ZSE Energy Compass

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Executive Summary

Recent geopolitical shocks, dependency on imported fossil fuels, price volatility, and supply risks have shown that Slovakia needs a more secure and future-proof energy system.

Our core message is simple: electrification is a practical answer to security of supply, price stability, industrial competitiveness, and decarbonisation. Slovakia is already moving in this direction, but more needs to be done. Electricity must become economically attractive to make electrification the default choice for households, businesses, mobility, heating, and industry. This requires more than new technologies alone: it requires a regulatory, taxation and tariff environment that rewards efficient electricity use, supports flexibility, and enables investment. A new electrified reality cannot be delivered through a legacy system designed for the past.

The ZSE Energy Compass is built around five pillars:

1. Electrification
2. Investments
3. Energy Affordability and Competitiveness
4. Innovation
5. Modern Organization

Clear trends are visible across these pillars: electrification of heating and cooling through heat pumps, industrial electrification, expansion of photovoltaics and prosumers, deployment of battery storage systems, smart metering, demand response, growth of e-mobility and public charging, and new customer-centric energy services. These trends will increase the role of the distribution grid as the backbone of Slovakia's future energy system.
To enable this transition, we need proactive grid investment, flexibility, and targeted public co-financing. Batteries, smart charging, aggregation, and demand response must be treated as core system assets that reduce peaks, stabilise prices, and improve security of supply. At the same time, energy support should become more targeted, protecting vulnerable customers without weakening incentives to save energy, invest, and electrify.

ZSE Group is ready to be a key driver of this transformation: investing in resilient grids, scalable customer solutions, storage, e-mobility, digitalisation, and innovation. The ZSE Energy Compass is therefore a plan for a secure, affordable, competitive, and sustainable Slovak energy future where electrification is the foundation of energy security and long-term prosperity.

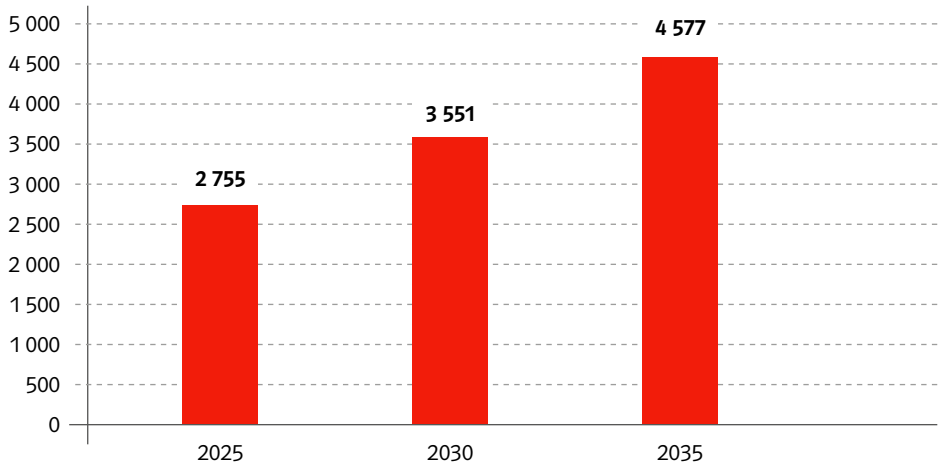
Introduction

The energy sector is changing rapidly: the need for decarbonization to achieve Europe's climate goals as well as the new geopolitical reality, raise the importance of energy sustainability, security and infrastructure resilience. The experience of recent years, when reliance on imported fossil fuels exposed households and businesses to geopolitical shocks, price volatility, and supply risks has shown why electrification matters – as a direct answer by shifting energy use towards domestic infrastructure and controllable systems and reducing exposure to (imported fossil) fuels. However, such transition must avoid a new strategic dependency on imported hardware, critical components, digital platforms, or software required for the operation of electrified energy systems.

A strong transmission and distribution grid is the first line of defence against supply disruptions. Grid resilience determines whether electrification translates into real security, by ensuring that energy can be delivered when and where it is needed, even under stress from extreme weather, cyber risks or sudden demand shocks. Capacity-based tariffs could support efficient grid utilization by shifting a larger share of system costs into fixed, capacity-related components. Customers who have already paid for connection are naturally incentivised to use electricity more efficiently and more extensively, for heating or mobility.

We as ZSE Group are committed to further drive accelerated electrification even more intensively, ensuring security of supply, delivering solutions that can scale, and keeping the transition socially and economically workable.

Graph 1. EU Electricity demand in 2025 and projections for 2030 and 2035 (TWh)



Source: Eurelectric. Projection for 2035 extrapolates estimated growth between 2025 - 2030.

5 Pillars of the ZSE Energy Compass

1. Electrification

Why is it important?

Electrification strengthens security of supply by reducing exposure to imported fuels and by increasing reliance on domestic and European electricity sources and infrastructure and additionally drives domestic value creation. Progressing electrification across sectors (mobility, buildings, industry and many services) through proven technologies and scalable delivery models is the most cost-efficient CO_2 abatement pathway, enabling decarbonisation at scale while creating the conditions for smarter operation and optimisation of the whole system.[1]

For the distribution grid, electrification is the core system shift behind the transition of electricity generation to a decentralised model. An essential precondition to handle the transition efficiently is to motivate distribution system users to align distributed generation in time and location with their actual consumption. Today, a social, economic and technological 'misalignment' means that consumption does not reflect electricity generation, resulting in increased demand for flexibility and demand-side management. We want to change and improve the current situation.

What does it mean for ZSE Group?

Grid enablement ("Electrification 2.0")

- Accelerate distribution grid modernisation to absorb fast growth in decentralised generation and electrified demand.
- The low-voltage grid is becoming the main interface of electrification. This is where growth in demand and complexity is trending, driven by increasing adoption of heat pumps, electric vehicles (EV), renewable generation, storage, organic growth in household and small-business consumption, and the steady addition of new connections. In 2025, the annual increase in installed photovoltaic capacity of small and local sources, connected primarily to the low-voltage, reached 226 MW, accounting for the majority of the country's total newly installed photovoltaic capacity of 301 MW.[2] Reinforcing low-voltage networks and expanding transformer capacity must therefore be treated as a strategic core of grid modernisation, actively anticipating demand growth rather than reacting to constraints.
- Connection capacity will be the most important factor in the operator-user relationship.

Prosumers and active customers, smart metering

- Smart meter rollout should be prioritised for active market participants rather than pursued as a blanket objective. Prosumers, customers participating in electricity sharing, flexibility, aggregation or dynamic tariff products need more granular data to allow for system optimisation. By contrast, many passive and low-usage connection points do not require smart metering in the near term. A targeted rollout therefore improves value for money, supports capacity-based and flexibility-oriented market design, and helps avoiding unnecessary grid investment by aligning reserved capacity more closely with actual system needs.

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[1] E.ON (2025) The energy playbook: An affordable strategy to net zero, Retrieved 9 June 2026, from https://www.eon.com/content/dam/eon/eon-com/eon-com-assets/documents/politics/en/eon-the-energy-playbook.pdf

[2] ZSE Group internal data, including Central Slovakia region

- Smart meter rollout can enable system optimisation and flexibility with granular, time-resolved consumption data and advanced data disaggregation, which is essential for optimising energy use, reducing overall consumption and enabling customer participation in flexibility. At system level, it underpins efficient grid operation, demand response, and secure integration of decentralised sources, thereby strengthening security of supply and enabling a fully functional smart grid.

Electrification of buildings

In addition to ensuring the distribution grid is ready and enabling an increasingly electrified future, Distribution System Operators should also prepare for the growing uptake of electric heating and cooling technologies. In Slovakia, annual heat-pump installations (including air conditioning units) have been steadily increasing, reaching 87 000 units in 2025, installed primarily in the residential sector.[3] ZSE Group is ready to further enhance and to accelerate the electrification of buildings by offering bundled solutions that combine electrified heating/cooling.

Residential sector

- The residential sector is becoming an important driver of electricity demand, as households move towards electric heating, cooling, photovoltaics, battery storage and smart energy management. This shift is also supported by regulation and public funding for renovation and low-carbon technologies.
- The total annual investment need in the residential sector is estimated at approximately €1 billion.[4] Within this overall envelope, the estimated public funding need amounts to approximately €300 million for single-family houses and €260 million for apartment buildings.[5]
- Electrification will progress differently across residential segments. New buildings are increasingly designed around electricity as the default energy carrier, with regulation supporting low-emission heating and on-site renewables. Existing single-family houses are targeted by public funding programmes for renovation, support for electrified heating and photovoltaics. Public finance support programmes for residential buildings should cover smart metering as part of electrification and renovation packages. Older apartment buildings offer large potential, but face more complex barriers, including outdated internal wiring, collective decision-making, limited connection capacity and resistance to replace existing heating solutions.
- ZSE Group is well positioned to enable this transition through distribution grid investments, reliable electricity supply and customer solutions such as heating and cooling, photovoltaics, battery storage, smart metering and energy management.

Public buildings

- Public buildings represent a significant opportunity for energy savings and electrification, however a broader issue of complex procurement rules and limited project preparation capacity can slow progress.
- Energy Efficiency Directive established the target to accelerate the renovation rate to 3% of the public building stock annually. Meeting this would require estimated annual investment of approximately €550 million, with Energy Performance Contracting potentially covering up to 30% of the total volume.[6]

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[3] Slovenský zväz pre chladenie, klimatizáciu a tepelné čerpadlá (The Slovak Association for Refrigeration, Air Conditioning and Heat Pumps) (2026) data provided on request, https://www.szchkt.org

[4] Budovy pre budúcnosť (Buildings for Future) (2025) Ročná investičná potreba na obnovu budov, Retrieved 9 June 2026, from https://www.bpb.sk/publikacia/ro%C4%8Dn%C3%A1-investi%C4%8Dn%C3%A1-potreba-na-obnovu-budov-

[5] Ibid.

Battery storage systems

- Battery storage systems across all segments (B2B and B2C), from smaller behind the meter to large stand-alone battery storage systems, are a key enabler of electrification and energy affordability, as they support peak load management, reduce reliance on gas-fired generation, and mitigate price volatility. By enabling electricity to be stored and consumed where it is produced, batteries reduce pressure on the distribution grid and defer costly reinforcements. Flexibility resources are no longer optional add-ons but core security assets. Batteries, demand response and smart control transform flexibility into a real-time insurance mechanism that absorbs shocks, manages scarcity and protects consumers from price spikes during stressed system conditions.
- Given these system-wide benefits, battery storage solutions should be explicitly recognised as energy infrastructure of public interest and supported accordingly through public funding instruments and regulatory framework. Both, smaller behind-the-meter, as well as large standalone battery storage should remain eligible for targeted public support, building on experience from the Recovery and Resilience Plan.
- Without a strong and predictable public funding framework, battery deployment will remain below system needs, slowing electrification and increasing overall system costs. To unlock system-level flexibility and stabilise prices during the electrification wave, Slovakia will require annual estimated investment of up to €120 million.[7] This should be complemented by supportive regulation and targeted public funding of up to €35 million per year. Such a framework would enable the rollout of roughly 300 MWh of battery storage capacity annually, ensuring that deployment keeps pace with rising electrification demand and system flexibility needs.

E-mobility

- Projections from the Slovak Electric Vehicle Association show that achieving an EV market share of 25% for new passenger vehicle registrations in Slovakia by 2030, and up to 50% across the EU by 2035, will require a step change in public charging availability.[8] Priority should be given to scaling public charging infrastructure, rather than direct subsidies for vehicle purchases, which can distort the market and create fiscal inefficiencies. A sustained annual investment effort of up to €60 million across Slovakia will be needed until 2035 to ensure sufficient coverage, user confidence and utilisation of public charging infrastructure. Of this amount, up to €20 million per year could come from public funding support, helping to mobilise private investment and accelerate the rollout of a reliable nationwide charging network.
- Public funding could support investments aimed at increasing the capacity of Slovakia's distribution grid to enable the rollout of ultra-fast charging infrastructure. The total annual investment need is estimated at up to €9 million, which could be primarily covered through public funding.
- In parallel, a supportive policy framework is essential to accelerate e-mobility uptake. Effective measures could include reduced VAT and enhanced depreciation schemes for EVs. On the infrastructure side, dedicated tariff structures for EV charging infrastructure would significantly improve early-stage deployment business cases, before utilisation rates pick up. Additional incentives such as free parking or exemption from motorway vignettes can further support EV adoption.

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[7] ZSE Group estimate

[8] Slovenská asociácia pre elektromobilitu (Slovak Electric Vehicle Association), (2026), Elektromobilita: kam smeruje transformácia, Retrieved 9 June 2026, from https://seva.sk/seva-report-elektromobilita-transformacia-2026/

Electrification of industry

- Electrification of industry is essential for decarbonisation, competitiveness, and strategic autonomy. To unlock this shift, targeted investment support from public funds is needed where upfront costs remain a key barrier despite long-term system benefits. To electrify industry by 2050, approximately €1 billion of annual investment will be necessary over the next ten years. [9] Currently, more than €700 million is available from public funds for these investments according to state aid schemes published by the Ministry of Environment.
- ZSE Group is already today offering bundled building solutions that combine electrified heating/cooling, controls, on-site generation, and storage where relevant, and intends to expand and to further customize its offerings.

Low-Emission Products and Long-Term PPA Strategies

- Low-emission electricity products backed by credible guarantees of origin and long-term procurement mechanisms, such as Power Purchase Agreements (PPAs), should become a key tool of industrial decarbonisation strategy.
- Long-term PPAs can provide a stable framework for both producers and consumers. For renewable and low-emission electricity producers, they create predictable revenue streams that can support investment decisions. For industrial and commercial customers, they offer longer-term price visibility, reduce exposure to wholesale market volatility, and provide a credible pathway to decarbonise electricity consumption.
- Product design should reflect the needs of different business-to-business customer segments. Large industrial consumers may require tailor-made physical or virtual PPAs. Smaller commercial customers benefit from standardised green electricity products, without the complexity of direct PPAs.

2. Investments

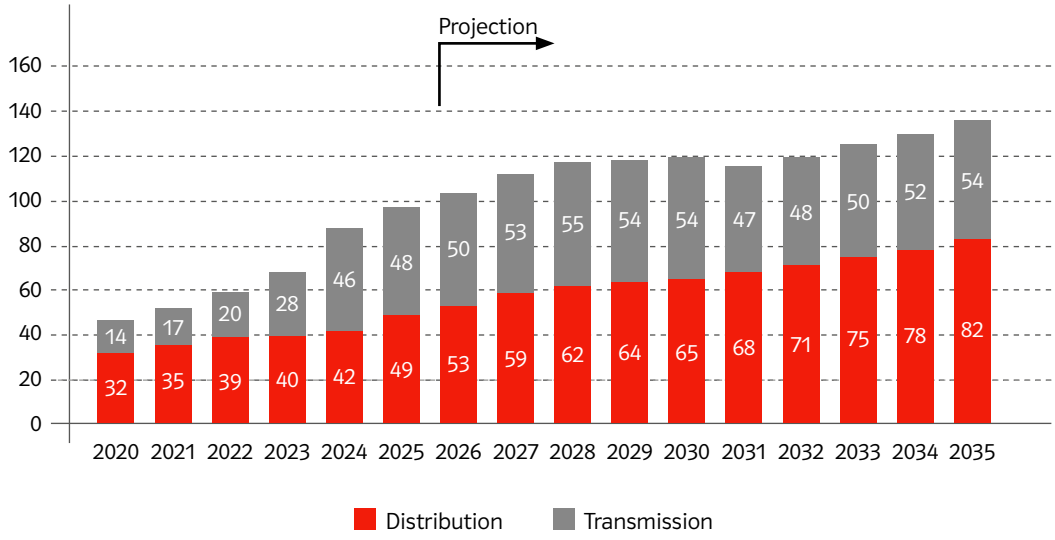
Why is it important?

Significant investment into the distribution grid is the crucial requirement for accommodating electrification, decentralised renewable generation, flexibility assets, higher consumption and more connections. Investment for resilience is also increasingly mandatory under climate stress. The electricity grid is one of the most fundamental public goods without which neither today's economy nor society can function. From a security of supply perspective, every euro invested in grid capacity and flexibility reduces future emergency and other costs. Anticipatory investments lower the likelihood of crisis interventions, forced curtailments and ad-hoc public support measures.

Investing in one integrated electrical energy system delivers higher value for money than continuing to build and maintain multiple parallel systems (oil and oil products, natural gas, heating). A single, electrification-based system is more efficient, easier to optimise, and brings greater energy independence while also reducing overall environmental impacts.

[9] Aktualizácia Integrovaného národného energetického a klimatického plánu na roky 2021-2030 (2025) Retrieved 9 June 2026, from https://www.mhsr.sk/uploads/files/A65vdZlY.pdf?csrt=9858620483410132957

Graph 2. European transmission and distribution investments, 2020-2035 (€ billion)



Source: Goldman Sachs (2025), Europe Needs $3.5 Trillion of Power Investment Through 2035.

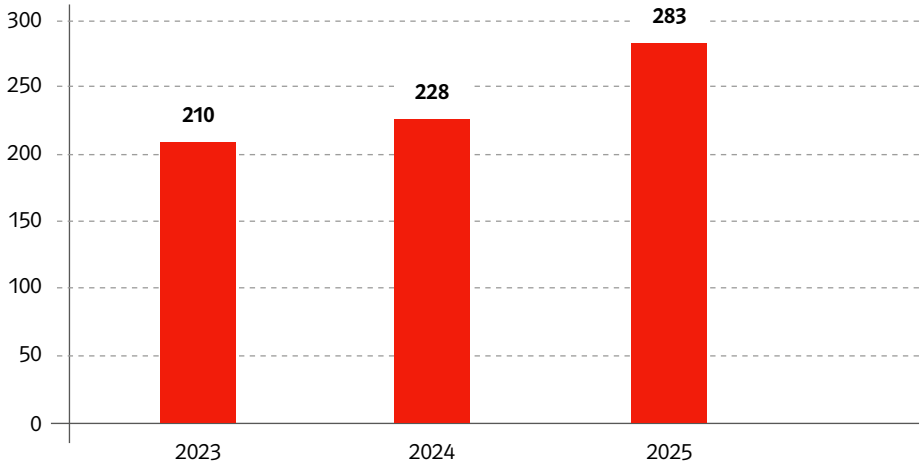
What does it mean for ZSE Group?

Investments should be structured as a balanced mix of regulated investment alongside EU financial instruments, national programs, and other cofinancing platforms. This approach strengthens financial resilience while optimizing access to diverse capital sources. At the same time, maintaining a multiyear project pipeline is essential to systematically build the capacity required for long-term system development and strategic objectives.

ZSE Group is a major and reliable long-term investor in Slovakia, with annual investments in the range of €250–300 million. These investments generate strong macroeconomic effects, creating approximately 3 000–4 000 direct and indirect jobs annually, driven mainly by distribution grid modernisation activities. [10] At the macroeconomic level, ZSE's annual investments increase GDP output by up to 0.15%. [11] Beyond direct GDP and employment effects, investments in distribution grids enable further private investment, support electrification, facilitate renewable energy generation integration and strengthen security of supply, making them a critical stabilising factor for both the energy system and the broader economy. Looking ahead, ZSE Group will continue to play a key role in Slovakia's energy transformation and expects to invest up to €2 billion until 2035, in addition to regular maintenance costs.

[10] Input-output model Ekonomická Univerzita Bratislava (EUBA), 2025, prepared on request of the ZSE Group for internal purposes
[11] Ibid.

Graph 3. ZSE Group distribution grid investments (€ million)



Source: internal data

A stable, predictable investment framework focused on electrification will enable scale, reduce costs, and strengthen system resilience across the entire energy system. When accounting for all investment needs identified in this Energy Compass, the required investment envelope extends well beyond distribution grids alone and reflects a system wide transformation.

Additional investment resources across Slovakia related to the needs identified in this document are estimated up to €5 billion until 2035 (excluding estimated costs for electrification of industry and buildings), driven by the combined requirements of distribution grid infrastructure development, uptake of e-mobility and related infrastructure development and largescale deployment of Battery Energy Storage System driven by increasing share of intermittent generation. This national investment need mirrors a broader European trend: according to the European Commission, distribution grid investments across the EU are expected to reach approximately €730 billion until 2040, underlining the scale of the challenge to deliver electrification, energy security and decarbonisation. [12]

Without national or European co-financing support, investments required for the renewal, expansion, and transformation of the distribution system could have a socially and economically unacceptable impact on the tariff structure, especially in the short term, when the increase in distribution network investments will not be immediately reflected in increased consumption and connected and/or utilised capacities. Estimated public funding support of around €3 billion until 2035 will be required to mobilise these investments. To unlock these benefits, it is essential to simplify and accelerate permitting processes and ensure that investment frameworks remain predictable to capture the full system transformation.

European pillar as an innovation driver

- Centrally managed financial instruments (e.g. CEF, Horizon Europe, Innovation Fund, LIFE, and the European Competitiveness Fund) could be strategically leveraged to finance higher-risk,

[12] European Commission: Directorate-General for Energy, Trinomics, Artelys, LBST, et al. (2025). Investment needs of European energy infrastructure to enable a decarbonised economy: final report, Publications Office of the European Union. Retrieved 9 June 2026, from https://data.europa.eu/doi/10.2833/8232521

high-reward innovative investments. These funds are best suited for pioneering technologies and cross-border infrastructure that push the boundaries of the energy transition.

National pillar as affordability stabilisers

- Nationally managed financial instruments such as the Modernisation Fund and the Program Slovakia/the National Regional Partnership Plan (NRPP) could serve as „affordability stabilizers." These funds could be prioritized for large-scale grid modernization and flexibility projects that are essential for maintaining competitive energy prices.

Resilience-oriented grid

- Strengthening the resilience of distribution grid against climate and operational risks is increasingly critical as extreme weather events intensify and raise outage risks. A shift toward nature-based solutions and ecological corridor management allows us to simultaneously reduce operational risks, support biodiversity, and increase the landscape's adaptive capacity to climate change. Implementing this integrated approach across Slovakia is estimated to require up to €10 million annually until 2035, of which up to €8 million annually could come from public funding support.
- Deployment of resilience measures such as flood protection, targeted undergrounding in exposed terrain, higher-temperature and more robust materials, improved monitoring, and replacement strategies reduce outage risk.
- Cybersecurity is becoming mission-critical as the distribution grid and customer interactions are increasingly digitalised. This requires modern security architecture based on strong identity management, multi-factor authentication, least-privilege access, and continuous threat intelligence sharing, ensuring that digitalisation strengthens the resilience of the energy system.

Electrification and renewable energy sources

- Investment to expand renewable energy sources (RES) must be done in a way that allows maintaining safe and stable grid operation and is ideally synchronised with corresponding grid expansion or grid enforcement.
- Reinforcement of nodes and corridors needed for growth regions and new industrial demand, ensures that the grid enables economic development rather than constraining it.

3. Energy Affordability and Competitiveness

Why is it important?

Economic affordability, security, and sustainability represent the three components of the so-called "energy trilemma," a key concept underpinning the target technical design of the distribution system. It is a "trilemma" because it is incredibly difficult to achieve all three at the same time. Usually, prioritizing two makes the third one harder. Industrial competitiveness depends on predictable, investible frameworks and cost-efficient pathways. If costs rise too quickly or unpredictably, investment can stall, relocate, or require crisis interventions that undermine long-term planning.

ETS carbon pricing mechanism remains the most efficient market-based instrument, and ZSE Group welcome adjustments that smooth the price curve and reduce shock effects, while complementary instruments (such asCarbon Border Adjustment Mechanism) address competitiveness concerns withing the single market.

What does it mean for ZSE Group?

Making support measures (energopomoc) more efficient

- Very broadly targeted subsidies and price caps weaken price signals, leading to distorted investment and consumption decisions by households. In the absence of a clear price signal, energy consumption tends to increase rather than decrease, households and businesses postpone or cancel investments into energy efficiency, electrification or self generation, and capital is diverted away from solutions needed to ensure long term affordability.
- A more effective approach is to prioritise targeted and temporary support for vulnerable households at risk of poverty and most exposed businesses, with a clearly defined sunset clause. The current energy support scheme has created an administrative database that can serve as a foundation for more targeted future assistance by identifying vulnerable households more accurately. This approach avoids long-term fiscal burden while providing an incentive for structural investment to reduce consumption and shift to electrification. For households, this support could be linked to the social assistance system and administered through the Ministry of Labour, Social Affairs and Family as a targeted social benefit, rather than through universal energy compensation schemes.

Taxation

- Taxation and levy frameworks should be aligned with security of supply objectives and the need to accelerate electrification. Excise duties, VAT and tariffs should support a structural shift towards electricity as the primary energy carrier, rather than unintentionally discouraging its use. Tax and levy burden that disadvantages electricity relative to fossil fuels undermines energy security, increases exposure to imported fuels and weakens incentives for electrification in heating, mobility and industry.
- Support schemes embedded in electricity prices should be carefully reassessed to ensure they do not lock the system into legacy fossil solutions. Combined heat and power for district heating should not be financed in a way to artificially preserve fossil-based heat at the expense of electrified alternatives. Sustaining thermal systems through electricity levies risks delaying the transition and increasing long-term system costs and import dependencies.
- Tax and levy design should enable electricity to compete on a level playing field. Such an approach supports electrification, reinforces strategic autonomy and ensures that fiscal instruments contribute to a secure, resilient and future-proof energy system rather than constraining it.

Transparent regulation and fair market environment

- A predictable and transparent regulatory environment is essential to provide certainty for investments while allowing sufficient flexibility to respond to external shocks and structural changes. Regulation should be redesigned to fulfil its core purpose of setting clear, rules-based and predictable pricing frameworks grounded in transparent methodologies, defined formulas and stable system logic. Greater ex-ante clarity on cost recognition, indexation mechanisms and regulatory parameters is needed, together with reduced discretionary decision-making by the regulator. A rules-based system strengthens investor confidence, reduces regulatory risk

premiums and lowers system costs for consumers.

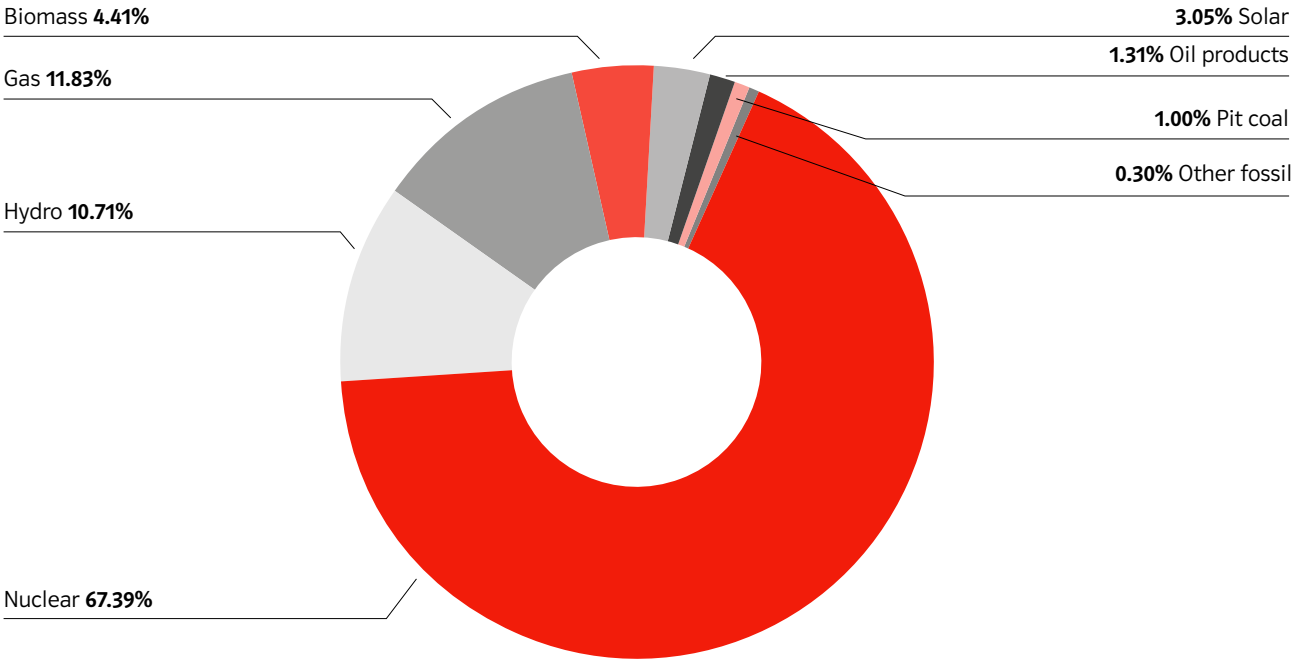
Reducing costs through flexibility

- Treat flexibility (demand response, storage, smart charging, aggregation) as a system cost lever to reduce peaks and defer reinforcement where possible.
- The economic value of flexibility generally rises with consumption, since larger users have more room to shift demand. It becomes more attractive from roughly 6 MWh of annual consumption upwards, while electricity sharing may already be relevant from around 2.7–3 MWh per year. This helps reduce peak-related investment needs, improve network utilisation and create a clearer role for active market participants.

Renewables in the system

- Building on Slovakia's strong baseline of reliable low carbon generation, particularly its high share of stable nuclear power and hydro capacity, the integration of renewables should reflect these starting conditions.
- Further renewables deployment can help to mitigate pressure on end user electricity prices and contribute to lowering them over time, while also strengthening security of supply and reducing reliance on imported fossil fuels. The priority should be on integrating flexibility assets such as storage, demand response, and smart grid solutions to ensure system stability and efficient use of intermittent generation.
- By increasing the share of renewables in combination with flexibility measures, Slovakia can progressively decouple electricity prices from volatile fossil fuel markets, while reinforcing long-term energy security and system resilience.

Graph 4. Slovak Electricity Production Mix in 2025



Source: OKTE a.s. (2026)

4. Innovation

Why is it important?

The energy system, and more particularly the electricity system is becoming more complex, and innovation is required to manage decentralisation, electrification, and resilience. Digitalisation of the distribution system towards a 'smart grid', supported by real-time, or 'near real-time' monitoring and expert systems is needed for resilience to support dispatching management that can prioritise restoration during disruptions, including automatic management of large-scale outages. Innovation is also required inside the grid, as the low-voltage network will need to incorporate new types of equipment, ensuring we can integrate more decentralised resources, and electrified end-uses without excessive reinforcement. Successful implementation requires stronger legislative and regulatory support.

The resilience of the electrified energy system must also be treated as a critical-infrastructure and defence priority. This requires investment into layered protection against physical and digital threats, including natural disasters, terrorist attacks, drones or other potential material disturbances. A credible model is not isolated site protection by individual site operators and utilities, but a coordinated national architecture built on perimeter sensing, radar-based and other detection layers, automated incident evaluation, and immediate transmission of alerts to competent state authorities. Utilities should act as providers of real-time situational data and early warning, while any active intervention remains strictly with authorised public bodies. In this sense, modern grid investment is also investment in preparedness, security of supply and sovereign crisis-response capacity.

What does it mean for ZSE Group?

Digitalisation: smart grid and restoration capability

- Scale automation and monitoring to improve situational awareness and speed of restoration during major events.
- Deploy dispatching support tools that prioritise restoration based on the number and nature of customers affected, improving resilience and customer outcomes.
- Grid innovations should include digitalisation, compact substations, drones, cybersecurity, and grid resilience.

Market innovation: customer-centric innovative commercial models

- Expanding beyond traditional commodity supply to integrate virtual storage, electricity sharing, aggregation-ready services, gradual deregulation, linking commodity and non-commodity services, and smart charging.

Technology realism

- Focus on where there is clear industrial demand and system value (e.g. flexible loads, ancillary services), near-term value and long-term optionality, while avoiding scale-up where technology is not mature or implementation cost is too high.

Innovation funding as an accelerator

- Use of European and national innovation instruments to strengthen project pipeline maturity, partnerships, and credibility, while prioritising projects that directly reduce system costs or improve resilience and customer value.

5. Modern Organization

Why is it important?

We'll only succeed if we can execute at scale, safely, and consistently across the entire fully integrated ZSE Group, meaning unified processes, highly professional approach with modern innovative company culture and sense of belonging. Delivery is people-intensive: the investment programme and field operations depend on strong OHS, skills development, and operational readiness, particularly given the scale of the field workforce and the need for rapid resilience response. Rapid AI development and changes in society place high demands on workforce adaptability a professionalism. Trust is equally strategic as robust ethics, compliance, data protection and cyber-security protect integrity of our group. Finally, disciplined governance and execution mechanisms driven by an integrated ESG governance model and a group-wide approach to public funding ensure that we deliver a just transition that is not only ambitious and climate-aligned, but also socially fair, and technically implementable.

What does it mean for ZSE Group?

People

- Professional, engaged and flexible workforce at all levels is key for our successful development.
- Creation of psychologically safe, caring and at the same time creative and challenging culture is one of our basic duties as an employer.
- We cooperate with schools, starting already at primary-school level, supporting the motivation and development of new talent and potential future employees, particularly in technical fields, including vocational training on our premises and under our leadership.
- Employee development includes not only initial onboarding and training for new employees, but also extensive internal talent-development programmes and further education in areas such as data analysis, AI applications, electro-technical education, ethics, compliance, finance, management and other relevant professional and behavioural competencies.
- A modern company culture, based on active listening to employees and continuous development, supports our position as an attractive and top-tier employer.

Safety, skills, and field capability as strategic enablers

- Investment in OHS, training, and operational readiness is a prerequisite for accelerated build-out and safe field work.
- Workforce planning and supplier capability needs to match the scale and pace of grid modernisation.

Customer-centric operations

- Our distribution grid, our services, products and processes serve the customer. Due to this fact we build them to be functional, accessible, high-quality, user-friendly and understandable. Customer evaluation (e.g. in the form of Net Promoter Score) is a key feedback for us.
- Strengthening customer service capacity and digital channels supports better customer service. Unification of processes across the group helps deliver better customer experience and faster execution.
- When creating new or changing existing processes, products and services, the

customer's perspective, i.e. the so-called customer experience and user experience (CX and UX), are fundamental for us.

Cybersecurity and operational resilience

- Cybersecurity represents a core part of critical infrastructure protection for grid and customer operations, reflecting the growing digitalisation of distribution grid, customer-facing platforms and connected assets. Due to increasing cyber risks, cyber resilience and cybersecurity-by-design principles should be part of investment planning, system operation and crisis management, with clear requirements for risk assessment, stress testing and incident simulation, threat detection, vulnerability and patch management, business continuity and recovery.
- Strengthening preparedness for extreme events requires weather intelligence cooperation, early mobilization of emergency crews, and improved restoration planning.

Ethics, compliance, and governance integration

- Maintaining a strong speak-up culture, anti-corruption standards, supplier expectations, and transparent governance.
- Embedding ESG governance into operational decision-making through clear roles, KPIs, and management accountability.

Sustainability

- While enabling the transition for customers with green offerings, we simultaneously minimize our own environmental footprint, promote responsible business practices and positive social impact. We ensure our corporate operations align with the sustainability standards of E.ON Group, with the ambition of being a benchmark for corporate sustainability in Slovakia.