



Stedin **Green Finance Framework**

September 2025

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Foreword by Jaap Verhoeff

Climate change is one of the most defining challenges of our time. Tackling this challenge demands nothing short of a full transformation of how we generate, distribute and consume energy. The energy transition is at the heart of this transformation, and at Stedin, it defines our mission.

As a grid operator for most parts of Zuid Holland, Utrecht and Zeeland – which include some of the most densely populated and economically active regions in the Netherlands – Stedin plays a vital role in enabling a sustainable and reliable energy system. Every day, we connect more renewable energy sources to the grid, facilitating the electrification of transport and industry, and prepare our infrastructure for a decentralised, low-carbon future. We don't just support the energy transition – we make it happen.

It is with this responsibility in mind that I am proud to present Stedin's updated Green Finance Framework. This Framework is more than a financing tool: it is a clear signal of our ambition to align capital with climate action. It enables us to finance the investment needed for a future-proof electricity grid – one that can support the growing demand for a sustainable energy system and deliver it equitably and reliably to all.

Green finance remains a cornerstone of our broader sustainability strategy. It provides transparency and accountability to our stakeholders, while also helping us build a more sustainable and inclusive world. By linking our financing activities to measurable environmental impact, we are strengthening the alignment between our financial decisions and our environmental mission.

At Stedin, we believe that the choices we make today will determine the world we live in tomorrow. Through this Green Finance Framework, we reaffirm our commitment to make the energy transition a reality – for everyone.

Thank you for supporting us on our journey!

Sincerely,

Jaap Verhoeff
CFO, Stedin Groep
Rotterdam, the Netherlands
September 2025

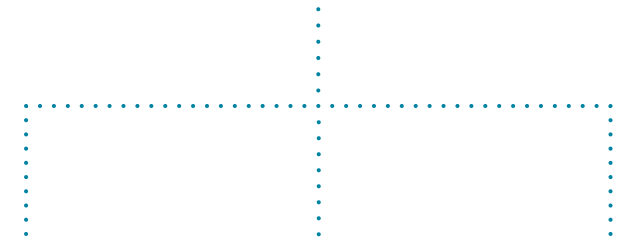


Stedin at a Glance

Stedin Group is a semi-public organisation: a public limited company whose shares are owned by government authorities: 61 Dutch municipalities, two provinces and the State of the Netherlands. Stedin Group consists of several business units: grid operator Stedin operates in the regulated market, while our infra partners NetVerder and DNWG Infra carry out nonregulated activities. In 2024, the non-regulated activities accounted for 1.3% of revenue (2023: 1.6%). Stedin Netbeheer, NetVerder and DNWG Infra are separate subsidiaries of Stedin Holding. You will find more information on the various business units on the Stedin Group website.

With our gas and electricity networks, we are a vital link in our service area. We concentrate on all activities related to building, managing and maintaining these energy networks and facilitating the energy market in our service area. We are also preparing to play a role in developing heat networks as part of the new integrated energy system.

 **STEDIN
GROEP**



STEDIN^{NET}

 **DNWG**

**NET
VERDER**



Service area

We manage and maintain the energy networks in most parts of South Holland, Utrecht and Zeeland. Our service area is home to roughly 5.5 million people. It includes three of the four largest cities in the Netherlands, the port and industrial areas of Rotterdam and Zeeland, as well as greenhouse horticulture regions. It also includes parts of the provinces of North Holland and Friesland. Stedin Group operates and has its registered office in the Netherlands. Our head office is located at: Blaak 8, 3011 TA in Rotterdam.



Stedin Corporate Strategy

Stedin is working on the energy system of the future. A system based on sustainably generated energy, in which consumption is attuned to natural rhythms. This new energy balance will make us less dependent and keep the Netherlands an attractive place to live and do business.

We are working towards a reliable and future-proof grid by executing our 2023 - 2027 strategy. The core of our strategy is based around expanding our grid capacity while keeping grid quality high. We will achieve this by accelerating construction, better utilising grids and continuing to manage grids reliably, and doing this as sustainably as possible.

That is how, together, we will create an environment filled with new energy.

Ensuring network capacity

- **Construction:** we are laying even more cables and pipelines and building additional stations. In this way, we can connect our customers to our energy network, including new customers and electricity generators.
- **Utilisation:** construction alone will not suffice.
We will improve the utilisation of the network by optimally matching supply and demand, and by using the available network capacity in the smartest possible way. This will reduce network congestion.

Ensuring network quality

- **Management:** we want to maintain the quality of our performance. Among other things, we do so by safeguarding the quality of our energy network.
Our top priority is to continue to ensure a reliable and safe energy supply.

We are creating the conditions for success

- We can only successfully implement our strategic priorities of Construction, Optimisation and Management if we ensure the right enabling conditions are in place. For instance, we need enough skilled people to do the job, our infrastructure needs to be secure and we need to remain financially sound.

Mission

Working together to create an environment filled with new energy

Vision

Enabling the energy transition by accelerating construction, better utilising and effective management of the networks

Strategy

PRIORITIES	Network capacity (Construction and Utilisation)	Network quality(Management)
OTHER AIMS AND ENABLING CONDITIONS	Service provision Employees, leadership & culture Sustainability Renewable gases and alternative heating Safety & Cybersecurity Finacially healthy Market facilitation ICT Capabilities & Capacity for Chanfe	

Stedin ESG Strategy

Stedin's ESG strategy towards 2030 is divided into five themes. Further to Good Employment Practices (Social) and Good Governance (Governance), there are three other themes, which all fall under Environment: Climate Mitigation, Circular Material Use and Biodiversity in the Value Chain. These themes were determined using a double materiality analysis, which considers the impact on and by the company.

Our objectives for 2030

We have opted to focus our strategy on areas where we can make the most impact – not because it is easy, but because it is necessary. We are happy to assume our responsibility.

The biggest contribution by Stedin to make the Netherlands more sustainable is to expand our network capacity as quickly and effectively as possible. This will enable businesses and individuals within our service area to reduce their CO₂ emissions. At the same time, we are setting targets to minimise the impact and emissions of our own operations.

Validation of SBTi targets

We have aligned our CO₂ reduction targets with the Paris Climate Agreement, which has encouraged us to set ambitious goals. We had our targets validated, by committing to the Corporate Net-Zero Standard of the Science Based Target initiative (SBTi). After an extensive preliminary process, we have received their scientific validation in June 2025.

We know that achieving our targets is uncertain in some cases. But if we resign ourselves to that now, we will definitely not achieve them. When we fail to meet a target, we are transparent about it and explain why. We believe that this combination of responsibility, ambition and transparency leads to the greatest possible positive impact on society and the climate.

In July 2025 Stedin published an update of its ESG Strategy from January 2024. The fact that we released an update after only eighteen months reflects the stage we are in relation to monitoring the environment and reporting abilities. However, the entire sector is still exploring reliable methods, leading to rapidly developing insights.

Some of those new insights were derived from our Annual Report 2024 – in which we reported in line with the Corporate Sustainability Reporting Directive (CSRD) for the first time – from the internal governance we set up for ESG and from the update to the Double Materiality Analysis.

The full update on our ESG strategy can be found [here](#)

Environment			Social	Governance
Climate change mitigation	Circularity	Biodiversity	Good employment practices	Business ethics, integrity and sound management
 Reduction of 42,69% compared to 2021	 Reduce growth of abiotic primary raw materials by 40% compared to 2022	 Reduce growth of negative impact by 7% compared to 2023	 Continuously engaged employees and safe working conditions	 Integrity, transparency and compliance with laws and regulations

Our value chain and the energy transition

We collaborate with other parties in our value chain to give our customers access to energy. These include producers and national distributors of electricity and gas, our suppliers, other regional grid operators and organisations that monitor the reliability, affordability, safety and sustainability of our energy supply.

To fully understand who our stakeholders are and where we have impact on people and the environment, we analysed our value chain in 2024. As well as looking at our own operations, we looked at activities in our supply chain (upstream) and at our customers and end users (downstream). This was a first step towards identifying potential human and environmental impact in our value chain.

The diagram on the next page depicts the structure of our value chain, activities and material topics within it, the required input and generated output, and the relationship with our stakeholders. For further information on our strategy, its relationship with material topics and long-term value creation we refer to the chapter Value creation of our [2024 annual report](#).

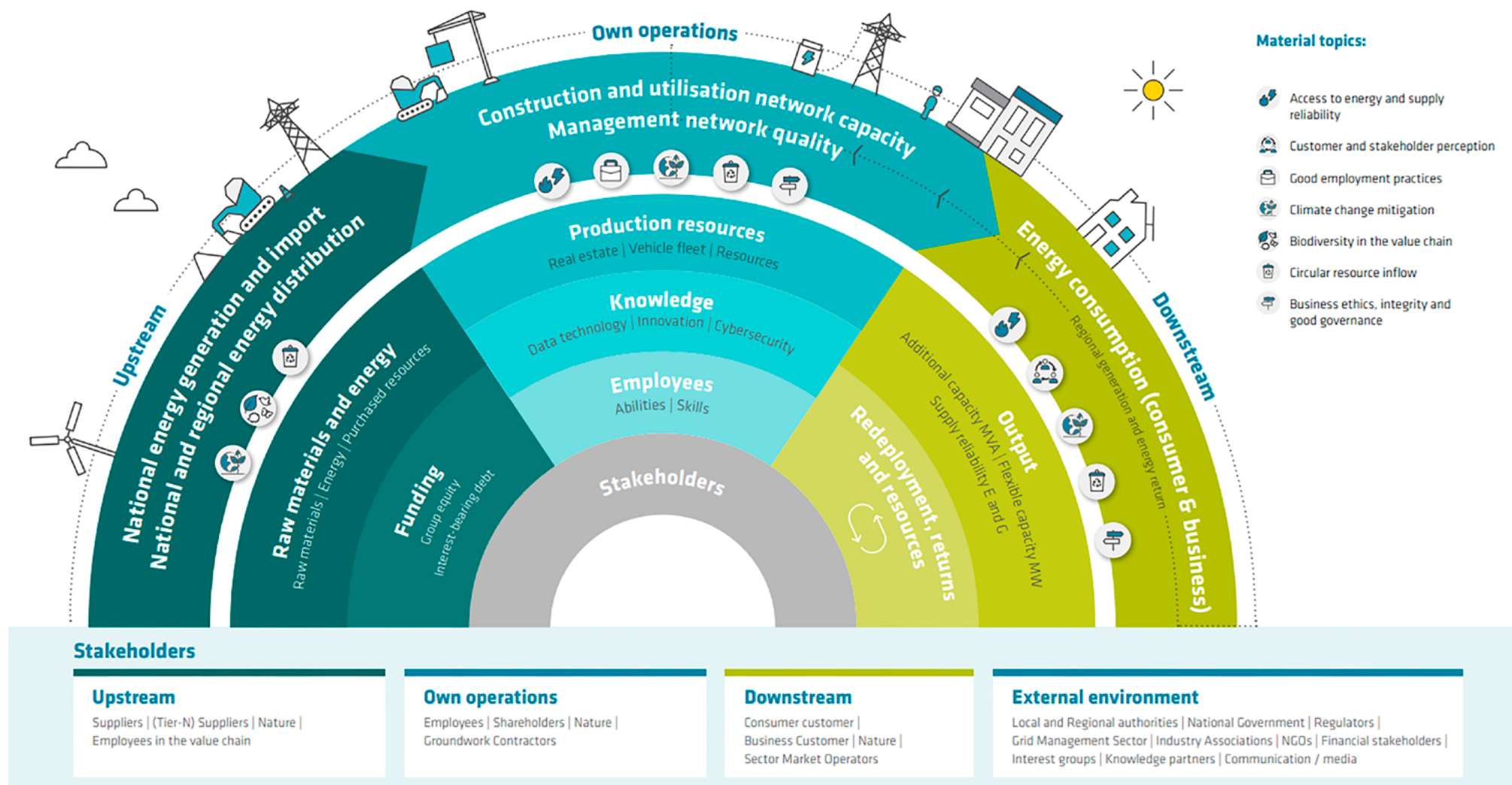
Our value chain has a major impact on the energy transition and the rate at which this transition occurs. By constructing and maintaining our networks, we play a central role in the value chain and in making the energy transition a reality. At the same time, we have limited direct influence on factors such as the supply of and demand for specific forms of energy. This means that we are largely dependent on the other parties in our value chain to facilitate the energy transition.

Contribution to the UN Sustainable Development Goals

In 2015, the UN adopted the 2030 Agenda for Sustainable Development to secure the rights and wellbeing of everyone on a healthy and thriving planet. This agenda contains seventeen Sustainable Development Goals (SDGs) and acts as a roadmap to end poverty, protect the planet and to tackle inequality.

The core activities of Stedin contribute directly or indirectly to the achievement of SDG 7 (Affordable and Clean Energy) and SDG 9 (Industry, Innovation and Infrastructure). On these two goals our activities also have the greatest impact. We identified further goals to which Stedin feels its actions and activities make a positive contribution. We refer to the connectivity table in our [2024 annual report](#) for further details.





Stedin Green Finance Framework

Stedin published its first Green Finance Framework in 2019 as a tool to channel investments to projects that demonstrate climate benefits and contribute to the achievement of the UN Sustainable Development Goals. The framework was updated in 2021 and by continuing to update its framework and issuing Green Finance Instruments, Stedin intends to strengthen the alignment between its funding strategy with its mission, ESG strategy and objectives.

This Green Finance Framework is structured in alignment with the ICMA Green Bond Principles (GBP) 2025 and the LMA, APLMA and LSTA Green Loan Principles (GLP) 2025.

In addition, the current version of this Green Finance Framework seeks to align the Eligibility Criteria for the Eligible Green Asset Categories with the EU Taxonomy (Regulation (EU) 2020/852) and highlights its compliance with 'Do No Significant Harm (DNSH) criteria and related 'Minimum Safeguards' (MS). Should Stedin choose to adopt the EU Green Bond Standards label (EU Green Bond Standard Regulation (EU) 2023/2631), this will be reflected in the relevant issuance documentation and supported by an EU Green Bond factsheet. We continue to monitor evolving market practices, including updates to the EU Taxonomy delegated Act and EU Green Bond Standard.

Stedin may issue or borrow different Green Finance Instruments under this green finance framework, including bonds, hybrid bonds, loans, Schuldscheins, (US) Private Placements and commercial paper (CP)s¹.

This Green Finance Framework consists of the core components of the GBP and GLP:

1. Use of Proceeds
2. Process for Asset Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review

¹ In line with ICMA's "[The role of commercial paper in the sustainable finance market](#)" paper, October 24

² Source: [Guidelines on funds' names using ESG or sustainability-related terms](#)

³ Source: [EU labels for benchmarks \(climate, ESG\) and benchmarks' ESG disclosures - European Commission](#)

Stedin intends to follow best practices in the market as the standards develop, and this Green Finance Framework may therefore be amended and/or updated to reflect future changes in market practice and regulations.

Paris-Aligned Benchmark alignment

Stedin recognizes that many of its European ESG investors are subject to the European Securities and Markets Authority (ESMA) guidelines on fund names using ESG or sustainability-related terms². These guidelines require that investment funds whose names include using terms such as "environmental," "impact," or "sustainability" in their names must apply the exclusion criteria defined by the European Commission for an EU Paris-Aligned Benchmark (PAB)³. Additionally, ESMA published a Q&A on applying these guidelines to fund names, that the investment restrictions related to the exclusion of companies do not apply to investments in European Green Bonds and for other green bonds, fund managers may use a look-through approach to assess whether the activities financed are relevant for the exclusions.

As of the date of this framework and per. Stedin's [2024 annual report](#), Stedin and the intended Use of Proceeds of this framework are not excluded as per the PAB rules.

Use of Proceeds

The net proceeds from Green Finance Instruments will be allocated towards Eligible Green Assets in the Renewable Energy category, together forming the Eligible Green Asset Portfolio. Eligible Green Assets are defined as assets that meet the Eligibility Criteria as set out in the table below.

The biggest contribution by Stedin to make the Netherlands more sustainable is to expand our network capacity as quickly and effectively as possible. This is also the core of our corporate strategy which is based around expanding our grid capacity while keeping grid quality high. Stedin therefore opted to have this reflected in this update of the Green Finance Framework by focusing solely on the Renewable Energy category.

Asset value approach

Eligible Green Assets will be included in the Eligible Green Asset Portfolio at their ‘Net Asset Value’ which is being defined as:

- The carrying amount of the asset (i.e., cost less accumulated depreciation and impairment losses), minus
- The carrying amount any related contract liability (i.e., deferred revenue from customer contributions)

With both carrying amounts being equal to those reported in Stedin’s most recent and audited annual consolidated financial statements.

Hence, as per market and accounting standards for such asset value Stedin will mainly use refinancing and not apply a dedicated look-back period as all assets that are up for refinancing will have to meet the Eligibility Criteria. This will apply for all Green Finance Instrument including the CPs.

EU Taxonomy alignment

Stedin seeks to align with the EU Taxonomy (Regulation (EU) 2020/852) on a best-effort basis. In our [2024 annual report](#) we state that we were not yet able to demonstrate full alignment with the EU Taxonomy. Stedin was able to meet the ‘Substantial Contribution’ criteria for Climate Change Mitigation as well as ‘Do No Significant Harm’ criteria but was not yet able to demonstrate full compliance with Minimum Safeguards, specifically in the area of human rights. Over the course of 2025 we have worked hard on closing the remaining gaps and expect to be able to report full EU taxonomy alignment in our 2025 annual report.

For further information on Stedin’s taxonomy alignment we refer to our [2024 annual report](#) and prospective reporting.

Eligible Green Asset Category (ICMA/GBP)	EU Taxonomy activity	Eligibility Criteria	Green Finance Eligibility	UN SDGs
Renewable Energy	Climate Change Mitigation (CCM) 4.9: Transmission and distribution of electricity NACE codes [D35.13, D35.14]	All electricity grid assets that meet the Technical Screening Criteria of the EU Taxonomy activity 4.9 This includes (Smart) electricity grid equipment and/or infrastructure to carry information to/from users for remotely acting on consumption, including smart electricity meters	100% of Net Asset Value	7,1, 7.2, 9.1 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Process for Asset Evaluation and Selection

Stedin has processes and systems in place to determine the eligibility of the nominated assets, in accordance with the description of the Eligibility Criteria mentioned in the Use of Proceeds section of this framework. These include procurement and reporting systems, furthermore Stedin is required to report annually to its regulator on the development of these assets. This ensures that Eligible Green Assets align with the Eligibility Criteria as set out in the Use of Proceeds sections of this framework. The alignment is further assessed through the EU Taxonomy screening process as part of annual reporting.

Within Stedin the ESG Steering Committee is responsible for monitoring the progress of the environmental aspects of the ESG strategy and set targets. The Committee is also charged with taking decisions on projects related to implementation and execution of (environmental aspects of) our ESG strategy. This Committee is formed by members of Group Control, Strategy, Supply chain, asset management and other parties to be nominated as subject matter experts from the various expertise of allocated assets. The Committee meets regularly or on ad hoc basis and in relation to the Green Finance Framework at least on an annual basis.

With respect to the Green Finance Framework the Committee is responsible for:

Reviewing the content of Stedin's Green Finance Framework and ensuring it is updated to reflect changes in corporate strategy, technology, market, or regulatory developments on a best effort basis.

Provide input on potential environmental and social risks and opportunities associated with the Eligible Green Asset Portfolio

Overseeing and approving the overall allocation of proceeds and impact reporting from Stedin's Green Finance Instruments

The Treasury department is continually overseeing the allocation of the net proceeds from Green Finance Instruments to the Eligible Green Assets, to ensure that the value of the allocated assets equals or exceeds the net proceeds from issued Green Finance Instruments. Specifically for any Green CP outstanding, ensuring that there is no double counting with assets already financed with term instruments.

Stedin's policies define minimum standards for all its activities, including those financed with the net proceeds from Green Finance Instruments issued under this framework. Relevant codes and policies⁴ include Stedin's Socially Responsible Procurement Policy (SRP), Code of Conduct, Corporate Governance Code, Human Rights statement, certification and other relevant standards⁵. These policies cover Stedin's approach to mitigating social and environmental risks associated with Eligible Green Assets. The evaluation and selection process helps to mitigate potential environmental and social risks associated with the Eligible Green Assets, in accordance with the recommendations of the EU Taxonomy in relation to DNSH Assessment. Stedin's Enterprise Risk Management (ERM) framework covers both long-term and short-term uncertainties and Stedin reviews its risk tolerance each year, taking into account the changing and challenging environment in which it operates. Sustainability of our operations is an explicit part of this.

⁴ To be found [here](#)

⁵ ISO 9001, ISO 14001, ISO 27001, ISO 55001, NTA 8120, VCA, Veiligheidsladder trede 4

Management of proceeds

The net proceeds of the Green Finance Instruments issued under this Framework will be managed by Stedin (and, more specifically, its ESG Steering Committee) on an aggregated basis using a gradual approach. The gradual approach refers to the fact that Stedin can allocate net proceeds from Green Finance Instruments over the lifetime of the issued instrument. However, Stedin will allocate the net proceeds within a timeframe of 12-24 months after issuance, in accordance with best market practice.

Stedin will allocate the net proceeds from the Green Finance Instruments to assets from the Eligible Green Asset Portfolio that meet the Eligibility Criteria stated in the Use of Proceeds section and in accordance with the Process for Asset Evaluation and Selection section. To monitor that the net proceeds of Green Finance Instruments are entirely allocated to assets that meet the eligibility criteria, all eligible Green assets will be logged and followed by Stedin in an internal accounting system. Stedin will log all Green Finance Instruments, including tranches, into its internal systems.

In this regard, Stedin will ensure that the value of the allocated Eligible Green Assets equals or exceeds the net proceeds of issued Green Finance Instruments.

Pending the allocation to the Eligible Green Assets, unallocated proceeds will be invested in accordance with Stedin's liquidity guidelines, in cash, deposits or money market instruments. Where possible, preference will be given to ESG or sustainability-labelled instruments.

No proceeds will be allocated to transitional economic activities, or activities related to nuclear energy and fossil gas in accordance with Articles 10(2) and 11(3) of Regulation (EU) 2020/852.



Reporting

Stedin will report⁶ annually on the allocation of Green Finance Instruments to Eligible Green Assets approximately twelve (12) months after the issuance of such Green Finance Instruments until full allocation or in case of material change.

Reporting will be conducted on an aggregated basis and on instrument level for all outstanding Green Finance Instruments, at the Eligible Green Asset Category level. Where relevant Stedin will seek to align the reporting with the latest standards and practices as identified by ICMA's Harmonised Framework for Impact Reporting⁷.

The allocation and impact reporting will be made publicly available on the investor relation section of Stedin's corporate website.

Allocation reporting

The allocation report may provide indicators such as:

- The total amount of Stedin Green Finance Instruments outstanding, including a split between instrument type (CP / Bonds / Hybrid bonds etc.)
- The amount of net proceeds allocated to Eligible Green Assets
- The balance of unallocated proceeds
- The amount or the percentage of new financing and refinancing
- The geographical distribution of the Eligible Green Assets
- With regards to any Green CP issued under the framework, on an annual and aggregated portfolio basis:
 - Simple average of Green CP outstanding during the reporting period
 - Highest amount of outstanding Green CP during the reporting period

Where feasible, Stedin will present selected case studies.

Impact reporting

Stedin will report on the environmental impact of the Eligible Green Assets funded by Green Finance Instruments, including any Green CP issued and will insure no double counting of the stipulated impact. The impact report may account on actual impacts related to the Eligible Green Asset Portfolio, of which two examples are included below, if the impact cannot be systematically measured estimated impact will be reported. Where feasible, Stedin also intends to provide estimates for other environmental and social impacts to the Eligible Green Asset Portfolio. The information on the environmental impacts of the net proceeds of the Green Finance Instruments will be provided in the post-issuance impact report in accordance with the ICMA "Handbook - Harmonised Framework for Impact Reporting (June 2024)" and best market practices. Stedin is committed to providing impact reporting at the group level.

Eligible Green Asset Category	Example Impact Indicators
Renewable Energy	• Capacity of renewable energy production connected in the grid (in MW) • Estimated annual CO₂ emissions avoided (in t CO₂eq.)

6 Reporting will be based on the entirety of Eligible Green Assets in an Eligible Green Asset Category

7 Source: ICMA [Handbook Harmonised Framework for Impact Reporting-June-2024](#)

External Review

Second Party Opinion (pre-issuance)

To secure alignment with national and international guidelines, and as well the EU taxonomy Regulation (EU) 2020/852 Stedin has engaged ISS ESG to act as an external verifier of this Green Finance Framework. The Framework second party review also contains an EU taxonomy alignment assessment.

The Second Party Opinion and the taxonomy alignment assessment are available at Stedin's website.

Third-Party Review (post-issuance)

Stedin intends to request on an annual basis, starting one year after issuance and until maturity (or until full allocation), a limited assurance report of the allocation of the net proceeds from Green Finance instruments to Eligible Green Assets, provided by an external auditor.

Publicly Available Documents

This Green Finance Framework, the Second Party Opinion, the third-party review, and related reporting will be publicly available on [Stedin's website](#).



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