ISS-CORPORATE

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Finance Framework

Eesti Energia

21 April 2026[1]

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	▪ Green Financing Instruments[2]
Relevant standards	▪ Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1) ▪ Green Loan Principles (GLP) as administered by the Loan Market Association (LMA) (as of February 2023) ▪ EU Taxonomy Climate Delegated Act, Annex I (as of June 2023)
Scope of verification	▪ Eesti Energia Green Finance Framework (as of April 9, 2026)[3] ▪ Eesti Energia Selection Criteria (as of June 4, 2024)[4]
Lifecycle	▪ Second update of SPO as of June 4, 2024
Validity	▪ Valid as long as the cited Framework remains unchanged

[1] Eesti Energia initially published its Green Finance Framework in June 2024. A new version of the Framework has been published in November 2025, and again in April 2026, substituting the previous one. No modification occurred with regard to the core elements of the Framework (use of proceeds, processes for project evaluation and selection, management of proceeds, reporting) based on which ISS-Corporate performed its analysis in June 2024. It is noted that the Issuer has added a new EU Taxonomy activity and provided additional information related to its sustainability strategy (Part IV).

[2] Green bond, green loans, green guarantees, green hybrids.

[3] Eesti Energia initially published its Green Finance Framework in June 2024. A new version of the Framework has been published in November 2025, and again in April 2026, substituting the previous one. No modification occurred with regard to the core elements of the Framework (use of proceeds, processes for project evaluation and selection, management of proceeds, reporting) based on which ISS-Corporate performed its analysis in June 2024. It is noted that the Issuer has added a new EU Taxonomy activity and provided additional information related to its sustainability strategy (Part IV).

[4] Ibid.

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SCOPE OF WORK

Eesti Energia ("the Issuer" or "the Company") commissioned ISS-Corporate to assist with its Green Financing Instruments by assessing four core elements to determine the sustainability quality of the instruments:

- Eesti Energia's Green Finance Framework (as of April 9, 2026), benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBP) and the Loan Market Association's (LMA) Green Loan Principles (GLPs).
- The Selection Criteria – whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
- The eligibility of the project categories against the EU Taxonomy on a best-efforts basis[5] – whether the nominated project categories satisfy the EU Taxonomy Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation.
- Consistency of Green Financing Instruments with Eesti Energia's Sustainability Strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

[5] Whilst the Final Delegated Act for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a "best efforts basis".

EESTI ENERGIA OVERVIEW

Eesti Energia AS produces, sells and transmits electric and thermal power. It offers energy solutions from electricity, heat and fuel production to sales and customer service and many other energy services. The Company was founded on May 8, 1939, and is headquartered in Tallinn, Estonia.

ESG risks associated with the Issuer Industry

Eesti Energia is classified in the Multi-Utilities industry, as per ISS Sustainability's sector classification. Key sustainability issues faced by companies[6] in this industry are promotion of a sustainable energy system and resource efficiency, accessibility and reliability of energy and water supply, worker safety and accident prevention, environmentally safe operation of plants and infrastructure, protection of human rights and community outreach.

This report focuses on the sustainability credentials of the issuance. Part IV of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

[6] Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION[7]
Part I: **Alignment with GBP/GLP**	The Issuer has defined a formal concept for its Green Financing Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the GBP and GLP.	**Aligned**
Part II: **Sustainability quality of the Selection Criteria**	The Green Financing Instruments will (re)finance the following eligible green categories: Renewable Energy and Clean Transportation. Product and/or service-related use of proceeds categories[8] individually contribute to the following SDG:  The environmental and social risks associated with the use of proceeds categories are outlined in Part II.B.	
Part III: Eligibility against the EU Taxonomy	Eesti Energia's project characteristics, due diligence processes and policies have been assessed against the EU Taxonomy's (Climate Delegated Act of June 2023). The nominated project categories are considered to be: 1. Aligned with the Criteria for a Substantial Contribution to Climate Change Mitigation. 2. Not assessed against the Do No Significant Harm Criteria, and the Minimum Safeguards requirements, considering that the Issuer has not yet launched the projects that will be financed by the Green Financing Instruments. The Issuer will report on its compliance with the DNSH and MS criteria in the allocation report.	

[7] The evaluation is based on the Eesti Energia's Green Finance Framework (June 4, 2024, version), and on the analysed Selection Criteria as received on June 4, 2024. The assessment remains unchanged and is based on the analysis delivered on June 4, 2024, including its subsequent update in 2025. As part of the 2026 update, a new EU taxonomy eligibility assessment for infrastructure enabling low-carbon road transport and public transport under the Clean Transportation category has been provided as an addition.

[8] Renewable Energy and Clean Transportation

	The nominated project categories are eligible for assessing full alignment against all dimensions listed above at a later date.
Part IV: **Eesti Energia's Sustainability Strategy**	The Issuer has disclosed its ESG pillars and sets internal performance targets for those pillars. In addition, it does not have externally verified science-based targets, but progress on the sustainability strategy is being publicly reported.

SPO ASSESSMENT

PART I: ALIGNMENT WITH THE GBP and GLP[9]

This section evaluates the alignment of the Eesti Energia's Green Finance Framework (as of June 4, 2024) with the Green Bond Principles and the Green Loan Principles.

GBP, GLP	ALIGNMENT	OPINION
1. Use of Proceeds	✓	The Use of Proceeds description provided by Eesti Energia's Green Finance Framework is **aligned** with the GBP and GLP. The Issuer's green categories align with the project categories as proposed by the GBP and GLP, and criteria are defined clearly and transparently. Disclosure of an allocation period and commitment to report by project category has been provided and environmental benefits are described. The Issuer defines exclusion criteria for harmful project categories. The Issuer defines a look-back period of three years, in line with best market practice.
2. Process for Project Evaluation and Selection	✓	The Process for Project Evaluation and Selection description provided by Eesti Energia's Green Finance Framework is **aligned** with the GBP and GLP. The project selection process is clearly defined. ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the Issuer's sustainability strategy. The Issuer identifies alignment of their Green Finance Framework and their green projects with the EU Taxonomy for Sustainable Activities, in line with best market practice.

[9] The assessment remains unchanged and is based on the analysis that was delivered on June 4, 2024, following an engagement period from April to June 2024.

3. Management of Proceeds	✓	The Management of Proceeds provided by Eesti Energia's Green Finance Framework is **aligned** with the GBP and GLP. The net proceeds collected will be equal to or less than the amount allocated to an Eligible Green Asset Portfolio, with no exceptions. The net proceeds are tracked appropriately and attested in a formal internal process. The net proceeds are managed on an aggregated basis for multiple green bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds and confirms that each loan tranche will be clearly labeled as green.
4. Reporting	✓	The allocation and impact reporting provided by Eesti Energia's Green Finance Framework is **aligned** with the GBP and GLP. The Issuer commits to disclose the allocation of proceeds transparently and to report with appropriate frequency. The reporting will be publicly available on the Issuer's website. Eesti Energia has disclosed the type of information that will be reported and explains that the level of expected reporting will be at portfolio level and per eligible green project category. Moreover, the Issuer commits to report annually until the proceeds have been fully allocated. The Issuer is transparent on the level of impact reporting and the information reported and further defines the duration and frequency of the impact reporting, in line with best market practice. The Issuer commits to having the allocation report audited by an external party, in line with best market practices.

PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA[10]

A. CONTRIBUTION OF THE GREEN FINANCING INSTRUMENTS TO THE U.N. SDGs[11]

Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain.

The assessment of UoP categories for (re)financing/investing in products and services is based on a variety of internal and external sources, such as the ISS Sustainability SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the U.N. SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing/investing in specific products and services is displayed on a three-point scale:

Obstruction	No Net Impact	Contribution

Each of the Green Financing Instruments' Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Renewable Energy *Investments in the Grid Transmission Network, in compliance with the EU Taxonomy Substantial Contribution criteria for activity 4.9.* ▪ *This category includes assets, investments, CapEx and OpEx relating to electricity distribution infrastructure and equipment for an electricity system in Estonia (over the*	**Contribution**	

[10] Eesti Energia initially published its Green Finance Framework in June 2024. A new version of the Framework has been published in November 2025, and again in April 2026, substituting the previous one. No modification occurred with regard to the core elements of the Framework (use of proceeds, processes for project evaluation and selection, management of proceeds, reporting) based on which ISS-Corporate performed its analysis in June 2024. It is noted that the Issuer has added a new EU Taxonomy activity and provided additional information related to its sustainability strategy (Part IV).

[11] The impact of the UoP categories on UN Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the framework.

period from June 2022 to June 2025, 53% of the electricity transmitted in Estonia was generated by renewable sources).		
Renewable Energy *Investments in Electricity Generation from renewable energy sources in compliance with the EU Taxonomy Substantial Contribution criteria for activity 4.1 and 4.3.* ▪ *Wind* ▪ *Solar PV*	**Contribution**	
Renewable Energy *Investments in the Storage of Electricity from renewable energy sources in compliance with the EU Taxonomy Substantial Contribution criteria for activity 4.10.* ▪ *Battery energy storage systems (BESS)*	**Contribution**	
Clean Transportation *Investments in Electric Transport Services in compliance with the EU Taxonomy Substantial Contribution criteria for activities 6.15 and 7.4.* *This category includes installation of charging stations for electric vehicles.*	**Contribution**	

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA

The table describes how environmental and social risks linked to the Selection Criteria are addressed by the Client. All the assets under the Renewable Energy category are/will be located in the Baltics and Finland. All the assets under the Clean Transportation category are/will be located in Estonia, Latvia, Lithuania, and Poland.

ASSESSMENT AGAINST KPIs
ESG Governance

Integration of ESG topics in the risk management framework:

Most material sustainability risks are integrated into the Group's enterprise risk management framework and included in the corporate risk register. Environmental and physical climate risks are managed through ISO 14001 and EMAS-certified systems and recorded in the corporate risk register, with subsidiaries responsible for implementation and oversight by the Environmental Team. ESG risks are assessed alongside financial and operational risks and reviewed by the Management Board as part of centralized risk oversight. Sustainability-related data and controls are being progressively incorporated into audit coverage as part of the CSRD assurance process. Results and updates are communicated periodically through quarterly risk reviews and annual reporting.

ESG risks and opportunities responsibility:

The Issuer involves internal and external stakeholders. Internally, the Management Board holds overall responsibility for ESG matters, with Chief Financial Officer (CFO) designated as the lead Board member overseeing ESG. The Head of Sustainability plays a central role in aligning ESG reporting and strategic integration. The Sustainability Steering Group (SSG), comprising representatives from Risk, Finance, Legal, and Communications, ensures cross-functional coordination of ESG risk management and strategy execution across all subsidiaries. Externally, the Group engages with stakeholders such as the State Shareholder (Ministry of Finance), the Supervisory Board, regulators, investors, and local communities through structured reporting and ongoing stakeholder dialogue.

The Supervisory Board does not have a dedicated ESG committee but maintains oversight through updates from the Management Board. The Supervisory Board receives an annual sustainability update and ad-hoc briefings on material ESG issues. It also confirms the appointment of the sustainability auditor, subject to final approval by the Minister of Finance. These issues are reviewed during updates to business strategy and are integrated into annual planning, target setting, and capital allocation, particularly in areas like decarbonization and health and safety. Major projects and investments are assessed for environmental and social

impacts and their alignment with the Group's transition plan and owner expectations. The Audit Committee receives ongoing updates on material issues from risk managers or owners.

Management involvement:

Executive management remuneration is reflective of progress on ESG targets. Specifically, the Group's targets for GHG emissions intensity and health and safety are linked to variable pay for executive management.

Conservation and Biodiversity Management

The Issuer´s projects are developed in both brownfield and greenfield sites, depending on factors such as asset type and location. For renewable energy projects, brownfields or less ecologically sensitive areas are typically developed when possible. For electrical grid development, the distribution network covers the majority of the Estonian territory, and the Issuer has planning principles in place ensuring that existing line corridors shall be preferred to minimize the environmental impact. In addition, when carrying out vegetation management within the line corridors, the Issuer complies with the national legislation that sets out the allowance framework.

The Issuer has confirmed to comply with all EU and Estonian national environmental regulations for new construction. All construction and operational activities comply with environmental laws, including the EU Environmental Impact Assessment (EIA) (Directive 2014/52/EU), and its national implementations. In Estonia, this is enforced through the Environmental Impact Assessment (EIA) and Environmental Management System Act, overseen by the Environmental Board. EIA procedures evaluate potential impacts on protected habitats, species, and Natura 2000 sites, and require measures to avoid, mitigate, or compensate for negative effects. Parallel legislations are enforced in Latvia, Lithuania, Poland, and Finland under the shared EU directive.

Beyond legal requirements, Eesti Energia has an internal policy in place to integrate biodiversity considerations into project planning and permitting through its ISO 14001 and EMAS-certified Environmental Management System. This system ensures a systematic approach that includes environmental risk screening, ecological monitoring conducted both before and after construction, and the application of the "avoid–minimize–compensate" hierarchy to manage potential impacts on biodiversity. This means that different activities are applied to reduce environmental impacts depending on the life cycle stage of a project.

Community Dialogue

Community dialogue, through public information and consultation, is mandatory under the EU Environmental Impact Assessment Directive (2011/92/EU, amended by 2014/52/EU) and corresponding national legislation in all countries of operation. Public disclosure, consultation periods, and community participation are legally required before construction permits are issued for energy-related projects. In Estonia, these requirements are enforced through the

Environmental Impact Assessment and Environmental Management System Act (Keskkonnamõju hindamise ja keskkonnajuhtimissüsteemi seadus), which is overseen by the Environmental Board (Keskkonnaamet).

Beyond the legal requirements, community dialogue is systematically integrated through the Group's ISO 14001 and EMAS-certified environmental management system, complemented by project-specific communication plans. Key initiatives include early consultations with municipalities, landowners, and residents during the project design phase; distribution of project information in local languages with opportunities for public feedback; and hosting open days, briefings, and public meetings throughout planning and construction. The Issuer also provides dedicated channels for inquiries and complaints, including a corporate ethics hotline and an external law firm contact, as outlined in its Code of Ethics (2020). Stakeholder input is actively considered in project permitting, long-term development planning, and materiality assessments.

Labor, Health, and Safety

The assets financed under the Green Finance Framework will be located in EU member states, primarily Estonia, where high labor, health, and safety standards are in place. The Issuer fully complies with key legal frameworks, including the Employment Contracts Act (Töölepingu seadus), which governs employment relationships, working hours, wages, and non-discrimination; the Occupational Health and Safety Act (Töötervishoiu ja tööohutuse seadus), which outlines employer responsibilities for workplace safety, risk assessments, training, and emergency preparedness; and the Equal Treatment Act (Võrdse kohtlemise seadus), which prohibits discrimination based on gender, age, ethnicity, religion, disability, or other personal characteristics. In addition to regulatory mandates, the Issuer adheres to core EU and International Labour Organization (ILO) conventions, covering freedom of association, collective bargaining, prohibition of forced and child labour, and the principle of equal pay, which are internalized by the internal policies guided by the Issuer's Code of Ethics (2020).

The Issuer conducts internal risk assessments, training, monitoring, emergency preparedness, and audits. The Issuer's certified H&S management system includes training, assessments, monitoring, and emergency drills, overseen by the Safety Committee and Management Board. A unified framework across production entities supports risk control, incident reporting, and continuous improvement. Established in 2024, the Safety Committee, chaired by a Management Board member, drives safety culture and action plans. The Group targets a Lost Time Injury Frequency Rate (LTIFR) below 1.0, tracked via dashboards and monthly reports. H&S site managers implement controls, and the Board oversees performance. Continuous improvement is supported by internal/external reviews, including a safety culture survey with VTT. Awareness is reinforced through mandatory training, safety days, and systematic incident management. Emergency readiness is ensured via regular drills and site-specific plans developed with local authorities.

Supply Chain – Social Risks

The company has adopted binding codes of conduct for suppliers in accordance with local laws.[12] Eesti Energia's Uniform Procurement Rules and labor Code of Ethics for Partners are leveraged to mandate respect for human and labor rights, such as the prohibition of harassment and discrimination, and the prohibition of forced and child labor according to ILO definition. Furthermore, the Code of Ethics for Partners for OHS also enforces the respect of applicable regulations for health and safety. These OHS regulations include the Occupational Health and Safety Act, Product Conformity Act, Building Code, Fire Safety Act, Chemicals Act, as well as other legislation, including the requirements established in the safety guidelines of local municipal government units.

Violations can be reported confidentially via a whistleblowing channel and ethics committee, as outlined in the Group's Code of Ethics (2020). The relevant legislations are embedded into contract templates and procurement processes. Additionally, to support CSRD compliance, the Issuer is improving supplier sustainability data collection and implementing a due diligence framework to monitor social and labor risks in the supply chain.

Supply Chain – Environmental Risks

The company has adopted a binding code of conduct for suppliers. This code mandated the respect of applicable environmental laws, the promotion of environmental responsibility, and the adoption of measures to minimize negative environmental externalities leveraging internal procedures. In alignment with the implementation of the Corporate Sustainability Reporting Directive (CSRD), the Group is actively developing a supply chain sustainability due diligence framework and expanding the collection of supplier sustainability data. These efforts aim to identify, assess, and mitigate environmental risks, ensuring responsible sourcing and improved transparency throughout procurement activities.

Waste

The Issuer is involved in all phases of infrastructure development (construction, reconstruction, maintenance, and repair) and ensures responsible waste management throughout these activities. Materials such as metal and wood are deconstructed and sent to recycling centers via publicly procured services, while smart meters and other electrical equipment are returned to manufacturers for reuse and recycling. These practices are governed by Estonia's Waste Act (Jäätmeseadus),[13] which outlines requirements for waste prevention, reuse, and reporting. Each facility's obligations are defined in its environmental permit and monitored through national systems like KOTKAS. The Issuer integrates these requirements into its ISO 14001 and EMAS-certified environmental management systems,

[12] Employment contracts Act: https://www.riigiteataja.ee/en/eli/ee/Riigikogu/act/501092025001/consolide, Occupational Health and Safety Act: https://www.riigiteataja.ee/en/eli/ee/Riigikogu/act/518032025012/consolide, Equal Treatment Act: https://www.riigiteataja.ee/en/eli/ee/Riigikogu/act/513062025002/consolide, Child Protection Act: https://www.riigiteataja.ee/en/eli/ee/Riigikogu/act/506022025003/consolide

[13] Estonia's Waste Act transposes the EU Waste Framework Directive into national law. The approach is the same for all financed countries.

enabling comprehensive tracking of material waste flows and consistent reporting through environmental reports.

Water

Water abstraction and discharge are governed by the Estonian Water Act[14] and its implementing regulations, aligned with the EU Water Framework Directive. Each production unit operates under an environmental permit that sets limits on water withdrawal and pollutants, along with monitoring requirements. Statutory environmental and pollution fees are paid, and annual reporting is conducted through national systems such as KOTKAS. Water management is fully integrated into the Group's ISO 14001 and EMAS-certified environmental management systems.

Procurement of Materials

The Group aligns with Estonia's national framework for environmentally friendly procurement, which promotes the use of renewable, recycled, and resource-efficient materials. Key requirements are defined by Regulations No. 6 and No. 35 of the Minister of the Environment,[15] covering vehicle, furniture, cleaning, IT, and paper procurement. The government's strategy, *Riigihangete läbiviimise strateegilised põhimõtted*, further encourages the integration of environmental and social criteria in public procurement. These principles are embedded in the Group's procurement procedures, and an internal set of environmentally conscious criteria is currently being developed to guide key procurement categories across the Group and its subsidiaries.

[14] Estonia's Water Act transposes the EU Water Framework Directive into national law. The approach is the same for all financed countries.
[15] These regulations are national implementing acts, based on the EU Green Public Procurement Framework. The approach is the same for all financed countries.

PART III: ELIGIBILITY OF THE SELECTION CRITERIA AGAINST THE EU TAXONOMY CLIMATE DELEGATED ACT

Eesti Energia's project characteristics, due diligence processes and policies for the nominated Use of Proceeds project categories have been assessed against the relevant Climate Change Mitigation requirements of the EU Taxonomy Climate Delegated Act (June 2023), based on information provided by Eesti Energia. Where Eesti Energia's project characteristics, due diligence processes and policies meet the EU Taxonomy Criteria requirements, a tick is shown in the table below.

The Do No Significant Harm Criteria and Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act have not been assessed, considering that the Issuer has not yet launched the projects that will be financed by the Green Financing Instruments.

Eesti Energia's project selection criteria overlap with the following economic activities in the EU Taxonomy:

4.1 Electricity generation using solar photovoltaic technology
4.3 Electricity generation from wind power
4.9 Transmission and distribution of electricity
4.10 Storage of electricity
6.15 Infrastructure enabling low-carbon road transport and public transport
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

Renewable Energy projects (Investments in the grid transmission network) financed under the Green Finance Framework are and will be located in Estonia. Clean Transportation projects (investments in installation, maintenance and repair of charging stations) are and will be located in Estonia, Latvia, Lithuania and Poland.

This analysis only displays how the EU Taxonomy criteria are fulfilled/not fulfilled. For ease of reading, the original text of the EU Taxonomy criteria is not shown. Readers can recover the original criteria at the following link.

a) Assessment of the project categories against the EU Taxonomy's Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation

GREEN FINANCE FRAMEWORK PROJECT CATEGORY	EU TAXONOMY ACTIVITY	PROJECT CHARACTERISTICS AND SELECTION PROCESSES[16]	ASSESSMENT AGAINST THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
Renewable Energy	4.1 Electricity generation using solar photovoltaic technology	The project category consists of generating electricity using solar PV technology. Thus, it aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 4.1 "Electricity generation using solar photovoltaic technology".	✓
Renewable Energy	4.3 Electricity generation from wind power	The project category consists of generating electricity from wind power. Thus, it aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 4.3 "Electricity generation from wind power".	✓
Renewable Energy	4.9 Transmission and distribution of electricity	The project category consists of assets, investments, CapEx and OpEx relating to electricity distribution infrastructure and equipment in Estonia whereas:[17] ▪ The electricity system of Estonia is part of the interconnected European system (i.e., the interconnected control areas of member states, Norway, Switzerland and the U.K., and its subordinate systems). ▪ More than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO_2e/kWh, measured on a life cycle basis in accordance with electricity	✓

[16] This column is based on input provided by the Issuer.
[17] Eesti Energia confirms that the activity complies with all three criteria.

		generation criteria, over a rolling five-year period. ▪ The average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO_2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period. Additionally, the project category does not consist of: ▪ Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 g CO_2e/kWh, measured on a life cycle basis. ▪ Installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944.	
Renewable Energy	4.10 Storage of electricity	The project category consists of construction and operation of electricity storage including pumped hydropower storage. The project category does not include chemical energy storage and hydrogen as electricity storage. Thus, it aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 4.10 "Storage of electricity".	✓

Clean Transportation	6.15 Infrastructure enabling low-carbon road transport and public transport	The project category consists of infrastructure dedicated to the operation of vehicles with zero tailpipe CO_2 emissions: electric charging points. The project category does not include infrastructure dedicated to the transport or storage of fossil fuels. Thus, it aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 6.15 "Infrastructure enabling low-carbon road transport and public transport".	✓
Clean Transportation	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	The project category consists of installation, maintenance or repair of charging stations for electric vehicles. Thus, it aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 7.4 "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)."	✓

b) Do No Significant Harm Criteria and Minimum Safeguards

Since the Issuer currently cannot demonstrate full compliance, there is no information as to whether the project categories fulfill the Do No Significant Harm Criteria and/or the Minimum Safeguards requirements of the EU Taxonomy. The Issuer states that some aspects of the Do No Significant Harm Criteria are managed with the environmental impact assessments conducted for the project categories. Additionally, the Issuer is considering adding the Do No Significant Harm Criteria and/or the Minimum Safeguards requirements to its Framework in the future.

PART IV: CONSISTENCY OF GREEN FINANCING INSTRUMENTS WITH EESTI ENERGIA'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
Core ESG Pillars	The Issuer focuses on the following ESG pillars:[18] ▪ Environment: emission reduction, circular business models, physical climate risk mitigation, nature conservation, and sustainable supply chains. ▪ Social & Governance: safety, ethics, and resilience.
Definition of core ESG pillars	The ESG pillars of the Issuer have been identified based on overarching priorities set at the group level, and through a double materiality assessment.
ESG targets and timeline	To achieve its strategic ESG topics, the Issuer has set the following targets and timeline: **Climate Transition Plan** Eesti Energia aims to achieve Net Zero by 2050 and has strategic initiatives over the current strategy period of 2025 to 2035. The current 2025-2035 strategy is structured in two 5-year phases: 1. Key Climate Transition Plan Initiatives 2026 – 2030. ▪ Renewables and storage capacity building: Continuing growth in renewable and electricity storage capacities. Increasing the share of renewable electricity generation to 65% of total electricity output (up from 56% in 2024). ▪ Scaling circular business models: Scale pilots aimed at valorizing ash tailings and oil shale by-products into alternative building-material feedstocks. ▪ Reducing direct emissions of production: Scope 1 emissions decrease to ~2.7 $MtCO_2e$/year. ▪ Optimizing legacy oil shale plant operations and supplementing with biomass: to extend asset life,

[18] Eesti Energia Annual Report 2024, Eesti Energia, https://public-docs.enefit.ee/ettevottest/investorile/2024/2024-aastaaruanne-ENG.pdf

	reduce emissions, participate in balancing markets, and reduce oil shale use. ▪ Adding modern and sustainable dispatchable capacity: Developing a 100MW hydrogen-capable gas CHP plant. 2. Key Climate Transition Plan Initiatives 2030 – 2035 ▪ Renewables and storage capacity building: The share of renewable energy in electricity production will increase further. We aim to further expand electricity storage capacity to balance added renewables. ▪ Growth of the repositioned industry business: from liquid fuel production towards circularity-centric industries. ▪ Phase-out of oil shale-based electricity generation: once there are sufficient dispatchable capacities on the market. ▪ Implementation of CCUS on E280 oil facilities: subject to favorable economics and CDR regulation. ▪ Reducing direct emissions of production: Group Scope 1 emissions decrease to ~2.3 $MtCO_2e$/year. ▪ Exploration of Hydrogen opportunities: Elering's hydrogen infrastructure expected to start operating, which may enable dispatchable switch from gas to hydrogen, and support regional offtake and balancing of the now dominant renewables portfolio. **Social and Governance** Eesti Energia's strategic goals are set for a five-year period and updated annually, including financial, operational and sustainability objectives among others.
Science-Based Targets	The Issuer has no verified science-based targets.
Financial budget to achieve the ESG targets (CapEx, OpEx, Product Mix)	To achieve and maintain its ESG commitments, 59% of total investments between 2022 and 2027 account for development investments to accelerate clean energy transition.

Industry Associations, collective commitments	The Issuer has been a member of the European Clean Hydrogen Alliance since 2020.
Sustainability Reporting	The Issuer reports on its ESG performance and initiatives annually. From Financial Year 2025, the group published externally audited sustainability reports as part of the group annual reports, in compliance with CSRD.
Previously issued sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework	The Issuer previously issued a sustainability-linked loan in 2023, and green financing instruments in 2024 and 2025, which were externally verified by ISS-Corporate.

DISCLAIMER

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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate proprietary methodology.

EU Taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Green Finance Framework meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act (June 2023).

If the client is seeking a full alignment with certain EU taxonomy activities, the evaluation is structured in two steps:

- The first step requires establishing whether the economic activity qualifies as taxonomy-eligible. This implies checking whether the activity is listed in the EU taxonomy and whether it contributes to one of the six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, or the protection and restoration of biodiversity and ecosystems;

- The second step constitutes the core of the assessment, and it consists in evaluating (i) the compliance of the activity with the relevant substantial contribution criteria, (ii) whether the activity does not harm other environmental objectives, meeting the Do No Significant Harm requirements, assessing for instance industry-specific sustainability thresholds, mitigation measures, compliance with international environmental standards, and any history of relevant controversies, and (iii) the adherence with the Minimum Safeguards, ensuring that operations comply with recognized human rights, labor rights, and governance standards. These safeguards ensure that the activity is conducted responsibly and ethically.

The evaluation shows if the client's project categories are indicatively in line with the entirety (or some of) the requirements listed in the EU Taxonomy Technical Annex. If both steps are carried out with a positive outcome, the activity is assessed as fully aligned (with final output being aligned/not aligned for each component of the second step).

If, instead, the client wishes to limit the evaluation only to the eligibility of the financed categories for a future alignment with certain EU taxonomy activities, the assessment consists in evaluating (i) the compliance of the activity with the relevant substantial contribution criteria, or (ii) the compliance of the activity with the relevant substantial contribution criteria and whether the activity does not harm other environmental objectives, meeting the Do No Significant Harm requirements, or (iii) the compliance of the activity with the relevant substantial contribution criteria and the adherence with the Minimum Safeguards, based on the client's request. In this case, should the evaluation be carried out positively, the relevant activity will be assessed as aligned with the requirements that were within the scope of the evaluation, while the remaining one(s) will not be assessed.

The evaluation is carried out using information and documents provided on a confidential basis by Eesti Energia, including due diligence reports, questionnaires' responses, internal policies and processes, as well as public documents. Further, international, national, and local legislation and standards, depending on the project category location, are drawn on to complement the information provided by the Issuer.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Eesti Energia commissioned ISS-Corporate to compile a Green Financing Instruments SPO. The Second Party Opinion process includes verifying whether the Green Finance Framework aligns with the GBP and GLP and assessing the sustainability credentials of its Green Financing Instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion:

- ICMA Green Bond Principles, as of June 2021 with June 2022 Appendix 1
- LMA Green Loan Principles, as of February 2023
- EU Taxonomy Climate Delegated Act, Annex I, as of June 2023

ISSUER'S RESPONSIBILITY

Eesti Energia's responsibility was to provide information and documentation on:

- Green Finance Framework
- Selection criteria
- Documentation of ESG risks management

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is a part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent Second Party Opinion of the Green Financing Instruments to be issued by Eesti Energia has been conducted based on a proprietary methodology and in line with the GBP and GLP.

The engagement with Eesti Energia for Part I took place from April to June 2024.

The engagement with Eesti Energia for Part II took place from September to November 2025.

The engagement with Eesti Energia for Part III and IV took place in April 2026.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

We assess alignment with external principles (e.g., the ICMA Green/Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/

For more information on SPO services, please contact: SPOsales@iss-corporate.com

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