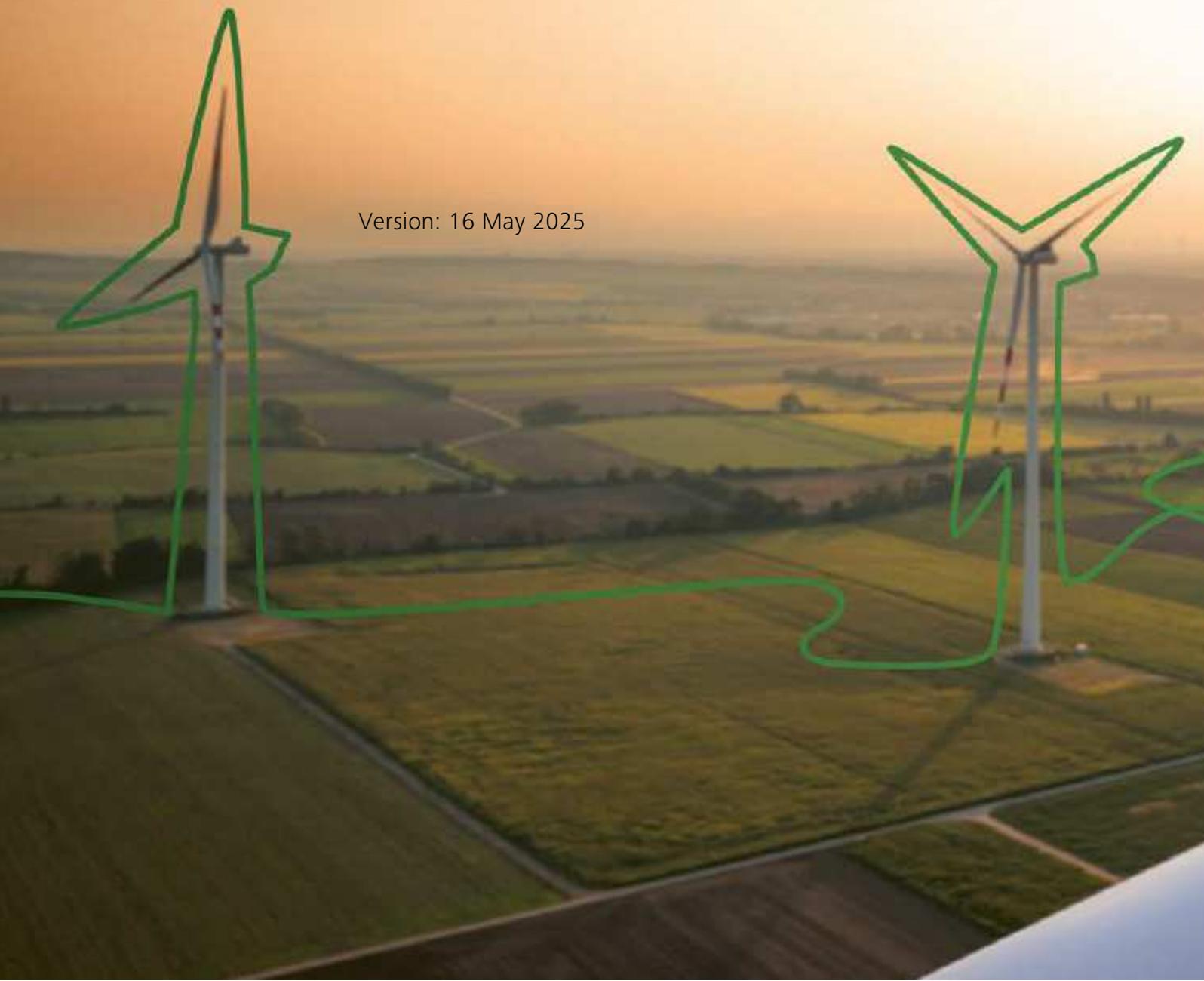


# EVN Green Finance Framework

Version: 16 May 2025



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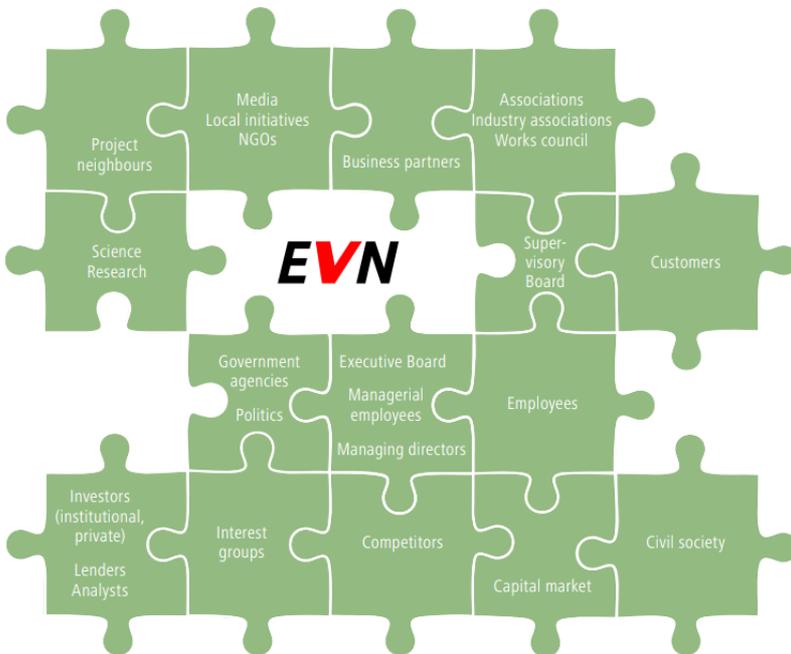
## 1 Our responsibility for the future – EVN Group’s sustainability approach & strategy

As a listed, international company for energy, water and environmental services, EVN has made a vital contribution to improve the quality of life for its customers and to support a functioning economy for over 100 years. It also holds a special responsibility for designing the energy future.

Preserving a liveable world for future generations and driving the transformation to a sustainable society is the central challenge of our times. The necessary transformation of climate policies, the energy sector and society will require continuous and wide-ranging changes, investments and innovation in many areas over the coming years.

EVN joined the UN Global Compact in 2005 already and, in doing so, committed to comply with the global principles of ethical and ecological business activities. Since 2012, EVN has also been represented on the Steering Committee of the Austrian Global Compact Network. In Bulgaria and North Macedonia EVN is also a member in the corresponding regional networks.

Sustainable management – meaning the integration of all relevant environmental (“E”), social (“S”) and governance (“G”) aspects of sustainability in our daily work – has been deeply anchored in EVN’s corporate culture for many years. The activities developed – and updated annually – in line with these guidelines involve all areas of the company and include specific measures to reach EVN’s goals. The regular exchange of viewpoints with stakeholders and the resulting strategic priorities determine the framework for EVN’s entrepreneurial actions. Their implementation is based on a clearly defined set of values that equally reflects the justifiably high expectations of all our stakeholders.



EVN Group perceives it as its obligation and a challenge to make concrete contributions to realising the goals of Austrian and European energy and climate policy as well as the Sustainable Development Goals (SDG) of the United Nations. As an energy provider, EVN with its sustainably oriented management can make a significant contribution, in particular, to meeting the following SDGs:

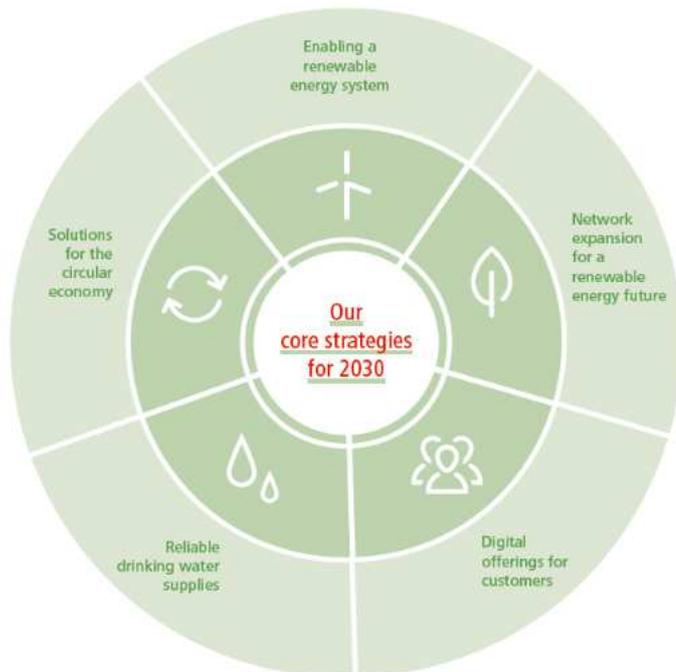


Rules, instructions and guidelines help EVN employees to implement these demanding principles in their everyday work. To make this an integral part of EVN’s corporate culture, they apply to all employees at all levels throughout the Group. Regular communication and training also serve to sustainably anchor these beliefs in the organisation.

Our high commitment to transparency is reflected in the publication of these policies and guidelines as part of EVN’s annual Full Report and – classified according to environment, social and corporate governance – also on EVN’s website.

EVN has followed the development of the EU Taxonomy from the very beginning and has already started reporting on the respective indicators. For all major investments by EVN Group, not only the economic feasibility but also taxonomy alignment is an important decision criteria.

Climate protection is anchored in all activities of EVN Group as part of the “Strategy 2030”.



Two building blocks of the core strategies (according to the graph above) with substantial Capex demand, shall be highlighted:

### **Enabling a renewable energy system**

- EVN Group is committed to making a significant contribution to meeting Austrian and European climate goals.
- A central measure for the attainment of EVN's goals is the expansion of the renewable generation capacity in EVN's core markets of Lower Austria, Bulgaria and North Macedonia, especially in the areas of wind power and photovoltaics.
- The increasing surplus production from renewable generation 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 heating and transport sectors. For this purpose, EVN is investing in the expansion of the e-charging infrastructure and in the increased use of heat pumps.
- In addition to sector coupling, EVN is working on projects to store the surplus production from renewable energy. Concrete projects involve the operation of large battery storage systems and the generation and storage of green hydrogen.

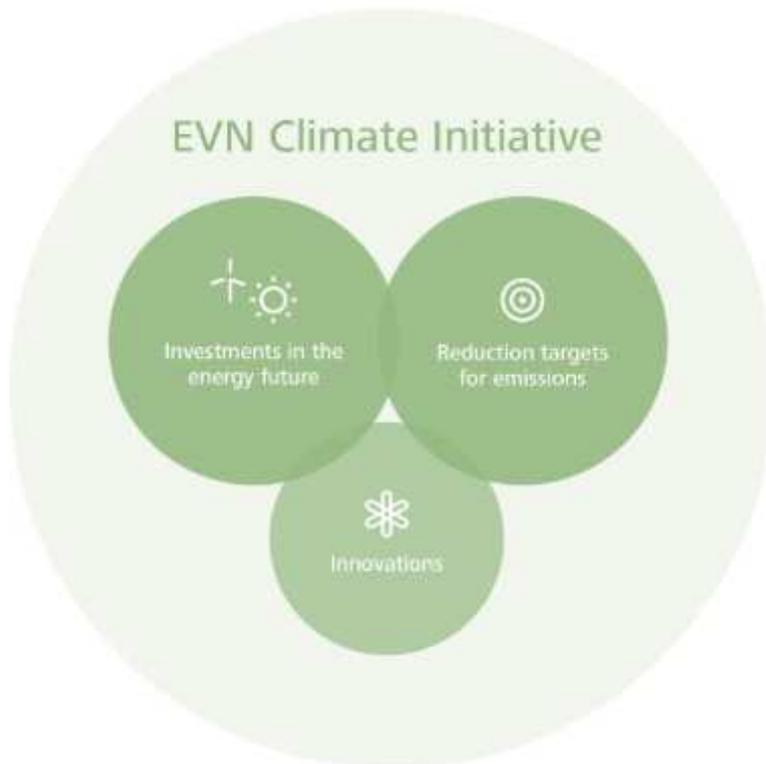


### Network expansion for a renewable energy future

- An efficient, high-performance and digital electricity network infrastructure is the requirement for a CO<sub>2</sub>-free energy system. The steadily increasing feed-in 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 in EVN's electricity networks. EVN Group therefore already started realising an ambitious investment programme. It covers the installation of additional power lines at all voltage levels as well as the construction of further transformer stations and substations.
- In addition to these construction projects, EVN is increasing its focus on digitalisation. The use of smart technologies and applications in network operations optimises load management as well as the feed-in and use of green electricity, above all during production peaks. Intelligent digital network controls will allow optimising the necessary hardware investments.
- The infrastructure previously used for natural gas is being prepared for the future transport of hydrogen and renewable gas.



Concrete measures, goals and projects are developed in all of EVN's areas of activity on the basis of the Strategy 2030 and published on EVN's website. Furthermore, in the 2020/21 financial year, EVN introduced the EVN Climate Initiative, which is based on the following three elements:



- Expansion of EVN's renewable generation capacity, above all for wind power and photovoltaics
- Reduction goals for our greenhouse gas emissions (science-based goals with external verification, e.g. by Science Based Targets Initiative (SBTi))
- Research and development projects in support of climate protection

EVN's commitment to sustainability does not end with the above content. As a cornerstone of EVN's corporate culture, it is the focal point of continuous evaluation and development to protect EVN's long term success.

More detailed information on EVN Group's environmental, social and governance guideline – in line with the Strategy 2030 – is available on EVN's website.

## 2 Reasoning for Green Finance

Since 2003 EVN has been developing its business profile more and more towards a company that is as a whole, strategically as well as operationally, working towards becoming a renewable energies generator and supplier as well as infrastructure provider.

EVN has been working consistently and successfully on the transformation of its generation portfolio for many years and investing extensively in the expansion of renewable generation capacity. Key milestones for the reduction of EVN's thermal generation portfolio and the road to a renewable energy future include, among others:

- 2018: Significant capacity in the natural gas operated power plants in Theiss and Korneuburg was decommissioned. Natural gas is now only used for electricity generation in Austria by cogeneration and combined heat and power plants, by the Theiss natural gas-fired power plant (operating based on contractually guaranteed reserve capacity to provide network support for the Austrian transmission network operator) and in one cogeneration plant in Plovdiv, Bulgaria.
- 2019: Premature termination of EVN's hard coal-fired power plant in Dürnröhr
- 2021: Termination of electricity generation from coal with the sale of EVN's investment in the Walsum 10 hard coal-fired power plant

EVN is meanwhile one of the largest wind generation operators in Austria and its distribution grids connect renewable energy capacities to the grid as well as optimise the grid towards the needs of sustainable generation and e-mobility. In regards of e-charging infrastructure, EVN is also the largest operator of charging stations in Austria. Furthermore, EVN is active in the field of drinking water supply and wastewater disposal in Lower Austria.

EVN's strategy process was significantly influenced by the international frameworks applicable to the energy sector. Included here are the Sustainable Development Goals of the United Nations and the goals of global and European energy and climate policy (e.g. the Paris Climate Agreement and European Green Deal). These goals and policies are leading, in part, to massive changes in the framework and in the legal and regulatory requirements on energy providers. The determining change for our industry – and a central factor for our strategy – is the result of social and political efforts to achieve the fastest possible transition to a functioning renewable energy system in order to minimise sector-specific climate effects faster and even more clearly. It is also reflected in the inclusion of EVN's major stakeholders' central concerns in the strategy process. EVN's answer to these developments is the EVN Climate Initiative, which is based on the Strategy 2030.

EVN is becoming more and more an innovative and sustainable infrastructure partner with attention on the following central investment areas:

- Sustainable generation infrastructure: expansion of low carbon electricity generation (mainly through wind power and usage of solar photovoltaic technology)
- System critical infrastructure: expansion and operation of power grids and upgrading of distribution grids as well as grid-related services.
- Reliable and efficient drinking water supply
- E-charging infrastructure

With its Green Finance Framework, EVN aims at linking the already well-established and extensive sustainability elements on the asset side of the balance sheet of EVN Group to the liabilities side of the balance sheet. EVN is convinced that the connection of sustainable investment projects (Capex) with sustainable financing will be advantageous for all stakeholders.

On its Green Finance path EVN focuses on debt financing of eligible “green/environmental” projects in form of a “use of proceeds” approach as further described below. Possible further steps might be debt financing of social and/or governance projects for which the EVN Green Finance Framework would then be extended and adopted appropriately.

ESG- or sustainability-linked equity or debt financing is explicitly not subject of this framework.



### **3 Scope of the Framework**

The aim of this framework is to define how Green debt instruments are arranged within EVN Group.

This framework is valid for all explicit Green Finance instruments of EVN Group, including green bonds, green loans, promissory notes (Schuldscheindarlehen, Namensschuldverschreibungen), green project finance and any other financial debt instruments to which eligible green assets or projects are allocated.

This framework is based on the following existing international standards:

- The Green Bond Principles as published by the International Capital Market Association (ICMA) in June 2021 (with June 2022 Appendix 1)
- The Green Loan Principles published by APLMA/LMA/LSTA in March 2025

These principles are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond and Green Loan market.

Moreover, the classification system regarding environmentally sustainable economic activities established by European Commission and known as the “EU Taxonomy”<sup>1</sup> is a key reference for project evaluation and selection within the scope of EVN’s Green Finance Framework.

Future developments in the Green Financing standards may be incorporated in future versions of this Green Finance Framework.

External funding of EVN Group, e.g. in form of bonds or loans, is usually realised via EVN AG as debtor. The funds can then be allocated by EVN AG as lender to various operating subsidiaries as borrower (like e.g. EVN Naturkraft GmbH, EVN Wärme GmbH, evn wasser GmbH, Netz Niederösterreich GmbH) via intercompany-loan instruments for realisation of eligible projects.

In exceptional cases EVN group companies/subsidiaries do have their own indebtedness with lenders outside EVN Group. In any case, only EVN Group’s share of eligible green projects is linked to EVN Green Finance instruments.

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<sup>1</sup> [https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities\\_en#legislation](https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en#legislation)

### 3.1 Use of Proceeds

The net proceeds of Green Finance instruments will be used to finance or refinance in whole or in part any Eligible Green Projects/Activities according to the below table.

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 below (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
- must comply with minimum social safeguards according to the EU Taxonomy (Minimum Social Safeguards)

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

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.

### 3.2 Project evaluation and selection

The Eligible Green Projects need to fulfil the criteria of one of the Eligible Green Activities as defined under 3.1 and therefore need to positively contribute to the EU environmental objectives in accordance with the EU Taxonomy.

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 with regard to 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.

Eligible Green Projects to be allocated with proceeds from Green Finance instruments can be suggested by the business units or Corporate Finance or be chosen by the Green Finance Committee directly.

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. Furthermore, the Committee has the following responsibilities:

- Approval of the EVN Green Finance Framework (initial version and any amendments/updates), which has to be prepared by Corporate Finance in consultation with the members of the Green Finance Committee
- Monitoring the political, regulatory and legal framework and market standards for green finance, including an assessment of the consequences for the EVN Group
- Continued development of the methods and evaluation criteria for Eligible Green Projects
- Facilitating and monitoring post-issuance reporting (both allocation and where feasible impact reporting) on a timely basis
- Monitoring the need for delivery or updating external verification, such as the Second Party Opinion (SPO) on the EVN Green Finance Framework or e.g. the external assurance on appropriate allocation of proceeds to Eligible Green Projects
- Reviewing that the internal processes for identifying material risks of negative environmental and/or social impacts of EVN's activities on the Eligible Green Projects selected for Green Finance have been applied and that the corresponding risk mitigation measures have been implemented to the extent possible

EVN has introduced processes for EU Taxonomy Reporting (in accordance with Article 8 of the EU Taxonomy Directive ((EU)2020/852) in connection with the applicable delegated acts of the European Commission). The process of preparing the EU Taxonomy Report does not fall within the area of responsibility of the Green Finance Committee. Nevertheless, the EU Taxonomy Reporting is an essential basis for project evaluation and selection for Green Finance.

The following EVN policies and guidelines (not to be understood as an exhaustive list) are contributing to mitigation of environmental, social and governance risks:

- EVN Code of Conduct
- EVN Integrity Clause  
(The EVN Integrity Clause defines the guidelines for sustainable procurement and the duties and responsibilities of the business partners in this connection. As an integral part of every procurement activity, it is a binding requirement for all of EVN's business partners.)
- EVN sustainability guideline
- EVN human rights policy
- Manual on minimum social standards
- EVN managerial mission statement
- Various group policies on issues such as management of greenhouse gas emissions and transition risks, environmental pollution, water resources, engagement with employees, occupational safety, engagement with suppliers, end customers or affected communities

### 3.3 Management of Proceeds

EVN has defined reporting criteria and has put internal data systems in place to monitor the outstanding proceeds of Green Financing instruments internally. This enables adequate tracking of allocated and to be allocated proceeds.

Proceeds of Green Finance instruments can be allocated in the following forms:

- Refinancing of projects that qualify as Eligible Green Projects and have already reached their commercial operation date (realised projects). EVN believes that the allocation of proceeds to mainly already realised projects decreases uncertainty and risk potential and increases transparency and investor comfort.
- Financing of projects that qualify as Eligible Green Projects and that are currently in a final planning phase or under development (projects to be realised or in construction)

Unallocated proceeds are to be invested in any form of cash, bank deposit or other form of available current financial asset in line with EVN's applicable credit risk management rules.

Prior to issuance of each Green Finance instrument, EVN will inform its (potential) investors about which projects are to be refinanced, and to what extent proceeds are used to finance future investments.

- EVN aims at fully allocating 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 (within the maximum timeframe of 36 months).
- 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 / disbursement of the Green Finance instrument.

Regarding management of proceeds the following rules have been implemented within EVN Group:

- The proceeds of a Green Finance instrument can be allocated to one or several Eligible Green Projects within EVN Group. EVN will – via its Green Finance Committee – safeguard that all proceeds and cash flows with regard to Eligible Green Projects are monitored thoroughly inside EVN.
- In case a project with allocated proceeds has been stopped or has not been permitted, EVN will re-allocate the funds to other Eligible Green Projects. These adoptions would be monitored and included in the reporting on use of proceeds/allocation for the respective Green Finance instrument.
- In case a project with proceeds from green financing has reached the end of its lifetime before the final maturity of the respective financial instrument, proceeds will be re-allocated to other Eligible Green Projects. These adoptions would be monitored and included in the reporting on use of proceeds/allocation for the respective Green Finance instrument.
- In case a project where proceeds of green financing have been allocated to, no longer meets the eligible criteria according to 3.1, EVN intends to re-allocate proceeds into alternative Eligible Green Projects. These adoptions would be monitored and included in the reporting on use of proceeds/allocation for the respective Green Finance instrument.
- The proceeds of respective financial instruments will be either used for projects of EVN AG or subsidiaries wholly-owned by EVN AG. The usage of proceeds for projects of companies not wholly-owned by EVN AG is possible, but only in case the subsidiaries are controlled by EVN AG. The extent of dedication of proceeds for such not wholly-owned EVN group companies will be documented separately.
- Transfer of ownership or changes in the capital structure of EVN Group companies or assets held by EVN Group companies may occur. If such changes lead to a non-fulfilment of the rules described above (e.g. sale of assets / Eligible Green Projects to which Green Finance proceeds have been allocated to), proceeds need to be reallocated to other Eligible Green Projects.

### 3.4 Reporting

Green Finance standards recommend reporting on expected environmental impacts (Impact Reporting) and the use of Green Financing proceeds (Allocation Reporting).

#### 1. Allocation Reporting (Use of the Green Financing proceeds)

EVN will provide an Allocation Reporting for each Green Finance instrument on an annual basis until full allocation of proceeds or in case of reallocation of proceeds (again on an annual basis until the reallocation process has been finished). The Allocation Reporting will contain:

- Total amount of proceeds allocated to EU Taxonomy aligned projects per Eligible Green Project Category
- Geographic location of projects to which proceeds have been allocated to per Eligible Green Project Category
- Total amount of unallocated proceeds, if any
- Reasoning for reallocation and status of reallocation, if any
- Confirmation on the exclusion of double counting



Each Allocation Report shall be provided no later than 6 months after the end of EVN's business year based on the information provided by EVN in its annual Full Report as published on the website [www.evn.at](http://www.evn.at).

For Green Finance instruments in form of public bonds or similar instruments, the Allocation Report will be published at EVN's website (Investor Relations section). For private placements or similar transactions with a limited number of investors, the Allocation Report 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 Reporting per individual Green Finance instrument, EVN may choose to publish data on allocation of proceeds to Eligible Green Project Categories on an aggregated basis / portfolio basis for all EVN Green Finance instruments outstanding.

## 2. Impact Reporting (Environmental impacts / sustainability benefits)

Subject to the availability of suitable data and in coordination with the respective investors, EVN will define (in the respective documentation) for each Green Finance instrument the scope of feasible Impact Reporting to be provided.

Each defined/agreed Impact Report shall be provided on an annual basis (until full repayment of the proceeds from a Green Finance instrument) no later than 6 months after the end of EVN's business year based on the information provided by EVN in its annual Full Report as published on the website [www.evn.at](http://www.evn.at).

For Green Finance instruments in form of public bonds or similar instruments, the defined/agreed Impact Report (if any) will be published at EVN's website (Investor Relations section). For private placements or similar transactions with a limited number of investors, the defined/agreed Impact Report (if any) will be directly sent to the respective investors or will be made available for the investors through the responsible (paying) agent.

In addition to an Impact Reporting per individual Green Finance instrument, EVN may choose to publish data on impact reporting indicators on an aggregated basis / portfolio basis for all EVN Green Finance instruments outstanding.

Examples for impact reporting indicators that can be assessed and reported are:

Eligible Green Project Category	Possible impact reporting indicator(s)
Power generation plants using solar photovoltaic technology	<ul style="list-style-type: none"> <li>→ Annual Green House Gas (GHG) emissions avoided by specific projects financed (Scope 1+2 in t CO<sub>2</sub>e/business year)</li> <li>→ Annual energy produced by specific projects financed (MWh per business year)</li> </ul>
Onshore wind power generation plants	<ul style="list-style-type: none"> <li>→ Annual Green House Gas (GHG) emissions avoided by specific projects financed (Scope 1+2 in t CO<sub>2</sub>e/ business year)</li> <li>→ Annual energy produced by specific projects financed (MWh per business year)</li> </ul>
Electricity transmission and distribution infrastructure	<ul style="list-style-type: none"> <li>→ Renewable energy fed into the distribution system (MWh per business year and change compared to previous business year)</li> <li>→ Connected renewable energy capacity to the distribution system in MW and change compared to previous business year</li> </ul>
Water supply infrastructure	<ul style="list-style-type: none"> <li>→ Water pipe lengths/networks in km (cross-regional / to end customers)</li> </ul>
E-mobility charging infrastructure	<ul style="list-style-type: none"> <li>→ Number of e-charging stations (for the specific projects financed)</li> <li>→ Number of e-charging procedures (for the specific projects financed)</li> </ul>

As reference for impact reporting indicators EVN uses ICMA's Handbook "Harmonised Framework for Impact Reporting" (in the most recent version).

### 3.5 External Review

The issuance of Green Finance instruments by EVN is supported by external reviews to ensure maximum transparency and certainty for investors. There are two levels of external review:

#### **1) Level one – Second Party Opinion on EVN Green Finance Framework**

This EVN Green Finance Framework has been reviewed by rfu research GmbH who has issued an independent Second Party Opinion. The EVN Green Finance Framework as well as the Second Party Opinion relating to it will be accessible through EVN's website.

#### **2) Level two – Assurance on appropriate allocation of proceeds & impact reporting**

EVN will commission an audit by an independent external verifier (which includes, for the avoidance of doubt, also EVN's auditor) on the Allocation Reporting for each Green Finance instrument on an annual basis until full allocation of proceeds or in case of reallocation of proceeds (again on an annual basis until reallocation process has been finished) in case such external assurance is required by the respective investors.

Each assurance on EVN's Allocation Report shall be provided no later than 6 months after the end of EVN's business year based on the information provided by EVN in its annual Full Report as published on the website [www.evn.at](http://www.evn.at). For Green Finance instruments in form of public bonds or similar instruments, the audit report on the Allocation Report will be published at EVN's website (Investor Relations section). For private placements or similar transactions with a limited number of investors, the audit report on the Allocation Report will be directly sent to the respective investor or will be made available for the investor through the responsible (paying) agent.

The same applies to the review of the Impact Reporting in case such Impact Reporting is available for a Green Finance instrument.

## Disclaimer

Certain statements made in this document may constitute „Forward-Looking Statements“ within the meaning of the U.S. federal securities law. Forward-looking information is subject to various known and unknown risks and uncertainties. These include statements concerning our expectations and other statements that are not historical facts.

EVN believes any such statements are based on reasonable assumptions and reflect the judgement of EVN’s management based on factors currently known by it.

No assurance can be given that these forward-looking statements will prove accurate and correct, or that anticipated, projected future results will be achieved.

For additional information regarding risks, investors are referred to EVN’s latest Annual report and Ad-hoc announcements.

