

MVM GROUP ENVIRONMENTAL POLICY

Through its activities¹, the MVM Group has an impact on the natural and built environment. In line with the principles of sustainability, the MVM Group aims to minimise the impact on the environment and biodiversity, reduce emissions of pollutants and waste, and eliminate past environmental damage, while respecting the principles of precaution and responsibility. Building on the long-term innovation and decarbonisation set out in its business and ESG strategy, the MVM Group will increase its carbon neutral energy production, applying efficient, energy-saving and sustainable processes and technologies, thus strengthening its competitiveness, market position, reputation, customer focus and positive impact on society. In its developments, investments and acquisitions, the MVM Group gives priority to continuous compliance with environmental requirements (IPPC), the application of Best Available Techniques (BAT), responsible resource management, material/part durability, reuse and low waste, and to the UN Sustainable Development Goals. Parallel to all the above, the MVM Group responds to climate change, strives for resilience, manages market turbulence and security of supply.

The MVM Group makes the following commitments on the below listed significant issues.

While mitigating and adapting to climate change, the MVM Group is committed to:

- take steps and measures to adapt to the current and future impacts of climate change and achieve carbon neutrality;
- as far as the production of electricity and heat is concerned, support the achievement of national climate policy targets set in line with EU expectations and the implementation of the various national climate and energy strategy plans and documents (e.g. National Energy Strategy) in force at the time;
- implement coal phase-out/the closure of the lignite-fired Mátra power plant in line with the implementation of the Mátra CCGT project;
- in the framework of the Green Transition, increase its renewable capacity/portfolio by nearly +3 000 MW by 2035, and maintain and develop its nuclear capacity;
- add nearly +2 700 MW of flexible assets (e.g. CCGT, energy storage) by 2035;
- take into account the integrability of renewables supporting it with appropriate grid investments;
- reduce GHG intensity, energy use and targets net carbon neutrality by 2050;
- increase e-mobility both within the Group and domestically.

The MVM Group is committed to avoiding air, water and soil pollution by:

- continuously monitor the environmental impact of its activities, prevent negative impacts and reduce emissions of pollutants and waste;
- identify, control and monitor critical activities that have/may have a significant impact on the environment;
- exercise the utmost care and allocate sufficient funds for the rehabilitation of abandoned sites making them suitable for recycling;
- ensure the financing of radioactive waste and spent fuel management, as well as the nuclear installations decommissioning by filling up the separate public fund in accordance with legal obligation.

In relation to water as a significant environmental element, the MVM Group is committed to:

- reduce impacts on and minimise threats to living waters, wetlands and drinking water sources;
- manage risks from water scarcity and integrate them into its regular risk assessment and business strategy;
- reduce its water use and water use intensity;
- maximise and avoid potential impacts on water scarcity areas in the planning of investments, acquisitions and operations;
- manage and reduce the volume of waste water generated in accordance with the law and with the utmost responsibility.

In relation to biodiversity conservation, the MVM Group is committed to:

- reduce negative impacts on biodiversity and minimise threats;
- take into account and, where possible, avoids negative impacts on biodiversity in the planning and operation of investments and acquisitions;
- make all effort to avoid negative impacts on threatened and protected species.

In relation to resource use and the circular economy, the MVM Group is committed to:

- apply best available techniques (BAT), taking into account the durability of the material/component, prioritising the use of low-waste technologies, reuse, recycling;
- manage waste responsibly, reduce waste quantity, in particular hazardous and radioactive waste;
- strive to provide sustainable energy solutions along the whole value chain.

¹ More information on the activities of the MVM Group can be found at [mvm.hu](https://www.mvm.hu).

In addition, the MVM Group is committed to:

- comply with the legislation, standards, regulatory and internal requirements applicable to its activities (both in the EU and in the countries where it operates) and require its partners to act accordingly;
- set targets to ensure that its taxonomic activities comply as far as possible with the criteria set out in the EU Taxonomy Regulations;
- in line with international expectations and in order to increase transparency, establish and publish traceable indicators and targets in the ESG Framework demonstrating sustainability performance in relation to the above-mentioned significant issues; and continuously improve its sustainability performance;
- continuously monitor and improve its sustainability performance and rationalise its use of natural resources;
- identify and exploit sustainability opportunities, identify and manage risks, and develop and integrate measures to minimise them into the Group's strategic, business and decision-making processes;
- consider as unsustainable any business partner (full value chain or supply chain) whose operations violate the environmental values and expectations set out in the MVM Group's Code of Conduct for Business Partners, and draw the attention of its partners to the need to comply with these principles, and in the event of failure, will terminate or reduce such business relationships;
- prepare for emergencies, react to any incidents that may occur, investigate the causes and modify its practices;
- continuously develop the professional skills of its employees, ensuring their commitment to a sustainable economy and protection of the environment, as well as their environmental awareness;
- share its knowledge, experience and good practices in the field of environmental and energy awareness with its employees and business partners, and make them available to society;
- maintain a continuous dialogue with stakeholders and cooperate with public authorities to prevent and tackle environmental pollution and emergencies;
- regularly inform stakeholders through its annual Sustainability Performance Report (Sustainability Report);
- participate in environmental/sustainability-related social initiatives and actions;
- support the implementation, operation and continuous improvement of environmental management systems of its member companies.

The MVM Group establishes and publishes trackable indicators and targets to demonstrate sustainability performance in relation to climate change mitigation and adaptation; pollution; water; biodiversity; resource use and circular economy.

The MVM Group reviews its environmental policy annually, enforces it in accordance with internal regulations and makes it publicly available on its website in both English and Hungarian. The group-wide environmental policy applies to all members of the Group, and is required to be complied with by all business partners.

The MVM Group and the CEO of MVM Zrt. assume responsibility for compliance with the policy and take steps and measures to this end.

Budapest, 6 Sept 2024

Károly Mátrai

Chief executive officer