



European Green Bond Allocation Report

August 2026



European Green Bond XS3227294132

Allocation Report 2025

1. General information

Date of issuance of the bond: 13 November 2025

Date of publication of the allocation report: 2 September 2026

Reporting period: 01.01.2025 – 31.12.2025

The legal name of the issuer: Latvenergo AS

LEI of the issuer: 213800DJRB539Q1EMW75

Website address providing investors with information on how to contact the issuer:

<https://latvenergo.lv/en/kontakti>

Name of the bond assigned by the issuer:

EUR 400 million 3.612% EU Green Bonds due 13 November 2030

FISN: LATVENERGO AS/MTN 20301112

ISIN of the bond: XS3227294132

Identity and contact details of the external reviewer:

Sustainable Fitch Ireland Limited

Register Number: 717976 | LEI: 213800JBPPIRON5YQ587

Registered Office: 88 Harcourt Street, Dublin 2, D02 DK18, Ireland

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Name of the competent authority that has approved the bond prospectus: Commission de Surveillance du Secteur Financier (CSSF)

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 Council.

3. Environmental strategy and rationale

Overview

In 2023, the Latvenergo Group developed its Sustainability Strategy for 2024–2026¹. The strategy complements the Group's Medium-term Operational Strategy 2022-2026, focusing on sustainable growth and contributing to the UN Sustainable Development Goals.

Latvenergo's EuGBs are allocated to projects that align with the Group's strategy, focusing on renewable energy generation (contributing to the Group's efforts of doubling its renewable energy generation capacity by 2030), and infrastructure for low-carbon road transportation pursuing the climate change mitigation environmental objective as referred to in Article 9 of Regulation (EU) 2020/852.

¹ Information about the main KPIs and performance is disclosed in [Annual Report](#)

Table 1: Overview of the economic activities financed by the bond

EU objective	Activity	Allocation, EUR million	% of the bond
Climate change mitigation	Solar photovoltaic plants	21.8	5.5
	Wind power plants	351.3	87.8
	Hydropower plants	19.7	4.9
	Storage of electricity	5.7	1.4
	Low carbon transport infrastructure	1.5	0.4
Total		400.0	100.0

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

The bond proceeds contribute to financing Latvenergo Group's EU Taxonomy-aligned capital and operational expenditures. This investment increases the Group's portfolio of sustainable projects aligned with EU Taxonomy criteria and enhances overall environmental performance. The Group has also set a target to ensure that at least 80% of its investments are aligned with the EU Taxonomy (97.5% in 2025).

By supporting the development of renewable energy generation capacity, and expanding the electric car charging network, the bonds also drive EU Taxonomy-aligned turnover growth.

Table 2: Overview of Taxonomy-aligned CapEx and OpEx financed/refinanced by the bond

Type	Reporting year	Taxonomy aligned expenditures		Aligned amount financed and refinanced by the bond	
		million EUR	% of total aligned	million EUR	% of total aligned
CapEx	2025	772.3	97.5	328.8	42.6
	2024	502.3	94.7	50.0	9.9
OpEx	2025	14.5	49.0	0.4	2.8
	2024	17.3	43.9	20.8	62.1
	2023	16.2	44.3		
Total				400.0	

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 the [Annual Reports](#). 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 to achieve 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'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 the efficiency and prolonging the lifetime of existing hydro power plants to increase renewable energy production. Efficiency improvements also involve the modernisation and digitalisation of electricity distribution infrastructure to reduce energy losses and promote

renewable energy microgeneration sources and connection of public electrical charging points 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 the 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](#).

Securitisation

This European Green Bond is not a securitisation bond.

4. Allocation of bond proceeds

Allocation to EU Taxonomy-aligned economic activities

- Latvenergo has allocated proceeds towards capital expenditures and operational expenditures in accordance with the gradual approach. The EuGBs are not securitised bonds
- 100% of the EuGB proceeds have been used for 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

Please see Table A below for the allocation of proceeds for each economic activity.

Allocation to specific EU Taxonomy-aligned economic activities

Please see Table 3 below for the allocation of proceeds to activities making a substantial contribution to climate change mitigation and enabling activities under the EU Taxonomy.

No EuGB proceeds have been allocated to transitional activities under the EU Taxonomy.

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

Allocation to economic activities not aligned with the technical screening criteria

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

Issuance costs

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

Table 3: Allocation of proceeds towards the substantial contribution activities and the enabling activities under the EU Taxonomy

EU Taxonomy activity	NACE code	Allocation	
		EUR million	Financing / refin., %
4.1 Electricity generation using solar photovoltaic technology (substantial contribution activity)	D35.11 and F42.22	21.8	100/0
4.3 Electricity generation from wind power (substantial contribution activity)	D35.11 and F42.22	351.3	86/14
4.5 Electricity generation from hydropower (substantial contribution activity)	D35.11 and F42.22	19.7	0/100
4.10 Storage of electricity (enabling activity)	D35.16	5.7	100/0
6.15 Infrastructure enabling low-carbon road transport and public transport (enabling activity)	D35.15	1.5	28/72
Total		400.0	

5. Environmental impact of bond proceeds

A separate impact report will be provided at least once during the bond lifetime.

6. Information on reporting

Issuer's website: <https://latvenergo.lv/en>

Link to the Factsheet:

<https://latvenergo.lv/en/investoriem/finansu-informacija#obligacijas>

Link to the pre-issuance review:

<https://latvenergo.lv/en/investoriem/finansu-informacija#obligacijas>

Link to the Annual Reports (which include Sustainability Statements): <https://latvenergo.lv/en/investoriem/parskati>

7. Capex plan

No CapEx plan referred to in Article 7 of Regulation (EU) 2023/2631 is applicable as the Issuer has allocated the proceeds of EuGBs to activities fully aligned with the EU Taxonomy.

8. Other relevant information

These EuGBs are also aligned with the four core components of the Green Bond Principles of June 2025 as administered by the International Capital Markets Association (ICMA).

Table A: Taxonomy alignment of proceeds information for bonds making use of the gradual approach to the allocation of bond proceeds

1. Economic activity, location and description			2. Amount of proceeds allocated from the bond		3. Share of total proceeds used for financing or refinancing (earlier)		4. Type and sector of economic activities		5. Amount of proceeds allocated from the bond(s) that are taxonomy-aligned		6. Environmental objectives and technical screening criteria			7. Nature of environmentally sustainable assets and expenditure	
1.1	1.2	1.3	2.1 and 2.2	2.3	3.1 and 3.2		4.1	4.2	5.1 and 5.3	5.2 and 5.4	6.1	6.2	6.3	7.1	7.2
Economic activity	Location	Basic description	Allocated since the issuance date and in the reporting period	Share funded by the bond*	The share of the amount in column 2.1 and 2.2. used for financing and refinancing		Sector	NACE codes	Allocated amount aligned with EU Taxonomy since the issuance date and in the reporting period	Share of amount given in column 2.1 and 2.2	Targeted environmental objective	Applicable delegated acts, and their application dates	Information on the methodology and assumptions	CapEx of amount given in column 5.3, reporting period	OpEx of amount given in column 5.3, reporting period
			EUR	%	financ.	refin.			EUR	%				CapEx, EUR	OpEx, EUR
Solar photovoltaic plants	Latvia, Lithuania	Construction, operation, installation, maintenance and repair activities dedicated to generating electricity using solar photovoltaic technology.	21 806 308	13%	100%	0%	Energy	D35.11 and F42.22	21 806 308	100%	Climate change mitigation	Commission Delegated Regulation (EU) 2021/2139, applicable from reporting year 2022	See Appendix I "EU Taxonomy alignment"	21 806 308	0
Wind power plants	Latvia, Lithuania	Construction, operation, installation, maintenance and repair activities dedicated to generating electricity using wind.	351 265 367	62%	86%	14%	Energy	D35.11 and F42.22	351 265 367	100%				351 265 367	0
Hydropower plants	Latvia	Construction, operation, installation, maintenance and repair activities dedicated to generating electricity using hydropower.	19 739 198	53%	0%	100%	Energy	D35.11 and F42.22	19 739 198	100%				0	19 739 198
Storage of electricity	Latvia, Lithuania	Construction and operation of facilities that store electricity and return it later in the form of electricity.	5 672 621	57%	100%	0%	Energy	D35.16	5 672 621	100%				5 672 621	0
Low carbon transport infrastructure	Latvia	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.	1 516 506	100%	28%	72%	Transportation	D35.15	1 516 506	100%				0	1 516 506
			400 000 000		82%	18%			400 000 000	100%				378 744 296	21 255 704

*The share is calculated as a percentage of the total eligible expenditure incurred during the reporting years from which the financing for that economic activity is sourced. For activities financed solely through CapEx or OpEx, the denominator is the total eligible CapEx or OpEx incurred in the relevant reporting years. For activities financed through both CapEx and OpEx, the denominator is the combined total eligible CapEx and OpEx incurred in those reporting years.

Table A: Totals

	Since issuance	Reporting period
Total amount of bond proceeds allocated	400 000 000	400 000 000
Of which, total amount of bond proceeds allocated to Taxonomy-aligned economic activities	400 000 000	400 000 000
Of which, allocated to Taxonomy-aligned CapEx		378 744 296
Taxonomy-aligned OpEx		21 255 704
Taxonomy-aligned [other]		0

Appendix I

EU Taxonomy alignment

Taxonomy-eligible activities	Activity description	Taxonomy-aligned activities
4.1. Electricity generation using solar photovoltaic technology	By the end of 2025, the Group operates 22 solar parks in the Baltic states with an installed capacity of 354 MW, while an additional three solar parks with a total capacity of 336 MW are in the construction stages in Latvia and Lithuania.	✓
4.3. Electricity generation from wind power	By the end of 2025, the Group's total wind power generation capacity has reached 145 MW, including the <i>Telšiai</i> (124 MW) and <i>Akmenė</i> (20 MW) WPPs in Lithuania. In 2026 and 2027 an additional 5 wind farms in Latvia and Lithuania will commence production with a total generation capacity of 310 MW.	✓
4.5. Electricity generation from hydropower	Latvenergo HPPs with a total capacity of 1,560 MW.	✓
4.9. Transmission and distribution of electricity	Electricity distribution network providing distribution services to more than 770,000 customers in Latvia.	✓
4.10. Storage of electricity	2 BESS projects with a total capacity of 10.6 MW / 21.9 MWh were built. Meanwhile 6 BESS projects with a total capacity of 183.4 MW / 428.6 MWh are in the development stage.	✓
6.15. Infrastructure enabling lowcarbon road transport and public transport	By the end of 2025, the number of installed charging points at <i>Elektrum Drive</i> charging stations has increased to 1,107. Using the <i>Elektrum Drive</i> app, charging can also be carried out at partner charging stations – in total, 1,590 charging points are available to customers across all Baltic states.	✓

4.1. Electricity generation using solar photovoltaic technology

The Latvenergo Group develops and operates solar photovoltaic electricity generation projects contributing to **climate change mitigation** through renewable electricity generation.

- **Adaptation to climate change**

See Climate change adaptation part below.

- **Transition to a circular economy**

The solar energy projects have been assessed against the EU Taxonomy DNSH criteria for the circular economy. The photovoltaic systems are designed for long service life, modularity and recyclability, supporting efficient maintenance, component replacement and material recovery.

The PV modules are certified in accordance with IEC 61215 and IEC 61730 standards, ensuring durability, safety and an expected operational lifetime of 25-30 years. Key materials are suitable for disassembly and recycling at end of life.

The use of certified, high-quality and recyclable equipment demonstrates that the activity does not cause significant harm to the circular economy objective, in line with EU Taxonomy requirements.

- **Protection and restoration of biodiversity and ecosystems**

EIA or screening has been conducted in accordance with Directive 2011/92/EU. For all solar energy projects, the assessments confirmed that a full EIA was not required.

Where projects are located within or near protected or environmentally sensitive areas, targeted environmental assessments have been carried out and appropriate mitigation and compensation measures are implemented. For projects outside protected areas, internal environmental evaluations are performed using available environmental data, project-specific characteristics and recognised best practices, including alignment with national solar park environmental planning guidelines in Latvia.

Ongoing environmental monitoring and adaptive management measures are applied during operation to avoid significant adverse impacts on biodiversity and ecosystems.

4.3. Electricity generation from wind power

Wind power generation contributes to **climate change mitigation** through zero operational emissions.

- **Adaptation to climate change**

See Climate change adaptation part below.

- **Sustainable use and protection of water and marine resources**

No offshore wind projects are planned or implemented; therefore, provisions related to marine environmental impacts are not applicable.

- **Transition to a circular economy**

In line with the EU Taxonomy DNSH criteria, the Latvenergo Group integrates circular economy principles into the development of wind power parks, with a focus on sustainable resource use and material efficiency. Equipment and components are selected to ensure durability, recyclability and suitability for disassembly, refurbishment and material recovery at the end of their service life.

These principles are embedded in the Group's sustainability strategy, which promotes the longevity, reuse and recyclability of materials used in renewable energy technologies. For wind turbines, the Group aims to ensure that at least 90 % of materials are recyclable at the end of their lifecycle, supporting waste reduction and circular material flows.

Circular economy considerations are incorporated into project development and, where applicable, into the Environmental Impact Assessment process, including the assessment of material selection, design for disassembly and end-of-life management. Supplier selection also considers compliance with circularity-related requirements.

- **Protection and restoration of biodiversity and ecosystems**

Latvenergo Group's wind power park projects are developed in line with the EU Taxonomy DNSH criteria for the protection and restoration of biodiversity and ecosystems. EIA or screening procedures are carried out in accordance with Directive 2011/92/EU to identify and assess potential impacts on biodiversity-sensitive areas. Where applicable, targeted assessments are undertaken and appropriate mitigation and, where necessary, compensation measures are integrated into project planning and implementation.

Wind parks are generally located outside Natura 2000 sites, EU priority habitats and micro-reserves. Potential impacts on nearby protected areas and species of conservation concern are nevertheless assessed during the EIA process, and precautionary measures are applied where relevant. These include measures to reduce risks to birds and bats, such as operational restrictions, species-specific planning considerations and the use of protection systems.

Monitoring programmes for birds and bats are implemented in cooperation with national environmental authorities, both before and after the start of operations. Monitoring results support adaptive management and the timely implementation of additional mitigation measures where needed.

No offshore wind projects are currently planned or implemented; therefore, requirements related to the Marine Strategy Framework Directive (2008/56/EC) are not applicable at this stage.

4.5. Electricity generation from hydropower

Latvenergo Group's HPPs are assessed as making a substantial contribution to **climate change mitigation** under the EU Taxonomy Regulation. This conclusion is based on compliance with criterion (b), which requires that the power density of the electricity generation facility exceeds 5 W/m². Power density is calculated as the ratio of

installed capacity to the surface area of the reservoir used for electricity generation.

The Latvenergo hydropower facilities exceed the 5 W/m² threshold, thereby meeting the eligibility requirements under this criterion. This demonstrates efficient use of land and water resources, achieving a favourable balance between electricity generation capacity and environmental footprint.

Criterion (b) has been applied as the hydropower facilities utilise artificial reservoirs and therefore do not qualify as run-of-river installations. While life-cycle greenhouse gas emissions were not the primary criterion assessed, the operation of these facilities is associated with low emissions typical of reservoir-based hydropower, further supporting their contribution to climate change mitigation.

- **Adaptation to climate change**

See Climate change adaptation part below.

- **Sustainable use and protection of water and marine resources**

The operation of Latvenergo's hydropower plants is aligned with national water management legislation and complies with the requirements of Directive 2000/60/EC (Water Framework Directive), including Article 4. Each facility operates under a valid water use permit issued by the State Environmental Service, which defines binding operational and environmental conditions to ensure sustainable water use and the protection of water bodies. Operational regimes are governed by approved reservoir management rules and hydrotechnical safety programmes, covering water level management, flow regulation, monitoring obligations and emergency procedures. Regulation of water levels and discharges is designed to maintain hydrological stability and prevent abrupt changes that could adversely affect the ecological status of the affected water bodies.

Monitoring is carried out in accordance with permit conditions and includes regular measurement of water levels and discharge volumes, reporting to competent

authorities, and periodic review of operational measures. The plants operate within an integrated river basin management framework and do not permanently compromise the achievement of good ecological status or potential, supporting long-term sustainability and compliance with the Water Framework Directive.

- **Protection and restoration of biodiversity and ecosystems**

Latvenergo's HPPs operate in compliance with national environmental legislation and the requirements of Directive 2011/92/EU (EIA Directive) and Directive 2000/60/EC. Environmental considerations, including biodiversity protection, are embedded in water use permits through defined operational regimes, reservoir management rules and hydrotechnical safety measures.

While fish migration structures are not currently installed, Latvenergo implements mitigation and compensation measures to support aquatic biodiversity. These include annual financial contributions for fish stock restoration in the Daugava River Basin, practical measures such as the release of juvenile fish, installation of artificial spawning nests, habitat improvements in tributaries, and riverbed restoration works.

In addition, the company cooperates with scientific institutions to explore solutions to improve conditions for migratory fish, guided by the Daugava Basin Action Plan. These measures go beyond minimum regulatory requirements and demonstrate a proactive, science based approach to biodiversity protection.

4.9. Transmission and distribution of electricity

The Latvian electricity system, including the distribution network operated by ASSadales tīkls, forms part of the interconnected European electricity system (ENTSO-E). This integration ensures coordinated system operation, cross-border electricity flows and overall system stability. The activity contributes substantially to **climate change mitigation** by enabling the integration of renewable and

low-carbon electricity generation and supporting the transition towards a decarbonised electricity system.

- **Adaptation to climate change**

See Climate change adaptation part below.

- **Transition to a circular economy**

Waste generated during construction, maintenance and decommissioning activities is managed in line with the waste hierarchy, prioritising prevention, reuse and recycling. Separate waste collection is implemented across operations, and all waste is transferred to licensed waste management operators. Wherever technically and economically feasible, dismantled materials and equipment are reused, refurbished or recycled.

Circular economy principles are also integrated into procurement and project planning, promoting the use of recycled or secondary materials while ensuring compliance with quality, safety and operational standards. Monitoring and internal controls support continuous improvement in waste reduction, material recovery and resource efficiency.

- **Pollution prevention and control**

Construction, maintenance and modernisation activities are carried out in accordance with recognised environmental, health and safety standards. Environmental requirements are embedded in operational procedures and verified through regular inspections, covering waste management, chemical handling, fuel storage, soil and water protection, and pollution prevention measures.

In the event of environmental incidents, trained personnel respond promptly to contain and remediate impacts, and any contaminated materials are managed by licensed waste operators in compliance with national legislation. Preventive measures, staff training, maintenance programmes and periodic reviews support continuous risk reduction.

Sadales tīkls AS complies with Council Recommendation 1999/519/EC on limiting public exposure to electromagnetic fields, and all infrastructure is designed and

operated within the recommended limits. The company confirms that polychlorinated biphenyls (PCBs) are not used in electrical equipment; procurement policies prohibit PCB-containing components, and any legacy equipment has been fully removed and disposed of in accordance with legal requirements.

- **Protection and restoration of biodiversity and ecosystems**

Although medium- and low-voltage electricity distribution infrastructure is not subject to mandatory EIA under Directive 2011/92/EU or national legislation, all construction, maintenance and modernisation activities are carried out with due consideration of environmental protection requirements and potential ecological impacts.

Activities are implemented in accordance with legislation governing specially protected nature areas, including Natura 2000 sites. Where relevant, technical conditions are obtained from the State Environmental Service and integrated into project planning and execution. Environmental impacts are minimised through selective vegetation management in overhead line corridors, progressive replacement of overhead lines with underground cables, and the use of insulated conductors to reduce risks to wildlife.

To protect sensitive species, works near important habitats, including white stork nesting sites, are scheduled outside breeding and nesting seasons. Additional measures, such as pole marking, bird protection devices and targeted monitoring in cooperation with environmental authorities, support early risk detection and adaptive mitigation.

4.10. Storage of electricity

The activity contributes to **climate change mitigation** by enabling the integration of variable renewable energy sources, such as solar and wind, into the electricity system. BESS store surplus renewable electricity and supply it during periods of higher demand, thereby supporting grid

balancing and reducing indirect greenhouse gas emissions associated with electricity system operation.

By providing temporal flexibility between electricity generation and consumption, BESS facilitates higher utilisation of renewable energy, reduces curtailment, and enhances grid reliability and resilience. This supports the transition towards a low-carbon electricity system in line with EU climate and decarbonisation objectives.

- **Adaptation to climate change**

See Climate change adaptation part below.

- **Sustainable use and protection of water and marine resources**

This criterion is not applicable to BESS installations, as they do not involve direct abstraction from or discharge into natural water bodies.

- **Transition to a circular economy**

For BESS installations, waste management is ensured in accordance with the waste hierarchy and applicable circular economy principles. End-of-life handling of batteries and associated components is covered by contractual arrangements with licensed and certified waste management operators, as well as documented procedures for disposal, recycling and recovery.

All stages of the BESS lifecycle, including procurement, operation and decommissioning, are carried out in compliance with internal environmental and circular economy policies and applicable national and EU regulations. End-of-life management arrangements, including financial provisions for recycling and recovery, are integrated into project planning and documented through internal procedures and verified contracts.

- **Protection and restoration of biodiversity and ecosystems**

BESS installations comply with the criteria set out in Appendix D of the EU Taxonomy. The projects are not located within or in proximity to biodiversity-sensitive areas, including Natura 2000 sites, UNESCO World Heritage sites, Key Biodiversity Areas or other protected

areas; therefore, a formal EIA or appropriate assessment is not required.

Where relevant, an internal environmental review is carried out to assess potential impacts on local ecosystems, species and habitats, taking into account site-specific conditions and potential effects during construction and operation. Based on these assessments, preventive and mitigation measures are applied as needed, including careful site selection, minimisation of land disturbance, implementation of pollution prevention and waste management practices, and operational monitoring.

6.15. Infrastructure enabling low-carbon road transport and public transport

The activity covers the construction, modernisation and operation of publicly accessible electric vehicle charging infrastructure. Through its Elektrum Drive brand, the Latvenergo Group develops and operates an EV charging network across Latvia, Lithuania and Estonia.

The charging infrastructure is designed to support smart charging and future grid integration, contributing to system flexibility and efficient utilisation of renewable electricity. As such, the activity qualifies as an enabling activity pursuant to Article 10(1)(i) of Regulation (EU) 2020/852, facilitating the transition to a climate-neutral economy.

The activity meets the technical screening criteria set out under point 1(a) of the EU Taxonomy, as the infrastructure is dedicated exclusively to the operation of vehicles with zero tailpipe CO₂ emissions. The infrastructure is not used for the transport or storage of fossil fuels, thereby also fulfilling the requirements under criterion 2. Accordingly, the activity makes a substantial contribution to **climate change mitigation** under the EU Taxonomy.

- **Adaptation to climate change**

See Climate change adaptation part below.

- **Sustainable use and protection of water and marine resources**

The activity complies with the criteria set out in Appendix B of the EU Taxonomy Delegated Act. Environmental risks related to water quality are identified and addressed through appropriate planning and design measures. The development and operation of electric vehicle charging infrastructure involve minimal water use and do not include discharges or interaction with marine environments, resulting in negligible risk to water bodies.

Although the activity is not subject to an EIA under Directive 2011/92/EU, relevant water protection considerations are applied to ensure that the achievement of good water status and ecological potential is not compromised. Preventive measures include the use of impermeable surfaces, appropriate drainage systems and the avoidance of construction in sensitive aquatic areas.

- **Transition to a circular economy**

Measures are implemented to minimise waste generation and ensure the reuse, recycling or other recovery of non-hazardous construction and demolition waste, in line with the waste hierarchy and best available techniques.

Waste management is ensured through contracts with licensed waste management operators, which provide traceability and documentation confirming compliance with recovery requirements. These practices support resource efficiency, reduce environmental impact and contribute to the EU's circular economy objectives.

- **Pollution prevention and control**

The activity meets DNSH requirements through the application of pollution prevention measures during construction and operation. Works are carried out using low-emission machinery, controlled material handling and appropriate planning to limit noise, dust and other emissions.

Contractors apply best available techniques and recognised environmental standards, ensuring minimal impacts on air quality, soil and the surrounding environment throughout the project lifecycle.

- **Protection and restoration of biodiversity and ecosystems**

The construction and operation of electric vehicle charging infrastructure do not pose significant risks to biodiversity or ecosystems. Nevertheless, measures are implemented to avoid harm to local habitats and species, including responsible vegetation management to prevent the spread of invasive species.

While a full EIA is generally not required for this activity, applicable legal frameworks are considered, and where relevant, screenings or appropriate assessments are carried out with mitigation measures implemented as necessary. All works are conducted in line with environmental best practices.

Climate change adaptation

The assessment of compliance with the climate change adaptation (CCA) criterion for all EU Taxonomy-aligned activities of the Latvenergo Group has been carried out in accordance with the requirements set out in Commission Delegated Regulation (EU) 2021/2139, including Appendix A, which defines the criteria for identifying, assessing, and managing material physical climate risks across the lifecycle of assets and economic activities.

Climate risk management is integrated into the Group's strategic planning, risk management framework, and investment decision-making processes, ensuring alignment with the EU Taxonomy requirement to avoid significant harm to climate resilience. While the overall risk management framework addresses both transition and physical climate risks, the CCA assessment specifically focuses on physical climate risks, in line with EU Taxonomy requirements.

The assessment of physical climate risks is based on internationally recognised methodologies (including Intergovernmental Panel on Climate Change AR6 and Task Force on Climate-related Financial Disclosures recommendations), regional climate projections developed by the Latvian Environment, Geology and Meteorology Centre, the European Commission's climate hazard

classification, and multiple climate scenarios (SSP1-2.6, SSP2-4.5, SSP3-7.0) across short-, medium-, and long-term time horizons.

In line with Appendix A of the Commission Delegated Regulation (EU) 2021/2139, the climate risk assessment covers hazard identification, vulnerability analysis (including exposure, sensitivity, and adaptive capacity), and the implementation of adaptation measures addressing identified material risks.

For all Taxonomy-aligned activities, relevant acute risks (such as storms, extreme precipitation, heatwaves, cold spells, and icing) and chronic risks (including long-term changes in temperature, wind patterns, precipitation regimes, and hydrological variability) have been identified and assessed, taking into account the geographic location, technical characteristics, and expected operational lifetime of each asset.

Based on the assessment results, a set of climate adaptation measures has been implemented, including infrastructure resilience improvements, operational and business continuity planning, real-time monitoring and early warning systems, preventive maintenance and workforce preparedness, as well as the integration of climate considerations into investment planning and asset design. These measures are designed to reduce vulnerability to identified climate hazards and ensure that adaptation actions do not lead to maladaptation or increased climate risks elsewhere.

The assessment indicates that no material unmitigated physical climate risks have been identified for the assessed activities, and that residual risks are managed at an acceptable level through the implemented adaptation measures. The assessment is updated on a regular basis and will be further expanded in the 2026 reporting period to include supply chain impacts and long-term cumulative risks.

Based on the assessment performed, the Latvenergo Group concludes that all EU Taxonomy-aligned activities are assessed as meeting the climate change adaptation criterion, ensuring effective management of physical

climate risks and alignment with the EU Taxonomy requirements on climate resilience.

Alignment with minimum safeguards

Latvenergo Group demonstrates a compliance with the Minimum Safeguards requirements under Article 3(c) of the EU Taxonomy Regulation. The Group has established a robust governance and ethical framework aligned with internationally recognised standards, including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the International Bill of Human Rights.

These standards are embedded across the Group's operations through key internal policies. The Code of Ethics, Sustainability Policy, Human Resource Management Policy, Occupational Safety Policy, and Remuneration Policy collectively promote non-discrimination, freedom of association, safe working conditions, and ethical conduct. Although there is no standalone policy for vulnerable groups, inclusion principles are integrated into the Code of Ethics and Human Resource Management Policy.

• Governance and risk management

The Group has adopted the following key policies that support its governance and risk management systems:

- **Corporate Governance Policy** – ensures strategic oversight, transparency, and accountability, aligned with OECD principles for state-owned enterprises
- **Risk Management Policy** – defines principles and responsibilities for identifying and mitigating adverse impacts, including those related to ethics and affected communities
- **Fraud and Corruption Risk Management Policy** – establishes mechanisms to prevent and respond to unethical conduct.
- **Procedure for the Development and Maintenance of Tax Risk Management Processes** – ensures responsible tax governance and risk control

– **Policy on Compliance with International and National Sanctions** – prohibits cooperation with sanctioned entities and ensures legal compliance

• Ethical conduct and whistleblower protection

The **Code of Ethics** is a cornerstone of the Group's responsible business practices, setting high standards for professional conduct, equality, and anti-corruption. It applies to both employees and business partners. To support these principles, the Group has implemented a whistleblowing system in line with Directive (EU) 2019/1937. The whistleblowing system has multiple reporting channels, which are continuously monitored and enable any person to report cases of fraud, misconduct or breaches of regulatory requirements within the Latvenergo Group, either anonymously or with their identity disclosed. Submitted reports are reviewed individually in accordance with established procedures, ensuring the analysis of facts, impacts and risks, appropriate action, and the protection of the whistleblower's confidentiality. The information received is systematically assessed by the responsible structural unit and summarised in regular reports to the Group's management. Regular mandatory training and awareness initiatives are conducted to ensure employees understand and apply ethical standards and reporting procedures in their daily work.

• Workforce policies and human rights

Latvenergo Group ensures fair and inclusive treatment of its workforce through the following policies:

- **Human Resource Management Policy** – promotes employee development, value-based culture, and equal opportunities
- **Occupational Safety Policy** – prioritizes health and safety, aiming for a zero-accident mindset
- **Remuneration Policy** – ensures fair, competitive, and performance-based compensation
- **Sustainability Policy** – supports a safe, inclusive, and rights-respecting work environment

Although there is no dedicated policy for vulnerable groups, inclusion and non-discrimination principles are embedded in the Group's core policies.

• Responsible procurement and supply chain conduct

The Group ensures ethical and sustainable procurement through:

- **Procurement Policy** – governs responsible sourcing and supplier engagement
- **Rules Governing the Organisation of Procurement** – defines procedures for transparent and fair procurement processes
- **Suppliers Code of Conduct** – sets expectations for suppliers regarding human rights, community impact, and ethical behavior

These principles are applied across the supply chain through the Suppliers Code of Conduct, including by informing and educating suppliers on applicable requirements, as well as facilitating cooperation and information exchange. Supplier due diligence is based on an overall assessment of supply chain risks, with particular attention paid to areas and types of transactions where elevated human rights risks may arise. During the reporting period, no material human rights risks were identified; accordingly, supplier audits in the area of human rights were not conducted.

• Engagement with affected communities

Latvenergo Group actively engages with affected communities, including indigenous peoples, through:

- **Sustainability Policy** – prioritizes community development and stakeholder engagement
- **Environmental and Energy Management Policy** – promotes transparency and education on environmental impacts
- **Suppliers Code of Conduct** – requires suppliers to respect and consult local communities

The Group ensures clear communication, conducts public consultations, and implements educational initiatives to raise awareness of energy and sustainability issues.