



# **SUSTAINABLE FINANCE FRAMEWORK**

**September 2025**



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# 1. PEPCO GROUP INTRODUCTION



# NEW PEPCO GROUP – OVERVIEW

Fast-growing pan-European variety discount retailer operating c.4,000 stores in 18 countries with a **focus on clothing and general merchandise** categories

- Focused on **Pepco as the core brand** in Clothing & GM sectors. FMCG-exit near complete
- Mature operations in the CEE, with further expansion potential. Gaining traction quickly in Western Europe with strong early growth and large whitespace opportunity
- **Price leadership focused**, providing a compelling value proposition for customers
- **Strong brand equity** and market share in our core CEE markets
- **Disciplined growth** with a rollout of c. 250 stores per year



# PEPCO GROUP INVESTMENT CASE

Pepco Group has a unique proposition focused on delivering great value for customers and on maximising returns for shareholders.

## **STRONG BRAND AFFINITY**

With a well-recognised brand that resonates strongly with consumers, creating high loyalty and regular visits within our core customer base

## **PRICE LEADERSHIP**

We have a strong reputation with customers for offering the best value prices on quality clothing and general merchandise products

## **SIMPLIFIED, SCALABLE MODEL**

Pepco Group is becoming a more streamlined, focused, efficient and disciplined business, centred on our core Pepco brand

## **SIGNIFICANT GROWTH OPPORTUNITY**

Strong organic growth potential, supplemented by new store openings, with particular focus on whitespace opportunity in Western Europe

## **UPSIDE FROM DIGITAL**

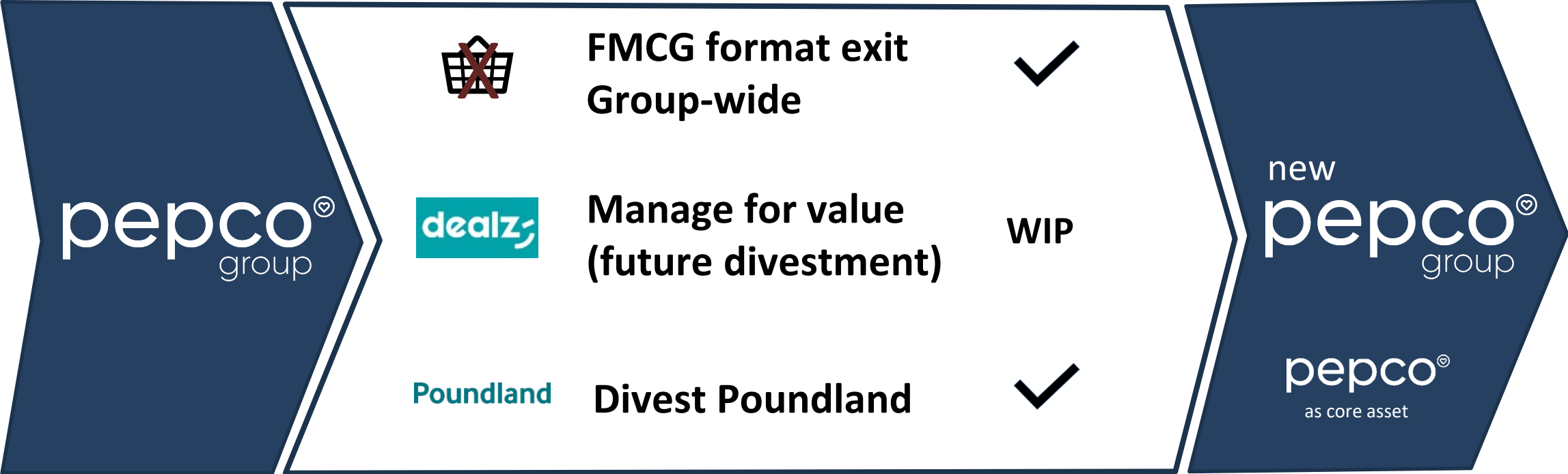
Significant potential to expand our customer engagement, average basket size, new customer growth and LTV through growing our digital capabilities and leveraging data.

## **FOCUSED ON SHAREHOLDER RETURNS**

With consistent and increasing FCF, we are focused on returning excess cash to shareholders through our annual dividend, SBBs and special dividends



# 2025: INFLECTION POINT YEAR – PORTFOLIO UPDATE



# LTM MILESTONES

**Sale of Poundland & Pepco Plus reformatting** take us a significant step closer to FMCG exit. Dealz ready for divestment at the appropriate valuation

**Fully focused on Pepco as core brand**, operating in higher margin Clothing and GM

**Renewed focus on price leadership** and operational excellence delivering positive LFL performance

**Positive LFL growth restored** in both Poland and CEE

**Expansion in Western Europe progressing well**, with strong LFL growth and improved margins

**Financial profile significantly improved** post-Poundland with the Group generating increasing free cash flow

# NEW PEPCO GROUP CULTURE BASED ON 3 CORE PILLARS

## Vision

**“Our vision is to build the leading European clothing & homeware discount retailer”**

## Mission

**“Our mission is to offer the lowest prices and the best value to families on a budget”**

## Purpose

**“Help our customers to live better lives”**

## Focused

Customer-first

Standardised operating model

Efficient infrastructure & platform for growth

## Modern

Staying relevant for our core customer

Data & digital enabled

## Disciplined

Clear value creation framework

Capital allocation discipline

Operational rigour & excellence



# KEY FACTS & FIGURES

Pepco Group is a high-growth pan-European value retailer – operating across 18 territories, reaching > 61 million shoppers each month

**€6,167m**  
FY24 Revenues

**€944m**  
FY24 Underlying EBITDA  
(IFRS16)

**€515m**  
FY24 Underlying EBITDA  
(pre-IFRS16)

**43.9%**  
FY24 Gross margin

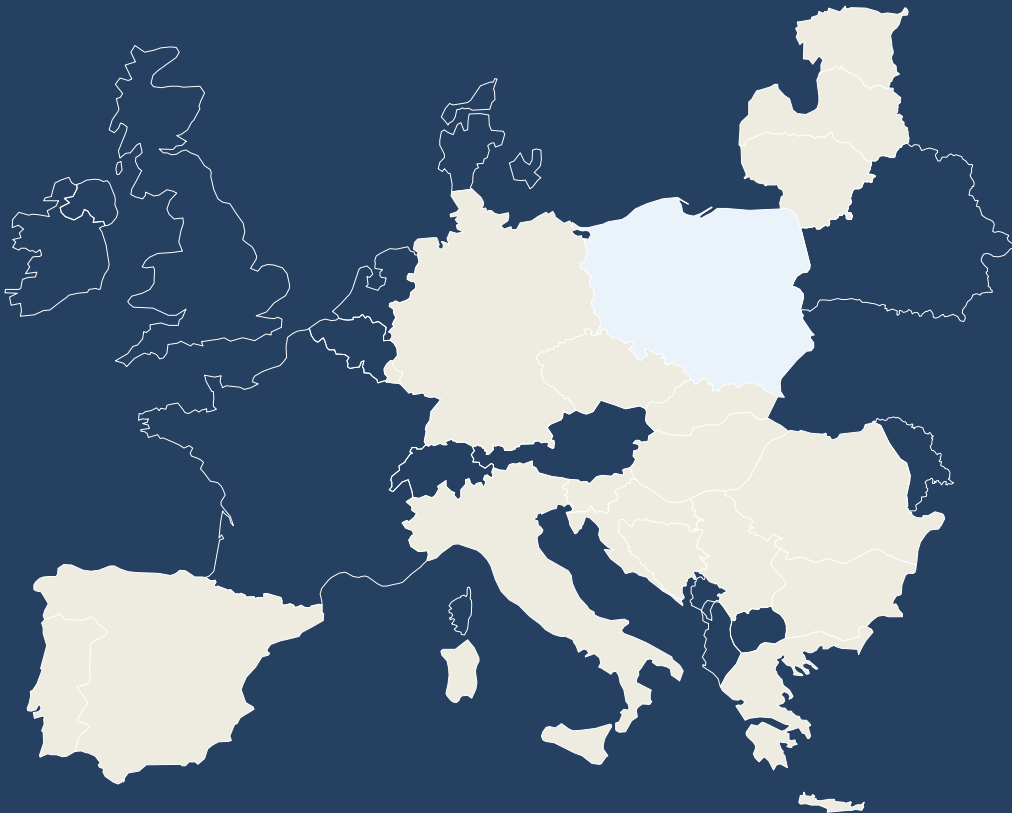
**0.6x**  
H1 FY25 Leverage  
(pre-IFRS 16)

**5,049**  
Stores (H1 FY25)

# OUR CORE BUSINESS - PEPCO



- 3,887 stores in 18 countries
- Recognised as one of Poland's strongest retail brands
- Offers clothing and household goods at the lowest prices



FY24 Stores	FY24 Revenues	FY24 EBITDA (IFRS 16)
3,887	€3,853m	€785m



## **2. SUSTAINABILITY STRATEGY OF PEPCO GROUP**





# PEPCO GROUP'S APPROACH TO SUSTAINABILITY

- Pepco Group is committed to building a retail business that not only meets the needs of today's consumers but also contributes to a more sustainable and equitable future. Focus is on providing value to our customers, driving sustainability into every price point and product offering. Central to this commitment is the belief in the democratisation of sustainability—so everyone can participate in protecting the planet, ensuring fair working conditions and being a good citizen – no matter the size of their budget.
- Pepco Group recognises that long-term success depends on its ability to innovate and adapt to evolving challenges. In response, the Group has developed a new sustainability strategy, marking a bold step forward in its commitment to building a more sustainable and equitable future. This strategy is designed to embed social responsibility and environmental sustainability across all aspects of its operations—from product sourcing and business practices to customer and community engagement.



# PEPCO GROUP'S APPROACH TO SUSTAINABILITY CONT.

**The approach is structured around three core pillars: Planet, People, and Product.**

- Each pillar is supported by specific, measurable goals aligned with global sustainability standards and disclosure requirements. Through its 2030 ESG strategy, Pepco Group aims to demonstrate that affordability is not a barrier to accessing sustainably and ethically produced products.
- In FY24, the Board approved this five-year ESG strategy (2025–2030), which applies across the entire Group. The three pillars also enable improved alignment with material topics identified by stakeholders through double materiality assessments.
- ESG progress is and will continue to be reported annually against the pillar specific ambitions and priorities in the annual reports<sup>1</sup>



# PEPCO GROUP'S APPROACH TO SUSTAINABILITY CONT.

## PLANET<sup>2</sup>

Pepco Group is committed to minimising our environmental impact and advancing sustainability across our operations. Environmental stewardship is embedded across business practices and decision-making processes.

Addressing environmental challenges requires for Pepco Group not only to reduce its own environmental footprint but also to work collaboratively with different stakeholders, including suppliers, customers, and communities to ensure same standards are applied across the entire value chain.

### Priorities

- Reduce our carbon footprint
- Use less materials
- Minimise waste

### Policies

- Pepco Group Environment Policy
- Pepco Group Packaging Policy

### Associations and accreditations

- Responsible Business Forum Poland
- Forestry Stewardship Council (FSC)
- Oeko-tex® Standard 100 – certification for textile product safety including organic cotton

## PEOPLE<sup>3</sup>

Pepco Group is a multinational company operating across a wide range of geographies and jurisdictions. Strong business ethics and accompanying policies help to maintain responsible practices, protect human rights across the Group and value chain and uphold its reputation with stakeholders.

Recognising the potential impact of ethical breaches on employees and supply chain partners, Pepco Group is dedicated to mitigating these risks through continuous enhancements to its governance framework.

### Priorities

- Develop our people
- Care for our colleagues

### Policies

- Anti-Bribery and Corruption
- Supplier Code of Conduct
- Pepco Group Human Rights policy
- Child Labour Remediation policy
- Factory Audit policies
- Whistle Blowing policy

### Associations and accreditations

- Ethical Trading Initiative aligned
- SEDEX: global data platform for supply chain assessment

## PRODUCT

At Pepco Group, we aim to democratise sustainability for our customers by offering affordable choice and demonstrating that price is not a barrier to sustainable and ethically produced products.

One of the most impactful ways that we can positively contribute to our customers and communities is through offering a larger range of affordable and sustainable products available in our stores.

### Priorities

- Responsibly source product materials

### Policies

- Supplier Code of Conduct
- Supplier Environmental Guidelines
- Product Quality Specifications

### Associations and accreditations

- Better Cotton Initiative
- SEDEX: global data platform for supply chain assessment
- ZDHC: Zero Discharge Hazardous Chemicals – a collaboration platform for textiles suppliers



# SUSTAINABILITY GOVERNANCE

- Pepco Group is committed to ethical business conduct, strong corporate governance, sustainability and transparency aligning performance with its long-term goals. It has established a governance framework aimed at ensuring the effective operation of the Board, protecting stakeholder interests, maintaining business resilience and building trust.
- The Group CFO oversees the Group’s ESG strategy and is responsible for its execution, supported by senior management in the operating companies and the Group’s Head of ESG. Quarterly ESG progress updates are presented to the Group’s Audit Committee. The ESG Executive Committee is chaired by the Group CFO to align and drive ESG priorities, review progress, manage risks, and develop strategies for the Group and its companies.
- As a multinational organisation operating across varied jurisdictions, Pepco Group remains committed to strong business ethics and continuous improvement. The Group has introduced revised, Group-wide policies and mandatory sustainability, social and compliance training to promote responsible practices, uphold human rights across its operations and value chain, and safeguard its reputation.
- Future developments and updates will be published in the [sustainability section of Pepco Group’s website](#).

## ESG oversight and management

### Pepco Group Board and Audit Committee

Reviews ESG Strategies, goals and targets and monitors progress quarterly, advising the Board as appropriate

### ESG Executive Committee Committee

Chaired by the Group CFO, the ESG Executive Committee determines and aligns strategy, reviews progress and next steps for ESG across Pepco Group

### Group sustainability team

Includes representatives from across the Group. It coordinates and reports on ESG work across the Group

### OpCo sustainability committees

Implement ESG action plans and roadmaps at operating company level, and report on progress against agreed KPIs



### **3. PEPCO GROUP SUSTAINABLE FINANCE FRAMEWORK**



# PEPCO GROUP'S RATIONALE FOR SUSTAINABLE FINANCING

- Pepco Group has established a Sustainable Finance Framework (hereinafter “**Framework**”) to be able to issue sustainable finance instruments (hereinafter “**Sustainable Finance Instruments**”) to better align its financing needs with its sustainability strategy. The establishment of this Framework supports accountability and commitment with regards to Pepco Group’s sustainability strategy, as it provides additional transparency around the financing and/or refinancing of projects which enable the transition to a low-carbon economy and/or providing positive societal impact and to mitigate social problems.
- Pepco Group believes Sustainable Finance Instruments are an effective tool to channel investments towards projects that demonstrate environmental benefits and thereby contribute to the objectives of the EU Green Deal, to the Paris Climate Agreement and to the UN Sustainable Development Goals 2030 (UN SDGs). Pepco Group is committed to promoting sustainable business activities in the industry and regions where the company operates.
- In addition, Sustainable Finance Instruments will help to diversify Pepco Group’s investor base, to broaden dialogues with the existing investors and to contribute to the development of the Sustainable finance market.





# BASIS OF THIS SUSTAINABLE FINANCE FRAMEWORK

Pepco Group has established this Framework under which the company or any of its subsidiaries (hereinafter “**Pepco Group**”) can issue green and/or social finance instruments (hereinafter “**Sustainable Finance Instruments**”), which may include senior bonds (preferred and non-preferred), subordinated bonds, medium-term notes (MTNs), promissory notes (Schuldscheindarlehen), commercial papers<sup>4</sup>, repurchase agreements and/or loans in any currency and/or denomination to finance and/or refinance eligible sustainable projects (hereinafter “**Eligible Sustainable Projects**”) with a positive environmental impact.

The Framework is based on the:

- ICMA Green Bond Principles (June 2025)<sup>5</sup>
- ICMA Pre-Issuance Check List for Green Bonds (June 2023)<sup>6</sup>
- ICMA Social Bond Principles (June 2025)<sup>7</sup>
- ICMA Pre-Issuance Check List for Social Bonds (June 2023)<sup>8</sup>
- LMA/APLMA/LSTA Green Loan Principles (March 2025)<sup>9</sup>
- LMA/APLAM/LSTA Social Loan Principles (March 2025)<sup>10</sup>

which provide guidance in the form of four key components:

1. **Use of Proceeds**
2. **Process for Project Evaluation and Selection**
3. **Management of Proceeds**
4. **Reporting**

The Framework also follows the recommendations of the principles on external reviews.

Pepco Group may review and update this Framework, from time to time, to reflect changes in its business strategy, technological developments, regulatory changes and/or changes to market standards and expectations. Any future versions of this Framework will either keep or improve the current level of transparency, including the corresponding review (hereinafter “**Second Party Opinion**” or “**Pre-issuance review**”) by an external reviewer (hereinafter “**Second Party Opinion Provider**” or “**External Reviewer**”).

This Framework will apply to any Sustainable Finance Instruments issued by Pepco Group during the period which it is in force. For the avoidance of doubt, this framework may not apply to Sustainable Finance Instruments issued under previous frameworks, and future version of this Framework (including the relevant eligibility criteria) may not apply to Sustainable Finance Instruments issued under this version of the Framework.

### 3.1 USE OF PROCEEDS

An amount equivalent to the (net) proceeds from Sustainable Finance Instruments issued by Pepco Group will be used to finance and/or refinance Eligible Sustainable Projects which comply with the eligibility criteria (hereinafter “**Eligibility Criteria**”) set out below.







Eligible Sustainable Projects include the current value of fixed assets (hereinafter “**Assets**”), capital expenditures (hereinafter “**CapEx**”), operating expenditures (hereinafter “**OpEx**”), cost of goods sold (“**COGS**”), investments<sup>11</sup> or a combination thereof. Assets shall qualify for refinancing with no limitation with regards to look-back period, while CapEx, OpEx and COGS qualify with a maximum three years look-back period.

In alignment with Pepco Group’s broader sustainability strategy and support of the UN SDG 2030 agenda, the Eligibility Criteria contemplated under this Framework may directly contribute to the achievement of the **UN SDG<sup>12</sup> and EU Environmental Objectives<sup>13</sup>**.

For the avoidance of doubt, under this Framework Pepco Group will not finance and/or refinance any economic activity dedicated to hard coal, lignite, oil fuels, tobacco and controversial weapons.





# ELIGIBLE GREEN CATEGORIES

GBP/GLP Eligible Category	Eligibility Criteria	Contribution to UN SDGs	Contribution to EU Environmental Objective
Environmentally sustainable management of living natural resources and land use	<p>Investments and expenditures in <b>environmentally preferred textiles</b>, including sourcing, directly or through suppliers, of textiles certified by third-party sustainability standards such as:</p> <ul style="list-style-type: none"> <li>• <a href="#">Better Cotton Initiative (BC)</a></li> <li>• <a href="#">GOTS Organic and Transitional Organic Fabrics</a></li> <li>• <a href="#">OCS Organic and Transitional Organic Fabrics</a></li> <li>• <a href="#">Recycled textiles – GRS/RCS Certified</a></li> <li>• <a href="#">EU Ecolabel for textiles</a></li> <li>• <a href="#">Cotton Connect REEL Code of Conduct / Regenerative Code</a></li> <li>• <a href="#">Cellulosic fibres FSC or PEFC Certified</a></li> <li>• Other equivalent internationally recognized textile certifications.</li> </ul>	  	<p><b>The Transition to a Circular Economy (Article 13)</b></p> <p><b>Protection and Restoration of Biodiversity and Ecosystems (Article 15)</b></p> <p><b>EU strategy on circular textile<sup>14</sup></b> (Part of the circular economy action plan)</p>
Renewable Energy	Expenditure related to <b>certified renewable energy credits (RECs)</b> .		<b>Climate Change Mitigation (Article 10)</b>
Green Buildings (Commercial)	<p>Projects related to the acquisition, ownership and lease of stores, offices or logistics centres:</p> <ul style="list-style-type: none"> <li>• <b>Buildings built before 31 December 2020</b> meeting one of the following: <ul style="list-style-type: none"> <li>○ Energy Performance Certificate (EPC) label ≥ “A”; or,</li> <li>○ Belong to the top 15% most energy efficient buildings at the national or regional building stock based on primary energy demand (PED)<sup>15</sup>.</li> </ul> </li> <li>• <b>Buildings built after 31 December 2020</b> meeting the following: <ul style="list-style-type: none"> <li>○ Energy performance at least 10% better than the threshold for Nearly Zero-Energy Buildings (“NZEB”) in the local market<sup>16</sup></li> </ul> </li> <li>• <b>Buildings that have been refurbished</b> meeting one of the following: <ul style="list-style-type: none"> <li>○ Reduction of primary energy demand (PED) of at least a 30%<sup>16</sup>; or,</li> <li>○ Meets the criteria for “major renovations” under applicable building regulations<sup>17</sup>.</li> </ul> </li> <li>• New, existing or refurbished commercial buildings which received, or are expected to receive, at least one of the following <b>certifications</b>: <ul style="list-style-type: none"> <li>○ BREEAM “Very Good” or above</li> <li>○ LEED “Gold” or above</li> <li>○ DGNB “Gold” or above</li> <li>○ HQE “Excellent” or above</li> <li>○ Other equivalent internationally recognized Green Building certifications</li> </ul> </li> </ul>	 	<b>Climate Change Mitigation (Article 10)</b>



# ELIGIBLE GREEN CATEGORIES CONT.

GBP/GLP Eligible Category	Eligibility Criteria	Contribution to UN SDGs	Contribution to EU Environmental Objective
Green Buildings (Commercial)	<p><u>Financing and/or refinancing the installation, maintenance and/or repair of:</u></p> <ul style="list-style-type: none"> <li>• <b>Energy efficiency equipment<sup>18</sup></b></li> <li>• <b>Renewable energy technologies (on-site)</b> and the ancillary equipment related to those technologies that includes: <ul style="list-style-type: none"> <li>○ Solar photovoltaic systems</li> <li>○ Solar hot water panels</li> <li>○ Heat pumps contributing to the targets for renewable energy in heat and cool in accordance with Directive (EU) 2018/2001</li> <li>○ Heat exchanger/recovery systems</li> <li>○ Solar transpired collectors</li> <li>○ Thermal or electric energy storage units.</li> </ul> </li> <li>• <b>Instruments and devices for measuring, regulation and controlling of energy performance of buildings</b> that includes: <ul style="list-style-type: none"> <li>○ Zoned thermostats, smart thermostat systems and sensing equipment, including motion and day control</li> <li>○ Building automation and control systems, building energy management systems (BEMS), lighting control systems and energy management systems (EMS)</li> <li>○ Smart meters for heat, cool and electricity<sup>19</sup></li> <li>○ Façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation.</li> </ul> </li> </ul>	 	Climate Change Mitigation (Article 10)

# ELIGIBLE SOCIAL CATEGORIES

SBP/SLP Eligible Category	Eligibility Criteria	Contribution to UN SDGs	Target Population
Socioeconomic Advancement and Empowerment	<p>Investments and expenditures in <b>ethically sourced textiles</b>, including sourcing, directly or through suppliers, of textiles certified by third-party sustainability standards such as:</p> <ul style="list-style-type: none"> <li><a href="#">Fairtrade Textile Standard</a></li> <li>Other equivalent internationally recognized textile certifications</li> </ul>		<ul style="list-style-type: none"> <li>Textile workers in regions with limited labour protections, who benefit from improved wages, safer working conditions, and enforcement of labour rights.</li> <li>Local communities surrounding textile production sites, often affected by environmental degradation and lacking access to social infrastructure, who gain from sustainable practices and targeted social investments.</li> <li>Smallholder cotton farmers, frequently excluded from global markets, who are empowered through access to sustainable farming methods, fair pricing, and inclusion in certified supply chains.</li> </ul>

## 3.2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Pepco Group has established a decision-making process to determine the eligibility of the Eligible Sustainable Projects, in accordance with the Eligibility Criteria outlined in the Use of Proceeds section of this Framework.

Eligible Sustainable Projects will be selected by a dedicated Sustainable Finance Working Group (hereinafter (“**Working Group**”) set up within Pepco Group. The Working Group is headed by the ESG Exco and formed by members of the finance, investor relations, legal, sustainability and treasury teams.

The **Working Group** is responsible for:

- Evaluating and selecting Eligible Sustainable Projects in line with the Eligibility Criteria, and excluding projects that no longer comply with the Eligibility Criteria or have been disposed of and, when required, replacing them;
- Reviewing the content of Pepco Group’s Sustainable Finance Framework and updating it to reflect any potential changes related to the use of proceeds, the selection of Eligible Sustainable Projects, the management of proceeds or reporting, and more broadly to reflect any changes in corporate strategy, technology, market, and regulatory developments;
- Initiating the update of external documents such as the Second Party Opinion, and related documents from external consultants and accountants;
- Overseeing, approving and publishing the allocation and impact reporting, including external assurance statements. Pepco Group may rely on external consultants and their data sources, in addition to its own assessment;
- Monitoring internal processes to identify known material risks of negative social and/or environmental impacts associated with the Eligible Sustainable Projects and appropriate mitigation measures, where possible;
- Liaising with relevant business teams and other stakeholders on the above.





# ESG RISK MANAGEMENT

Pepco Group complies with all applicable environmental and social laws and regulations. Furthermore, Pepco Group's environmental and social risk policies define minimum standards for all its activities, including those financed with the proceeds of Sustainable Finance Instruments issued under this Framework. Application of these policies shall support the monitoring and management of perceived environmental and social risks associated with the Eligible Sustainable Projects. The relevant policies are listed below:

- Environmental Policy
- Packaging Policy
- Supplier Environmental Guidelines
- Pepco Group Human Rights policy
- [Modern Slavery Statement](#)
- [Diversity and inclusion policy](#)
- [Supplier Code of Conduct](#)
- [Prevention of Bribery and Corruption Policy](#)

Notably, Pepco Group's environmental and social risk policies are aligned with international standards and guidelines such as the **International Labour Organization (ILO)** conventions. The company has also established risk management practices and processes that stem from collaboration with sustainability initiatives, namely the **Better Cotton Initiative (BCI)** and the **Zero Discharge of Hazardous Chemicals (ZDHC) programme**.

ESG Risks are approach via the **internal control framework**, where a “bottom-up” identification of risks is overlaid by those risks highlighted from the “top-down” review and challenge process by the Group Risk Management Team and Group Board. These assessments are aggregated, together with the consideration of risks existing at the Group level, to compile an overall Group-wide view of risk.





# 3.3 MANAGEMENT OF PROCEEDS

The (net) proceeds from Sustainable Finance Instruments will be managed, tracked, and monitored in an appropriate manner by the **Treasury team**.

Pepco Group shall allocate proceeds to Eligible Sustainable Projects, selected in accordance with the Eligibility Criteria and the Process for Project Evaluation and Selection presented above, within 36 months following the time of issuance of each Sustainable Finance Instruments.

Pending full allocation, unallocated (net) proceeds will be managed temporarily in accordance with Pepco Group's treasury principles (in cash, deposits, or other money market instruments), for the repayment of other indebtedness and/or other capital management activities, at the company's own discretion.

If for any reasons, an Eligible Sustainable Project is no longer eligible during the allocation period, or in case of any major controversy affecting a project (at the company's own evaluation), the Working Group will substitute it with another Eligible Sustainable Project for an amount at least equivalent, as soon as an appropriate substitution option has been identified.



# 3.4 REPORTING

Pepco Group will make and keep readily available **reporting on the allocation and impact of proceeds** from Sustainable Finance Instruments to the Eligible Sustainable Projects annually and at least until full allocation (or until maturity).

The reporting will be based at least on an aggregated category level and will be made publicly available on Pepco Group’s website.

Pepco Group will take into consideration the ICMA Handbook – Harmonized Framework for Impact Reporting for Green Bonds (June 2024)<sup>21</sup> during the reporting process.

## Allocation Reporting

The allocation reporting will include the following information:

- the amount of the identified Eligible Sustainable Projects, on an aggregated basis per eligible category
- the balance of unallocated proceeds (if any)
- the amount or the proportion of new financing<sup>22</sup> and refinancing
- the nature of the Eligible Sustainable Projects (re)financed (Assets, CapEx, OpEx and/or COGS)

## Impact Reporting

The impact report may include the following metrics:

Green Eligible Category	Potential indicators
<i>Environmentally sustainable management of living natural resources and land use</i>	<ul style="list-style-type: none"><li>• Volume of environmentally preferred textiles purchased (Tons)</li><li>• Impact indicators provided by certifications, such as those for the Better Cotton<sup>23</sup>:<ul style="list-style-type: none"><li>○ estimated # m3 of water saved</li><li>○ estimated # kg/lbs of pesticides avoided</li><li>○ estimated avoidance of #kg of synthetic nitrogen</li></ul></li></ul>
Renewable Energy	<ul style="list-style-type: none"><li>• Renewable energy purchased volumes (MW)</li></ul>
Green Buildings (Commercial)	<ul style="list-style-type: none"><li>• Estimated annual energy consumption (kWh/year)</li><li>• Estimated annual reduced and/or avoided energy consumption (kWh/year)</li><li>• Share of buildings with Energy Performance Certificate (EPC)</li><li>• Type and level of Green Buildings Certification achieved (type / level)</li><li>• Renewable energy capacity installed (MW)</li></ul>
Social Eligible Category	Potential indicators
<i>Socioeconomic Advancement and Empowerment</i>	<ul style="list-style-type: none"><li>• Volume of ethically sourced textiles purchased (Tons)</li></ul>

Pepco Group may appoint specialized consultants to develop a methodology for the estimation and calculation of the impacts that were made publicly available.



# 3.5 EXTERNAL REVIEW

## Second Party Opinion (pre-issuance)

Pepco Group has obtained an independent Second Party Opinion or Pre-issuance Review from **Sustainable Fitch** to assess the alignment of the framework with the ICMA Green and Social Bond Principles 2025 and the LMA/APLMA/LSTA Green and Social Loan Principles 2025.

The independent Second Party Opinion will be published on **Pepco Group's website**.

## Verification (post-issuance)

Pepco Group will request annually until full allocation (or until maturity), a limited (reasonable) assurance report on the allocation of an amount equivalent to (net) proceeds from each Sustainable Finance Instrument to the Eligible Sustainable Projects, provided by an external auditor.



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