

Environmental and Social Data Sheet

Overview

Project Name:	EESTI ENERGIA GREEN BOND FRAMEWORK (GBPP)
Project Number:	2025-0764
Country:	Estonia, Baltics
Project Description:	Purchase by the EIB of Green Bond instruments issued by Eesti Energia under its Green Bond Framework, the proceeds of which will finance new investments in projects promoting the climate neutrality and sustainability of Estonia's distribution grid and the Baltics' energy supply – RES and BESS.
E&S Risk categorisation	Medium
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

The operation concerns the acquisition by the EIB of green bonds issued by EESTI Energia (The Promoter). Eesti Energia AS is a vertically integrated, state-owned energy group and the central pillar of Estonia's energy system. The company operates mainly in Estonia with activities in Latvia, Lithuania and Poland.

The proceeds of the green bonds are expected to be used to finance electricity distribution and storage investments, as well as investments in renewable energy generation in Estonia and the Baltics. Network investments are fully aligned with the objective of increasing renewable energy deployment and further electrification. The operation investments in the extension and resilience of the electricity grid distribution network in Estonia are necessary and offer high benefits in terms of energy transition, scaling up of deep decarbonisation technologies and the rapid deployment of renewable technologies in the region. Moreover, financing the Promoter represents an overriding public interest, given that the Promoter, as the regulated Distribution operator, is the only corporate which can invest in the network necessary for the rapid electrification and decarbonisation of the Estonian economy.

The operation will be contributing to the Bank's "Climate Action" and/or "Environmental Sustainability" objectives (CA&ES). The majority of the projects using the green bond proceeds are expected to have moderate/limited adverse environmental, climate and/or social impacts and risks.

Environmental Assessment

The operation supports overall EU renewable energy objectives by meeting national commitments with respect to greenhouse gas emission reduction. The EIB environmental and social due diligence focused on the promoter's capacity to implement the projects to be

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.



Luxembourg, 29.04.2026

financed by the bonds in line with the EIB Environmental and Social Standards. All projects under this operation are expected to be in line with EIB Climate Action and Environmental Sustainability (CA&ES) requirements and to have limited negative environmental impacts, when properly mitigated.

Due to their technical characteristics, some of the investments are expected to fall under Annex II of Directive 2014/52/EU amending Environmental Impact Assessment (EIA) Directive 2011/92/EU, leaving it to the national competent authority to determine according to Annex III of the said Directive whether an EIA is required. For all projects financed with the proceeds of the bonds, the Promoter will be required to ensure compliance with relevant EU Directives. In all cases where an EIA is required, the relevant competent authorities ensure that the EIA reports are electronically accessible to the public. In turn, the Promoter shall be required to retain appropriate records evidencing the fact that all projects financed with the proceeds of the bonds are in line with national and EU environmental and social legislation.

Should any scheme have a potentially significant negative impact on an area forming part of the EU Natura 2000 network (falling under Habitats Directive 92/43/EEC or Birds Directive 2009/147/EC), the FI will be required to verify that none of the schemes has a significant adverse impact on any of these sites of nature conservation importance. Written confirmation from the competent nature conservation authority, or an equivalent confirmation satisfactory to the Bank that the mentioned scheme does not have a significant negative impact on any site of nature conservation importance should be presented, as a condition of disbursement. Schemes with significant negative impacts on areas with high biodiversity value, nature conservation areas, including bird migration routes, shall not be eligible.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty has been determined to be in scope of the PATH framework.

The counterparty is deemed to meet the requirements of the PATH framework for climate aspects. The Borrower has agreed to develop its resilience plan in line with the requirements of the PATH framework and in line with EIBG requirements in this operation. As the counterparty is currently involved in Incompatible Activities, this operation will apply the relaxation of certain PATH parameters under the EIBG's contribution to Repower EU, specifically approving an extension of the exemption under the PATH framework to allow for the financing of all renewable energy infrastructure in the EU, also if executed by companies that continue to be involved in incompatible activities.

Social Assessment, where applicable

The Promoter will be required to undertake reasonable efforts to assess and address the risks of forced labour in the renewable energy supply chain. This will include, on a reasonable effort basis, enhanced due diligence, commensurate with the capacity and leverage of the developers regarding labour issues in the supply chain (supply chain mapping and/or declarations from the supplier, per project) ensuring that appropriate contractual provisions are cascaded to contractors/suppliers.

Public Consultation and Stakeholder Engagement

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

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Conclusions and Recommendations

The Bank has reviewed the E&S capacity of the Promoter as well as the E&S risks associated with the underlying investment schemes. The Promoter's E&S policies, management and its capacity to comply with the EIB's Environmental and Social Standards have been assessed and found to be suitable and commensurate with the E&S risk of the underlying Projects to be undertaken. Hence, it is deemed that the Promoter has the experience and the capacity to manage the underlying deployment of the green bond proceeds.

General contractual requirements

- The Promoter will be required to undertake reasonable efforts to assess and address the risks of forced labour in the renewable energy supply chain. This will include, on a reasonable effort basis, enhanced due diligence, commensurate with the capacity and leverage of the developers regarding labour issues in the supply chain (supply chain mapping and/or declarations from the supplier, per project) ensuring that appropriate contractual provisions are cascaded to contractors/suppliers.