

Luxembourg, 06 October 2025

Environmental and Social Data Sheet

Overview

Project Name:	<i>ZSE POWER DISTRIBUTION NETWORK INVESTMENTS</i>
Project Number:	<i>2024-0820</i>
Country:	<i>Slovakia</i>
Project Description:	The operation comprises a multi-year investment programme with ZSE Group for the renovation, reinforcement and modernisation of the electricity distribution networks in both West and East part of Slovakia. The implementation of the programme will focus on refurbishing and building new high, medium and low voltage overhead lines and underground cables, transformers and substations (of up to 110kV), as well as on the deployment of smart meters and components for network automation fostering connection of renewable generation and e-mobility.

E&S Risk categorisation Low

EIA required: no

Project included in Carbon Footprint Exercise¹: no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The project schemes are expected to fall under Annex II point 3.(b) of the of the EIA Directive, leaving it to the competent authority to determine whether or not an Environmental Impact Assessment (EIA) is required. According to the national legislation, a screening decision by the competent authorities is required for projects with operating voltage equal or above 110 kV. EIA may also be mandatory for 110 kV lines if the line is located in protected areas (such as NATURA 2000, protected landscape areas, national parks, ecologically sensitive territory, or if it is close to residential zones).

Two project schemes proposed under the investment programme have been subject to such screening and have been screened-out (no EIA is required) by the competent authority.

All other schemes have operating voltages below the threshold for screening set out in the national legislation (110kV), as per the provisions of Article 4(3) of the EIA Directive 2011/92/EU as amended by Directive 2014/52/EU. Environmental analyses may be carried out in the context of the construction permitting process. Substations schemes, either in the form of new construction, extension or refurbishment, do not fall under either Annex I or II of the EIA Directive. According to national law, EIA screening is not required for the construction, refurbishment or extension of substations. The biodiversity assessment under the EU Habitats and Birds Directives, where required, is part of the EIA process or by separate assessment if not subject to EIA process.

The programme has the potential for some low to moderate environmental and social impacts. These include noise, vibration, dust, and traffic disruption during the construction, and

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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electromagnetic fields (EMF) and nuisance during operation. Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. Particular attention will be paid to contain the effect of noise, vibrations and traffic disruption during the construction works. Typical mitigation measures include special construction procedures to minimize damages, construction of facilities to contain oil leaking from transformers, special waste collection procedures and other. For smart meters, the main impacts of the components are electromagnetic radiation during data exchange and the disposal of meters that are replaced (in line with relevant legislation). Smart meters comply with the electromagnetic radiation limits set out in guidelines published by national and international organisations.

The promoter manages, monitors and mitigates the effects on the environment through an environmental register, which defines, and documents processes, impacts and mitigations of activities and legal requirements. The promoter is guided by the EU Regulation in relation to equipment containing SF6 gas, including the purchasing process.

GHG emissions have been calculated but fall below the thresholds defined for the Carbon Footprint Exercise (CFE). The source of CO2 equivalent (CO2e) emissions for the programme is network losses associated with new or refurbished network equipment. At programme completion, the corresponding absolute emissions are estimated to be 5.4 kt of CO2e/year. Whilst smart meters may facilitate energy savings, they are not expected to have significant impact on CO2 emissions. As a conservative approach, the savings in end-user consumption have not been considered in the Carbon Footprint Exercise.

Physical climate change risks relevant to the area of installation of the project schemes, i.e. mainly extreme rainfall events, flooding and storms and high winds, are mitigated in the design stage, by adapting - as necessary - the design or the location of the equipment.

The operation has been assessed for its Paris alignment. It is considered to be aligned for low carbon and resilience, in line with the policies set out in the Climate Bank Roadmap and with the EIB's Energy Lending Policy.

EIB Paris Alignment for Counterparties (PATH) Framework

The ZSE Group is in scope and screened out of the PATH framework, because it is not considered high emitting and/or high physical climate risk.

Social Assessment, where applicable

The Project is expected to provide short-term positive socio-economic impacts in the form of temporary employment opportunities. The interventions do not envisage land compensation problems.

Public Consultation and Stakeholder Engagement

Public consultations, when necessary, are organised by the competent authority, as part of the permitting process.

Other Environmental and Social Aspects

The promoter is an experienced distribution network operator in Slovakia with an in-house team responsible for the environmental and social aspects. The promoter outsources the preparation of Environmental Impact Studies (EIS) and Appropriate Assessments (AA) to external specialised consultants if required. The environmental management capacity of the promoter is reflected through standard certifications obtained such as ISO 5001, ISO 9001, ISO 14001 and ISO 45001. The environmental and social due diligence focussed on the promoter's capacity and capability to implement the programme in line with EIB environmental and social standards and requirements. Based on this assessment, the environmental capacity of the promoter is deemed to be good; it has the experience and the capacity to appropriately manage the investment programme.

Conclusions and Recommendations

Considering the above the promoter's capacity to implement this operation in compliance with the EIB's Environmental and Social Standards is deemed good. Based on the information



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available and with appropriate conditions and monitoring, the programme is acceptable for EIB financing in environmental and social terms.

The promoter undertakes:

- to take into account and implement conditions expressed in any screening-out decision or EIA consent granted by the competent authority for nature and environment.
- to ensure that potential impacts to sites of nature conservation will be identified (for all program schemes) and should they be likely to be significant, the promoter undertakes to engage with the relevant authority and implement the procedures under Articles 6(3) and (4) of the Habitats Directive.
- to store and keep updated any documents that may be relevant for the programme and which support the compliance with the provisions under the EU Habitats and Birds Directives and shall, upon request, promptly deliver such documents to the Bank.
- not to allocate the Bank's funds to programme schemes that require an Environmental Impact Assessment (EIA)/Appropriate Assessment (AA) until the EIA and/or the AA have been finalised to the Bank's satisfaction, including public consultations, and approved by the competent authority. For schemes requiring an EIA and/or an AA, an electronic copy of the relevant documentation, including EIA/AA reports, consultation documents, EIA approvals, must be sent to the Bank as soon as each scheme is approved by the competent authority.
- not to allocate funds from the EIB loan to components dedicated to the direct connection of generation sources that emit above 100 g/CO₂ per kWh.
- undertakes not to engage in Incompatible Activities in accordance with the PATH framework

Under these conditions, the operation is deemed satisfactory from an environmental and social compliance perspective.