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Second Party Opinion

Slovenské Elektrárne a.s. Green Finance Framework

Sept. 10, 2025

Location: Slovakia

Sector: Power generator

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✗

- ✓ Green Bond Principles, ICMA, 2025
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2025

See [Alignment Assessment](#) for more detail.

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Medium green

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

Our [Shades of Green Analytical Approach](#) >

Strengths

Slovenske Elektrarne (SE) has made considerable progress in its decarbonization by decommissioning its remaining coal powered thermal plants in 2024. This has resulted in all its current electricity production being from low carbon or renewable sources, namely nuclear, hydropower, and solar. In doing so, the company has reduced its direct greenhouse gas and air emissions, and improved its performance on all its environmental metrics.

Weaknesses

No weaknesses to report.

Areas to watch

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

Shades of Green Projects Assessment Summary

SE has yet to determine the exact allocation of proceeds for the three years following issuance of the financing, but it estimates that more than 80% will be dedicated to nuclear power generation.

Based on the project categories' Shades of Green detailed below, the expected allocation of proceeds, and consideration of environmental ambitions reflected in SE's Green Finance Framework, we assess the framework as Medium green.

Nuclear power generation	 Medium green
Electricity generation from nuclear energy in existing installations	
Renewable energy – hydropower	 Dark green
Electricity generation from hydropower that meets one of the following criteria:	
• The electricity generation facility is a run-of-river plant and does not have an artificial reservoir. • The power density of the electricity generation facility is above 5 watts per square meter (W/m2). • The life-cycle greenhouse gas emissions from the generation of electricity from hydropower are lower than 100 grams of carbon dioxide (CO2) equivalent per kilowatt-hour (g CO2e/kWh).	
For new hydropower projects, necessary environmental and social impact assessments will be undertaken with no significant controversies identified as a prerequisite for project eligibility.	
Renewable energy - Storage of electricity	 Dark green
Construction and operation of electricity storage through battery energy storage systems (BESS).	
Construction and operation of electricity storage through pumped storage hydropower plants.	
Renewable energy – solar photovoltaics	 Dark green
Electricity generation using solar photovoltaic (PV) technology.	
Renewable energy – wind energy	 Dark green
Electricity generation using wind power.	

See [Analysis Of Eligible Projects](#) for more detail.

EU Taxonomy Assessment Summary

SE's green finance framework includes nuclear, hydropower, storage of electricity, and electricity production from solar and wind power, which are eligible EU Taxonomy activities:

- Substantial contribution technical screening criteria: We think that all eligible economic activities, including nuclear, hydropower, storage of electricity, solar, and wind are aligned with climate mitigation criteria.
- Do no significant harm (DNSH) technical screening criteria: Energeticky a priemyslový holding, a.s. (EPH), SE's largest shareholder, completed a physical climate risk assessment in 2024 in line with the DNSH requirements. This was complemented by a physical risk assessment by SE itself in March 2025. The EU Water Framework and Environmental Impact Assessment (EIA) Directives have been transposed into national laws in all EPH's operating countries.
- Minimum safeguards: We consider SE's internal structure and set of policies to be aligned with minimum safeguards under the EU Taxonomy. As a subsidiary of EPH, SE is progressively aligning its processes with the group-wide governance framework. EPH has made progress in human rights due diligence over the year and is now aligned with the taxonomy's minimum safeguards, considering the further progress expected during 2025. Our view also reflects that EPH mainly finances existing energy infrastructure in countries with low human rights risk and where material extraction is strictly regulated.

We think that activities 4.1, 4.3, 4.5, 4.10, and 4.28 are aligned with the EU Taxonomy criteria, as outlined in our EU Taxonomy section.

Economic activity	Technical screening criteria (TSC)			Overall alignment
	Substantial contribution	Do no significant harm	Minimum safeguards (Issuer level)	
4.1 Electricity generation using solar photovoltaic technology - NACE code: D35.11, F42.22	✓	✓		✓
4.3 Electricity generation from wind power- NACE code: D35.11, F42.22	✓	✓		✓
4.5 Electricity generation from hydropower - NACE code: D35.11, F42.22	✓	✓	✓	✓
4.10 Storage of electricity	✓	✓		✓
4.28 Electricity generation from nuclear energy in existing installations – NACE code: D35.11, F42.22	✓	✓		✓

Aligned = ✓ Not aligned = ✗ —

See [EU Taxonomy Assessment](#) for more detail.

Issuer Sustainability Context

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

Company Description

SE, produces and sells electricity in Slovakia and is responsible for around 70% of the country's total electricity production. SE is the sole operator of nuclear power plants in Slovakia, which contribute around 60% of its electricity. It also operates pumped storage and run-of-the-river hydropower plants, and two solar sites. In addition, the company generates and sells heat and provides ancillary services to the power grid in Slovakia. Founded in 1942 and based in Bratislava, Slovakia, in 2024 its EBITDA was €1.784 billion and revenue of €3.862 billion. Its largest shareholder is EPH, which owns 66% of SE's capital, with the remaining 34% owned by the Slovak government through the Ministry of Economy.

Material Sustainability Factors

Climate transition risk

The power generation sector is highly exposed to transition risk, given its central role in global greenhouse gas emissions. Regulatory measures, climate targets, and investor expectations are increasingly pressuring utilities to decarbonize. While many operators are expanding renewable capacity, assets that rely on fossil fuels face risks related to long permitting timelines, the potential to become stranded, or exposure to carbon pricing mechanisms. Nuclear energy is a low carbon option that generates about 10% of the world's electricity according to the International Energy Agency (IEA). In countries where it is deployed, nuclear power can work with renewables to reduce emissions in the power sector. It also offers a reliable and dispatchable power source, thereby contributing to electricity security. While some nations refrain from using nuclear power due to safety concerns and other environmental factors, and others might not have access to nuclear technology, many recognize its potential role in their energy transitions. Indeed, 2023 data from the IEA shows that, in Slovakia, nuclear accounts for 61% of electricity generation, with fossil fuels contributing 15% and renewables (hydropower, solar, and wind), biofuels, waste and other sources the remainder.

Physical climate risk

Due to the long lifespans and fixed nature of its infrastructure, the power sector is more exposed to physical climate risks than other sectors, and severe weather events can result in power outages for large populations of users. More frequent and severe weather events--such as wildfires, storms, and extreme heat--can disrupt grid operations, damage transmission assets, or force temporary plant shutdowns. In some cases, these events may also trigger regulatory scrutiny or compensation claims from affected consumers. As physical climate events intensify, power operators are under increasing pressure to improve asset resilience through retrofitting, system redundancies, and climate-informed planning. The scale of exposure varies significantly depending on asset location, technology mix, and national preparedness levels. A 2023 study by the Institute for Environmental Policy of the Ministry of the Environment of the Slovak Republic found that the country's main physical climate risks are extreme heat, especially in large and densely populated cities; drought; and extreme precipitation in the north.

Waste and pollution

Waste and pollution are key environmental considerations in the power generation sector, particularly for operators of nuclear assets. While nuclear power produces low operational emissions, it generates hazardous radioactive waste that has a long half-life (the time it takes for half of the radioactive atoms to decay and become more stable and less radioactive) and lacks viable disposal options, which can prompt community resistance for disposal sites. Additionally, end-of-life management--dismantling, and recycling or processing waste--exposes companies to financial, reputational, or litigation risks if not properly planned and provisioned. In Slovakia the Nuclear Decommissioning Company, owned by the state, is responsible for decommissioning nuclear facilities and managing radioactive waste and spent fuel. It operates a treatment and conditioning plant for low- and

intermediate-level waste and a near-surface repository. In addition, in 2006 the government established the National Nuclear Fund, whereby nuclear operators such as SE make payments for the purpose of covering the costs of waste management and decommissioning.

Water

Water is a critical input for many power generation technologies, specifically hydroelectric and nuclear plants. Changes in water availability and quality--driven by drought, heatwaves, or flooding--can affect plant efficiency, lead to operational curtailments, or even result in temporary shutdowns. Hydropower generation may decline during periods of prolonged drought, while nuclear plants can face cooling constraints during heat stress or low river flows. In some jurisdictions, operators are required to release water to preserve river ecosystems, creating further trade-offs between electricity generation and environmental obligations. These dynamics can result in revenue losses and increased compliance costs. As competition for water resources grows, especially in water-stressed regions, power companies are expected to adopt more adaptive water-management strategies and invest in technologies to mitigate risk.

Social considerations

For the owners and operators of nuclear plants, maintaining the safety of a nuclear fleet is paramount. While robust industry and regulatory protocols keep serious incidents rare, events like Fukushima continue to influence public perception and policy. The risk of weapons proliferation from nuclear power generation is considered low due to strong regulatory frameworks and international agreements that are well implemented in the European Union. The Nuclear Regulatory Authority of the Slovak Republic (ÚJD SR) is responsible for the safety of all nuclear facilities. Beyond safety, nuclear operations significantly impact local communities, offering economic benefits alongside potential environmental concerns, requiring open engagement. Regarding affordability, nuclear power offers stable long-term generation costs, though substantial initial investments and waste management expenses are crucial considerations.

Issuer And Context Analysis

With its green finance framework SE aims to address climate transition risk, which we consider to be one of its most material sustainability factors. The company will focus, in particular, on expanding and upgrading its existing nuclear and hydropower fleet, as well as the integration of battery energy storage systems, solar, and wind power to enable greater renewable integration in Slovakia. With the decommissioning of its thermal power plants, the company is currently producing all its electricity from renewable and low carbon sources. Its fleet consists of 31 hydropower, two nuclear, and two solar power plants, with a total installed capacity of 3,892 megawatts (MW) of electricity produced. Although not the primary goal of the framework, eligible projects will also address physical climate, water, waste, and pollution risks.

In 2023 and 2024 SE made considerable progress in its decarbonization by decommissioning its two remaining coal-fueled thermal power plants and initiating reclamation activities. The plants in question are Nováky and Vojany, both located in Slovakia. With the phase-out of coal at these sites, SE achieved an 85% reduction in the CO₂ emissions of its supplied electricity in 2024, as well as a 94% decrease in sulfur dioxide emissions and 91% in nitric oxide and nitrogen dioxide emissions. As a result of the terminations, the company was also able to improve its consumption of water for processes and cooling and its generation of hazardous and nonhazardous waste. The transition away from coal is in line with the Low Carbon Development Strategy of the Slovak Republic until 2030, which aims for a reduction of 53.5% in emissions covered by the EU Emissions Trading Scheme (including those from energy) versus 2005. A major focus for the company in 2024 was the ongoing reclamation process at these sites and the closure of their related facilities. For example, it launched a pilot project to identify cost efficient rehabilitation options for one of its slag ash mixture tailings ponds and constructed a reaction barrier at one of its temporary tailings ponds to reduce arsenic concentrations in groundwater. We view as positive that, as part of this process, SE has been investigating alternative uses of these sites, for example with battery energy storage or the replacement of coal with biomass combustion.

SE's assets and operations contribute to the increase of renewable and low carbon sources in its largest shareholder, EPH.

SE is not exposed to EPH's fossil fuel assets. In 2024, EPH held a total of 13.749 million MW net installed electricity generation capacity from conventional sources across its subsidiaries, with the majority coming from combined cycle gas turbines (about 70%) and coal plants (about 21%). We view as positive that EPH is reducing its coal assets, with the share of coal in total capacity expected to be less than 5% by the end of 2025 and a complete cessation by 2030. EPH has already reduced its emissions intensity by 29.12% in 2024 relative to 2022 through the phase-out of coal and increased nuclear and renewable generation.

SE is exposed to significant environmental risks related to the operation of its nuclear fleet.

Nuclear power can constitute substantial environmental risks from the radioactive waste it generates. Although interim storage facilities for spent fuel and high-level radioactive waste are in place, a permanent solution--namely, a deep geological repository (DGR)--has yet to be established, with site completion not expected before 2060. Waste management is conducted under strict national regulation, supported by dedicated funds and safety systems aligned with international standards. In addition, physical climate risks such as heatwaves and droughts may challenge reactor cooling systems.

SE's assets have been assessed for physical climate risk exposure. In March 2025, SE conducted a detailed climate resilience analysis to assess physical risks across its assets. The company acknowledges that more frequent and extreme weather events are a risk as the events can damage infrastructure assets and lead to interruptions in the supply of vital commodities. In addition, it complies with the requirements of the European Nuclear Safety Group and national regulations on the measures to be implemented at nuclear sites in response to severe weather events.

SE implements an integrated risk management system to systematically identify and manage the environmental risks associated with its operations, including biodiversity, waste, and water.

This is based on a risk matrix that evaluates the materiality of risks and has been certified since 2010 as per ISO 9001, ISO 14001, and ISO 45001. For example, throughout the year the company undertakes several actions to ensure its operations comply with the standards of ISO 14001. It integrates legal compliance with national, and EU regulations, as well as international treaties and standards.

SE's activities impact local communities and the "just transition". As the majority of its fleet consists of hydropower assets that rely on water flow, the company's operations may influence the timing of water availability for local communities, but the overall impact on total water availability is limited, as hydropower plants do not consume the water they use. According to the European Environment Agency, in 2022 Slovakia experienced a 0.7% worsening of seasonal water scarcity, as measured using the water exploitation index plus. In addition, uranium mining and the development of energy infrastructure can also have important impacts on local communities. To address such risks, SE, in line with the policies of EPH, interacts with relevant stakeholders during local consultations and as part of the permitting process. Moreover, in support of the "just transition", the Slovak government brought its coal phase-out forward to 2024 (previously 2030), in line with the decommissioning of SE's thermal power plants.

Alignment Assessment

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

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✗

- ✓ Green Bond Principles, ICMA, 2025
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2025

✓ Use of proceeds

All the framework's green project categories have a green shade, and the issuer commits to allocate the net proceeds issued under the framework exclusively to eligible green projects. SE commits to allocate an amount equivalent to the net proceeds from the green financing instruments to finance or re-finance eligible green projects. Capital expenditure (capex) and operating expenditure (opex) are stated to qualify with a lookback period of three years. We note that private placements and loans, hybrids, and equity-linked bonds are among the framework's eligible instruments.

✓ Process for project evaluation and selection

SE has a dedicated Green Finance Committee (GFC), composed of relevant subject matter experts. The GFC is responsible for defining and evaluating the eligibility of the project categories. Furthermore, it also monitors internal processes to identify potential environmental and social risks associated with the projects and where possible implement mitigation measures. The GFC reports annually to the Director of Accounting, Finance and Control Division. Decisions made by the GFC require consensus from all its members with each having veto power. SE commits to a robust policy framework that guides decision-making, drawing on various environmental, biodiversity, and asset integrity policies to manage environmental and social risks related to financed projects.

✓ Management of proceeds

The issuer commits to allocating an amount equal to the net proceeds to eligible green projects. These will be tracked using an internal project register to document and monitor the allocation of all issued amounts. The allocation of proceeds will be managed by the company's finance department to ensure that the allocation of the bonds' net funds coincides nominally with the disbursements made to the eligible green projects, until full allocation of funds. During the time the instrument is outstanding, the company will achieve a level of allocation for the eligible green project portfolio periodically to match allocations to eligible projects. Moreover, the issuer specifies that unallocated funds will be held in cash or other short-term liquid instruments.

✓ Reporting

The issuer commits to report on the allocation and impact of proceeds annually at least until full allocation of proceeds or until the maturity of the green financing instrument. The allocation reporting will include various details, including the total amount of assets, investments, and expenditure in the eligible green project portfolio, the share of financing versus refinancing, and the balance of unallocated proceeds. As the assets eligible for financing are the same as those included in EPH's framework, the latter will use a consolidated green registry to monitor the allocation of proceeds with the aim of preventing double counting. SE will also report on the actual environmental impact of the projects. Where relevant information is available, it intends to disclose key performance indicators at the aggregate level, as laid out in the framework. Furthermore, the issuer commits to providing a

methodological note on the underlying assumptions used for calculation. We view positively that SE commits to carry out a post-issuance review for impact reporting, with limited assurance on the allocation of proceeds.

Analysis Of Eligible Projects

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

Overall Shades of Green assessment

Based on the project category shades of green detailed below, the expected allocation of proceeds, and consideration of environmental ambitions reflected in SE's green finance framework, we assess the framework as Medium green.

Medium green

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

Our [Shades of Green Analytical Approach](#) >

Green project categories

Nuclear power generation	
Assessment	Description
Medium green	Assets, investments, capex, and opex relating to nuclear energy production: - Electricity generation from nuclear energy in existing installations complying with the substantial contribution criteria outlined in points 1 (a)-(e), and 3-7 of the Complementary Delegated Act on nuclear energy activities (Annex I) under section 4.28., including additional criteria pertaining to substantial contribution to climate change mitigation. - The substantial contribution criterion referred to in point 1 (f) of the Complementary Delegated Act on activity 4.28. Electricity generation from nuclear energy in existing installations is intentionally excluded from the eligibility criteria, as SE's nuclear assets are located in Slovakia, where a documented plan with detailed steps to have in operation, by 2050, a disposal facility for high-level radioactive waste has not yet been established by the government. - Similarly, the substantial contribution criterion referred to in point 2 of the Complementary Delegated Act on activity 4.28. Electricity generation from nuclear energy in existing installations related to using accident-tolerant fuel (ATF) is excluded from the eligibility criteria, as implementation of such fuel is currently not feasible due to lack of its legal and technical definition, absence of commercial availability, and lack of regulatory approval. As such, for projects authorized after 2025, SE might not comply with these EU Taxonomy criteria. However, we note that the Technical Screening Criteria for nuclear energy are expected to be reviewed in 2026, and criteria such as the use of accident-tolerant fuel (ATF) and deep geological repository (DGR) requirements—both subject to implementation

challenges and calls for revision by several member states—could be reconsidered as part of this process.

Analytical considerations

- Nuclear power is a low-carbon electricity source with a smaller land-use footprint than most renewable energy sources. However, it entails environmental impacts throughout its value chain, notably related to uranium mining, waste management, and water use.
- Eligible investments under SE's framework cover all existing nuclear units in Slovakia and will maintain Slovakia's high share of low-carbon electricity and support energy security amid increasing demand. While nuclear energy offers stable, low-carbon baseload generation that supports the integration of variable renewable sources, the permanent disposal of spent fuel remains unresolved. Despite the current lack of a long-term disposal site, we understand that the Slovak state is actively working on plans to develop such infrastructure. Based on these considerations, we assess this project category as Medium green.
- Slovakia currently generates around 60% of its electricity from nuclear power. SE operates the Bohunice and Mochovce plants. This includes six VVER-440/V-213 pressurized water reactors at Bohunice V2 (EBO 3 and 4) and Mochovce Units 1-4, with Unit 3 entering full commercial operation in 2023 and Unit 4, despite previous delays and cost overruns, nearing technological completion. It is expected to be commissioned upon the successful conclusion of its licensing process. The fleet has undergone significant modernization with safety enhancements after the Fukushima accident and are subject to supervision by the Nuclear Regulatory Authority of the Slovak Republic, which enforces international operational and resilience standards. SE is also evaluating new-build options, such as small modular reactors. A small proportion of eligible proceeds may also be used to finance fossil-fuel-powered emergency back-up generators, needed for reactor cooling, to prevent meltdowns and ensure safe shutdowns of nuclear facilities. As such activities represent a minimal fraction of the expected use of proceeds, and no viable alternative to fossil fuel back-generators currently exists, this has not impacted our shading considerations.
- Electricity generated by SE's nuclear units is sold into the wholesale market, without the use of long-term power purchase agreements (PPAs), reflecting exposure to market dynamics and the role of nuclear as a stable baseload provider.
- Life-cycle greenhouse gas emissions for SE's nuclear electricity are among the lowest across energy sources. For existing units, total emissions are estimated at 9.57 g CO₂e/kWh (EBO 3,4) and 8.96 g CO₂e/kWh (Atómové elektrárne Mochovce [EMO] 1,2). These include emissions from construction (1.16-1.20 g), fuel supply (5.12-5.23 g), operation (2.26-3.02 g), and decommissioning (0.27 g). Due to the structural similarity of Mochovce 3 and 4, these figures are considered applicable to the new units, with embodied emissions already factored in.
- The long-term storage of spent nuclear fuel remains unresolved in Slovakia. While interim storage is currently managed through the interim spent fuel storage facility and TSÚ RAO, a national DGR for the permanent disposal of high-level radioactive waste and spent nuclear fuel has yet to be established. We understand that JAVYS a.s., the responsible entity, is conducting detailed investigations at two candidate sites, with site selection expected by late 2030 or early 2040. Current national plans target DGR commissioning between 2060 and 2065, making interim storage essential for the coming decades. In parallel, agreements have been signed between JAVYS, advanced reactor developer Newcleo, and engineering firm VUJE to explore the construction of up to four lead-cooled fast reactors at the Bohunice site, potentially using existing Slovak spent fuel as part of an advanced fuel cycle strategy. While uncertainty around the lead-cooled fast reactors remains, their commissioning could partially reduce the volume and radiotoxicity of high-level waste requiring DGR.
- SE aligns its environmental management systems with international standards (e.g., International Atomic Energy Agency [IAEA], ISO 14040/44). It emphasizes reducing radioactive waste generation during operations and ensuring safe interim storage. The national framework, including dedicated funds and planning bodies, is in place to manage long-term decommissioning and fuel disposal.
- Uranium fuel for SE's reactors is currently supplied by TVEL, a Russia-based company, under contracts valid through 2026. Diversification efforts are ongoing, with fuel qualification programs underway with Westinghouse (U.S.) and Framatome (France) to ensure supply security and reduce geopolitical risk. Environmental and social risks associated with mining are considered in supplier selection and ongoing qualification processes.

- Slovakia's nuclear safety regime has faced criticism from neighboring Austria and environmental groups, which have raised concerns about construction quality and seismic resilience at Mochovce, citing alleged use of substandard materials and possible damage to containment structures. SE and ÚJD SR have rejected these claims, pointing to the integration of Western safety systems, extensive testing, and bilateral engagement with Austrian authorities, including site visits. Although a recent IAEA review at Bohunice acknowledged operational safety efforts, we understand that it also issued recommendations for further improvement, suggesting that continued external scrutiny remains warranted. In terms of nuclear nonproliferation, Slovakia is a nonnuclear weapon state under the Nuclear Nonproliferation Treaty and operates fully under IAEA and Euratom safeguards. All nuclear materials, including any tritium produced, are subject to strict international controls and used exclusively for peaceful purposes.
- Physical climate risks--including rising temperatures, more frequent droughts, and extreme weather events--pose growing challenges to the operation of nuclear power plants. To ensure climate resilience, SE assessed physical climate risks across all major operational sites. In the case of nuclear facilities, robust national regulations require regular safety reviews, stress tests, and emergency planning. Additional measures to address extreme weather events have been implemented following the Fukushima accident, ensuring strong adaptation capacity across these assets.
- Water use remains a key environmental consideration, especially during climate-related stress events like heatwaves. SE has adapted cooling system design and protocols to ensure thermal discharge compliance and support climate resilience.

Renewable energy – hydropower

Assessment	Description
 Dark green	Assets, investments, capex, and opex relating to electricity generation from hydropower that meets one of the following criteria: – The electricity generation facility is a run-of-river plant and does not have an artificial reservoir. – The power density of the electricity generation facility is above 5 W/m2. – The life-cycle greenhouse gas emissions from the generation of electricity from hydropower are lower than 100g CO2e/kWh. For new hydropower projects, necessary environmental and social impact assessments will be undertaken with no significant controversies identified as a prerequisite for project eligibility.

Analytical considerations

- Hydropower is a key renewable technology for the low-carbon transition, delivering dispatchable, low-emissions electricity that supports the integration of other variable renewable sources. Investments in hydropower are crucial to achieving climate objectives, provided that environmental and biodiversity risks are appropriately managed. Given the low carbon intensity of hydropower facilities' electricity generation, as well as EPH's safeguards to address biodiversity and other environmental risks, we assess the investments under this category as Dark green.
- SE's hydropower portfolio consists of 31 plants with a total installed capacity of 1.6 gigawatts (GW). This portfolio includes both run-of-river plants and pumped hydro storage facilities, providing a flexible and low-carbon energy source that contributes to grid stability. The electricity generated by these hydropower assets is sold on wholesale electricity markets, and not through long-term PPAs, which highlights the role of these assets in providing flexible, market-responsive low-carbon power. SE is focused on modernizing its fleet, with key projects such as SE Integrator, at the Čierny Váh pumped hydro storage plant. This project will involve upgrading turbines to enhance grid regulation and integrating up to 100 MW battery storage system, further improving efficiency and the overall contribution to renewable energy needs.
- Both portfolios are aligned with the EU Taxonomy's substantial contribution criteria, requiring either a run-of-river configuration, a power density above 5 W/m2, or life-cycle greenhouse gas emissions below 100 g CO2e/kWh. Given the low carbon intensity of these operations and SE's safeguards that are in line with those of its largest shareholder EPH to address environmental risks. Investments in this category are considered supportive of the EU's climate goals.
- While hydropower is a low-carbon energy source, it remains exposed to physical climate risks, particularly related to changes in water availability and the increased frequency of extreme events such as floods or droughts. These risks have been assessed by SE, which performed physical climate risk analyses based on future climate scenarios. Hydropower assets,

including those operated by SE, have been identified as being at low risk of direct damage from climate change effects. Where necessary, adaptation measures are considered to maintain operational and environmental performance over time.

- Biodiversity risks are also a key consideration for hydropower projects. Although SE's smaller plants are run-of-river with limited ecosystem impact, the company ensures that all facilities comply with environmental permitting procedures. EIAs are conducted to verify that projects are not located in biodiversity-sensitive areas and to implement mitigation measures such as fish migration systems or habitat restoration where needed.

Energy efficiency – storage of electricity

Assessment

 **Dark green**

Description

Assets, investments, capex, and opex relating to storage of electricity:

- Construction and operation of electricity storage through BESS.
- Construction and operation of electricity storage through pumped storage hydropower plants.

Analytical considerations

- BESS and pumped hydro storage are playing an increasingly vital role in supporting the transition to a low-carbon economy. By integrating renewable energy sources into the grid and providing system flexibility and stability, BESS and pumped hydro storage projects are essential to achieving a resilient and decarbonized energy system.
- SE's pumped hydro storage initiatives are part of its broader investments in hydropower, as described above. This approach ensures that storage capabilities are developed in tandem with conventional hydroelectric operations, enhancing the overall flexibility of the energy system. By optimizing the use of existing infrastructure, pumped hydro storage provides critical services such as grid stabilization, renewable energy integration, and energy storage, all of which contribute to a more resilient and low-carbon energy system.
- SE is investing in the integration of battery storage technologies in its existing hydropower plants. This is in line with the Integrated National Energy and Climate Plan of the Slovak Republic for 2021-2030, as it will enable contribute to the goal of increasing production of electricity from renewables to 7 terawatt hours (TWh) by 2032, which will account for 18% of national consumption. In 2024 it installed its first battery storage at its hydropower plant Dobšiná I. SE is undertaking fleet modernization initiatives, including SE Integrator at the Čierny Váh pumped hydro storage plant. The project involves turbine upgrades to improve grid regulation and the planned integration of a battery storage system of up to 100 MW, aimed at enhancing operational efficiency and supporting renewable energy integration.
- SE carried out a physical climate risk assessment covering its existing battery storage sites, in line with the requirements of Appendix A to the DNSH criteria on climate change adaptation. The analysis determined that exposure to climate risks, such as rising ambient temperatures, is low and is not expected to have a significant effect on the operational functionality of the systems.
- Regarding battery recycling, SE recognizes end-of-life management as a medium- to long-term priority. Although projects are only beginning to operate, recycling plans will evolve as assets approach the end of their life cycle. In Europe, battery recycling is governed by the EU Batteries Regulation Directive, which requires producers to ensure end-of-life collection and treatment. We understand that operators will be required to cooperate with specialized partners to recover critical materials and expect that recycling rates will increase under forthcoming EU regulations mandating higher recovery targets.
- To minimize the impact on biodiversity, SE primarily focuses on developing battery projects on existing industrial sites. Where new developments are pursued, environmental and biodiversity are considered from the early stages of the permitting process, ensuring that projects do not pose risks to sensitive ecosystems or protected areas.

Renewable energy – solar photovoltaics

Assessment

 **Dark green**

Description

Assets, investments, capex, and opex relating to electricity generation using solar PV technology.

Analytical considerations

- Renewable energy sources, such as solar PV, are key elements in limiting global warming to well below 2°C. Still, these projects may cause land use changes and adverse impacts to local biodiversity, and they are exposed to physical risks.
- Proceeds issued from this framework will be used to finance SE's existing solar portfolio, which in 2024 accounted for 0.05% of its total installed capacity, as well as for potential new projects currently under consideration. SE owns and operates two PV plants at Mochovce and Vojany with a total capacity of 1.90 MW. The resulting electricity is supplied to the grid. Renewable energy projects have been identified by SE as one of its key decarbonization levers.
- Solar PV technology can be exposed to environmental and social risks, namely those related to the supply chain of the equipment and the land where the plants are developed. To minimize biodiversity risks, SE located its plants at its existing facilities, and it conducts EIAs to ensure projects are not located in high conservation areas. Environmental and social considerations are included in its procurement mechanism, for example by requiring its partners to comply with its code of ethics.
- SE has conducted a physical climate risk analysis covering its existing solar PV plants. The analysis determined that exposure to climate risks, such as rising ambient temperatures, is low and is not expected to have a significant effect on the operational functionality of the systems.

Renewable energy – wind energy

Assessment

 **Dark green**

Description

Assets, investments, capex, and opex relating to electricity generation using wind power.

Analytical considerations

- Renewable energy sources, such as wind, are key elements in limiting global warming to well-below 2°C. Still, these projects may cause land use changes, have adverse impacts on local biodiversity, and they are exposed to physical risks.
- SE has yet to develop wind power projects, but it has identified such technologies as potential lever to further decarbonize its portfolio and contribute to the Slovak government's ambition to increase low-carbon electricity sources to 7 TWh by 2032.
- Wind power projects can be exposed to environmental and social risks, namely those related to the supply chain of the equipment. To minimize potential biodiversity risks, SE conducts EIAs to ensure projects are not located in high conservation areas. Environmental and social considerations are included in its procurement mechanism, for example by requiring its partners to comply with its code of ethics.
- Given the fixed nature of wind power infrastructure, eligible projects may be exposed to physical climate risk. Any financed project would be subject to the analysis conducted at the group level by EPH.

S&P Global Ratings' Shades of Green

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

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

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

EU Taxonomy Assessment

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

We believe the eligible project categories included in SE's green finance framework meet the substantial contribution and DNSH criteria, and that the company's procedures are aligned with the minimum safeguards of the EU Taxonomy. These activities include nuclear, hydropower, electricity storage, solar, and wind.

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

SE's procedures are aligned with the EU Taxonomy's requirements for minimum safeguards.

EU Taxonomy – Detailed analysis

Aligned = ✓ Not aligned = ✗

4.1 Electricity generation using solar photovoltaic (PV) technology - D35.11	
SE aims to finance assets that produce electricity using solar PV technology. As of 2024, it has two plants that account for 0.05% of its total installed capacity.	
Opinion	Key findings

Substantial contribution: Technical screening criteria assessment

- ✓
- We consider SE's financing of solar PV technologies for the generation of renewable electricity to be aligned with the technical screening criteria for substantial contribution to the EU's climate mitigation objective.

Do no significant harm (DNSH): Technical screening criteria assessment

According to the EU taxonomy, this activity must not significantly harm climate adaptation, circular economy, and biodiversity efforts. Pollution prevention and water are not applicable to this economic activity. We consider the issuer's activity to be aligned with all the DNSH technical screening criteria (please see the generic DNSH table for our analysis of the DNSH criteria on climate adaptation and biodiversity).

- ✓
- SE's largest shareholder EPH has conducted a group-level physical climate risk assessment covering existing and planned solar PV locations. The exposure is assessed as low and primarily linked to chronic risks such as increasing temperatures, which are not expected to significantly affect the functionality of the systems. As such, SE considers no specific adaptation measures necessary. For further information, please see our DNSH analysis of the generic DNSH table.
 - SE aligns its waste management approach with the waste hierarchy outlined in its environmental policy, prioritizing reuse and recycling. In addition, the company complies with regulations that require the easy dismantling of photovoltaic technologies and ensures that their operation results in minimal performance degradation.
 - SE primarily develops solar projects on brownfield sites. Sensitive areas are screened during the development process, and biodiversity risks are evaluated as part of EIAs required for permitting. For further information please see our DNSH analysis in the generic DNSH table.

4.3 Electricity generation from wind power - D35.11

SE is seeking to invest in assets that produce electricity using wind power. As of 2024 SE does not have any wind power sites in operation.

Opinion Key findings

Substantial contribution: Technical screening criteria assessment

- ✓
- We consider SE's financing related to production of electricity from wind power to be aligned with the technical screening criteria for a substantial contribution to the EU's climate mitigation objective.

Do no significant harm (DNSH): Technical screening criteria assessment

According to the EU taxonomy, this activity does not significantly harm climate adaptation, circular economy, and biodiversity efforts. Pollution prevention is not applicable to this eligible economic activity. Water is also not applicable because the issuer has excluded offshore wind from the scope of its framework. We consider the issuer's activity to be aligned with all the DNSH technical screening criteria (please see the generic DNSH table for our analysis of the DNSH criteria on climate adaptation and biodiversity).

- ✓
- SE commits to perform physical climate risk assessment if deciding to develop wind projects. For further information, please see our DNSH analysis of the generic DNSH table.
 - SE aligns its waste management approach with the waste hierarchy outlined in its environmental policy, prioritizing reuse and recycling. The company has stated that it will follow the end-of-life procedure of its largest shareholder, EPH, and repower older wind parks. For the latter, this has resulted in 98% recycling of the total mass of turbines used in France.
 - The issuer notes that sensitive areas are screened during the development process, and biodiversity risks are evaluated as part of EIAs required for permitting. For further information please see our DNSH analysis in the generic DNSH table.

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

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

Opinion	Key findings
Substantial contribution: Technical screening criteria assessment	
We consider SE's financing related to electricity generation from hydropower to be aligned with the technical screening criteria for a substantial contribution to the EU's climate mitigation objective.	
✓	SE operates a 1.6 GW hydropower fleet in Slovakia. For these assets, alignment has been demonstrated through a three-step approach: First, identifying plants that are run of river without artificial reservoirs; second, verifying installations with a power density above 5 W/m2; and third, for any remaining assets, calculating life-cycle greenhouse gas emissions using the greenhouse gas reservoir tool. For all plants requiring this third step (e.g., Orava, Domaša, and Kráľová), life-cycle emissions were verified to be below the threshold of 100 g CO2e/kWh. All calculations were conducted according to accepted methodologies and verified by an independent third party.

Do no significant harm (DNSH): Technical screening criteria assessment	
According to the EU Taxonomy, this activity must not harm EU climate adaptation, water, and biodiversity objectives. We consider the issuer's activity to be aligned with these requirements.	
✓	- SE hydropower plants underwent a physical climate risk analysis aligned with EU Taxonomy requirements, with no additional adaptation needed, as key climate resilience measures are already integrated into their design and operation. For further information, please refer to our rationale in the "Analysis of the generic DNSH criteria". - Regarding the water-related DNSH criteria specific to hydropower, SE confirms that its hydropower plants operate in full compliance with Water Framework Directive 2000/60/EC, as transposed into Slovak law via the Water Act and reflected in the Slovak Water Plan. The 2022–2027 update of the water plan does not require SE to implement any specific measures for its plants. - SE also adheres to internal policies aligned with ISO 14001 on water protection and pollutant management, including groundwater monitoring, technical supervision of water structures, and the designation of plant-specific water managers. - For new projects, SE commits to performing environmental assessments in line with national law and EU requirements (e.g., EIAs, Act No. 543/2002 Coll. on nature protection). While no new hydropower developments are currently planned, these procedures are in place for any future installations. - For biodiversity, the assets are aligned with the requirements of Act No. 24/2006 Coll., which transposes the core provisions of Directive 2011/92/EU on EIAs. In specific cases where projects were in or near areas of ecological sensitivity, SE proactively consulted the competent state nature protection authority, in accordance with Act No. 543/2002 Coll. on nature and landscape protection. These steps ensure that the potential effect on biodiversity is appropriately assessed and mitigated at the project level.

4.10 Storage of electricity - NACE code: D35.11	
SE is seeking to invest in electricity storage infrastructure, including both BESS and pumped hydropower storage. In 2024, SE installed its first battery storage at its Dobšiná I. hydropower power plant and has an ongoing project to integrate large battery storage at its Čierny Váh pumped storage hydropower plant.	
Opinion	Key findings
Substantial contribution: Technical screening criteria assessment	

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

4.28 Electricity generation from nuclear energy in existing installations – D35.11	
Opinion	SE aims to finance the operation and modernization of its existing nuclear facilities, in line with activity 4.28 of the EU Taxonomy. The assets include six VVER-440/V-213 pressurized water reactors at Bohunice (EBO 3–4) and Mochovce (Units 1–4). Mochovce Unit 3 entered full commercial operation in 2023. As of the date of this report, Unit 4 is, from a technological perspective, nearing its completion and is expected to be commissioned once its licensing process has been successfully completed. Investments may include safety modifications, system refurbishments, and other measures necessary to ensure continued safe operation and alignment with evolving regulatory requirements. We understand from SE that this does not constitute upgrades as part of a long-term operation program.
	Key findings
Substantial contribution: Technical screening criteria assessment	

✓	We think that SE's eligibility criteria for electricity generation from nuclear energy in existing installations as aligned with the substantial contribution for climate mitigation. This includes compliance with the additional criteria pertaining to substantial contribution to climate change mitigation, such as life-cycle greenhouse gas emissions thresholds:
	The issuer conducts a life-cycle greenhouse gas emissions analysis for its nuclear assets, which is reviewed by an independent third party, in line with the EU Taxonomy requirements for substantial contribution to climate change mitigation. The analysis confirmed that the life-cycle greenhouse gas emissions from the generation of electricity from nuclear power plants are lower than 100 grams of carbon dioxide (CO2) equivalent per kilowatt-hour (g CO2e/kWh).
	Furthermore, we think that SE's operating and soon-to-be-commissioned nuclear units are currently aligned with the EU Taxonomy's requirement for high-level radioactive waste disposal, based on Slovakia's existing plans to develop a DGR. However, although it does not affect our current alignment opinion, for any nuclear activity authorized after 2025--such as major upgrades or new projects--alignment would only be maintained if Slovakia ensures the repository becomes operational by 2050, as required by the taxonomy. Since the current national plans project commissioning only around 2060–2065, these future activities would likely no longer meet the alignment criteria.
	Additionally, the technical screening criteria require that the "upgraded project implements any reasonably practicable safety improvement and from 2025 makes use of ATF. The technology is certified and approved by the national safety regulator". SE considers that this requirement to use ATF from 2025 appears to apply specifically to authorized upgrade projects for long-term operation. This means the ATF criterion is triggered only when a project involves tangible physical modifications that are formally authorized by the national regulator as part of a long-term operation program. We understand from the issuer that such modifications are currently not undertaken for any of the reactors financed under the framework, and therefore the ATF requirement is not applicable in this case. In addition, the obligation to use ATF from 2025 is subject to review based on scientific and technical progress and availability of certified fuel. The issuer notes that as of the time of assessment, no ATF has been commercialized or certified for VVER-440 technology, and the leading fuel vendors--Westinghouse, Framatome, and TVEL--

remain in the development and testing phase for ATF concepts applicable to this reactor design. We further note the current lack of clear definition in the EU Taxonomy of what ATF includes. In addition, even if technical readiness were to advance, we understand that Slovakia's facility-specific licensing framework requires unit-by-unit approval from the national safety regulator, involving detailed safety demonstrations and operational validation. This process inherently involves significant lead times and further impairs implementation of ATF in these reactors from 2025 and thereafter.

Do no significant harm (DNSH): Technical screening criteria assessment

- According to the EU Taxonomy, this activity does not significantly harm EU climate adaptation, water, circular economy, pollution prevention and biodiversity objectives. We think that SE's nuclear activity complies with all the DNSH criteria set out in the EU Taxonomy.
- Regarding the DNSH criteria for climate adaptation, the ÚJD SR, in accordance with Directive 2009/71/Euratom and international guidance from the IAEA and Western European Nuclear Regulators Association, ensures compliance with the climate adaptation DNSH criteria, considering extreme natural hazards such as floods and extreme weather events. The issuer confirms that all SE's nuclear assets undergo periodic stress tests assessing exposure to physical climate risks, including scenario-based evaluations aligned with Appendix A. These tests, as documented in the EU Stress Tests for Nuclear Power Plants in Slovakia, incorporate Intergovernmental Panel on Climate Change projections, and inform updates to design assumptions.
 - With respect to the DNSH criteria on water, all nuclear installations operated by SE (Bohunice and Mochovce) comply with the Water Plan of the Slovak Republic. No additional corrective measures have been mandated, indicating that the installations already meet environmental protection requirements. Moreover, the facilities do not use once-through cooling systems, and thermal anomalies are controlled according to individual license conditions in line with EU law and Directive 2000/60/EC. The requirements of Council Directive 2013/51/Euratom are also fulfilled for protection of public health regarding radioactive substances in water intended for human consumption. The issuer has also mapped how its procedures align with the IFC standards which meet all the water DNSH criteria.
 - In terms of circular economy, SE has in place a comprehensive radioactive and nonradioactive waste management strategy. Waste minimization is pursued from the design phase onward, and the reuse of "free-release" materials is maximized according to Directive 2013/59/Euratom. Waste is processed by the state-owned company JAVYS through licensed methods such as cementation, drying, or bituminization before interim storage or disposal. Slovakia's approach views interim storage as a temporary solution, not a substitute for final disposal, in compliance with Directive 2011/70/Euratom. A national program and policy for radioactive waste and spent fuel management exists and is regularly reported to the European Commission under Article 14 of the directive.
 - Concerning pollution prevention and control, emissions from SE's nuclear plants are monitored and evaluated in line with Slovak environmental regulation. For example, the Mochovce plant has undergone compliance assessment by the Slovak Environmental Inspectorate, which confirmed alignment with the best available techniques (BAT) conclusions established under Decision (EU) 2017/1442. Radioactive discharges to air and water are within permitted thresholds, and Slovakia ensures full compliance with Directives 2013/51/Euratom and 2013/59/Euratom, with robust interim storage in place. Although a geological repository for high-level waste is not yet developed, Slovakia does not consider spent fuel as waste at this stage but as a potential resource, in accordance with Euratom provisions. Regarding the generic pollution DNSH criteria, SE conducted an analysis in 2023 and confirmed that certain chemicals listed in Appendix C to the Climate Delegated Regulation are used in specific professional activities, such as those of accredited laboratories. This limited use is demonstrably necessary to ensure the safe and smooth operation of nuclear power plants. All nuclear installations operated by SE have robust procedures and controls in place to prevent adverse impacts from chemical use on both the environment and human health.
 - On biodiversity protection, EIA were completed for all nuclear power plant construction projects in line with Directive 2011/92/EU, including required mitigation and compensatory measures. Additionally, appropriate assessments were conducted for any site located in or near biodiversity-sensitive areas, and relevant mitigation measures have been implemented. Compliance with Appendix D of the EU Taxonomy and national nature conservation requirements ensures that the nuclear facilities do not adversely affect the conservation status of protected habitats or species.

Analysis of the generic DNSH criteria

Aligned = ✓ Not aligned = ✗

Opinion	Environmental objective	Key findings
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✓	Climate adaptation	In 2025, SE conducted a dedicated physical climate risk assessment across all 41 of its sites, including two PV power plants. The assessment was carried out by Meteoblue and is aligned with EU Taxonomy and ESRS requirements. It utilized statistically downscaled climate data, combining IPCC global climate model outputs with ERA5 reanalysis, and considered multiple emissions scenarios (SSP1-2.6 to SSP5-8.5). The analysis compared a current climate baseline (2015–2034) with future projections (2031–2050) to evaluate the probability of climate variable exceedances. No adaptation measures were deemed necessary for the photovoltaic assets. For wind power projects, we note that SE does not currently operate such assets, and as a result, this asset class was not included in the 2025 climate risk assessment. However, we understand that an equivalent assessment will be conducted once wind power assets are developed.
✓	Sustainable water	The EU Water Framework Directive has been transposed in the countries where it operates. SE implements water use and protection management plans across its operations in Slovakia and other European activities, engaging with relevant stakeholders and conducting EIAs where necessary, especially for projects involving potential risks to water bodies. In line with the EU regulations, these plans ensure that water-related risks are identified and mitigated, avoiding any degradation to water bodies and ensuring no deterioration of marine waters that are in good environmental status.
✓	Pollution prevention	For activity 4.5 SE follows its internal policies that are aligned with ISO 14001 on water protection and pollutant management, including groundwater monitoring, technical supervision of water structures, and the designation of plant-specific water managers. For activity 4.28, please see the rationale on the 4.28 activity (as part of our assessment of the EU Taxonomy activity Electricity generation from nuclear energy in existing installations above) where we consider it aligned with the pollution criteria.
✓	Biodiversity protection	The issuer discloses that in the countries where it operates, the relevant EU directives were transposed into legislation within the member states, and EIAs are performed accordingly. Furthermore, SE has said that where the EIA is not required, it ensures robust biodiversity management. In specific cases where projects were in or near areas of ecological sensitivity, SE proactively consulted the competent state nature protection authority, in accordance with Act No. 543/2002 Coll. on nature and landscape protection. These steps ensure that potential impacts on biodiversity are appropriately assessed and mitigated at the project level. As a result, we think that the company meets the biodiversity DNSH criteria for this and other activities.

Minimum safeguards assessment at issuer level

Aligned = ✓Not aligned = ✗

Opinion	Key findings
✓	We consider that, given SE is in the process of aligning its policies and procedures with those of EPH, it is aligned with the EU Taxonomy minimum safeguards. In 2024 EPH made progress on human rights due diligence, and it will continue to strengthen its oversight of supply chain risks, which currently require further formalization and development beyond 2025. - SE is in the process of aligning its structure and governance procedures with the principles of the policies of EPH. Over the past year, EPH has made progress in structuring its approach around the core elements of due diligence as defined by the UN Guiding Principles on Business and Human Rights and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. This includes embedding due diligence in its governance and strategy, initiating stakeholder engagement processes, beginning to assess and mitigate adverse impacts, and committing to track and report on effectiveness. While these foundational elements are now publicly disclosed, they are not yet fully formalized, systematically applied across all operations, or consistently monitored. EPH acknowledges these limitations and has committed to addressing them, with full implementation expected by the 2025 reporting year with detailed actions. As part of its current due diligence efforts, EPH follows a procurement policy that encourages suppliers to adhere to the principles embedded in its own policies. Furthermore, EPH expects its suppliers to uphold the eight fundamental Conventions of the International Labor Organization. In cases of nonremedial breaches, termination of the relationship is considered. EPH also maintains an internal grievance mechanism for employees and is developing a risk-based classification framework to support more targeted due diligence. SE's own approach is outlined in its code of ethics, which details its engagement with key stakeholders, as well as its internal monitoring system. - Our assessment also considers the nature of the activities that SE plans to finance--primarily existing energy infrastructure where the extraction of materials is highly regulated. In our view, its largest exposure lies in direct operations conducted in countries classified as low risk for severe human rights violations, based on the human rights indexes referenced in the EU

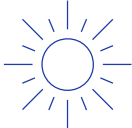
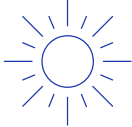
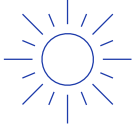
Platform on Sustainable Finance Final Report on Minimum Safeguards. Furthermore, SE has confirmed the absence of human rights breaches in its operations.

- To address the risk of corruption and bribery, SE, in line with its largest shareholder EPH, ensures that it understands the nature and extent of its exposure to these risks by performing regular risk assessments and adopts adequate mitigating measures that are subject to regular reviews and are continuously refined and improved. One of the key measures is the "four-eyes" principle, where every legally binding document and money transfer is signed and approved by at least two EPH representatives. EPH's procurement policy mandates suppliers to adhere to regulations and principles, with suppliers being informed about these policies during the tender process or contract initiation, though the practice varies across companies. Lastly, the anticorruption policy is part of regular training mandated by the policy, with the frequency varying by company and tailored to employee exposure to fraudulent activities. This approach is supported by SE's own Zero Tolerance Of Corruption plan. At the EPH holding level, e-learning is provided, requiring employees to read and pass a test.
 - SE has implemented controls at various levels of the company. It has established an internal audit department operating in accordance with the International Standards for the Professional Practice of Internal Auditing. SE's financial statements are regularly reviewed by an external auditor. The rules for appointing the external auditor are outlined in SE's Code of Ethics, which mandates transparency and adherence to Slovak legal requirements. Any additional assignments granted to the audit firm are considered exceptional and must meet strict internal conditions and legal limitations, governed by specific internal procedures. SE has also established a dedicated tax department that performs checks at the invoice and contractual levels and oversees the fulfillment of tax obligations, as formalized in internal management documentation. As a subsidiary of EPH, SE will progressively align its processes with the group-wide governance framework, including policies related to tax compliance and risk management that continue reflecting OECD guidelines. In this context, EPH's tax governance policy and practices—such as the review of material transactions by tax experts and the aim to reduce significant tax risks—will be adopted by SE where applicable. SE adopted its own internal procedures around antitrust in 2023, as reflected in its Code of Ethics.
 - Finally, SE has confirmed that none of its senior management team, including members of senior management at its subsidiaries, has been convicted on any of the four minimum safeguard topics.
-

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

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

This framework intends to contribute to the following SDGs:

Use of proceeds	SDGs	
Nuclear power generation		
	7. Affordable and clean energy	13. Climate action
Renewable energy – hydropower		
	7. Affordable and clean energy*	13. Climate action
Energy efficiency – storage of electricity		
	7. Affordable and clean energy*	13. Climate action

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

Related Research

- [Analytical Approach: Second Party Opinions](#), March 6, 2025
- [FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions](#), March 6, 2025
- [Analytical Approach: Shades Of Green Assessments](#), July 27, 2023
- [Analytical Approach: EU Taxonomy Assessment](#), Oct. 31, 2024
- [ESG Materiality Map: Power Generators](#), May 18, 2022

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Second Party Opinion: Slovenské Elektrárne a.s. Green Finance Framework

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