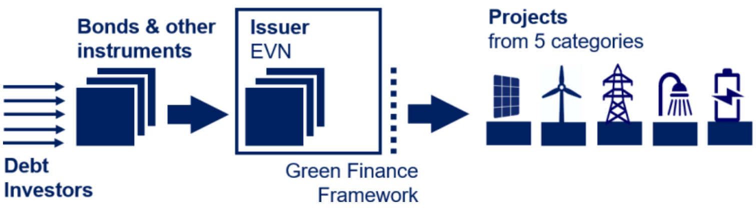
Second Party Opinion

EVN Green Finance Framework, Version 2025



Under its Green Finance Framework EVN AG is issuing Green Bonds and other financial instruments. The proceeds are being used for financing operations with an ecological impact such as solar and wind energy, energy infrastructure, water supply and e-mobility charging.

Sustainability of the Use of Proceeds
The Eligible Green Projects in the areas of renewable energy and electricity grids significantly contribute to the mitigation of climate change. Water supply infrastructure also has a clearly positive ecological impact as well as benefits for society. To a lesser extent, this also applies to e-charging infrastructure. Ecological as well as social risks have been identified in the supply chain, which are partly addressed by EVN´s guidelines for sustainable procurement.

Selection and Evaluation of Projects
The eligible categories as well as the criteria and processes of selection and evaluation of the projects are designed in an adequate manner.

Management of the Proceeds
The procedures implemented by EVN ensure an appropriate management of proceeds in accordance with the intended purposes in terms of content, scope and time.

Reporting
A regular and meaningful reporting on the Framework-compliant allocation of the proceeds as well as on their ecological impact will be provided annually. The Framework and this SPO are also published.

The Issuer's Sustainability
EVN regularly achieves an above average rfu Sustainability Rating, most recently B per 6/2024), and is a member of the VÖNIX index.

Overall Assessment
The overall rating of EVN´s Green Finance Framework comprising all the factors above is A-. This is well above average and meets the requirements of a sophisticated green finance framework.

proactive		active		neutral		negative			
A+	A	**A-**	B+	B	B-	C+	C	C-	EX
	a			b			c		NR
		ab			bc				
			ba						

05/2025

Key Data of the Framework

Issuer:
EVN AG

Framework
Green Finance Framework, Version May 2025

Key Data of the SPO

Date of Approval
19 May 2025

Validity
As long as the Framework remains unchanged

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Compliance

Assessed Standards
☒ rfu Sustainability Rating
☒ ICMA Green Bond Principles
☒ APLAMA/LMA/LSTA Green Loan Principles
☒ EU Taxonomy
☒ UN Sustainable Development Goals (SDG)

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Subject Matter and Methodology of the SPO

rfu research

rfu research, established in 1997, is a specialist for sustainable investment. With an experienced team we are supporting institutional clients in the development and implementation of sustainability-oriented investment and financing strategies. We are also preparing SPOs and assessments on various standards.

About this SPO

rfu research was commissioned by **EVN AG (hereafter referred to as "EVN" or "the Issuer")** to prepare an external sustainability assessment – a "Second Party Opinion" (SPO) - of its "Green Finance Framework" (hereafter „Framework"). The subject of this SPO is the version of the **Framework dated May 2025.**

Apart from the Framework itself, among others, the following **sources** were used: process documents, business and sustainability reporting, websites, written exchange as well as talks with the Issuer and several external sources. A complete list can be found in chapter J.

The SPO **is valid for** as long as the above-mentioned version of the Framework is in force. Amendments of or additions to the Framework require, depending on scope and content, a completely new version or at least an update of the SPO.

The SPO is intended to describe – in a traceable manner – the eligible uses of proceeds from the financial instruments issued using the Framework. It is also intended to assess them verbally as well as in the form of a **rfu Sustainability Rating**.

Furthermore, the present SPO assesses the compliance of the Framework with the requirements of **selected standards**. These standards are (i) the Green Bond Principles (June 2021 version) of the ICMA (International Capital Markets Association) and (ii) the Green Loan Principles (March 2025 version) published by APLMA/LMA/LSTA (Asia Pacific Loan Market Association, Loan Market Association, Loan Syndications and Trading Association). (iii) The classification system regarding environmentally sustainable economic activities established by the European Commission, known as the "EU Taxonomy", is a key reference for project evaluation and selection. (iv) Moreover, EVN aims to make specific contributions to the Sustainable Development Goals (SDG) of the UN (United Nations). Regarding other standards (e.g. Social Bond Principles, Sustainability Bond Guidelines, Sustainability-Linked Bond Principles of ICMA, EU Green Bond Standard) no assessment was made.

The SPO is divided into the following **chapters**: A. Description of the Framework, B. Ecological Impact of the Use of Proceeds, C. Social Impact of the Use of Proceeds, D. Selection and Evaluation of the Projects, E. Management of the Proceeds, F. Reporting, G. Sustainability of the Issuer, H. Overall Assessment, I. Compliance with Standards, J. Sources.

Legend: Blue-framed boxes contain descriptions of relevant framework conditions. Texts following "●" represent specific characteristics and "▶" is followed by interpretations and assessments.

rfu Sustainability Rating

In all rfu Sustainability Models, the individual criteria are assessed on a scale between -10 to +10. Their specific weighting is then included in an overall score. The features of the criteria will, over several levels, be aggregated to one overall rating on a nine-part scale from A+ ("proactive") to C- ("negative"). In case of a restricted amount of data a so-called indicative rating from a to c will be given. The rfu Rating Scale is absolute and not aligned with the best-in-class approach. This means the entirety of the ratings is distributed according to a profile similar to a bell curve.

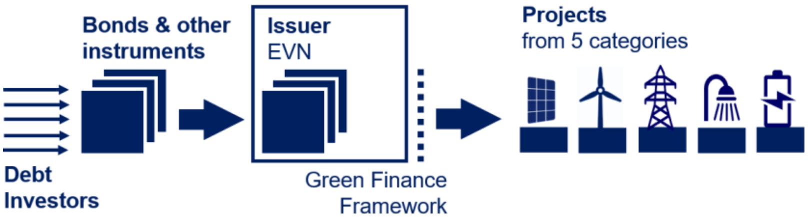
proactive		active		neutral		negative			
A+	**A**	**A-**	**B+**	**B**	**B-**	**C+**	**C**	**C-**	**EX**
a			**b**			**c**			**NR**
	ab			**bc**					
		ba							

A. Description of the Framework

"For which projects will the proceeds raised under the Framework be used?"

A.1. Framework

■ EVN AG's "**Green Finance Framework**" (hereinafter also "Framework") was amended in May 2025 – based on the initial version from 2020. It serves as an overarching framework for providing green projects in a structured manner and refinancing them through green bonds issuances, green loans, promissory notes ("Schuldscheindarlehen" or "Namensschuldverschreibungen"), green project finance and any other financial debt instruments to which eligible green assets or projects are allocated. Project-related payments (cash outflows) to be financed include capital expenditures (Capex), expenditures related to research and development as well as expenditures for acquisitions of eligible projects or assets.



A.2. Eligible Projects

■ By applying the Framework, EVN intends to finance or refinance in whole or in part any Eligible Green Projects/Activities. The following five "**Eligible Green Project Categories**" were defined and aligned with the EU Taxonomy classification system and the SDGs (UN Sustainable Development Goals), according to the table below.

(1) Power Generation Plants Using Solar Photovoltaic Technology
(2) Onshore Wind Power Generation Plants
(3) Electricity Transmission and Distribution Infrastructure
(4) Water Supply Infrastructure
(5) E-mobility Charging Infrastructure

Eligible Green Activity	Eligible Green Project Category	EU taxonomy	Contribution to UN Sustainable Development Goals (SDGs)	EVN entities primarily active with regard to the category
Renewable Energy	Power generation plants using solar photovoltaic technology	4.1 Electricity generation using solar photovoltaic technology	 	EVN Naturkraft GmbH, EVN Bulgaria Renewables EOOD, EVN Macedonia Elektrani DOOEL
Renewable Energy	Onshore wind power generation plants	4.3 Electricity generation from wind power	 	EVN Naturkraft GmbH, EVN Bulgaria Renewables EOOD
Renewable Energy	Electricity transmission and distribution infrastructure	4.9 Transmission and distribution of electricity		Netz Niederösterreich GmbH, Elektrorazpredelenie Yug EAD, EVN Macedonia AD, Skopje

Sustainable water and wastewater management	Water supply infrastructure	5.1 Construction, extension and operation of water collection, treatment and supply systems		EVN Wasser GmbH
Clean transportation	E-mobility charging infrastructure	6.15 Infrastructure enabling low carbon road transport and public transport		EVN Energieservices GmbH

▪ The Eligible Green Projects need to fulfil the criteria of one of the Eligible Green Activities and therefore need to positively **contribute to the EU environmental objectives** in accordance with the EU Taxonomy. Eligible Green Projects must make a substantial contribution to at least one of the six environmental objectives defined by the EU Taxonomy and must meet the technical screening criteria for taxonomy-eligible activities in one of the categories as defined in the table above (see column “EU Taxonomy”).

▪ Furthermore, Eligible Green Projects must

- not significantly harm any of the other environmental objectives according to the EU Taxonomy (**Do No Significant Harm** (DNSH)) and
- comply with minimum social safeguards according to the EU Taxonomy (**Minimum Social Safeguards**).

▪ To ensure eligibility for green financing, EVN has established a **Green Finance Committee** (the “Committee”). Representatives of the strategy, sustainability and finance functions are represented in this Committee. Details regarding e.g. members of the committee, tasks, frequency of meetings and documentation requirements are defined in the Rules of Procedure of the Green Finance Committee. The Green Finance Committee will document the project assessment results. The final decision on the selection of Eligible Green Projects can only be taken by the Green Finance Committee.

▪ The Green Finance Committee monitors the need for **implementation or updating** of the Framework and external verifications.

▪ It is expected that **most of the project volume** refinanced by Green Finance instruments will be allocated to the categories Electricity Transmission and Distribution Infrastructure as well Renewable Power Generation via photovoltaic and wind energy. Water Supply Infrastructure and E-mobility Charging Infrastructure will play only a minor role.

B. Ecological Impact of the Use of Proceeds

"What is the impact of the use of proceeds on the natural environment?"

B.1. Ecological Impacts of Power Generation Plants Using Solar Photovoltaic Technology

The Framework includes financing for the construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology.

B.1.1. Climate Impacts of Photovoltaic Power Generation Plants

The transition from fossil-based modes of consumption and production towards renewable energy is one of the most essential steps to reduce the magnitude of climate change, as well as atmospheric aerosol loading and ocean acidity. This is particularly true for the EU where the average electricity consumption per capita was approximately 5.9 to 7 MWh per capita in 2024, resulting in approximately 5.3 t CO_2e per capita according to the IEA (International Energy Agency). To achieve the goals of the Paris Agreement, these impacts must be drastically reduced.

● The high ecological added value of technologies for renewable energy production, increasing energy efficiency, expanding the relevant infrastructure and measures to adapt to climate change that has already occurred far outweighs the remaining ecological risks. The projects that can be financed under the Framework make an important contribution to **clean and efficient energy production** and climate change adaptation. The Framework itself identifies an alignment of these financing categories with SDGs (Sustainable Development Goals) 7 (Affordable and Clean Energy) and 13 (Climate Action).

● According to the IPCC (Intergovernmental Panel on Climate Change), the PV sector has very **low climate impacts from its electricity output** compared to fossil-based energy. Based on figures by the German Federal Environment Agency ("Umweltbundesamt"), the **CO_2 lifecycle emissions** range from 43 to 63 g CO_2e/kWh for PV. This is far below the European average for electricity generation of 210 g (2023) CO_2e/kWh.

● Photovoltaic projects **contribute to climate mitigation and to climate adaptation**. A photovoltaic system is considered taxonomy-aligned if it generates electricity using PV technology and meets the EU Taxonomy's environmental and social standards and does not significantly harm other environmental objectives.

● The investments have to be discussed in the context of **EVN's policies relating to climate change mitigation and adaptation**. A Paris-conform 1.5°C target was recently validated by the Science Based Targets Initiative (SBTi) and is in the process of implementation. Specific measures, goals and projects are developed in all of EVN's areas of activity based on the "Strategy 2030". Furthermore, in the 2020/21 financial year, EVN introduced the EVN Climate Initiative. An initial 1.5°C transition plan is in place. A key element of the strategy is the expansion of renewable generation capacities.

A small number of limitations to the positive effects may occur and are discussed below.

● Solar energy sometimes registers high emission intensities and other environmental impacts in the construction phase and in the upstream supply chain (particularly through use of water in production, through steel, concrete and cement production and raw material extraction).

▶ Increasing renewable energy capacities is one of the most important measures for climate change mitigation. It can be expected that the Green Finance Framework's use of proceeds for photovoltaic projects supports the goal of a transition towards carbon-neutral electricity generation.

B.1.2. Other Environmental Impacts Throughout the Lifecycle

Most environmental impacts of PV are found in the production of main components in the supply chain, such as the modules, power inverters and aluminium frames for photovoltaic installations. During operation, the main impact is considered to come from mobility and transportation for maintenance.

● The **most important suppliers** are well-known international producers of PV modules, inverters, substructures and other components as well as construction companies and maintenance service providers. The environmental performance of some of the vendors in the PV segment is only average. It is likely that many modules will be manufactured in China.

● The **EVN Integrity Clause defines the guidelines for sustainable procurement** and the duties and responsibilities of the business partners. All suppliers are evaluated according to defined ESG criteria. These include greenhouse gas emissions, energy management, land use, biodiversity and waste management. A special focus on ESG criteria and sustainability measures is an integral part of the suppliers' self-evaluations. Compensatory measures are implemented to deal with any identified risks.

● **Regional environmental risks** in terms of insufficient legislative frameworks are considered to be rather low, due to PV installations mainly being planned at Austrian locations. However, regional environmental risks can be expected further upstream in the value chain. This is particularly true for the value chain of photovoltaic modules.

● The **environmental and biodiversity risks** of PV installations depend greatly on the location and management. If PV systems are built on ecologically valuable or sensitive sites, they can cause habitat and species loss. However, on intensively used agricultural land, or with proper ecological management, PV installations can actually benefit biodiversity by creating new habitats and limit pesticide and fertiliser use. Careful site selection, planning and appropriate maintenance are key to minimising negative impacts and maximising positive effects.

● There is no comprehensive overview or target on how the proportion of projects is distributed between built-up areas and greenfield developments. This can be an important factor for **land-use change**. Information on mixed use with agriculture in the future is not yet available.

● Proactive involvement with ecology-related **stakeholders** can help to increase acceptance and is something EVN seeks in its project communication, for example, with environmental organisations.

▶ **Environmental risks in the PV supply chain exist due to the predominance of Chinese modules on the market. Through its sustainable procurement policy, the Issuer is systematically managing ecological aspects of the supply chain. The environmental and biodiversity risks of the PV-installations are limited.**

B.2. Ecological Impacts of Onshore Wind Power Generation Plants

The Framework includes financing for the construction or operation of electricity generation facilities that produce electricity from wind power.

B.2.1. Climate Impacts of Wind Power Generation Plants

> The transition from fossil-based modes of consumption and production towards renewable energy is one of the most essential steps for global society to reduce the magnitude of climate change, as well as atmospheric aerosol loading and ocean acidity. According to the IPCC (Intergovernmental Panel on Climate Change) wind power has one of the lowest climate impacts per electricity output, even compared to other sources of renewable energy.

● The high environmental added value of renewable energy production, increasing energy efficiency, expanding the relevant infrastructure and measures to adapt to climate change far outweighs the remaining ecological risks. The projects that can be financed under the Framework make an important contribution to **clean and efficient energy production** and climate change adaptation. The Framework itself identifies an alignment of these financing categories with SDGs (Sustainable Development Goals) 7 (Affordable and Clean Energy) and 13 (Climate Action).

● According to the IPCC, wind farms have a very **low climate impact per electricity output** compared to fossil-based energy generators. Further, wind parks are characterised by outstanding performance even compared to photovoltaic installations. Based on figures by the German Federal Environment Agency ("Umweltbundesamt"), the **CO_2 lifecycle emissions** range from 5.2 to 15.6 g CO_2e/kWh for wind farms. A Lifecycle Assessment for Vestas' V112-3.45 MW turbines suggest 5.3 g CO_2e/kWh for an onshore 100 MW farm. This is far below the European average greenhouse gas emission intensity for electricity generation of 210 g (2023) CO_2e/kWh. The break-even time in terms of return on energy for such a system is 5.4 months (for high wind conditions).

● Wind power projects contribute to climate mitigation and to climate adaptation. A wind power generation plant is considered taxonomy-aligned if it meets the **EU Taxonomy's** environmental as well as social standards and does not significantly harm other environmental objectives.

● The investments have to be discussed in the context of **EVN's policies relating to climate change mitigation and adaptation**. A Paris-conform 1.5°C target was recently validated by the Science Based Targets Initiative (SBTi) and is in the process of implementation. Specific measures, goals and projects are developed in all of EVN's areas of activity based on the "Strategy 2030". Furthermore, in the 2020/21 financial year, EVN introduced the EVN Climate Initiative. An initial 1.5°C transition plan is in place. A key element of the strategy is the expansion of renewable generation capacities.

A small number of limitations to the positive effects may occur and are discussed below.

● Wind energy sometimes registers high emission intensities and other environmental impacts in the construction phase and in the upstream supply chain (particularly steel, concrete and cement production and raw material extraction). Major **climate impacts in the supply chain** are the production of the tower, foundation, blades and nacelle. Producer Vestas Wind Systems manages CO_2 emissions in the supply chain and commits itself to reducing relative emissions by 45% by 2030 (without using any carbon offsets).

▶ Increasing renewable energy capacities is one of the most important measures for climate change mitigation. It can be expected that the Green Finance Framework use of proceeds for wind projects contributes to a reduced carbon intensity of EVN's production portfolio.

B.2.2. Other Environmental Impacts Throughout the Lifecycle

Most environmental impacts of wind farms are found in the supply chain through the exploration and processing of raw materials for the production of main components: the blades, nacelle, tower, site parts and foundations. Further biodiversity impact during operation and recyclability at end of life remain important issues.

● The most important suppliers are well-known international **wind turbine** manufacturers such as Vestas. This company is a committed supplier with decent sustainability management and corresponding targets (rfu Rating 3/2025: B+). Considering **end of life,** Vestas wind turbines are on average 85% recyclable. Major improvements particularly for rotors are planned over the next decade to achieve zero-waste in 2040. The **other suppliers** involved are first and foremost Austrian construction companies.

● The **EVN Integrity Clause defines the guidelines for sustainable procurement** and the duties and responsibilities of the business partners. All suppliers are evaluated according to defined ESG criteria. These include greenhouse gas emissions, energy management, land use, biodiversity and waste management. A special focus on ESG criteria and sustainability measures is an integral part of the suppliers' self-evaluations. Compensatory measures are implemented to deal with any identified risks.

● **Regional environmental risks** in terms of insufficient legislative frameworks are considered rather low to medium in the relevant countries for EVN´s wind projects – Austria and Bulgaria. However, regional environmental risks can be expected further upstream in the value chain.

● During the **operation, impacts on biodiversity and habitats**, most importantly birds and bats, remain a controversial issue. Negative effects can be significantly reduced through appropriate positioning and lead to fewer animal deaths than transmission lines, agriculture, hunting, pets, cars and so forth. EVN is in regular exchange with the NGO Bird Life when planning new installations. Wind farms in nature reserves violate the DNSH criteria and are therefore not included in the Framework.

▶ While environmental risks in the wind energy supply chain and during operation exist, negative impacts are expected to be reduced through the measures taken by EVN via its sustainable procurement policy and major suppliers like Vestas Wind Systems.

B.3. Ecological Impacts of Electricity Transmission and Distribution Infrastructure

The Framework includes financing of construction and operation of distribution systems that transport electricity on high-voltage, medium-voltage and low-voltage distribution systems as well as of transmission systems that transport electricity on extra high-voltage and high-voltage interconnected systems.

B.3.1. Climate Impacts of Electricity Transmission and Distribution Infrastructure

The transition from fossil-based modes of consumption and production towards renewable energy is one of the most essential steps for global society to reduce the magnitude of climate change but also atmospheric aerosol loading and ocean acidity. Wind power or photovoltaic power plants are built as decentralised units in regions with suitable conditions for energy production. These regions are often remote from centralised grid networks and transformer stations. Therefore, the expansion of the power grid is necessary to reach decentralised renewable energy sources like wind and photovoltaic power plants for a more sustainable energy system.

● Grid development is necessary for **the transformation towards a carbon-neutral energy system**. Decentralisation is an important piece in this process to connect renewable energy sources with the energy grid, households and (future) energy storage systems like pump storage plants, power-to-gas or power-to-heat. The integration of small producers like private households, "prosumers", and companies into a smart grid network is an important factor for network stability and control-energy balance. Currently, EVN is already working in those fields and is investing in the "intelligence" of the network. In addition to sector coupling, EVN works on projects to store the surplus production from renewable energy, like large battery storage systems as well as green hydrogen.

● Investments in electricity transmission and distribution infrastructure contribute to climate mitigation and to climate adaptation, meet the **EU Taxonomy's environmental and social standards** and do not significantly harm other environmental objectives. Transmission and distribution infrastructure is considered taxonomy-aligned if it complies with at least one of the following criteria (i) the system is part of the interconnected European system and its subordinate systems; (ii) more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO_2e/kWh (iii) the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO_2e/kWh; and other substantial contribution criteria.

● Main objectives of the **EVN Strategy 2030** include the enabling of a renewable energy system and network expansion for a renewable energy future. Grid development projects fulfil this claim. An efficient, high-performance and digital electricity network infrastructure is required for a CO_2-free energy system. The steadily increasing feedin of wind and solar electricity combined with changes in consumption behaviour – above all, through e-mobility and the transformation of the heating sector – require substantial expansion of the networks.

● One main part of the initial 1.5°C transition plan is the continuous reduction of emissions from electricity network losses in EVN South-East European markets. Lifecycle analyses state that the **highest CO_2 emissions usually occur during the operation and maintenance phase, primarily due to losses during operation**. Production and installation play a lesser role. **Power losses** in the networks are responsible for over 80% of CO_2. In Austria, power losses amount to about 1-7% of transported energy. Losses in the EVN network in Austria have been stable for many years at about 4%, which is a good performance by international standards. In Bulgaria, EVN reduced its losses to 5.8% and in North Macedonia to 14.5%. Studies show that the share of losses in total emissions can vary depending on the grid type and electricity mix but that it usually is the largest single item. A decentralised distribution network with short transmission routes, conversion to higher voltage levels, fitting transformer size and improvement of connection quality of conductors are some examples for reducing transmission and distribution losses.

● For transmission grids and substations, other sources such as SF_6 leakages can also make up a relevant share of network losses. The **usage of SF_6 isolation gas** is a notable factor for climate change, of which 1 kilogramme equals 23.9 tons of CO_2. Further, it stays in the atmosphere for 3200 years. SF_6 has a share of 0.5% in annual climate gas emissions, but the longevity is not considered. In EVN transformer stations, the usage of air-insulated gear is standard. SF_6-insulated components are the exception but where it is used, regular reviews and remote monitoring are implemented. EVN is also looking into alternatives to substitute SF_6.

● Major **climate impacts in the supply chain** appear in connection with production of electrical substations and high voltage transmission lines. EVN collaborates with different companies in the construction process that are applying the EVN Integrity Clause. Legal compliance concerning environmental standards are mandatory, further efforts for sustainable development are encouraged. Minimisation of resource consumption is recommended, and emissions and waste should be avoided as far as possible.

▶ **Increasing renewable energy capacities is one of the most important measures for climate change mitigation. Therefore, investments to adjust grids are necessary. It can be expected that the Framework's use of proceeds contributes to a further development towards a decentralised, renewable energy system.**

B.3.2. Other Environmental Impacts Throughout the Lifecycle

Most environmental impacts of power networks are found in the supply chain through the exploration and processing of raw materials for major components. For transmission lines, these are: steel lattice towers, insulators, foundations and conducting cables; for transformer stations: circuit breakers, foundations and transformers. In addition, high voltage transmission can negatively impact biodiversity, particularly animals.

● The **most important suppliers** are the producers of the components as well as construction companies and maintenance service providers. Suppliers for transformers, transformer stations, switchgear plant constructions and substations include well-known international manufacturers. The environmental performance of some of EVN's main suppliers in the segment is only average.

● The **EVN Integrity Clause defines the guidelines for sustainable procurement** and the duties and responsibilities of the business partners. All suppliers are evaluated according to defined ESG criteria. These include greenhouse gas emissions, energy management, land use, biodiversity and waste management. A special focus on ESG criteria and sustainability measures is an integral part of the suppliers' self-evaluations. Compensatory measures are implemented to deal with any identified risks.

● **Regional environmental risks** in terms of insufficient legislative frameworks are considered rather low to medium in the relevant countries for EVN´s infrastructure projects – Austria and Bulgaria. However, regional environmental risks can be expected further upstream in the value chain.

● Usage of **oil in transformer stations** could be critical because of its emission to the environment. One 110 kV transformer needs about 22 tons of mineral oil for cooling, isolation and so forth. EVN applies a more environmentally friendly alternative (ester) in water conservation areas and in particularly sensitive regions. Security measures (e.g. oil sumps) are implemented to prevent leakage and emissions to soil and/or ground water.

● Considering the **end of life,** metals used in transmission lines are well suited for recycling. EVN states a high importance of recycling and re-use at grid development (re-use of cables and concrete demolition material).

● For building and construction works **land-use change** (e.g. clearing of stretches of woodland) can occur. A negative impact on the biological environment and habitats is possible. For projects with an impact on the environment and especially in conservation areas (e.g. 110 kV line Deutsch Altenburg-Lasse) compensation measures and management plans are officially mandated and implemented. Measures include projects to revitalise areas in Donau-Auen National Park, forest-aisle-management, partial underground cables, bird protection and ecological construction supervision. Conflicts with nature conservation institutions occur in some projects.

▶ EVN is aware of major environmental risks in the supply chain and during operation of electricity grids, especially on biodiversity, and is taking suitable measures to reduce them e.g. via its sustainable procurement policy.

B.4. Ecological Impacts of Water Supply Infrastructure

The Framework includes financing of construction, extension and operation of water collection, treatment and supply systems. Eligible projects include the construction of cross-regional drinking water pipelines, improving the energy efficiency of the water supply and projects to reduce water hardness (including through the construction of additional natural filtration systems) in Austria.

B.4.1. Impacts on Clean Water and Supply of Freshwater

Water supply infrastructure faces significant environmental impacts across its lifecycle. An ecologically sustainable drinking water supply protects water resources and ecosystems, minimises losses and emissions, and actively adapts to the challenges of climate change.

● Water extraction must be **aligned with the natural regeneration capacity** of local water bodies to avoid undermining their ecological functions and biodiversity. Over-extraction can lead to declining groundwater levels, drying wetlands and the loss of habitats for plants and animals. EVN's sustainability guidelines are committed to sustainable corporate management and thus to sustainable, climate-neutral water management. EVN underlines its commitment by its policy on sustainable water management.

● Water supply infrastructure projects that can be financed under the Framework make an important contribution to the SDG 6 (**Clean Water and Sanitation**).

● EVN supplies areas throughout Lower Austria with drinking water. These are **no water-risk areas** and are not situated in regions with high water stress. Nevertheless, demographic trends in the supply area as well as changing climatic conditions are responsible for a continuous increase in the demand for drinking water. In addition to the operation of local networks, connecting water-rich and water-poor areas via cross-regional transport pipelines is necessary. To offset climate-related decline in precipitation or regional breakdowns EVN sets explicit goals.

● The responsible use of drinking water involves new pipeline construction as well as the upgrading of the existing infrastructure – primarily through the **identification and repair of leaks** and the **protection or improvement of the water quality** while minimising the negative impact on the environment. Water losses in the distribution network not only waste valuable resources but also mean unnecessary energy and chemical use for treatment and transport. Leaks can also cause soil erosion and contamination of groundwater. In accordance with EVN's principles for efficient water use, the goal is to keep water loss in the network at a constant low level. This target is met by regular detection of leaks and appropriate repairs together with monitoring and controls through continuous measures.

● Pollution from agriculture (nitrates, pesticides), industry, and urban areas degrades water quality and impairs the self-purification capacity of water bodies. Urban sealing and combined sewer overflows during heavy rain can introduce untreated wastewater into rivers and lakes, threatening ecosystems and drinking water sources. EVN invests in **the improvement of the water quality** by constructing natural filter plants to soften and purify the water without the use of chemicals.

● **Long-distance water supply** can be sustainable if ecological criteria are met in both the supplying and receiving regions. However, it should not lead to neglecting local efforts to protect and improve one's own water resources.

▶ It can be expected that the Green Finance Framework use of proceeds for Water Supply Infrastructure projects contributes to higher water quality, sustainable withdrawals and improved supply of freshwater.

B.4.2. Other Environmental Impacts Throughout the Lifecycle

Climate change leads to more frequent droughts, lower groundwater tables, warming and extreme weather events, all of which stress water supply systems and ecosystems. Shrinking water bodies and water losses in lakes can cause dramatic declines in biodiversity, especially in small aquatic ecosystems.

● The most **important procurement goods** for water supply infrastructure projects are drinking water treatment plants and pipeline construction services.

● The **EVN Integrity Clause defines the guidelines for sustainable procurement** and the duties and responsibilities of the business partners. All suppliers are evaluated according to defined ESG criteria. These include greenhouse gas emissions, energy management, land use, biodiversity and waste management. A special focus on ESG criteria and sustainability measures is an integral part of the suppliers' self-evaluations. Compensatory measures are implemented to deal with any identified risks.

● **Regional environmental risks** in terms of insufficient legislative frameworks are considered rather low, due to projects only being located in Austria. However, such risks can be expected further upstream in the value chain.

● The goal is to **minimise energy and material consumption** in the extraction, treatment, and distribution of drinking water. Sustainability requires reducing CO_2 emissions and using resource-efficient technologies.

● Water supply systems contribute to climate mitigation and to climate adaptation. The water supply system is considered **taxonomy-eligible** if it complies with substantial contribution criteria and does not significantly harm other environmental objectives.

● Water supply infrastructure plays a critical role in both **adapting to and mitigating climate change**, while simultaneously facing significant environmental impacts across its lifecycle. As global temperatures rise and precipitation patterns shift, water systems must balance increasing demand with decarbonisation goals, requiring systemic transformations in infrastructure design, energy use and resource management. Modern water supply systems generate greenhouse gas emissions through multiple pathways: (i) **Construction phase** impacts through concrete production (dams, treatment plants) and steel manufacturing (pipes, pumps); (ii) **Operational energy** for groundwater pumping; (iii) **Methane (CH_4) and nitrous oxide (N_2O)** emissions from wastewater treatment.

▶ **Climate change can have significant impacts on water supplies and ecosystems. Energy- and resource-efficient technologies can help to adapt to and mitigate climate change.**

B.5. Ecological Impacts of E-mobility Charging Infrastructure

The Framework includes financing of construction, modernisation, maintenance and operation of infrastructure that is required for zero tailpipe CO_2 operation of zero-emissions road transport.

B.5.1. Climate Impacts of E-mobility Charging Infrastructure

The transport sector is one of the three largest contributors to global greenhouse gas emissions. In 2022, global CO_2 emissions from the transport sector grew to nearly 8 Gt. That accounts for approximately 21% of global CO_2 emissions, with road transport holding the largest share. In the EU, the transport sector is also a major emitter, responsible for about 25% of total CO_2 emissions, again dominated by road vehicles. A rapid decarbonisation of the transport sector is therefore central to achieve the 1.5 °C target and requires a fundamental change in mobility patterns. A reliable e-mobility charging infrastructure can also contribute to the decarbonisation.

● Electric vehicles (EVs) have an ecological advantage compared to conventional combustion engine vehicles. Although battery production is more CO_2-intensive, this is more than offset during operation due to significantly lower emissions. The **environmental benefits of electric vehicles** increase further as the share of renewable energy in the electricity mix grows. EV sales grew by 35% in 2023 year-on-year, reaching a record high of more than 10 million. EVs accounted for a 3.1% market share of newly registered commercial vehicles in the EU in 2021. In the IEAs' Net Zero Emissions by 2050 Scenario, EV sales will reach around 65% of total car sales in 2030.

● Infrastructure enabling low-carbon road transport and public transport is considered **taxonomy-eligible** if it complies with substantial contribution criteria and does not significantly harm other environmental objectives. The Framework identifies an alignment of these financing categories with SDG 7 (Affordable and Clean Energy).

● Grid development is necessary to increase surplus production from renewable generation and requires innovative approaches for the **efficient cross-sector use** of energy. EVN is actively working on initiatives that will allow green electricity to also support decarbonisation in other areas like the heat and transport sectors. For this purpose, EVN is investing in the expansion of the e-charging infrastructure.

● The climate impact of e-mobility charging infrastructure depends heavily on the **electricity mix**: only charging with renewable energy leads to significant greenhouse gas reductions. Even though EVN has a high renewable share in the domestic market, the Framework does not provide any criteria in this regard.

● **Large-scale deployment** of charging stations increases electricity demand, which can strain the grid and, if not managed well, lead to higher emissions from fossil power plants, especially during peak times. Smart charging strategies (e.g. shifting charging to times of high renewable generation) and infrastructure planning are essential to reduce grid emissions and storage needs and can also support overall decarbonisation.

● The production, installation and maintenance of charging infrastructure **itself have a carbon footprint**, though this is generally outweighed by the emission savings from electric vehicle use. Manufacturing and transporting charging equipment consumes energy and generates greenhouse gas emissions, though these are much lower than emissions from the use phase.

▶ **Expanding public charging access is crucial to enabling more zero-emission travel and better use of surplus electricity from renewable sources. Nevertheless, achieving truly sustainable mobility calls for a fundamental shift away from individual car use.**

B.5.2. Other Environmental Impacts Throughout the Lifecycle

Lifecycle assessments show that while most impacts occur during the use phase (mainly due to electricity consumption), the production and end-of-life stages also contribute to the overall environmental footprint of charging infrastructure. The area of "clean mobility" is partly in conflict with climate and environmental protection, as well as social criteria. Raw materials such as lithium for electric vehicle batteries are often extracted under problematic ecological (and social) conditions.

● The **main suppliers** for EVN´s charging infrastructure offer supply and installation of, as well as maintenance and troubleshooting for fast charging stations 50–400 kW with/without battery storage. The same principles apply to their supplier evaluation as to the other Eligible Green Project Categories. Regional environmental risks in terms of insufficient legislative frameworks are considered rather low but can be expected further upstream in the value chain.

● The **EVN Integrity Clause defines the guidelines for sustainable procurement** and the duties and responsibilities of the business partners. All suppliers are evaluated according to defined ESG criteria. These include greenhouse gas emissions, energy management, land use, biodiversity and waste management. A special focus on ESG criteria and sustainability measures is an integral part of the suppliers' self-evaluations. Compensatory measures are implemented to deal with any identified risks.

● **Regional environmental risks** in terms of insufficient legislative frameworks are considered rather low. Projects are only located in Austria. However, such risks can be expected further upstream in the value chain.

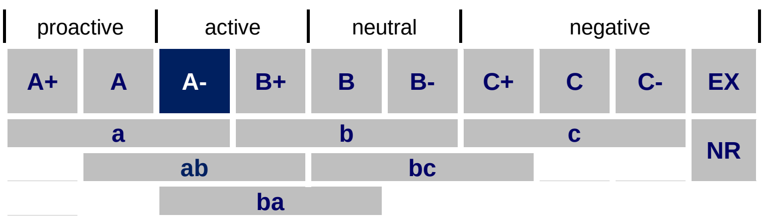
● The production of charging stations requires significant amounts of **raw materials** (e.g. metals, plastics, electronics), leading to resource depletion and environmental impacts from mining and material processing. The need for metals and rare earths in chargers and batteries contributes to mineral resource scarcity and associated environmental pressures. At their end of life, chargers and associated components can generate electronic and hazardous waste, posing disposal and recycling challenges.

● Installing charging infrastructure, especially large hubs, can lead to land-use **changes** and localised environmental impacts.

▶ **The material and energy consumption are a significant part of the environmental impacts of e-mobility charging infrastructure. The Framework only partially sets out specific requirements for this.**

B.6. Rating - Ecological Impact of Use of Proceeds

It is expected that most of the project volume will be allocated to the categories Electricity Transmission and Distribution as well as Renewable Power Generation via PV and wind energy. In the overall rating of the ecological impact these uses of proceeds **are weighted higher** than Water Supply and E-mobility Charging Infrastructure.



C. Social Impact of the Use of Proceeds

"What is the impact of use of proceeds on society and its major stakeholders?"

C.1. Social Impacts of the Operation

C.1.1. Photovoltaic and Wind Energy as well as Electricity Transmission and Distribution

Photovoltaic projects and especially wind farms and transmission lines have sometimes been accompanied by controversies with local communities and civil society (e.g. NGOs) with landscape impacts and others such as noise and electromagnetic fields. On the other hand, access to electricity and security of supply have a high influence on the quality of life. Energy poverty in Austria is estimated to reach 3.2% but is mainly linked to heating. Democratisation of energy supply through participatory funding schemes has become more popular in recent years.

● The Green Project Categories (i) Power Generation Plants Using Solar Photovoltaic Technology, (ii) Onshore Wind Power Generation and (iii) Electricity Transmission and Distribution Infrastructure directly contribute to a **stable energy supply** in the relevant markets of EVN – mainly Austria, but also in Bulgaria and North Macedonia. EVN invests large amounts into the network infrastructure as well as net stability and security of supply is high. The SAIFI 0.84 (System Average Interruption Frequency Index) means that EVN customers were affected by an average of one unplanned power interruption in 2023. The SAIDI 26.21 minutes (System Average Interruption Duration Index) was clearly below the Austrian average of 61.03 minutes.

● The transition of the energy system may lead to higher energy bills for end customers in the short and medium term, which is partly due to contributions to subsidies for expansion of renewable energy generation and grid costs. Energy bills are divided into three main components: energy costs, grid costs and statutory levies. Energy costs for EVN's end customers are determined by its energy distribution companies (e.g. EVN Energievertrieb GmbH & Co KG, Naturkraft Energievertriebsgesellschaft m.b.H., etc.). Grid costs vary regionally and are regulated. In Austria, all households pay a statutory levy to promote renewable energies, from which low-income households can be exempted. Market studies suggest that EVN tends to charge above average prices. EVN's programmes to address **energy poverty** include a cooperation with the Austrian church-affiliated non-profit organisations Caritas and Diakonie.

● EVN has defined a project-related procedure for the **integration of stakeholders**. In some cases, opinion polls have been organised but there are also some conflicts with neighbours, landowners and NGOs in a few projects. EVN has applied participatory funding schemes but only for a few selected cases.

▶ EVN´s activities in renewable energy production as well as electricity transmission and distribution contribute to a comprehensive, stable and affordable energy supply and therefore have an overall positive social impact.

C.1.2. Water Supply Infrastructure

Water supply infrastructure has wide-ranging social impacts, both positive and negative, depending on its availability, reliability and management. Overall, effective operation of water supply infrastructure is fundamental to public health, social equality, education, economic development and community resilience.

● EVN has taken measures to provide a high supply security and quality of drinking water in its supply area Lower Austria. The projects potentially selected under the Green Project Category Water Supply Infrastructure would further contribute to these goals.

▶ EVN´s projects in water supply infrastructure have positive social effects e.g. on health and social wellbeing.

C.1.3. E-mobility Charging Infrastructure

Well-planned e-mobility charging infrastructure has the potential to boost economic growth, enhance public health and air quality, and promote social equality – especially when investments are made inclusively. However, without careful planning and a strong focus on fairness, such infrastructure can inadvertently deepen existing social and economic inequalities, introduce new safety and reliability challenges and limit benefits for disadvantaged groups.

● EVN has already gained a position as a **leading provider of e-charging stations** in Austria. To increase the acceptance of e-mobility in the population, EVN needs a wide-ranging network of easily accessible, low-threshold charging options that can be quickly integrated into customers' daily routines. EVN is therefore working together with, for example, supermarket chains to install charging stations in their parking areas. Other growth opportunities are in charging offers for company fleets, trucks and buses in public local and regional transportation. The projects potentially selected under the Green Project Category E-mobility Charging Infrastructure would further strengthen this position.

● Widespread electric vehicle use, supported by robust charging infrastructure, contributes to reduced air pollution and noise emissions, leading to **better health outcomes** and a more sustainable environment for communities.

● Increased demand from electric vehicle charging can **strain local power grids**, especially in underserved communities, potentially leading to reliability issues or higher electricity prices if upgrades are needed. As EVN is also an electricity producer and grid operator, it has the possibilities to manage such risks directly.

● Charging stations support increased mobility options, especially when integrated with public transport or micromobility solutions, and help rural and urban communities to stay connected to broader transportation networks. Strategic placement of charging stations in underserved or historically marginalised communities can help address transportation inequalities and stimulate economic activity. However, if not carefully planned, investments can exacerbate existing **disparities**, such as higher costs for public charging, potential grid reliability issues and risk of gentrification. Charging infrastructure is often concentrated in wealthier or urban areas, leaving low-income, rural and historically marginalised communities with inadequate access – creating so-called "charging deserts". EVN is also caught up in tension between profitability and social balance.

● Because public charging is usually **more expensive** than home charging, those without private parking (often lower-income households) might have to pay more to refuel, worsening economic disparities.

▶ **Even if e-mobility is not the simple solution for all the challenges of transportation, EVN´s offer of charging infrastructure contributes positively to quality of life in certain areas.**

C.2. Social Impacts in the Supply Chain and Production

Social risks exist and often overlap in the supply chain and production of all Eligible Green Project Categories. They can be found most prominently in the exploration and processing of raw material, in manufacturing as well as in the transportation and construction services.

● Eligible Green Projects must comply with **the Minimum Social Safeguards** according to the EU Taxonomy. Companies must respect human rights, including workers' rights, as set out in the International Bill of Human Rights, the eight fundamental conventions of the International Labour Organization (ILO), and the UN Guiding Principles on Business and Human Rights (UNGPs).

● EVN implements the requirements of the EU Taxonomy and other sustainability standards through a structured, group-wide approach. Compliance with social minimum standards and international guidelines (such as OECD, UN, and ILO) is ensured through a comprehensive **compliance management system** focused on prevention, identification and response to violations, which is regularly reviewed through internal and external audits. Employees and business partners can report potential violations anonymously through a whistleblowing system. Through these measures, EVN ensures transparency, accountability and the continuous improvement of its sustainability and compliance processes.

● EVN has taken measures towards a **social supply chain management**. The company's integrity clause includes a broad range of important social issues including human rights, labour rights and discrimination as well as health and safety. An operationalisation of these aspects and compliance control partially exist. An ESG audit system for suppliers with high ESG risk is in preparation. Suppliers with an outstanding sustainability performance, like Vestas Wind Systems, can minimise the risks in the supply chain.

● In mining industries, the **violations of working rights and severe impact on local communities** can frequently be found. Particularly the global PV supply chain is heavily dependent on polysilicon produced in China's Xinjiang region, where forced labour of Uyghurs and other minorities is widespread, making it extremely difficult to ensure products are free from human rights abuses. This reliance creates significant ethical, legal and reputational risks for companies and countries sourcing solar products, as well as challenges in supply chain transparency and traceability. Suppliers of EVN need to confirm that components are not produced in the Xinjiang region.

● Over the full lifecycle, the **human health impacts** of photovoltaic and wind farms are far better than those of fossil fuels (in terms of deaths due to air pollution and accidents/kWh).

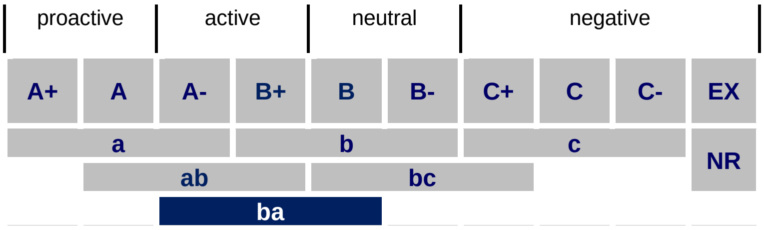
● E-mobility relies heavily on **critical raw materials such as lithium, cobalt, nickel and graphite**, the extraction and processing of which are concentrated in a few countries. This unequal global distribution of resources creates supply risks and often involves significant social and environmental challenges in the mining regions. Additionally, the high purchasing price of electric vehicles and limited access to charging infrastructure mean that e-mobility is currently accessible primarily to wealthier households, while lower-income groups are often excluded.

● **Legal standards** (e.g. working conditions and human rights) in Austria and most of Europe are relatively high and should reduce the mentioned social risks for some parts of the value chain. Significant risks partly remain e.g. in the construction sector. The Austrian think tank Ludwig-Boltzmann Institute states that the construction industry in particular has major social problem areas (e.g. health and safety).

▶ **Social risks in the supply chain exist, most particularly considering the working conditions in raw materials production and in construction. EVN applies some legal compliance-oriented social procurement criteria. Above-average sustainability performance can be observed only for the wind park supply chain.**

C.3. Rating - Social Impact of the Use of Proceeds

It is expected that most of the project volume will be allocated to the categories Electricity Transmission and Distribution as well a Renewable Power Generation via PV and wind energy. In the overall rating of the ecological impact these uses of proceeds **are weighted higher** than Water Supply and E-mobility Charging Infrastructure.



D. Selection and Evaluation of the Projects

„How does the Issuer select the projects and evaluate social as well as ecological impact?“

The Issuer is responsible for ensuring that the proceeds are used for sustainable, especially ecological, purposes. This requires selection criteria for the projects as well as processes that ensure their original and ongoing compliance in the best possible way.

D.1. Selection and Evaluation of the Projects

● EVN has developed the EVN Green Finance Framework, featuring five areas eligible for funding, also called **Eligible Green Project Categories**:

(1) Power Generation Plants Using Solar Photovoltaic Technology
(2) Onshore Wind Power Generation Plants
(3) Electricity Transmission and Distribution Infrastructure
(4) Water Supply Infrastructure
(5) E-mobility Charging Infrastructure

● The Eligible Green Projects need to fulfil the criteria of one of the **Eligible Green Activities**, as defined under 3.1 in the Framework or under A.2 in the present SPO and therefore need to positively **contribute to the EU environmental objectives in accordance with the EU Taxonomy**. EVN has introduced processes for EU Taxonomy Reporting, which serves as an essential basis for project evaluation and selection for Green Finance.

● The 2025 version of the Framework which is the subject of the present SPO contains several changes regarding Eligible Green Project Categories and criteria compared to the former version of the Framework. The **practical application is still pending** and may require some refinement of the criteria and processes.

● A **Green Finance Committee** has been established and includes internal representatives from various departments. Responsibilities and processes are described in the internal documentation. Its responsibilities include the verification of compliance with the eligibility criteria and the KPIs for green financing.

● Eligible Green Projects to be allocated with proceeds from Green Finance instruments can be **suggested by** the business units or by Corporate Finance or be chosen by the Green Finance Committee directly. EVN has defined a broad set of information to assess potential projects. The final decision on the selection of Eligible Green Projects can only be taken by the Green Finance Committee.

▶ **The thematic areas of EVN´s Green Finance Framework as well as the criteria and processes of selection and evaluation of the projects are designed in an adequate manner. A successful practical implementation is to be expected.**

D.2. Rating – Selection and Evaluation of Projects

proactive		active		neutral		negative			
A+	A	**A-**	B+	B	B-	C+	C	C-	EX
a			b			c			NR
	ab			bc					
		ba							

E. Management of Proceeds

„How does the Issuer ensure an ongoing use of proceeds compliant with the Framework?"

The Issuer is responsible for ensuring a purpose-specific separation (e.g. separate accounts, internal documentation) as well as sufficient and comprehensible coverage of the proceeds with sustainable projects. For this management of proceeds clear processes and measures have to be defined.

E.1. Management of Proceeds

● EVN will – via its **Green Finance Committee** – safeguard that all proceeds and cash flows regarding Eligible Green Projects are monitored thoroughly.

● The proceeds of Green Finance instruments will be mainly used for projects that have already reached their commercial operation date (**realised projects**). Additionally, also projects that are in a final planning phase or under development (projects **to be realised or in construction**) can be financed. Prior to the issuance of each Green Finance instrument, EVN will state which projects are to be refinanced and to what extent proceeds are used to finance future investments.

● EVN aims to **fully allocate the proceeds within 36 months** after the issuance date of each Green Finance instrument (i.e. cash outflows for the respective Eligible Green Project must be made within that timeframe). The estimated timeframe for full investment is to be specifically defined for each Green Finance instrument to be issued. In case of refinancing of existing projects, the commercial operation (or acquisition closing) must not start earlier than three business years prior to the business year of issuance or disbursement of the Green Finance instrument.

● The Framework contains several rules to ensure that all proceeds of Green Finance instruments are **always covered by eligible projects.** These rules deal with cases such as (i) projects with allocated proceeds that have been stopped or have not been permitted, (ii) projects that have reached the end of their lifetime before the final maturity of the respective financial instrument, (iii) projects that no longer meet the sustainable eligibility criteria. In all these cases, the proceeds will be **re-allocated** to other Eligible Green Projects.

● The Issuer has provided reasonable documentation, demonstrating that adequate **eligible assets are available** for Green Financing instruments.

● The Framework allows the temporary allocation of **unallocated proceeds** in any form of cash, bank deposit or other forms of available current financial asset in line with EVN's applicable credit risk management rules.Sustainability criteria are not explicitly considered.

● Regarding the management of the proceeds, the 2025 version of the Framework is very similar to the prior version, which has already been the basis for the successful issuance of **Green Finance instruments in the past**.

▶ **The procedures implemented by EVN ensure an appropriate management of proceeds from Green Finance instruments. All the proceeds will be used for financing of already existing or near-term future projects. A use of proceeds in accordance with the intended purpose in terms of content, scope and time is sufficiently ensured.**

E.2. Rating – Management of Proceeds

proactive		active		neutral		negative			
A+	A	**A-**	B+	B	B-	C+	C	C-	EX
a			b			c			NR
	ab			bc					
		ba							

F. Reporting

„In which manner and quality is information regarding the financial instruments and the underlying projects available?"

Transparency and traceability of the use of proceeds are a major characteristic of a green or social financial instrument. Therefore, the issuer should provide investors and other interested stakeholders with ongoing information on the allocation of proceeds and the sustainability impact of the projects funded.

F.1. Reporting

▪ At the date of approval of this SPO, the 2020 version of the Green Finance Framework is available on EVN´s website. The 2025 version, which is the subject of the present SPO, will be **published on the Issuer's website** in May 2025. Any future versions will be published immediately after obtaining validity.

▪ The **ongoing reporting** will consist of allocation reporting and impact reporting for each Green Finance instrument, provided on an **annual basis until full allocation of proceeds** or in case of reallocation of proceeds. The reports should be provided no later than 6 months after the end of EVN's business year. For Green Finance instruments in the form of public bonds or similar instruments, the **reports will be published** on EVN's website. For private placements or similar transactions with a limited number of investors, the reports will be directly sent **to the respective investors** or will be made available to the investors through the responsible (paying) agent. In addition to an allocation and impact reporting per individual Green Finance instrument, EVN may choose to publish data on an aggregated basis for all outstanding EVN Green Finance instruments.

▪ The **allocation reporting will contain** the following information: (i) total amount of proceeds allocated to EU Taxonomy-aligned projects per Eligible Green Project Category, (ii) geographic location of projects to which proceeds have been allocated per Eligible Green Project Category, (iii) total amount of unallocated proceeds, if any, (iv) reasoning for reallocation and status of reallocation, if any, and (v) confirmation of the exclusion of double counting.

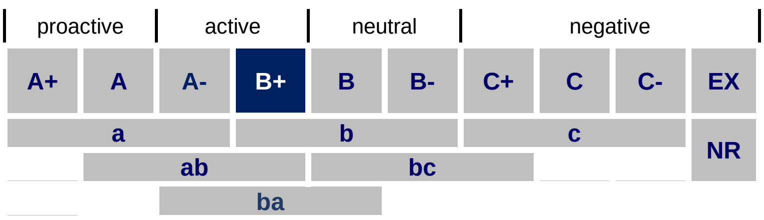
▪ The **content of the impact reporting** will be defined individually for each Green Finance instrument, depending on the availability of suitable data and in coordination with the respective investors. The framework gives examples of key performance indicators (KPIs) for every project category. E.g. for the power production from photovoltaics and wind, these are (i) annual greenhouse gas (GHG) emissions avoided by specific projects financed (scope 1+2 in t CO_2e/business year) and (ii) annual energy produced by specific projects financed (MWh per business year). In addition to this list of example KPIs, the framework refers to the indicators in ICMA's Handbook "Harmonised Framework for Impact Reporting".

▪ For the Green Finance instruments **issued under the 2020 Framework**, allocation reporting is available, but the intended reporting on impact via KPIs was only partially implemented.

▪ The present **SPO will be published** on the Issuer's website in May 2025.

▶ A regular and meaningful reporting on the Framework-compliant allocation of the proceeds as well as on their ecological impact will be provided annually and will be available publicly or at least to the respective investors. The Framework itself and the present SPO are publicly available. In the past, the reporting requirements have been widely fulfilled.

F.2. Rating – Reporting



G. Sustainability of the Issuer

"How good is the sustainability performance of the Issuer independent of the present Framework?"

Evaluation of the Issuer´s sustainability is carried out by means of the “rfu Sustainability Rating Model”, which is based on six stakeholder groups (employees, society, customers, market partners, investors, environment) and complemented by a value chain analysis of the products or services. Overall, the rfu Sustainability Model includes about 100 individual criteria, which are operationalised by approximately 400 quantitative and qualitative indicators. The features of the criteria will, over several levels, be aggregated to one overall rating on a nine-part scale from A+ to C-. In case of a restricted amount of data a so-called indicative rating from a to c will be given.

G.1. Sustainability of the Issuer

▪ **Profile**: EVN AG, headquartered in Austria, provides electricity, gas and environmental services in the Province of Lower Austria and in South East Europe. The most important markets are Austria, Bulgaria, North Macedonia and Germany. Customers include private consumers, corporates as well as municipalities. The company has 7,568 employees (FTE) and revenue amounted to 3,256.6 million EUR (2023/24). With a stake of 51%, the company’s main shareholder is the Province of Lower Austria. Wiener Stadtwerke GmbH holds 28.4%,19.7% are free float and the remaining 1% are the company´s own shares.

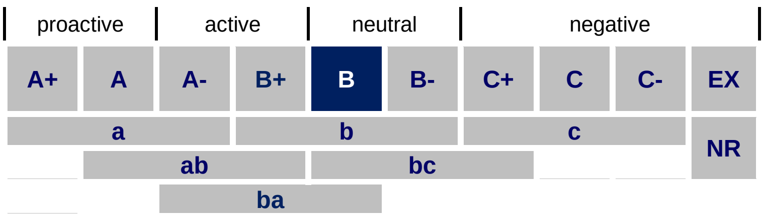
▪ **Sustainability strategy and management:** The company provides an integrated report including state-of-the-art sustainability information. Clear goals and associated measures have been defined but fossil fuels in the form of natural gas are still part of EVN´s product strategy without a clear exit road map. An initial 1.5°C-conform transition plan is in the implementation phase after the external validation process. Sustainability aspects are not yet fully integrated in the business segment natural gas. An external advisory council for social and environmental questions and a customer advisory board have been introduced. Sustainability measures are first and foremost focused on the Austrian market, but Bulgaria and North Macedonia are receiving increasing attention.

● **Products and services:** The provision of electrical energy (65% of total revenue), natural gas (7%) and heat (7%) represent the most important business segments. These services are essential to modern society but cause a deep ecological footprint. The company provides various services to its customers ranging from water and waste services (13%) to energy efficiency consultations. EVN’s energy generation portfolio has improved significantly in recent years, due to the increasing switch from thermal to renewable energy. 85.2% were generated from renewables (34.8% from wind and 2.4% from PV) in 2023/2024. 14.7% of the total electricity is generated in the remaining thermal cogeneration plants. In 2023, the distributed electricity in Austrian consisted of 100% renewable sources because of CO_2 emission certificates.

● **Stakeholder relations:** Employee relations emphasise gender equality and work-life balance. Various indicators and measures suggest positive working conditions. Certified integrated management systems cover the majority of activities. In the supply chain management an integrity clause is applied including rather superficial social and ecological purchasing criteria. For certain fields, pro-active measures have been taken (purchase contract for renewables) and compensatory measures are implemented to deal with any identified risks. The company was subject to various conflicts with stakeholders in the past (customers in Austria, NGOs). Research and development increasingly include sustainability-related fields.

▶ **EVN received a good rfu Sustainability Rating with B (recently in 6/2024). This confirms an above-average social and ecological profile on a relatively stable level over the last years. EVN has been a member of the VÖNIX sustainability index continuously since 2005/2006.**

G.2. Rating - Sustainability of the Issuer



H. Overall Assessment

"How is the sustainability quality of the Framework with all its aspects summarised in a rating?"

The overall assessment of the sustainability quality of a framework is determined by aggregating the ratings of the six aspects, with the greatest weighting being given to the impact of the use of proceeds – in the case of the EVN Green Finance Framework particularly to the ecological impact.

H.1. Assessment and Rating of the Aspects

▶ **Ecological Impact of the Use of Proceeds** **A-**

The Eligible Green Projects in the areas of renewable energy and electricity grids significantly contribute to the mitigation of climate change. Water supply infrastructure also has a clearly positive ecological impact. To a lesser extent, this also applies to e-charging infrastructure. Ecological risks have been identified in the supply chain, which are partly addressed by EVN´s guidelines for sustainable procurement.

▶ **Social Impact of the Use of Proceeds** **ba**

Renewable energy projects, electricity grids and water supply positively influence the quality of life. To a lesser extent, this also applies to e-charging infrastructure. Social risks in the supply chain are associated with raw materials production and construction. EVN applies some legal compliance-oriented social procurement criteria.

▶ **Selection and Evaluation of the Projects** **A-**

The thematic areas of EVN´s Green Finance Framework as well as the criteria and processes of selection and evaluation of the projects are designed in an adequate manner.

▶ **Management of Proceeds** **A-**

The procedures implemented by EVN ensure an appropriate management of proceeds from Green Finance instruments. All the proceeds will be used for financing of already existing or near-term future projects. A use of proceeds in accordance with the intended purpose in terms of content, scope and time is sufficiently ensured.

▶ **Reporting** **B+**

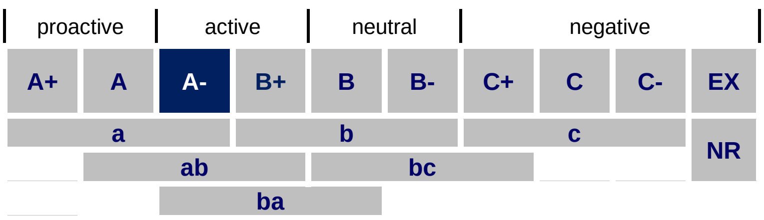
A regular and meaningful reporting on the allocation of the proceeds as well as on their ecological impact will be provided annually until full allocation. This will be available publicly or at least to the investors. The Framework itself and the present SPO are publicly available. In the past, the reporting requirements have been widely fulfilled.

▶ **Sustainability of the Issuer** **B**

EVN received a good rfu Sustainability Rating with B (recently in 6/2024). This confirms an above-average social and ecological profile on a relatively stable level over the last years. EVN has been a member of the VÖNIX sustainability index continuously since 2005/2006.

H.2. Overall Assessment

▶ **The overall sustainability rating of EVN´s Green Finance Framework, comprising all the factors above is A-. This corresponds to a clearly above-average result and meets the requirements of a sophisticated green finance framework.**



I. Compliance with Standards

"Does the Framework comply with the relevant national and international standards?"

Green, social and sustainable bonds and the underlying frameworks are usually aligned with national or international standards and certification systems. This section explicitly assesses whether there is compliance with the regulations cited by the Issuer for the respective bond or framework.

I.1. Assessed Standards

● EVN´s Green Finance Framework is based on the following standards in the versions current at the time the Framework and the SPO were prepared, respectively:

- Green Bond Principles (June 2021 version with June 2022 Appendix 1) of the ICMA (International Capital Markets Association)
- Green Loan Principles (March 2025 version) published by APLMA/LMA/LSTA (Asia Pacific Loan Market Association, Loan Market Association and Loan Syndications and Trading Association)
- EU Taxonomy by European Commission is a key reference for project evaluation and selection
- Sustainable Development Goals (SDG) of the United Nations (UN).

▶ EVN´s Green Finance Framework fulfils the requirements of the Green Bond Principles of the ICMA and the Green Loan Principles published by APLMA/LMA/LSTA regarding (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds and (4) Reporting as well as the recommendations on transparency through (i) a Framework and (ii) External Reviews.

▶ EVN´s Green Finance Framework defines the eligibility of projects via a positive contribution to at least one of the six environmental objectives defined by the EU Taxonomy and alignment with the technical screening criteria for taxonomy-eligible activities, while not significantly harming any of the other environmental objectives and being compliant with the minimum social safeguards according to the EU Taxonomy.

▶ EVN´s Green Finance Framework matches its eligible project categories with contributions to the Sustainable Development Goals. Significant contributions to the following SDGs have been identified: (6) Clean Water and Sanitation, (7) Affordable and Clean Energy and (13) Climate Action.

J. Sources

Issuer's Sources

EVN Green Finance Framework (Version May 2025)

EVN Full Report 2023/24, (Published 17 Dec. 2024)

EVN policies and guidelines: EVN Code of Conduct, EVN Integrity Clause, EVN sustainability guideline, EVN human rights policy, Manual on minimum social standards, EVN managerial mission statement, Handbuch zur Nichtfinanziellen Berichterstattung

EVN Green Finance Committee documents: Rules of Procedure (Version 27 March 2025), Minutes and presentation documents of Green Finance Committee meetings

rfu Fragebogen Second Party Opinion EVN Green Finance Framework und further written as well as verbal exchange with the Issuer

External Sources

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