024, EPH conducted a resilience analysis of physical climate risks across its operations, covering short- (2024), medium- (2025–2029), and long-term (2030–2060) horizons. This analysis is based on three climate scenarios aligned with the Shared Socioeconomic Pathways (SSPs). We understand that all eligible assets under the framework will continue to be subject to such analysis.

Distribution of heat and cool

- This element of the project category relates to EPH's existing district heating distribution networks, distributing heat from EPH's cogeneration assets. EPH has confirmed that, under this criterion, proceeds can only finance distribution, rather than generation, of heat.
- Networks financed under this criterion can distribute heat from lignite coal until the phase-out of EPH's coal assets in 2030, and from natural gas until EPH's phase in of renewable or low-carbon gases. Notwithstanding the comparative efficiencies of cogeneration, such investments are associated with high-emitting fossil fuels and therefore exposed to transition risks. EPH has confirmed that nothing financed under this criterion is unique to, or otherwise locks in, generation from lignite coal or natural gas.
- According to EPH, proceeds could be used to connect new developments (e.g. blocks of flats) to existing networks. If this necessitates an increase in output, there is a risk of indirectly increasing fossil fuel use.

Cogeneration of heat/cool and power from bioenergy

- The cogeneration of heat/cool and power from biomass can have climate mitigation benefits, particularly, as is the case for EPH, if replacing cogeneration from lignite coal. This depends, however, on factors such as feedstock type, origin, and source, and consideration of risks such as direct and indirect land use change. The eligibility criteria require compliance with sustainability criteria contained in the revised Renewable Energy Directive (RED), which we consider an adequate safeguard. Moreover, there is a requirement that the greenhouse gas emissions savings from the use of biomass are at least 80% in relation to greenhouse gas emission saving methodology and fossil fuel comparator set out in the revised directive. According to EPH, its suppliers provide the relevant data (transportation distance and biomass type) to calculate this. Nevertheless, we also note that even if complying with RED, feedstocks will have various sustainability risks, for example related to direct or indirect land use change, given that certain food/feed crops are still allowed under the directive.

Electricity generation from natural gas as peaking source

- The eligible category of electricity generation from fossil gaseous fuel pertains to gas-fired power plants comprising CCGT and OCGT that will replace existing coal high-emitting electricity generation activities. Our light green assessment relies on the fact that while these high-emitting assets are exposed to significant transition risk, they may provide crucial backup support and grid stability used as a peaking source to complement the development of electricity generation from renewable energy. We note that the issuer will follow the EU taxonomy requirements' technical screening criteria for a substantial contribution to climate change mitigation), which in our view entails very strict requirements that permit the financing of highly efficient plants only, or those that will operate a limited number of hours, in regions that required such plants for the security of energy supply and are in the progress of phasing out coal plants.
- According to EPH, it will only finance assets where emissions do not exceed an average of 550 kg CO2e/kW of the facility's capacity over 20 years based on the issuer's calculations. While we note the uncertainty linked around the 20-year timeframe, we view favorably the commitment from the issuer to external verification, in line with the technical screening criteria.
- To mitigate this, the issuer intends to design these assets to easily incorporate certain blends of hydrogen and commits to fully burning renewable gases by 2035. EPH states that it will prioritize hydrogen readiness to ensure compatibility with a net-zero energy system and prevent emissions from becoming locked in due to prolonged natural gas use. Nevertheless, we note the uncertainty regarding the development and availability of such renewable gases.

- According to EPH's eligibility criteria, these assets will replace existing coal high-emitting electricity generation activities where the new assets will not exceed the capacity of the replaced facility by more than 15%. EPH aims to implement all measures to prevent gas leaks, including a leak detection and repair program across all sites. Regarding biomethane, EPH commits to sourcing the biogas in line with the respective EU directives.
- We think that even if these assets are aligned with the EU taxonomy technical screening criteria regarding "substantial contribution," considerable lock-in risks remain related to the use of natural gas--despite the fact that such plants typically operate later in the merit order (i.e., they are dispatched after lower-cost renewable and nuclear sources)--given the high emission intensity, the potential extension of the plants' lifetimes, and the fact that the eligibility criteria allow for an average of 550 kg CO2e/kW of the facility's capacity over 20 years. We further see a challenge in maintaining the eligibility of the assets over the years, as the asset technically can be used to its full capacity and the issuer will have to ensure that the plants would exclusively be used to cover peaks in energy demand and prepare fully for the use of renewable gases once these have scaled up. However, the issuer's commitment to the EU Taxonomy's substantial contribution criteria requires strict adherence to conditions regarding capacity limitation and emission reductions compared with previous generation from coal plants, as well as demonstrating that the power to be replaced cannot be generated from renewable energy sources. We understand that the electricity generated from these gas-fired plants is marketed via wholesale electricity markets rather than through long-term power purchase agreements (PPAs), which we understand increases the issuer's exposure to market price signals and reinforces their role as flexible, demand-driven peaking assets. We note that the framework identifies hydrogen-ready gas power plants such as the Kilroot OCGT plant in Belfast, the U.K. However, full compliance with these requirements necessitates additional work on the side of the issuer that we understand has not yet been implemented. Nevertheless, the issuer commits to external verification of all relevant measures before considering the assets to be eligible.

Cogeneration of heat/cool and power, or the production of heat/cool, from natural gas

- This element of the project category relates to EPH's intention to convert existing lignite coal powered plants to CCGT plants, consisting of at least seven units that will run on natural gas until transitioned to renewable and/or low-carbon gases. We understand that the issuer will abide by market practice and guidance from the EU Taxonomy (which presently does not provide explicit definitions) as to what constitutes renewable or low-carbon gases. It currently considers renewable gases to constitute those produced from non-fossil sources (e.g., green hydrogen, biomethane, or synthetic methane from green hydrogen) and low-carbon gases to constitute gases from fossil origins where the life-cycle greenhouse gas emissions are largely eliminated through carbon capture and storage or other forms of abatement. We understand that EPH does not consider "gray" hydrogen to be renewable or low carbon.
- The eligibility criteria require that the activity replaces a high emitting heat/cool generation or heat/cool and power cogeneration activity, and that the capacity of each facility is not increased. According to EPH, the CCGT plants are a direct replacement of lignite coal powered production and, according to figures provided by EPH, the capacity of each CCGT plant is lower than its lignite-coal-powered equivalent.
- The eligibility criteria require that the activity reduces emissions by at least 55% and direct emissions of the activity must be lower than 270 g CO2/kWh. Per figures provided by EPH, the use of natural gas in its plants will reduce emission intensity by at least 55% compared with lignite coal. More specifically, EPH calculates the emission intensity of its existing lignite coal plants in the range of 600 g CO2/kWh-900 g CO2/kWh (depending on cogeneration share and condensation production), while it calculates that the use of natural gas results in emission intensity of 264 g CO2/kWh.
- Notwithstanding comparatively lower emissions compared with lignite coal, natural gas is a high-emitting fossil fuel. The climate impact of these investments therefore also depends on transitional use, rather than relying on natural gas beyond 2035. According to EPH, lock-in is avoided through the readiness of the turbines for hydrogen and low-carbon gases: Its supplier guarantees that the turbines will be able to combust 15% hydrogen from the outset, with the option to increase the share up to 100% once technically feasible. EPH considers biomethane to be used to complement hydrogen. The eligibility criteria require EPH's management board to approve a commitment and plan to switch to renewable and/or low-carbon gases by Dec. 31, 2035. We understand from the issuer that the board's commitment to renewable gases would need to be made subject to full Taxonomy assessment which also requires such a commitment to be externally verified. While these elements reduce the risk of lock-in of natural gas use, the availability of such gases is not certain.
- As a high emitting, fossil energy source, the investments are exposed to significant transition risk. EPH seeks to mitigate these risks through the readiness of its turbines to combust hydrogen, renewable or low-carbon gases, and its commitment to switch to renewable and/or low-carbon gases by Dec. 31, 2035.

- The eligibility criteria require that the heat/cool or heat/cool and power that is being replaced cannot be generated from renewable energy. This is important, given the use of natural gas for the cogeneration of heat/cool and power, or the production of heat/cool, should only be considered if renewable alternatives are unfeasible, and the risk that such investments carry the risk of impeding the development of renewable sources. Moreover, the eligibility criteria require EPH to prepare a comparative assessment with the most cost-effective and technically feasible renewable alternatives for the same capacity, to publish this, and to subject it to a stakeholder consultation. This requirement has been addressed in its 2024 EU Taxonomy disclosure of its annual report, which includes a discussion of alternatives and invites stakeholder feedback. The company has informed us that it is already receiving feedback from banks and bondholders providing external financing for these projects.
- For cogeneration of heat/cool and power from natural gas, the eligibility criteria require primary energy savings of at least 10% compared with separate heat and electricity production. We understand from the issuer that its plants will lead to savings of about 21%-25%. To produce heat/cool from natural gas, the eligibility criteria require that the thermal energy generated by the activity is used in an efficient district heating and cooling system as defined in EU Directive 2012/27/EU. According to EPH, the plants will satisfy this because the district heating systems always use at least 75% cogenerated heat/cool.
- Under the eligibility criteria, EPH will have to obtain independent verification of its alignment with the other elements of the criteria.

Nuclear energy

Assessment	Description
Medium green	Assets, investments, capex, and operating expenses relating to nuclear energy production: • Electricity generation from nuclear energy in existing installations meeting the substantial contribution criteria referred to in points 1 (a)-(e), and 3-7 to climate change mitigation of the Complementary Climate Delegated Act on nuclear energy activities (Annex I) under 4.28 including Additional criteria pertaining to substantial contribution to climate change mitigation such as life-cycle greenhouse gas emissions.

Analytical considerations

- Nuclear power is a low-carbon electricity source with a smaller land-use footprint than most renewable energy sources. However, it entails environmental impacts throughout its value chain, notably related to uranium mining, waste management, and water use.
- Eligible investments under EPH's framework cover all existing nuclear units in Slovakia and will maintain Slovakia's high share of low-carbon electricity and support energy security amid increasing demand. While nuclear energy offers stable, low-carbon baseload generation that supports the integration of variable renewable sources, the permanent disposal of spent fuel remains unresolved. Despite the current lack of a long-term disposal site, we understand that the Slovak state is actively working on plans to develop such infrastructure. Based on these considerations, we assess this project category as medium green.
- Slovakia currently generates around 60% of its electricity from nuclear power. EPH, through its subsidiary SE, operates the Bohunice and Mochovce plants. This includes six VVER-440/V-213 pressurized water reactors at Bohunice V2 (EBO 3, 4) and Mochovce Units 1–4, with Unit 3 entering full commercial operation in 2023 and Unit 4 expected in the first half of 2026 following protracted delays and cost overruns. The fleet has undergone significant modernization with safety enhancements after the Fukushima accident and are subject to supervision by the Nuclear Regulatory Authority of the Slovak Republic (ÚJD SR), which enforces international operational and resilience standards. SE is also evaluating new-build options, including a large-scale unit at Bohunice and potential small modular reactor deployment.
- Electricity generated by SE's nuclear units is sold into the wholesale market, without the use of long-term power PPAs, reflecting exposure to market dynamics and the role of nuclear as a stable baseload provider.
- Life-cycle greenhouse gas emissions for SE's nuclear electricity are among the lowest across energy sources. For existing units, total emissions are estimated at 9.57 g CO2e/kWh (EBO 3,4) and 8.96 g CO2e/kWh (EMO 1,2). These include emissions from construction (1.16–1.20 g), fuel supply (5.12–5.23 g), operation (2.26–3.02 g), and decommissioning (0.27 g). Due to the

structural similarity of Mochovce 3 and 4, these figures are considered applicable to the new units, with embodied emissions already factored in.

- The long-term storage of spent nuclear fuel remains unresolved in Slovakia. While interim storage is currently managed through the interim spent fuel storage facility and TSÚ RAO, a national DGR for the permanent disposal of high-level radioactive waste and spent nuclear fuel has yet to be established. We understand that JAVYS a.s., the responsible entity, is conducting detailed investigations at two candidate sites, with site selection expected by late 2030 or early 2040. Current national plans target DGR commissioning between 2060 and 2065, making interim storage essential for the coming decades. In parallel, agreements have been signed between JAVYS, advanced reactor developer Newcleo, and engineering firm VUJE to explore the construction of up to four lead-cooled fast reactors at the Bohunice site, potentially using existing Slovak spent fuel as part of an advanced fuel cycle strategy. While uncertainty around the lead-cooled fast reactors remains, their commissioning could partially reduce the volume and radiotoxicity of high-level waste requiring DGR.
- SE aligns its environmental management systems with international standards (e.g., International Atomic Energy Agency [IAEA], ISO 14040/44). It emphasizes reducing radioactive waste generation during operations and ensuring safe interim storage. The national framework, including dedicated funds and planning bodies, is in place to manage long-term decommissioning and fuel disposal.
- Uranium fuel for SE's reactors is currently supplied by TVEL a Russia-based company, under contracts valid through 2026. Diversification efforts are ongoing, with fuel qualification programs underway with Westinghouse (U.S.) and Framatome (France) to ensure supply security and reduce geopolitical risk. Environmental and social risks associated with mining are considered in supplier selection and ongoing qualification processes.
- Slovakia's nuclear safety regime has faced criticism from neighboring Austria and environmental groups, which have raised concerns about construction quality and seismic resilience at Mochovce, citing alleged use of substandard materials and possible damage to containment structures. SE and ÚJD SR have rejected these claims, pointing to the integration of Western safety systems, extensive testing, and bilateral engagement with Austrian authorities, including site visits. While a recent IAEA review at Bohunice acknowledged operational safety efforts, we understand that it also issued recommendations for further improvement, suggesting that continued external scrutiny remains warranted. In terms of nuclear nonproliferation, Slovakia is a non-nuclear weapon state under the Nuclear Non-Proliferation Treaty and operates fully under IAEA and Euratom safeguards. All nuclear materials, including any tritium produced, are subject to strict international controls and used exclusively for peaceful purposes.
- Physical climate risks--including rising temperatures, more frequent droughts, and extreme weather events--pose growing challenges to the operation of nuclear power plants. To ensure climate resilience, SE assessed physical climate risks across all major operational sites. In the case of nuclear facilities, robust national regulations require regular safety reviews, stress tests, and emergency planning. Additional measures to address extreme weather events have been implemented following the Fukushima accident, ensuring strong adaptation capacity across these assets.
- Water use remains a key environmental consideration, especially during climate-related stress events like heatwaves. SE has adapted cooling system design and protocols to ensure thermal discharge compliance and support climate resilience.
- EPH confirms that fossil fuel powered emergency generators will not be financed with green bond proceeds.

Renewable energy - Hydropower

Assessment	Description
Dark green	Assets, investments, capex, and operating expenses relating to electricity generation from hydropower that meets one of the following criteria: • The electricity generation facility is a run-of-river plant and does not have an artificial reservoir; • The power density of the electricity generation facility is above 5 W/m2; and • The life-cycle greenhouse gas emissions from the generation of electricity from hydropower are lower than 100 g CO2e/kWh.

For new hydropower projects, necessary environmental and social impact assessments will be undertaken with no significant controversies identified as a prerequisite for project eligibility

Analytical considerations

- Hydropower is a key renewable technology for the low-carbon transition, delivering dispatchable, low-emissions electricity that supports the integration of other variable renewable sources. Investments in hydropower are crucial to achieving climate objectives, provided that environmental and biodiversity risks are appropriately managed. Given the low-carbon intensity of hydropower facilities' electricity generation, as well as EPH's safeguards to address biodiversity and other environmental risks, we assess the investments under this category as dark green.
- Following the acquisition of SE, EPH now operates a substantial hydropower portfolio, consisting of 31 plants with a total installed capacity of 1.6 gigawatts (GW). This portfolio includes both run-of-river plants and pumped hydro storage facilities, providing a flexible and low-carbon energy source that contributes to grid stability. The electricity generated by these hydropower assets is sold on wholesale electricity markets, and not through long-term PPAs, which highlights the role of these assets in providing flexible, market-responsive low-carbon power. SE is focused on modernizing its fleet, with key projects such as the integrator project at the Čierny Váh pumped hydro storage plant. This project will involve upgrading turbines to enhance grid regulation and integrating a 100 MW battery storage system, further improving efficiency and the overall contribution to renewable energy needs.
- Both portfolios are aligned with the EU Taxonomy's substantial contribution criteria, requiring either a run-of-river configuration, a power density above 5 W/m2, or life-cycle greenhouse gas emissions below 100 g CO2e/kWh. Given the low-carbon intensity of these operations and EPH's safeguards to address environmental risks, investments in this category are considered supportive of the EU's climate goals.
- While hydropower is a low-carbon energy source, it remains exposed to physical climate risks, particularly related to changes in water availability and the increased frequency of extreme events such as floods or droughts. EPH has assessed these risks at the group level, performing physical climate risk analyses based on future climate scenarios. Hydropower assets, including those operated by SE, have been identified as being at low risk of direct damage from climate change effects. Where necessary, adaptation measures are considered to maintain operational and environmental performance over time.
- Biodiversity risks are also a key consideration for hydropower projects. Although EPH's smaller plants are run-of-river with limited ecosystem impact, the company ensures that all facilities comply with environmental permitting procedures. EIAs are conducted to verify that projects are not located in biodiversity-sensitive areas and to implement mitigation measures such as fish migration systems or habitat restoration where needed.

Renewable energy - Storage of electricity

Assessment	Description
Dark green	Assets, investments, capex, and operating expenses relating to storage of electricity: • Construction and operation of electricity storage through BESS; and • Construction and operation of electricity storage through pumped hydro storage.

Analytical considerations

- BESS and pumped hydro storage are playing an increasingly vital role in supporting the transition to a low-carbon economy. By integrating renewable energy sources into the grid and providing system flexibility and stability, BESS and pumped hydro storage projects are essential to achieving a resilient and decarbonized energy system.
- EPH's pumped hydro storage initiatives are part of its broader investments in hydropower, as described above. This approach ensures that storage capabilities are developed in tandem with conventional hydroelectric operations, enhancing the overall flexibility of the energy system. By optimizing the use of existing infrastructure, pumped hydro storage provides critical services such as grid stabilization, renewable energy integration, and energy storage, all of which contribute to a more resilient and low-carbon energy system.

- EPH is actively investing in battery storage technologies, with a significant pipeline of projects under development. In 2024, EPH commissioned a 35 MW battery energy storage facility at the Émile Huchet power plant site in France. EPH has said that BESS projects are connected to the grid and therefore, not tied to specific energy sources, enable their use to support the integration of variable renewable energy sources (including for backup or peak load), demand management, and grid reliability and stability--though they can also serve other purposes, such as pure price arbitrage.
- The issuer has conducted a group-level physical climate risk analysis covering its existing and potential battery storage sites. The analysis determined that exposure to climate risks, such as rising ambient temperatures, is low and is not expected to have a significant effect on the operational functionality of the systems.
- Regarding battery recycling, EPH recognizes end-of-life management as a medium- to long-term priority. Although projects are only beginning to operate, recycling plans will evolve as assets approach the end of their life cycle. In Europe, battery recycling is governed by the EU Batteries Regulation Directive, which requires producers to ensure end-of-life collection and treatment. We understand that operators will be required to cooperate with specialized partners to recover critical materials and expect that recycling rates will increase under forthcoming EU regulations mandating higher recovery targets.
- To minimize the impact on biodiversity, EPH primarily focuses on developing battery projects on existing industrial sites. Where new developments are pursued, environmental and biodiversity are considered from the early stages of the permitting process, ensuring that projects do not pose risks to sensitive ecosystems or protected areas.

S&P Global Ratings' Shades of Green

Assessments	Dark green	Medium green	Light green	Yellow	Orange	Red
Description	Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps toward an LCCR future but will require further improvements to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects	Solar power plants	Energy efficient buildings	Hybrid road vehicles	Health care services	Conventional steel production	New oil exploration

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

EU Taxonomy Assessment

In our EU Taxonomy assessment, we opine on whether an eligible project to be financed aligns with the EU Taxonomy in cases when the economic activity is covered by technical screening criteria, which is incorporated into European law via delegated acts (see "Analytical Approach: EU Taxonomy Assessment").

EPH's updated green finance framework now includes an additional three EU taxonomy activities (nuclear, hydropower, and storage of electricity) alongside previous eligible ones.

- Substantial contribution technical screening criteria: We think that all eligible economic activities, including nuclear, hydropower and storage of electricity, are aligned with climate mitigation criteria. For activity 4.28, the technical screening criteria require that the "upgraded project implements any reasonably practicable safety improvement and from 2025 makes use of accident-tolerant fuel. The technology is certified and approved by the national safety regulator". EPH considers that this requirement to use ATF from 2025 appears to apply specifically to authorized upgrade projects for long-term operation. This means the ATF criterion is triggered only when a project involves tangible physical modifications that are formally authorized by the national regulator as part of a long-term operation program. We understand from the issuer that such modifications are currently not undertaken for any of the reactors financed under the framework, and therefore the ATF requirement is not applicable in this case.
- DNSH technical screening criteria: In 2024, EPH carried out a group-wide physical climate risk assessment covering all relevant activities, in line with the requirements of Appendix A to the DNSH criteria on climate change adaptation. Additionally, both the EU Water Framework Directive and the EIA Directive have been transposed into national legislation in all countries where EPH operates, supporting the alignment opinion for biodiversity and water. However, we anticipate limitations in the evidence provided to demonstrate full compliance with the Appendix C: Generic Criteria for DNSH To Pollution Prevention and Control regarding Use and Presence of Chemicals for activities 4.29, 4.30, and 4.31, in line with our previous SPO.
- Minimum Safeguards: In 2024, EPH made progress in its human right's due diligence processes. We consider that these processes are now aligned with the EU Taxonomy's minimum safeguards requirements, considering further progress is expected during 2025. Our opinion also considers the nature of the activities that EPH plans to finance--primarily existing energy infrastructure where the extraction of materials is highly regulated. We observe that its largest exposure lies in direct operations conducted in countries classified as low risk for severe human rights violations.

We think that activities 4.5, 4.9, 4.10, 4.14, 4.15, 4.20 and 4.28 are aligned with the EU Taxonomy criteria, while others are not aligned with some of the technical screening criteria requirements, as outlined below in the detailed analysis.

	Technical screening criteria			
Economic activity	**Substantial contribution**	**DNSH**	**Minimum safeguards (Issuer level)**	**Overall alignment**
4.5 Electricity generation from hydropower - NACE code: D35.11, F42.22	✓	✓		✓
4.9 Transmission and distribution of electricity - NACE code: D35.12, D35.13	✓	✓	✓	✓
4.10 Storage of electricity	✓	✓		✓

4.14 Transmission and distribution networks for renewable and low-carbon gases - NACE code: D35.22, F42.21, H49.50	✓	✓		✓
4.15 District heating/cooling distribution - NACE code: D35.30	✓	✓		✓
4.20 Cogeneration of heat/cool and power from bioenergy - NACE code: D35.11, D35.30	✓	✓		✓
4.28 Electricity generation from nuclear energy in existing installations – NACE code: D35.11, F42.22	✓	✓		✓
4.29 Electricity generation from fossil gaseous fuels - NACE code: D35.11, F42.22	✓	✗		✗
4.30 High efficiency cogeneration of heat/cool and power from fossil gaseous fuels - NACE code: D35.11, D35.30	✓	✗		✗
4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system - NACE code: D35.30	✓	✗		✗

Aligned = ✓ Not aligned = ✗ Not covered by the technical screening criteria = —

See EU Taxonomy Assessment for more detail.

EU Taxonomy – Detailed analysis

4.5 Electricity generation from hydropower - NACE code: D35.11, F42.22

EPH operates hydropower assets in Italy and Slovakia. EPH aims to finance the construction and operation or acquisition of electricity generation facilities that produce electricity from hydropower plants. Investments are also for renovation and maintenance, modernization and automation, and enhancing existing facilities. Currently, there are no new hydropower projects under development; however, the framework allows for the possibility of future investments in this area.

Opinion	Key findings
	Substantial contribution: Technical screening criteria assessment
✓	We consider EPH's financing related to electricity generation from hydropower to be aligned with the technical screening criteria for a substantial contribution to the EU's climate mitigation objective • EPH operates a small portfolio of run-of-river hydropower plants without artificial reservoirs in Slovakia and Italy, with a total installed capacity of 5 megawatt electric. These assets are run-of-river plants and do not have an artificial reservoir in line with EU taxonomy. Following the acquisition of SE, EPH also operates a larger 1.6 GW hydropower fleet in Slovakia. For these SE-operated assets, alignment has been demonstrated through a three-step approach: First, identifying plants that are run-of-river without artificial reservoirs; second, verifying installations with a power density above 5 W/m2; and third, for any remaining assets, calculating life-cycle greenhouse gas emissions using the GHG Reservoir Tool. For all plants requiring this third step (e.g., Orava, Domaša, and Kráľová), life-cycle emissions were verified to be below the threshold of 100 g CO2e/kWh. All calculations were conducted according to accepted methodologies and verified by an independent third party.
	DNSH: Technical screening criteria assessment
✓	According to the EU Taxonomy, this activity must not harm EU climate adaptation, water, and biodiversity objectives. We consider the issuer's activity to be aligned with these requirements. • As part of the new issuer physical climate risk analysis, EPH's hydroelectric assets have been assessed as low risk from extreme weather events at the group level. Additionally, the issuer states that the recently acquired SE hydropower plants also underwent a physical climate risk analysis aligned with EU Taxonomy requirements, with no additional adaptation needed, as key climate resilience measures are already integrated into their design and operation. For further information, please refer to our rationale in the "Analysis of the generic DNSH criteria". • Regarding the water-related DNSH criteria specific to hydropower, SE confirms that its hydropower plants operate in full compliance with Water Framework Directive 2000/60/EC, as transposed into Slovak law via the Water Act and reflected in the Slovak Water Plan. The 2022–2027 update of the Water Plan does not require SE to implement any specific measures for its

plants. We understand that EPH's run-of-river assets have a low impact and none of the facilities have been identified in breach of any of the provisions of the criteria.

- SE also adheres to internal policies aligned with ISO 14001 on water protection and pollutant management, including groundwater monitoring, technical supervision of water structures, and the designation of plant-specific water managers.
- For new projects, EPH and SE commit to performing environmental assessments in line with national law and EU requirements (e.g., EIAs, Act No. 543/2002 Coll. on nature protection). While no new hydropower developments are currently planned, these procedures are in place for any future installations. For further information, please refer to our rationale in the "Analysis of the generic DNSH criteria".
- For biodiversity, the assets are aligned with the requirements of Act No. 24/2006 Coll., which transposes the core provisions of Directive 2011/92/EU on EIAs. In specific cases where projects were in or near areas of ecological sensitivity, SE proactively consulted the competent state nature protection authority, in accordance with Act No. 543/2002 Coll. on nature and landscape protection. These steps ensure that the potential effect on biodiversity is appropriately assessed and mitigated at the project level. For further information, please refer to our rationale in the "Analysis of the generic DNSH criteria".

4.9 Transmission and distribution of electricity - NACE code: D35.12, D35.13

EPH operates the electricity distribution network in central Slovakia via its subsidiary Stredoslovenska distribucna a.s. (SSD). EPH aims to finance the construction and operation of the SSD's electricity distribution network activities.

Opinion	Key findings
	Substantial contribution: Technical screening criteria assessment
✓	We consider the issuer's enabling activity of transmission and distribution of electricity as aligned with the technical screening criteria for substantial contribution to the EU' s climate mitigation objective. EPH aims to finance transmission and distribution infrastructure or equipment in an electricity grid aligned with the required criteria. Specifically, this involves the financing of: • SSD's distribution network that is part of the interconnected European electricity system, thereby meeting the first eligibility option under the EU Taxonomy. Between 2019 and 2023, 89% of the newly connected capacity to SSD's grid came from renewable energy sources--mainly solar and hydropower--thus fulfilling the second eligibility option requiring more than 67% of new capacity to be renewable. Additionally, the average emissions intensity of Slovakia's power generation system (84 kg CO2e/kWh in 2023) remains below the 100 g CO2e/kWh threshold required under the third eligibility option. The issuer also commits to excluding direct connections to generation assets exceeding this threshold and to installing smart metering infrastructure in accordance with relevant EU legislation
	DNSH: Technical screening criteria assessment
✓	According to the technical screening criteria, this activity must not harm climate adaptation, circular economy, pollution prevention, and biodiversity conservation efforts. The EU water objective is not applicable for this eligible economic activity. We consider the issuer's activity of the transmission and distribution of electricity to be aligned with the DNSH technical screening criteria for all the applicable EU objectives. • EPH has performed a physical climate risk assessment at group level covering multiple climate scenarios (SSP1-2.6, SSP3-7.0, and SSP5-8.5) across short-, medium-, and long-term horizons. For SSD, the main risks identified include increased wind intensity and storm frequency. SSD has implemented a structured resilience strategy, including regular vulnerability assessments and the reinforcement or reconstruction of critical network segments. Risk mitigation measures comprise drone-assisted inspections, vegetation management, and the undergrounding or relocation of overhead lines in forested and exposed areas. Smart grid components have been deployed to enhance real-time monitoring and operational responsiveness. When planning network expansions, climate resilience is factored into the technical design. These measures are consistent with the EU Taxonomy requirement for integrating material physical climate risks into system design, maintenance, and operational planning. For further information, please refer to the DNSH rationale in "Analysis of the generic DNSH criteria". • Regarding the circular economy DNSH criteria, the issuer aligns its waste management practices with Slovak legislation harmonized with EU directives. SSD has internal guidelines governing the handling of hazardous and nonhazardous waste generated mainly through maintenance and reconstruction works essential for ensuring network reliability and security of supply. This includes construction materials (concrete, soil), ferrous and nonferrous metals, and hazardous waste such as electrical components and oil-contaminated parts. SSD consistently applies the waste hierarchy, prioritizing recycling where safe and feasible, and ensures certified third-party disposal of hazardous waste. We therefore consider the DNSH criteria for the circular economy to be met.

- Regarding the pollution prevention DNSH criteria, the issuer informs us that its environmental management system is ISO 14001-certified and externally audited on an annual basis, with no misalignments identified to date. SSD's internal protocols are aligned with EPH's environmental policy. In line with EU regulation, all polychlorinated biphenyls-contaminated equipment has been replaced. SSD also manages asbestos-containing waste and addresses environmental risks from substations containing oils, which may pose water and soil contamination risks in case of leakage. Any leak, regardless of size, is promptly reported to the environmental team, which oversees remediation and restoration. Emergency plans, individually tailored for each substation, have been approved by the Slovak Environmental Inspection. These plans include impermeability testing of containment systems and annual emergency training for staff. All equipment and components comply with EU and Slovak standards, including those on electromagnetic radiation, with oversight from competent authorities and relevant public health bodies. Finally, we note that SSD is not aware of any objections regarding the assessment of the impact of electromagnetic fields on the public and the issuer has mapped how their processes align with the International Finance Corporation (IFC) General Environmental, Health, and Safety Guidelines which meet all the pollution DNSH criteria.
- For biodiversity DNSH, the issuer discloses that the distribution network operated by SSD might pose a danger for wildlife, especially birds, as the network cannot entirely avoid areas with a high prevalence of vulnerable species. In cooperation with the State Nature Conservation of the Slovak Republic and local authorities, SSD regularly engages in initiatives to assess and mitigate serious bird injuries along distribution lines. Measures include the installation of protective and diverting elements on high-voltage lines and the relocation of stork nests to safer areas within southern Slovakia. For further information, please see the "Analysis of Generic DNSH" section.

4.10 Storage of electricity - NACE code: D35.22, F42.21, H49.50

EPH is pursuing investments in electricity storage infrastructure, including both BESS and pumped hydropower storage. In 2024, the Group commissioned a 35 MW BESS facility at the Émile Huchet power plant site in France.

Opinion	Key findings
	Substantial contribution: Technical screening criteria assessment
✓	We consider EPH's financing related to the enabling storage of electricity activity to be aligned with the technical screening criteria for a substantial contribution to the EU's climate mitigation objective. Only pumped hydropower and BESS are eligible, with no funds allocated to chemical or hydrogen storage.
	DNSH: Technical screening criteria assessment
✓	According to the EU taxonomy, this activity does not significantly harm climate adaptation, water, circular economy, and biodiversity efforts. Pollution prevention is not applicable to this eligible economic activity. We consider the issuer's activity to be aligned with all the DNSH technical screening criteria (please see the generic DNSH table for our analysis of the DNSH criteria on climate adaptation and biodiversity). • EPH has conducted a group-level physical climate risk assessment covering existing and planned BESS locations. The exposure is assessed as low and primarily linked to chronic risks such as increasing temperatures, which are not expected to significantly affect the functionality of the systems. As such, EPH considers no specific adaptation measures necessary. For further information, please see our DNSH analysis of the generic DNSH table. • For water DNSH, EPH has confirmed that its pumped hydropower storage facilities are connected to river bodies. Therefore, DNSH compliance is assessed under the criteria applicable to 4.5 electricity production from hydropower activity. • EPH aligns its waste management approach with the waste hierarchy outlined in its Environmental Policy, prioritizing reuse and recycling. While battery recycling is not yet operationally relevant given the early stage of BESS deployment, it is expected to become a strategic focus as systems reach the end of their useful life over the medium to long term (10-20 years). • EPH primarily develops storage projects on brownfield sites. Sensitive areas are screened during the development process, and biodiversity risks are evaluated as part of EIAs required for permitting. For further information please see our DNSH analysis in the generic DNSH table.

4.14 Transmission and distribution networks for renewable and low-carbon gases - NACE code: D35.22, F42.21, H49.50

EPH operates critical gas transit and distribution infrastructure in Slovakia via its subsidiaries eustream, a.s. (EUS) and SPP - distribúcia, a.s. (SPPD). The gas networks can already accommodate biomethane or synthetic methane and expects to transit and distribute hydrogen or other renewable or low carbon gases in the future. EPH aims to finance the construction, acquisition, and/or operation of energy.

Opinion	Key findings
	Substantial contribution: Technical screening criteria assessment
✓	We consider the issuer's activity of transmission and distribution networks for renewable and low-carbon gases aligned with the technical screening criteria for substantial contribution to the EU' s climate mitigation objective. EPH's projects support the decarbonization of the gas system, with EUS and SPPD retrofitting their infrastructure, currently used for natural gas, to accommodate hydrogen and other renewable gases in the future. EPH's projects under this activity meet the eligibility criteria for EU Taxonomy alignment, which include: • Construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases: EUS has identified that its pipeline system--composed of four to five parallel pipelines--is technically suited for the future simultaneous transport of natural gas and pure hydrogen in dedicated lines. This positions EUS for eventual construction or conversion of a separate hydrogen-dedicated route. • Conversion or repurposing of existing natural gas networks to 100% hydrogen: SPPD is gradually repurposing its infrastructure with this goal in mind. Its network is relatively modern, with 57% of the local pipelines already made of polyethylene--a material proven to be compatible with 100% hydrogen. All newly laid pipelines are built with this material, ensuring long-term compatibility. • Retrofit of gas transmission and distribution networks to integrate hydrogen and other low-carbon gases, including activities increasing the blend of hydrogen or other low-carbon gases: Both EUS and SPPD are conducting hydrogen integration pilots and retrofits. SPPD successfully completed a pilot project blending 10% hydrogen into its local distribution network, with full certification obtained for 10% hydrogen blend in local networks and 5% in high-pressure pipelines. At the transmission level, EUS meets with the EU Regulation mandating that gas transmission system operators accept gas flows with up to 2% hydrogen content at interconnection points between member states. This includes targeted replacements of metering equipment and minor infrastructure adjustments. These retrofitting activities are instrumental to enabling the broader hydrogen transition in the Slovak gas system.
	DNSH: Technical screening criteria assessment
✓	According to the technical screening criteria, this activity must not harm climate adaptation, water, pollution prevention, and biodiversity conservation efforts. The circular economy EU objective is not applicable for this eligible economic activity. We consider the issuer's activity of the transmission and distribution networks for renewable and low-carbon gases to be aligned with the DNSH technical screening criteria for all the applicable EU objectives. • As part of the EPH-s physical risk assessment, these assets were evaluated for climate change risks. The networks are primarily protected from extreme weather due to underground installation, but risks such as flooding, landslides, and erosion from extreme rainfall are monitored. SPPD regularly assesses geological factors and segments the high-pressure network by risk level, with more frequent inspections in higher-risk areas. Given these adaptation measures, the assets comply with the DNSH climate adaptation criteria. For more details, refer to the DNSH generic table. • For water DNSH criteria related to this activity, the issuer states that operation of existing gas transmission and distribution networks does not pose direct risk for any water bodies and complies with local regulation and internal environmental policies. At the gas transmission network, each compressor station has a preventive plan to avoid discharge of pollutants into the environment in line with Act no. 364/2004 Coll., on Waters. The expansion of the networks leading to potential harm to bodies of water during the construction phase is relatively limited, according to the issuer. A past exception was the construction of the Poland–Slovakia gas interconnector completed by EUS (EP Infrastructure [EPIF]'s subsidiary) in October 2022, for which an EIA was carried out, and the environmental permit was issued by the competent authority. At the gas distribution network, SPPD has implemented an Integrated Management System, which includes environmental considerations. Additionally, the Methodological Guideline for Environmental Management contains specific guidelines on water pollution prevention. Therefore, we consider the DNSH sustainable use and protection of water and marine resources criteria to be met. For further information please see our DNSH analysis in the generic DNSH table. • For DNSH on pollution prevention, we conclude that the issuer aligns with the criteria. EUS and SPPD, EPH's subsidiaries operating in the distribution and transmission of renewable and low-carbon gases, are certified as compliant with ISO 14001 (environmental management) and ISO 3834-2 (welding quality). EUS also holds a ISO 50001 certificate (energy management) and SPPD holds a ISO 55001 certificate (asset management). EUS and SPPD ensure compliance with EU requirements on efficiency and other parameters in the technology used (e.g., compressors operated by EUS, and regulation stations operated by SPPD) through their procurement process. Furthermore, all equipment such as fans, compressors, and pumps comply with the top-

class energy label requirements and implementing regulations of Directive 2009/125/EC, representing the best available technology, ensuring compliance with pollution prevention standards.

- The pipelines of EUS and SPPD in Slovakia cross several wetland areas protected by the Ramsar Convention on Wetlands. For all development and reconstruction works in these areas, the required permits were obtained. Impact on biodiversity is a key consideration in the development and operation of the networks. In line with its biodiversity policy, SPPD works to avoid interference with areas of the highest biological diversity and continues efforts to preserve biodiversity postconstruction, during operation, and when decommissioning facilities. SPPD aims to restore the affected landscape to a state as natural as possible, fostering viable habitats for original species. For further information please see our DNSH analysis in the generic DNSH table.

4.15 District heating/cooling distribution – D35.30

EPH aims to finance district heating networks in major regional cities in the Czech Republic through its subsidiaries.

Opinion	Key findings
Substantial contribution: Technical screening criteria assessment	
✓	The projects assessed for this economic activity involve the construction, operation, and refurbishment of pipelines and associated infrastructure for the distribution of heating and cooling, adhering to the efficiency standards outlined in Article 2, point 41, of Directive 2012/27/EU. This concept of "efficient district heating and cooling" entails that EPH's assets utilize a minimum of 50% renewable energy, 50% waste heat, 75% cogenerated heat, or a combination thereof, in line with the climate mitigation substantial contribution criteria. We understand from the issuer that the heat distributed through the network currently within the project registry is produced solely in cogeneration mode by the adjacent cogeneration heating plant, which is also owned by the group. The exceptions are occasional periods with peak heat demand that needs to be partly covered by backup hot water boilers (though, in all cases will be less than 25%). Finally, the issuer could finance modifications to lower temperature regimes and advanced pilot systems that meet EU taxonomy criteria.
DNSH: Technical screening criteria assessment	
✓	According to the technical screening criteria, this activity must not harm climate adaptation, water, pollution prevention, and biodiversity conservation efforts. The circular economy EU objective is not applicable for this eligible economic activity. We consider this issuer's activity of district heating/cooling distribution as aligned with the DNSH technical screening criteria for all the applicable EU objectives. • EPH has conducted a physical climate risk assessment across all relevant assets. Specifically, for the district heating and cooling distribution, the issuer has identified a low risk of direct damage from more extreme weather events linked to climate change. The network is predominantly composed of underground pipelines, which are less exposed to climate hazards. In the limited instances where lines are above ground and potentially exposed to falling trees--particularly in forested areas--the issuer notes that the network consists mainly of large-diameter pipes with 10-millimeter-thick walls and that no historical damage from falling trees has been recorded. Furthermore, a protective buffer zone of 2.5 meters from the pipeline edge is maintained along the entire route to mitigate physical risks. For more information, please refer to the DNSH rationale described in the generic DNSH analysis. • For water criteria, the issuer discloses that the district heating networks represent closed systems where water is circulated from the main heat exchanger at the heat generation source to the heat exchange station near to the end consumers, and subsequently returned to the heat generation source for reheating. Water in the network is regularly resupplied to compensate for water lost through evaporation. However, no water is discharged to the water bodies. • In terms of the DNSH criteria related to pollution prevention, the issuer discloses that the EU efficiency requirements for the compressors used across the networks are already binding for manufacturers of this technology, from whom EPH entities source the equipment. • For biodiversity DNSH, please refer to the DNSH rationale described in the generic DNSH analysis.

Aligned = ✓ Not aligned = ✗

4.20 Cogeneration of heat/cool and power from bioenergy – D35.11, D35.30

EPH aims to finance the construction and operation of dedicated biomass cogeneration units, such as the facility operated by Plzeňská teplárenská, a.s. (PLTEP), which generate heat and power exclusively from biomass.

Opinion	Key findings
	Substantial contribution: Technical screening criteria assessment
✓	We consider the issuer's activity of cogeneration of heat/cool and power from bioenergy as aligned with the technical screening criteria for substantial contribution to the EU' s climate mitigation objective. • EPH aims to finance cogeneration heat/cool and power plants using forest and agricultural biomass, aligning with the thresholds set forth in Directive 2018/2001. Biomass combusted by PLTEP, an EPH subsidiary, is locally sourced within the Czech Republic, mainly from the Plzeň Region. This proximity results in greenhouse gas savings exceeding the substantial contribution threshold of 80% compared with fossil fuel alternatives. The issuer has said that PLTEP also prioritizes railway transport over road transport when possible. • The substantial contribution criteria allow forest and agricultural biomass under certain conditions, including legality of harvesting and sustainability criteria. PLTEP ensures compliance through supplier certification, requiring adherence to Czech regulations on sustainability and greenhouse gas savings. Suppliers must demonstrate entitlement to harvest wood from the land. EPIF, another EPH entity, utilizes biomass certified under the KZR INiG system, aligning with EU taxonomy criteria and RED voluntary schemes. • We note that there are some criteria related to cogeneration installations that rely on anaerobic digestion of organic material; however, the issuer confirms that no anaerobic digestion is included under the framework.
	DNSH: Technical screening criteria assessment
✓	According to the technical screening criteria, this activity must not harm climate adaptation, water, pollution prevention, and biodiversity conservation efforts. The circular economy EU objective is not applicable for this eligible economic activity. We consider this issuer's activity of cogeneration of heat/cool and power from bioenergy as aligned with the DNSH technical screening criteria for all the applicable EU objectives. • EPH has conducted a physical climate risk assessment across all relevant assets. Based on this assessment, EPH indicates the exposure of the site of the biomass unit is mainly related to general increase in temperatures in the long term is not anticipated to materially affect biomass unit operations. For more information, please refer to the DNSH rationale described in the generic DNSH analysis. • Regarding water DNSH criteria, according to EPH, the impact on water is a standard element of the EIAs, which are undertaken as usual. Furthermore, the issuer states that under the integrated permit, its heating plants are authorized to withdraw cooling water from the nearby river and discharge it back. The issuer also informs us that the discharged volume does not significantly differ from the withdrawn amount. Finally, the cooling flow systems used in cogeneration heating plants are designed as closed systems. This means that the water discharged from these systems should adhere to the same or improved quality standards and maintain a similar temperature as when it was initially drawn from its source. We see this DNSH criteria to be met. • In terms of the DNSH criteria related to pollution prevention, the issuer discloses that following major refurbishments aimed at reduction of dust particles, EPH's subsidiary PLTEP is compliant with the best available techniques (BAT) conclusions, under Directive 2010/75/EU of the European Parliament and of the Council for large combustion plants. The issuer has disclosed that the area where the biomass plant is located is among the areas with the cleanest air, where air emissions limits are rarely exceeded, however it has not provided enough evidence about whether the plant satisfies the thresholds laid down in Directive 2008/50/EC for air quality, therefore not meeting alignment for the specific criteria. Lastly, since the plant is categorized as a large combustion plant and does not rely on any anaerobic digestion for district heating purposes, the other criteria set out in the specific DNSH do not apply. • Regarding how EPH aims to address DNSH criteria for biodiversity, please refer to the DNSH rationale described in the generic DNSH analysis.

Aligned = ✓ Not aligned = ✗

4.28 Electricity generation from nuclear energy in existing installations – D35.11, F42.22

EPH aims to finance the operation and modernization of its existing nuclear facilities through its subsidiary SE, in line with activity 4.28 of the EU Taxonomy. The assets include six VVER-440/V-213 pressurized water reactors at Bohunice (EBO 3–4) and Mochovce (Units 1–4). Mochovce Unit 3 entered full commercial operation in 2023, and Unit 4 is expected to be fully commissioned in the first half of 2026. Investments may include safety modifications, system refurbishments, and other measures necessary to ensure continued safe operation and alignment with evolving regulatory requirements. We understand from EPH that this does not constitute upgrades as part of a long-term operation program .

Opinion	Key findings
	Substantial contribution: Technical screening criteria assessment
	We think that EPH's eligibility criteria for electricity generation from nuclear energy in existing installations as aligned with the substantial contribution for climate mitigation. This includes compliance with the additional criteria pertaining to substantial contribution to climate change mitigation, such as life-cycle greenhouse gas emissions thresholds: • The issuer conducts a life-cycle greenhouse gas emissions analysis for its nuclear assets, which is reviewed by an independent third party, in line with the EU Taxonomy requirements for substantial contribution to climate change mitigation. • Furthermore, we think that EPH's operating and soon-to-be-commissioned nuclear units are currently aligned with the EU Taxonomy's requirement for high-level radioactive waste disposal, based on Slovakia's existing plans to develop a DGR. However, although it does not affect our current alignment opinion, for any nuclear activity authorized after 2025--such as major upgrades or new projects--alignment would only be maintained if Slovakia ensures the repository becomes operational by 2050, as required by the Taxonomy. Since the current national plans project commissioning only around 2060–2065, these future activities would likely no longer meet the alignment criteria.
✓	• Additionally, the technical screening criteria require that the "upgraded project implements any reasonably practicable safety improvement and from 2025 makes use of accident-tolerant fuel. The technology is certified and approved by the national safety regulator". EPH considers that this requirement to use ATF from 2025 appears to apply specifically to authorized upgrade projects for long-term operation. This means the ATF criterion is triggered only when a project involves tangible physical modifications that are formally authorized by the national regulator as part of a long-term operation program. We understand from the issuer that such modifications are currently not undertaken for any of the reactors financed under the framework, and therefore the ATF requirement is not applicable in this case. In addition, the obligation to use ATF from 2025 is subject to review based on scientific and technical progress and availability of certified fuel. The issuer notes that as of the time of assessment, no ATF has been commercialized or certified for VVER-440 technology, and the leading fuel vendors--Westinghouse, Framatome, and TVEL--remain in the development and testing phase for ATF concepts applicable to this reactor design. We further note the current lack of clear definition in the EU Taxonomy of what ATF includes. In addition, even if technical readiness were to advance, we understand that Slovakia's facility-specific licensing framework requires unit-by-unit approval from the national safety regulator, involving detailed safety demonstrations and operational validation. This process inherently involves significant lead times and further impairs implementation of ATF in these reactors from 2025 onwards.
	DNSH: Technical screening criteria assessment
	According to the EU taxonomy, this activity does not significantly harm EU climate adaptation, water, circular economy, pollution prevention and biodiversity objectives. We think that EPH's nuclear activity complies with all the DNSH criteria set out in the EU Taxonomy. • Regarding the DNSH criteria for climate adaptation, the ÚJD SR, in accordance with Directive 2009/71/Euratom and international guidance from the IAEA and Western European Nuclear Regulators Association, ensures compliance with the climate adaptation DNSH criteria, considering extreme natural hazards such as floods and extreme weather events. The issuer confirms that all EPH nuclear assets undergo periodic stress tests assessing exposure to physical climate risks, including scenario-based evaluations aligned with Appendix A. These tests, as documented in the *EU Stress Tests for Nuclear Power Plants in Slovakia*, incorporate Intergovernmental Panel on Climate Change projections and inform updates to design assumptions. We understand that EPH will apply its broader group-wide physical climate risk assessment methodology to all assets, including nuclear.
✓	• With respect to the DNSH criteria on water, all nuclear installations operated by SE (Jaslovské Bohunice and Mochovce) comply with the Water Plan of the Slovak Republic. No additional corrective measures have been mandated, indicating that the installations already meet environmental protection requirements. Moreover, the facilities do not use once-through cooling systems, and thermal anomalies are controlled according to individual license conditions in line with EU law and Directive 2000/60/EC. The requirements of Council Directive 2013/51/Euratom are also fulfilled for protection of public health regarding radioactive substances in water intended for human consumption. The issuer has also mapped how its procedures align with the IFC standards which meet all the water DNSH criteria. • In terms of circular economy, SE has in place a comprehensive radioactive and nonradioactive waste management strategy. Waste minimization is pursued from the design phase onward, and the reuse of "free-release" materials is maximized according to Directive 2013/59/Euratom. Waste is processed through licensed methods such as cementation, drying, or bituminization

before interim storage or disposal. Slovakia's approach views interim storage as a temporary solution, not a substitute for final disposal, in compliance with Directive 2011/70/Euratom. A national program and policy for radioactive waste and spent fuel management exists and is regularly reported to the European Commission under Article 14 of the Directive.

- Concerning pollution prevention and control, emissions from SE's nuclear plants are monitored and evaluated in line with Slovak environmental regulation. For example, the Mochovce plant has undergone compliance assessment by the Slovak Environmental Inspectorate, which confirmed alignment with the BAT conclusions established under Decision (EU) 2017/1442. Radioactive discharges to air and water are within permitted thresholds, and Slovakia ensures full compliance with Directives 2013/51/Euratom and 2013/59/Euratom, with robust interim storage in place. Although a geological repository for high-level waste is not yet developed, Slovakia does not consider spent fuel as waste at this stage but as a potential resource, in accordance with Euratom provisions. Regarding the generic pollution DNSH criteria, SE conducted an analysis in 2023 and confirmed that certain chemicals listed in Appendix C to the Climate Delegated Regulation are used in specific professional activities, such as those of accredited laboratories. This limited use is demonstrably necessary to ensure the safe and smooth operation of nuclear power plants. All nuclear installations operated by SE have robust procedures and controls in place to prevent adverse impacts from chemical use on both the environment and human health.
- On biodiversity protection, EIA were completed for all nuclear power plant construction projects in line with Directive 2011/92/EU, including required mitigation and compensatory measures. Additionally, appropriate assessments were conducted for any site located in or near biodiversity-sensitive areas, and relevant mitigation measures have been implemented. Compliance with Appendix D of the EU Taxonomy and national nature conservation requirements ensures that the nuclear facilities do not adversely affect the conservation status of protected habitats or species.

Aligned = ✓ Not aligned = ✗

4.29 Electricity generation from fossil gaseous fuels – D35.11, F42.22

EPH aims to finance the construction and operation of gas-fired power plants, including CCGT and OCGT units, which are designed to be hydrogen-ready and compatible with a future low-carbon energy system.

Opinion	Key findings
	Substantial contribution: Technical screening criteria assessment
✓	We consider the issuer's transitional activity of electricity generation from fossil gaseous fuels as aligned with the technical screening criteria for substantial contribution to the EU' s climate mitigation objective. Eligible projects in this activity include the commissioning of new gas-fired power plants during 2024-2025. To meet the substantial contribution criteria, the asset could have direct greenhouse gas emissions lower than 270 g CO2e/kWh of the output energy, or the annual direct greenhouse gas emissions of the activity do not exceed an average of 550 kg CO2e/kW of the facility's capacity over 20 years. • The issuer recognizes that to achieve the emission intensity of 270 g CO2e/kWh, the power plant would have to demonstrate an efficiency of capacity of 75%, which is not feasible with current technologies. Therefore, EPH will only finance assets where the emissions do not exceed an average of 550 kg CO2e/kW of the facility's capacity over 20 years. According to EPH, this will be achieved by using the plants as peaking sources designed to operate for a very limited number of hours to complement renewable generation. • The issuer confirmed that it will carry out a stakeholder dialogue upon conducting the required comparative assessment of the technical screening criteria, i.e., that the power replaced cannot be generated from renewable energy sources (using the most cost-effective and technically feasible renewable alternative). This requirement has been addressed in its 2024 EU Taxonomy disclosure of its annual report, which includes a discussion of alternatives and invites stakeholder feedback. The company has informed us that it is already receiving feedback from banks and bondholders providing external financing for these projects. • According to EPH, these assets will replace existing coal high-emitting electricity generation activities where the new assets will not exceed the capacity of the replaced facility by more than 15%. Additionally, the gas turbines at all facilities will be ready for blends of hydrogen from the outset, with a gradual increase up to 100% envisaged by 2035, following the decarbonization trajectory and phase-out targets of the EU countries where the assets will be located. Lastly, EPH aims to implement all measures to prevent gas leaks, including a leak detection and repair program across all sites. Regarding biomethane, EPH commits to sourcing biomethane in line with the respective EU directives. Overall, the issuer's commitments to following the above-mentioned criteria are in line with the substantial contribution requirements, and thus aligned with the EU taxonomy criteria.

DNSH: Technical screening criteria assessment

✕	According to the technical screening criteria, this activity must not harm climate adaptation, water, pollution prevention, and biodiversity conservation efforts. The circular economy EU objective is not applicable for this eligible economic activity. We consider this issuer's activity of electricity generation from fossil gaseous fuels as aligned with the DNSH technical screening criteria for all the applicable EU objectives, except pollution prevention. • EPH has conducted a physical climate risk assessment across all relevant assets. For this activity, the potential assets identified by EPH may be affected by long-term temperature increases as the main climate risk. However, this is not expected to materially impact the plant's operations. For more information, please see our DNSH rationale described in the "Analysis of the generic DNSH criteria" table. • For water DNSH, EPH ensures that gas-fired power plants minimize water consumption and avoid significant adverse effects on water bodies. In general, water used for cooling is withdrawn from adjacent rivers or seas and discharged back with no material difference in volume, and with the same or better quality and similar temperature. Cooling systems are designed as closed-loop systems to limit water losses and preserve water quality. Additionally, water availability is systematically considered when selecting cooling technologies for new projects, including the use of air or evaporative cooling systems. For more information, please see our DNSH rationale described in the "Analysis of the generic DNSH criteria" table. • In terms of the DNSH criteria related to pollution prevention, the issuer confirms that its emissions meet or are below the levels associated with the BAT-associated emission level as defined in the latest relevant BAT conclusions, including those for large combustion plants, while also preventing significant cross-media effects. Furthermore, EPH's power plant, classified as a large combustion plant, is exempt from the emission limit values specified for smaller combustion plants in Directive (EU) 2015/2193. However, we cannot conclude on the alignment on the criteria displayed in the Appendix C: Generic Criteria for DNSH To Pollution Prevention and Control regarding Use and Presence of Chemicals, please see our the "Analysis of the generic DNSH criteria" table. • Regarding how EPH aims to address DNSH criteria for biodiversity, EPH states that the permitting procedures ensure that the potential effects on biodiversity are adequately addressed and that the impact of operations on biodiversity is not material. Please refer to the DNSH rationale described in the "Analysis of the generic DNSH criteria" table.

Aligned = ✓ Not aligned = ✕

4.30 High efficiency cogeneration from of heat/cool and power from fossil gaseous fuels –D35.11, D35.30

EPH aims to finance the conversion and operation of lignite-based cogeneration plants into high-efficiency gas-fired cogeneration units, primarily through its subholding EPIF.

Opinion	Key findings
	Substantial contribution: Technical screening criteria assessment
✓	We consider the issuer's transitional activity of high efficiency cogeneration from of heat/cool and power from fossil gaseous fuels as aligned with the technical screening criteria for substantial contribution to the EU' s circular economy objective. Under this economic activity, from the two options available to align the eligibility criteria with the EU Taxonomy, the issuer aligns its framework criteria with assets related to facilities with emissions higher than 100 g CO2e and permits granted before Dec. 31, 2030. To be aligned, the issuer aims to align the substantial contribution for climate mitigation criteria summarized as follows: i. The activity achieves primary energy savings of at least 10% compared with separate production of heat and electricity: The issuer informs us that based on expected cogeneration efficiency and assuming a 50:50 split between heat and power, cogeneration plants create primary energy savings of approximately 21%-25% compared to separate production, as per Regulation (EU) 2015/2402, with calculations based on the formula provided in Directive 2012/27/EU, confirmed by the issuer. ii. Direct greenhouse gas emissions of the activity are lower than 270 g CO2e/kWh of output energy: Issuer plants aim for an overall efficiency of 75%, resulting in emission intensity of approximately 264 g CO2e/kWh, assuming sole combustion of natural gas, with plans for reduced emissions through the adoption of green gas blends. iii. Power and/or heat/cool to be replaced cannot be generated from renewable sources without stakeholder consultation: Comparative assessments for both power and heat were provided by the issuer, stating the importance of gas-fired plants for grid stability and assessing viable renewable alternatives for heat generation. This requirement has been addressed in its 2024 EU Taxonomy disclosure of its annual report, which includes a discussion of alternatives and invites stakeholder

feedback. The company has informed us that it is already receiving feedback from banks and bondholders providing external financing for these projects.

iv. The activity replaces existing high-emission generation activities: The CCGT technologies replace existing technologies reliant on lignite, significantly reducing emission intensity.

v. Newly installed production capacity does not exceed that of the replaced facility: The issuer confirms that the installed thermal capacity of CCGT units is below that of the replaced units.

vi. The facility is designed to switch to renewable and/or low-carbon gaseous fuels by 2035 with a commitment and verifiable plan approved by the management body of the undertaking: EPH is committed to exclusively using renewable gases in the gas turbines within cogeneration heating plants for heat and power generation by 2035. This transition plan is bolstered by decarbonization targets set for the medium term and long term (refer to the Issuer Sustainability Context). The Board approves sustainability reports containing decarbonization targets, the underlying decarbonization strategy, and capex plans that support emission reduction goals, with each segment's directors accountable for preparing their respective capex plans.

vii. The replacement leads to a reduction in emissions of at least 55% greenhouse gas per kWh of output energy: The emission intensity of current lignite units ranges from 600 grams per kilowatt-hour (g/kWh)-900 g/kWh, varying with cogeneration and condensation production. New CCGT units aim for an emission intensity below 270 g/kWh, targeting a reduction of at least 55%.

viii. Refurbishment of the facility does not increase production capacity: The thermal installed capacity of the CCGT units is lower than that of the units they replace at all plants, reducing generation potential

ix. The activity takes place in a member state committed to phasing out coal: The Czech government has already formalized it in the approved National Energy and Climate Plan of the Czech Republic.

EPH aims to implement measures to prevent methane leakage, including a leak detection and repair program.

The EU Taxonomy criteria require verification by an independent third party to certify both the level of direct greenhouse gas emissions (as mentioned in point ii) and the credibility of the trajectory toward renewable gases (as mentioned in point vi). EPH has conducted an assessment of the relevant EU Taxonomy criteria and included the results in its European Sustainability Reporting Standards (ESRS) disclosure. However, it still needs to seek external verification from an independent third party. This assurance process will involve an independent auditor evaluating greenhouse gas emissions and the feasibility of transitioning to renewable gases.

Lastly, EPH aims to implement all measures to prevent gas leaks, including a leak detection and repair program across all sites following the substantial contribution criteria.

DNSH: Technical screening criteria assessment

According to the technical screening criteria, this activity must not harm climate adaptation, water, pollution prevention, and biodiversity conservation efforts. The circular economy EU objective is not applicable for this eligible economic activity. We consider this issuer's activity high efficiency cogeneration from of heat/cool and power from fossil gaseous fuels as aligned with the DNSH technical screening criteria for all the remaining and applicable EU objectives, except pollution prevention.

- Regarding how EPH aims to address DNSH criteria for climate adaptation, pollution prevention, and biodiversity please refer to the DNSH rationale described in the "Analysis of the generic DNSH criteria" table.

✕

- Specially for water DNSH, the issuer performs a water stress analysis to ensure that it only operates in the low water stress areas based on the Aqueduct Water Risk Atlas. Moreover, it ensures that the water withdrawn is discharged back (except for the water evaporating in the process) to the water body with very similar parameters (quality, temperature). For further information, please refer to the DNSH rationale described in the "Analysis of the generic DNSH criteria" table.
- For biodiversity requirements, according to the issuer's assessment, none of EPH's district heating systems, and cogeneration plants, have been identified to be located near biodiversity-sensitive areas. For more information, please refer to the DNSH rationale described in the "Analysis of the generic DNSH criteria" table.

Aligned = ✓ Not aligned = ✕

4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system – D35.30

EPH aims to finance the production of heat from fossil gaseous fuels within efficient district heating systems, ensuring secure and lower-emission energy supply while phasing out coal-based generation.

Opinion	Key findings
Substantial contribution: Technical screening criteria assessment	
✓	We consider the issuer's transitional activity of production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system as aligned with the technical screening criteria for substantial contribution to the EU' s climate mitigation objective. • According to EPH, heat will be used in its adjacent district heating networks which satisfy the definition of "efficient district heating and cooling system as defined in Directive 2012/27/EU," given the networks always distribute more than 75% cogenerated heat. For all other criteria, see "High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels," above.
DNSH: Technical screening criteria assessment	
✗	According to the technical screening criteria, this activity must not harm climate adaptation, water, pollution prevention, and biodiversity conservation efforts. The circular economy EU objective is not applicable for this eligible economic activity. We consider this issuer's activity of production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system as aligned with the DNSH technical screening criteria for all the applicable EU objectives, except pollution prevention. • Regarding how EPH aims to address DNSH criteria for climate adaptation, water, pollution prevention and biodiversity please refer to the DNSH rationale described in the "Analysis of the generic DNSH criteria" table. • For pollution prevention, since EPH informed us that currently any asset falls under this category, insufficient evidence was provided by the issuer, therefore resulting in the criteria appearing not met.

Aligned = ✓ Not aligned = ✗

Analysis of the generic DNSH criteria

Opinion	Environmental objective	Key findings
✓	Climate adaptation	In 2024, EPH conducted a resilience analysis of physical climate risks across its operations, covering short- (fiscal 2024), medium- (2025–2029), and long-term (2030–2060) horizons. This analysis is based on three climate scenarios aligned with the SSPs. Acute risks, such as floods, storms, or extreme heat, and chronic risks, including long-term temperature rise or changing precipitation patterns, have been assessed across short-, medium-, and long-term horizons using SSP1-2.6 ("Sustainability"), SSP3-7.0 ("Regional Rivalry"), and SSP5-8.5 ("Fossil-Fueled Development") climate scenarios. Where material risks have been identified, EPH has acted by upgrading infrastructure, improving maintenance practices, or integrating resilience in investment planning. This proactive adaptation strategy, together with its business model flexibility, commitment to green finance, and diversification into low-carbon technologies, supports EPH's alignment with the EU Taxonomy's adaptation requirements.
✓	Sustainable water	The EU Water Framework Directive has been transposed in the countries where it operates. EPH implements water use and protection management plans across its operations in Slovakia and other European activities, engaging with relevant stakeholders and conducting EIAs where necessary, especially for projects involving potential risks to water bodies. In line with the EU regulations, these plans ensure that water-related risks are identified and mitigated, avoiding any degradation to water bodies and ensuring no deterioration of marine waters that are in good environmental status.
✗	Pollution prevention	For activities, 4.29, 4.30, and 4.31, while we acknowledge that EPH states it follows the relevant EU Directives, and that it applies constant monitoring and implements stringent emissions control technology, its current unavailability of a thorough assessment at asset level hinders our alignment opinion with the Appendix C: Generic Criteria for DNSH To Pollution Prevention and Control regarding Use and Presence of Chemicals. For activity 4.28, please see the rationale on the 4.28 activity where we consider it aligned with the pollution criteria.
✓	Biodiversity protection	The issuer discloses that in the countries where it operates, the relevant EU directives were transposed into legislation within the member states, and EIAs are performed accordingly. Furthermore, EPH has said that where the EIA is not required, it ensures robust biodiversity management. In specific cases where projects were in or near areas of ecological sensitivity, EPH

	proactively consulted the competent state nature protection authority, in accordance with Act No. 543/2002 Coll. on nature and landscape protection. These steps ensure that potential impacts on biodiversity are appropriately assessed and mitigated at the project level. As a result, we think that the company meets the biodiversity DNSH criteria for this and other activities.

Aligned = ✓ Not aligned = ✗

Minimum safeguards assessment at issuer level

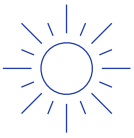
Opinion	Key findings
✓	We consider that, given the progress made in 2024 on human rights due diligence and the actions currently being implemented in 2025 (as detailed in EPH's annual report), EPH is aligned with the EU Taxonomy's minimum safeguards. Beyond 2025, EPH will continue to strengthen its oversight of supply chain risks, which currently require further formalization and development. • Over the past year, the company has made progress in structuring its approach around the core elements of due diligence as defined by the UN Guiding Principles on Business and Human Rights and the Organization for Economic Cooperation and Development (OECD)Guidelines for Multinational Enterprises. This includes embedding due diligence in its governance and strategy, initiating stakeholder engagement processes, beginning to assess and mitigate adverse impacts, and committing to track and report on effectiveness. While these foundational elements are now publicly disclosed, they are not yet fully formalized, systematically applied across all operations, or consistently monitored. EPH acknowledges these limitations and has committed to addressing them, with full implementation expected by the 2025 reporting year with detailed actions. As part of its current due diligence efforts, EPH follows a procurement policy that encourages suppliers to adhere to the principles embedded in its own policies. Furthermore, EPH expects its suppliers to uphold the eight fundamental Conventions of the International Labour Organization (ILO). In cases of nonremedial breaches, termination of the relationship is considered. EPH also maintains an internal grievance mechanism for employees and is developing a risk-based classification framework to support more targeted due diligence. • Our assessment also considers the nature of the activities that EPH plans to finance--primarily existing energy infrastructure where the extraction of materials is highly regulated. In our view, its largest exposure lies in direct operations conducted in countries classified as low risk for severe human rights violations, based on the human rights indexes referenced in the EU Platform on Sustainable Finance Final Report on Minimum Safeguards. Furthermore, EPH has confirmed the absence of human rights breaches in its operations. • To address the risk of corruption and bribery, EPH ensures that it understands the nature and extent of its exposure to these risks by performing regular risk assessments and adopts adequate mitigating measures that are subject to regular reviews and are continuously refined and improved. One of the key measures is the "four-eyes" principle, where every legally binding document and money transfer is signed and approved by at least two EPH representatives. EPH's procurement policy mandates suppliers to adhere to regulations and principles, with suppliers being informed about these policies during the tender process or contract initiation, though the practice varies across companies. Lastly, the anticorruption policy is part of regular training mandated by the policy, with the frequency varying by company and tailored to employee exposure to fraudulent activities. At EPH holding level, e-learning is provided, requiring employees to read and pass a test. • EPH adheres to the OECD Guidelines on tax. It implements its tax risk management strategies and processes, which external advisors review and confirm annually to ensure compliance with the guidelines and their recommendations. EPH's tax governance policy ensures corporate compliance with tax laws and regulations, supporting long-term business strategies and avoiding tax risks. According to EPH tax experts assess material transactions to address tax noncompliance and identify risks. The policy aims to prevent and reduce significant tax risks, strengthen relationships with tax authorities, and ensure compliance with tax rules in various countries and territories. Regarding fair competition, the EPH has an anti-trust law policy that aims to comply with competition laws and promote awareness across the entity. Furthermore, all the employees receive training on competition issues. • Finally, EPH has confirmed that none of its senior management team, including members of senior management at its subsidiaries, have been convicted on any of the four minimum safeguard topics.

Aligned = ✓ Not aligned = ✗

Mapping To The U.N.'s Sustainable Development Goals

Where the financing documentation references the Sustainable Development Goals (SDGs), we consider which SDGs it contributes to. We compare the activities funded by the financing to the International Capital Markets Association (ICMA) SDG mapping and outline the intended linkages within our SPO analysis. Our assessment of SDG mapping does not affect our alignment opinion.

This framework intends to contribute to the following SDGs:

Use of proceeds	SDGs
Renewable energy	 **7. Affordable and clean energy***  **13. Climate action**

*The eligible project categories link to these SDGs in the ICMA mapping.

Related Research

- Analytical Approach: Second Party Opinions, March 6, 2025
- FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions, March 6, 2025
- Analytical Approach: EU Taxonomy Assessment, Oct. 31, 2024
- Analytical Approach: Shades Of Green Assessments, July 27, 2023

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