

European Green Bond Factsheet

October 2025



This document and its contents are not subject to any approval or endorsement from ESMA or any other competent authority.

1. General information

Date of publication of the European Green Bond Factsheet: 13 October 2025

Legal name of the issuer: Latvenergo AS

LEI: 213800DJRB539Q1EMW75

Website address providing investors with information on how to contact the issuer:
<https://latvenergo.lv/en/kontakti>

Name of the bond(s) assigned by the issuer:

This European Green Bond Factsheet (the “Factsheet”) will cover issuances of the Latvenergo’s European Green Bonds (“EuGBs”).

ISIN of the bond(s):

This Factsheet will be used for multiple issuances. The ISIN of each bond covered by this Factsheet can be found on [Latvenergo’s website](#).

Planned issuance date or period:

This Factsheet will cover Latvenergo’s EuGB issuances from 2025 onwards.

This Factsheet will be used for multiple issuances and will remain valid and applicable for Latvenergo’s EuGB issuances until revised. The Factsheet may be amended from time to time to reflect market developments, including changes to the EU Taxonomy as well as developments around the European Green Bond Regulation, with the aim of adapting to, and aligning with, best market practices. Any amended Factsheet will be subject to review by an external verifier. Any updates to this Factsheet will be published on the Latvenergo’s website and will be communicated by the issuer through the usual channels to market participants.

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Competent Authority: Commission de Surveillance du Secteur Financier (CSSF) is the

competent authority approving the Base Prospectus

2. Important information

These bonds use the designation ‘European Green Bond’ or ‘EuGB’ in accordance with Regulation (EU) 2023/2631 of the European Parliament and of the Council¹.

EuGBs issued under this Factsheet are also aligned with the four core components of the Green Bond Principles as administered by the International Capital Markets Association (ICMA)².

¹ Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds.
Available at: <http://data.europa.eu/eli/reg/2023/2631/oj>

² ICMA Green Bond Principles June 2025:
<https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Green-Bond-Principles-GBP-June-2025.pdf>

3. Environmental strategy and rationale

At this stage, Latvenergo does not intend to obtain an external review of the information submitted under this Section via a review of its impact reports.

Overview

Latvenergo Group is one of the largest providers of energy supply services in the Baltics, operating in:

- Electricity and thermal energy generation and trade
- Natural gas trade
- Trade in products and services related to electricity consumption and energy efficiency
- Electricity distribution

The Group's operations have been organized into two operating segments. One segment covers generation and trade, while the other comprises the distribution of electricity.

The Group comprises the parent company Latvenergo AS, with decisive influence, and a set of subsidiaries³. All shares of Latvenergo AS are owned by the Republic of Latvia, and they are held by the Ministry of Economics of the Republic of Latvia.

Sustainability Matters in the Group's Strategy

In 2023, the Latvenergo Group developed its Sustainability Strategy for 2024–2026 under the guidance of the Sustainability Committee. This strategy was subsequently approved by the Management Board of Latvenergo AS. The strategy complements the Group's Medium-term Operational Strategy 2022-2026, focusing on sustainable growth and contributing to the UN Sustainable Development Goals. The need for such sustainability course was confirmed by stakeholders who emphasize that sustainability should be a top priority for state-owned companies, ensuring that economic development aligns with societal value creation.

The Sustainability Strategy is structured around environmental, social, governance, and sustainable finance issues. Each section identifies key areas with specific targets, commitments, and indicators to be achieved⁴. Responsibilities for implementation are clearly defined, involving various units, experts, and subsidiaries within the Group. Prior to the strategy's approval, seminars were organized for employees of Latvenergo AS, Sadales tīkls AS, and Elektrum companies in Lithuania and Estonia, as well as for external stakeholders, to ensure broad understanding and support.

In 2024, the subsidiaries — Sadales tīkls AS, Elektrum Lietuva UAB, and Elektrum Eesti OÜ — developed and approved their own sustainability strategies or action plans. These plans incorporated relevant activities from the

Group's Sustainability Strategy and added specific actions tailored to their operations. This ensured a cohesive approach to sustainability across the entire Group.

The Group's policies outline the principles guiding its activities, incorporating international legal norms and fundamental values. Policies are regularly reviewed and updated to ensure they remain relevant and effective.

To promote innovation, the Group's Sustainability Strategy sets a target of allocating at least 0.5% of the Group's average turnover over the last five years to innovation, research, and development (3% in 2024). Additionally, the Group has introduced automatic accounting of R&D and innovation costs, with new functionality integrated into its IT systems. The development and implementation of this system will continue in 2026. The Group has also set a target to ensure that at least 80% of its investments are aligned with the EU Taxonomy (95% in 2024).

³ Information about the participating interest in the subsidiaries and their locations is disclosed in [Annual Report](#)

⁴ Information about the main KPIs and performance is disclosed in [Annual Report](#)

Targets of the Group's Sustainability Strategy

Environment	Social	Governance	Sustainable finance
Climate achieve climate neutrality by 2050 Pollution reduce pollution Circular economy reduce resource consumption and promote a circular economy Water reduce impacts on water resources Biodiversity reduce impacts on biodiversity Technology and innovation increase efficiency of current operations and develop new sources of revenue	Working environment create a sustainable working environment for the development of future competencies Critical resources ensure the protection of critical resources for the benefit of the company and its customers Education and science promote education and science Investments in society invest in society and public know-how Customers promote sustainability on the customer side	Managing sustainability areas ensure integrated and effective management of sustainability Business ethics ensure fair, just and respectful labour and business relations Relations with suppliers purchase goods and services responsibly Transparency and openness ensure transparency and openness in line with best practice	Investments invest responsibly Funding for innovation, research & development develop products and services and improve operational efficiency

Sustainability Management Structure

The Latvenergo Group employs a structured approach to sustainability management, ensuring that responsibilities are shared across various units and experts within the organization. This decentralised approach allows specialists in each area to lead progress in their respective sustainability issues, while the Investor Relations and Sustainability Unit of Latvenergo AS plays a key coordinating role. This approach has created a broad coverage of sustainability issue management within the Group, ensuring that the necessary knowledge, skills, and competencies are available to support the Management Board and Supervisory Board in managing sustainability affairs and processes. The Latvenergo Group has also established a Sustainability Committee that serves as an advisory body to the Management Board of Latvenergo AS on sustainability issues.

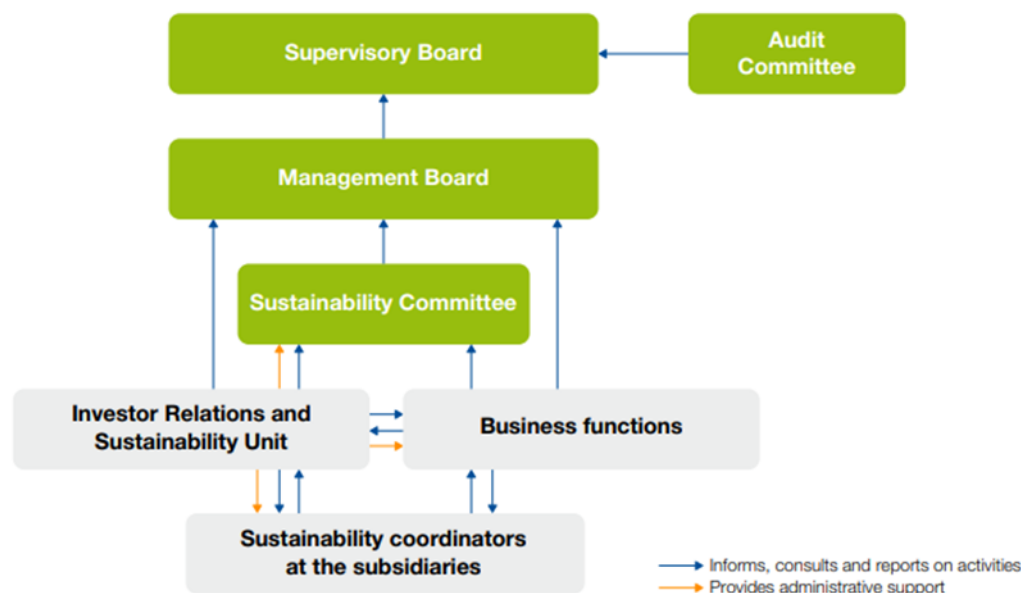
Roles and Responsibilities

The Management Board of Latvenergo AS is responsible for implementing the Group's strategy and policies, regularly reporting their activities to the Supervisory Board. To enhance their understanding of sustainability, members of the Management and Supervisory Boards engage in various educational initiatives, such as seminars and conferences.

The Sustainability Committee of Latvenergo Group aims to improve the Group's sustainability performance. Chaired by the Chief Financial Officer, the committee reports to the Management Board twice a year on the status of the Sustainability Strategy's implementation, among other matters. The committee meets at least four times a year and is also tasked with reviewing and updating the list of impacts, risks and opportunities (IROs) annually, reporting the results to the Management Board for confirmation.

At the Group's major subsidiaries — Sadales tīkls AS, Elektrum Lietuva UAB, and Elektrum Eesti OÜ — specific members of their Management Boards are appointed to oversee sustainability affairs. Each company also has a designated contact person for sustainability.

Business functions are responsible for advancing their respective sustainability areas, implementing the Group's Sustainability Strategy goals and activities, and achieving set indicators. Annual goals for these business functions are aligned with the Group's strategic objectives, and their implementation is closely monitored by the Management Board / Chief Officers.



Policies Adopted to Manage Sustainability Matters

Latvenergo Group acknowledges its significant role in the economic development of Latvia and conducts its business responsibly, considering the requirements of the environment, employees, society, and best corporate governance practices. The strategic objective set by the Group's shareholder is to contribute to the competitiveness and growth of a climate-neutral Latvia. This objective aims to increase the value of Latvenergo Group in its home market in the Baltics and beyond through sustainable, innovative, and economically sound development.

To manage its sustainability matters, Latvenergo Group relies on a comprehensive set of internal documents, policies, guidelines, and regulations. These documents are developed in compliance with regulatory requirements and are guided by internationally recognized best practices. The Group also engages its stakeholders in addressing and assessing mutually material issues. The Group adheres to high standards of professional ethics and encourages its contractual partners to do the same.

The most important documents regulating sustainable operations at the Group are:

- **Latvenergo Group Medium-term Operational Strategy 2022–2026:** Outlines the Group's strategic goals and initiatives for the medium term, ensuring sustainable growth and development

- **Latvenergo Group Sustainability Strategy 2024–2026:** Complements the Medium-term Operational Strategy with specific actions and targets related to environmental, social, governance, and sustainable finance issues
- **[Latvenergo Group Corporate Governance Policy](#):** Defines the principles and practices for effective corporate governance within the Group, highlighting the importance of responsible business operations towards the environment, employees and society
- **[Latvenergo Group Sustainability Policy](#):** Sets common principles for the sustainable development of the Group, aligned with international sustainability practices and national laws
- **[Latvenergo Group Code of Ethics](#):** Establishes ethical standards and guidelines for the Group's operations and interactions with stakeholders

Rationale for European Green Bond Issuance

Latvenergo's EuGBs are expected to be allocated to projects that align with the Group's strategy, focusing on renewable energy generation, electricity distribution, and infrastructure for low-carbon road transportation. By investing in these areas, Latvenergo's EuGBs will contribute to the Group's efforts of doubling its renewable energy generation capacity by 2030. Through these investments, the Group's Sustainability Strategy - which sets out commitments and targets related to climate, pollution, circular economy, and biodiversity - will be effectively supported.

Link with the assets, turnover, CapEx, and OpEx key performance indicators

The bond proceeds are expected to contribute to financing Latvenergo Group's EU Taxonomy-aligned capital and operational expenditures specifically for renewable energy production, electricity distribution, and low-carbon road transport infrastructure. This investment is expected to increase the Group's portfolio of sustainable projects, aligning with EU Taxonomy criteria and enhancing overall environmental performance. By supporting the development of renewable energy generation capacity, and expanding the electric car charging network, the bonds will also drive EU Taxonomy-aligned turnover growth.

Link to the transition plans

The Group is committed to achieving climate neutrality by 2050, aligning with the Paris Agreement's goal of limiting global warming. The transition strategy focuses on increasing renewable energy capacity, developing the electricity network, enhancing energy efficiency, and implementing further decarbonisation measures. The approach to achieving these climate targets involves consistent environmental work, regular progress monitoring, and independent expert assessments. The climate targets are integrated into the Group's Sustainability Strategy and are published in [Annual Report](#). Key climate targets include a medium-term goal to reduce direct GHG emissions by 47% by 2030 (compared to 2021) while increasing the share of electricity generation from renewable

energy sources (RES) to 80%. In the long term, the Group is taking steps in the direction to achieving climate neutrality in electricity generation by 2040. To reach this ambitious goal, the Group is actively developing renewable energy capacities, researching generation portfolio decarbonisation solutions and assessing other technological options to reduce emissions. Substantial investments will be made using internal resources, green financing, and co-financing from EU funds. The Group assessed physical climate risks to understand how climate change could impact its operations. In 2024, Latvenergo AS obtained a [Moody's assessment](#) of its climate targets and the feasibility of achieving them, receiving an NZ-3 score on the Net Zero Assessment climate target scale. This score according to Moody's assessment methodology confirms that Latvenergo's ambition score is well below 2°C, consistent with Paris Agreement goals.

The Group's decarbonisation measures include expanding the use of RES through investments in new wind and solar parks in combination with energy storage solutions, as well as improving efficiency and prolonging lifetime of existing hydro power plants to increase renewable energy production. Efficiency improvements involve the modernisation and digitalisation of electricity distribution infrastructure to reduce energy losses and promote renewable energy microgeneration sources and public electrical charging points connection to the grid and integration in the market. The Group is also assessing and gradually implementing economically viable options for reducing fossil

fuel consumption and decarbonising generation portfolio. In the area of products and services, the Group plans to pursue technological modernisation, including the development of electric car charging infrastructure with an expected 1,200–1,500 charging ports in the Baltics by 2026 and 3,000 by 2030. Particular attention is being paid to ensuring that the Trans-European Transport Network (TEN-T) has charging options for cars as well as cargo and heavy vehicles. In developing the product and service portfolio, the focus is on expanding the green energy offering and improving energy efficiency services to provide clients with advice and solutions for optimising their energy consumption and reducing emissions. Investment projects are being developed in line with the EU Taxonomy regulations and climate neutrality targets.

Latvenergo's Transition Plan is available in its [Annual Reports](#).

4. Intended allocation of bond proceeds

Intended allocation to EU Taxonomy-aligned economic activities

- Latvenergo may allocate proceeds towards capital expenditures and operational expenditures in accordance with the gradual approach. The EuGBs are not securitised bonds
- 100% of the EuGB proceeds will be earmarked to environmentally sustainable activities under Article 3 of Regulation (EU) 2020/852
- The targeted environmental objective of the EuGBs, as referred to in Article 9 of Regulation (EU) 2020/852, is climate change mitigation

Proceeds from the issuance of EuGBs may be earmarked to the following EU Taxonomy economic activities:

- 4.1 Electricity generation using solar photovoltaic technology
- 4.3 Electricity generation from wind power
- 4.5 Electricity generation from hydropower
- 4.9 Electricity transmission and distribution
- 4.10 Storage of electricity
- 6.15 Infrastructure enabling low-carbon road transport and public transport

The economic activities described above are related to the Renewable Energy and Clean Transportation categories as per the Green Bond Principles categories proposed by ICMA.

For a more detailed overview of the Eligible Green Projects, please see Table 1: Overview of intended allocation of bond proceeds.

Capital expenditures qualify for refinancing with no lookback period as long as the corresponding assets to which the capital expenditure is applied remain in operational use, follow the relevant eligibility criteria at the time of issuance, and are still assessed as making a meaningful impact.

Operational expenditures qualify for refinancing with a 3-year lookback period.

Prior to the issuance of EuGBs, Latvenergo intends to disclose to investors the proportion of proceeds to be allocated for financing versus refinancing, where available.

Latvenergo annually publishes information on the proportion and amount of capital and operational expenditures associated with EU Taxonomy-aligned economic activities in its [Annual Reports](#). This includes information on activities that may be earmarked to proceeds from EuGBs.

Intended allocation to specific EU Taxonomy-aligned economic activities

Latvenergo may earmark proceeds towards the following green enabling activities under the EU Taxonomy:

- 4.9 Transmission and distribution of electricity (NACE code D35.13)
- 4.10 Storage of electricity (NACE code D35.16)

- 6.15 Infrastructure enabling low-carbon road transport and public transport (NACE code D35.15)

No EuGB proceeds will be allocated to transitional activities under the EU Taxonomy.

No EuGB proceeds will be allocated to EU Taxonomy-aligned activities related to nuclear energy and fossil gas.

Intended allocation to economic activities not aligned with the technical screening criteria

No EuGB proceeds will be allocated to economic activities not aligned with the technical screening criteria of the EU Taxonomy.

Table 1: Overview of intended allocation of bond proceeds

ICMA Green Bond Principles Category	EU Environmental Objective	EU Taxonomy activity	NACE codes	Description	UN SDGs
Renewable Energy	Climate change mitigation	4.1 Electricity generation using solar photovoltaic technology	D35.11 and F42.22	Construction, operation, installation, maintenance and repair activities dedicated to generate electricity using: • Solar photovoltaic technology • Wind • Hydropower	  
		4.3 Electricity generation from wind power	D35.11 and F42.22		
		4.5 Electricity generation from hydropower	D35.11 and F42.22		
		4.9 Transmission and distribution of electricity	D35.13	Construction, operation, installation, maintenance and repair activities dedicated to distribution infrastructure or equipment in an electricity system that is the interconnected European system	
		4.10 Storage of electricity	D35.16	Construction and operation of facilities that store electricity and return it at a later time in the form of electricity	
Clean Transportation		6.15 Infrastructure enabling low-carbon road transport and public transport	D35.15	Construction, modernisation, maintenance and operation of infrastructure that is required for zero tailpipe CO₂ operation of zero-emissions road transport, as well as infrastructure dedicated to transshipment, and infrastructure required for operating urban transport The infrastructure is not dedicated to the transport or storage of fossil fuels	 

Process and timeline for allocation

Process for selecting Eligible Green Projects

The Environmental Management department, in conjunction with the Treasury department, is responsible for overseeing the governance of EuGBs. Other representatives of the Group may be consulted as required.

The primary objective of the Environmental Management and Treasury departments is to analyse the Group's projects on a quarterly basis to identify Eligible Green Projects that comply with the relevant EU Taxonomy criteria. Additionally, these departments are tasked with:

- Reviewing and monitoring the continuous compliance of Eligible Green Projects
- Excluding projects that are no longer aligned with the EU Taxonomy criteria or have been cancelled or divested, and
- Replacing non-compliant projects as soon as reasonably practicable on a best-efforts basis

A list of allocated Eligible Green Projects is maintained by the Treasury department, with Latvenergo's Treasurer responsible for keeping this list up to date. The quarterly list of the Eligible Green Expenditures is approved by Latvenergo's Chief Financial Officer.

Furthermore, the Environmental Management and Treasury departments are responsible for:

- Preparing Latvenergo's allocation and impact reporting, as outlined in Section 6 of this Factsheet, including external verification and publication

- Reviewing the European Green Bond Factsheet and introducing any changes to the Factsheet, if necessary

Management of Environmental and Social Impacts (Do No Significant Harm' and 'Minimum Safeguards')

All expenditures and capital investments are approved in accordance with the general policies of the Group. All Eligible Green Projects have been assessed to ensure compliance with the Do No Significant Harm (DNSH) criteria in line with the EU Taxonomy Regulation. A systematic internal assessment is conducted to ensure that each project does not significantly harm any of the six EU environmental objectives. This includes a systematic review of DNSH compliance across all eligible activities, supported by relevant documentation and expert evaluation. In addition, Latvenergo ensures compliance with the Minimum Safeguards as defined in Article 18 of the EU Taxonomy Regulation.

Latvenergo's internal policies and governance frameworks explicitly reference these international standards and reaffirm the Group's commitment to promoting and respecting human rights, labor rights, and ethical business conduct. These safeguards are integrated into project planning, procurement, and implementation processes, and are subject to regular review and oversight.

Management of proceeds

An amount equivalent to the proceeds of each EuGB is earmarked against an equivalent amount of Eligible Green Projects and tracked internally through a register. Latvenergo aims to earmark an amount equivalent to the proceeds of its EuGB issuances within 24 months from the issuance date of the relevant bond, on a best-efforts basis. If any projects are no longer eligible, Latvenergo will substitute them as soon as practicable once an appropriate substitution option has been identified, on a best-efforts basis.

Where proceeds cannot be immediately earmarked for allocation or reallocation, they will be placed in Latvenergo's liquidity reserves and managed at its own discretion, in accordance with Latvenergo's liquidity management policy.

Issuance costs

Latvenergo will allocate the proceeds from the issuance of EuGBs to environmentally sustainable activities, without deducting of costs related to issuance of the bonds.

5. Environmental impact of bond proceeds

Latvenergo will, after the full allocation of an amount equal to the proceeds of each EuGB, and at least once during the bond lifetime, draw up and make public a European Green Bond impact report on the environmental impact of the use of the bond proceeds, in accordance with Article 12(1) of Regulation (EU) 2023/2631.

Renewable Energy

Eligible Green Projects are expected to help maintain and enable a high share of renewables in Latvenergo's energy generation, thereby enabling a reduction in CO_{2e} emissions. Electricity distribution projects are also anticipated to enhance grid reliability, enabling the integration of RES and electric vehicle charging network. Additionally, they are expected to reduce emissions by decreasing electricity losses and contribute to smart grid development, thus ensuring smarter energy consumption.

Clean Transportation

Eligible Green Projects are expected to help enable the reduction of CO_{2e} emissions by fostering electric vehicle adoption through the expansion of the charging infrastructure. Special focus is given to ensuring that the Trans-European Transport Network provides charging solutions for both passenger cars and cargo and heavy vehicles.

Table 2: Overview of examples of potential impact indicators per EU Taxonomy activity

ICMA Green Bond Principles Category	EU Taxonomy Activity	Potential Impact Indicators
Renewable Energy	4.1 Electricity generation using solar photovoltaic technology	- Estimated CO₂ emissions avoided (tCO_{2e}) - Additional capacity of renewable energy constructed or rehabilitated (MW) - Annual renewable energy generation in MWh
	4.3 Electricity generation from wind power	- Estimated CO₂ emissions avoided (tCO_{2e}) - Additional capacity of renewable energy constructed or rehabilitated (MW) - Annual renewable energy generation in MWh
	4.5 Electricity generation from hydropower	- Estimated CO₂ emissions avoided (tCO_{2e}) - Annual renewable energy generation in MWh
	4.9 Transmission and distribution of electricity	- Estimated CO₂ emissions avoided (tCO_{2e}) - Annual average system grid emissions factors (gCO_{2e}) - Share of newly enabled generation capacity in the system below the threshold of 100g CO_{2e}/kWh (%)
	4.10 Storage of electricity	Estimated CO₂ emissions avoided (tCO_{2e})
Clean Transportation	6.15 Infrastructure enabling low-carbon road transport and public transport	- Estimated CO₂ emissions avoided (tCO_{2e}) - Number of EV charging units installed (#)

At this stage, Latvenergo cannot provide precise environmental impact indicators due to variations in allocations to eligible categories. Latvenergo will therefore look to provide quantitative information on the environmental impact of bond proceeds in post-issuance reporting. Latvenergo will also look to disclose the key underlying methodologies and assumptions used in quantifying its impact reporting.

6. Information on reporting

Latvenergo's impact and allocation reporting on its EuGBs will be available in the section [Investors / Financial information / Bonds](#) of the Latvenergo website. Other relevant reports will be available in the section [Investors / Reports and presentations](#).

Allocation reports will be issued by Latvenergo in accordance with Article 11(1) of the Regulation (EU) 2023/2631. Latvenergo will publish the allocation report within 270 days after the last day of the calendar year of issuance. The allocation reports will include economic activity-level information on amounts allocated and the associated environmental impacts, where feasible.

7. Capex plan

Latvenergo will only earmark proceeds of EuGBs to Eligible Green Projects fully aligned with the EU Taxonomy. The CapEx plan referred to in Article 7 of Regulation (EU) 2023/2631 is therefore not applicable.

8. Other relevant information

Not applicable.