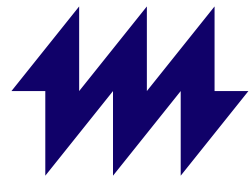


Green and Sustainability -Linked Finance Framework 2024





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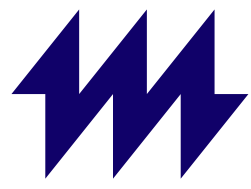
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About Helen

Helen helps to make everyday life a little easier for more than 550,000 customers in Finland.

In addition to electricity, heating, and cooling, we offer solutions for regional and renewable energy, smart buildings and electric transport.

We are developing a smarter carbon-neutral energy system that enables everyone to produce, use and save energy with respect for the environment.

We aim to achieve 100% carbon neutrality in our energy production by 2030.

Helen Group consists of the parent company, **Helen Ltd**, and the subsidiaries, **Helen Electricity Network Ltd**, **Oy Mankala Ab**, **Helsingin Energiatunnelit Oy**, **Geonova Oy**, **Tuulipuisto Lakiakangas 3 Oy**, **Kristinestad Tupaneva Ltd**, **Helen Solarpark Kalanti Ltd**, **Kalanti GridCo Ltd**, **Kalistanneva Wind Farm Ltd**, **Karahka Wind Farm Ltd**, **Juurakko Wind Farm Ltd**, **Niinimäki Wind Farm Ltd** and **Niinimäki Grid Oy**. The associated companies consolidated in the Group accounts are **Voimapiha Oy**, **Liikennevirta Oy**, **Pjelax Vindkraft Ab/Oy**, **&charge GmbH** and **Viiatti GridCo Ltd**.

Investments in carbon neutral electricity production

- Wind farm
- Hydropower
- Solar farm
- Nuclear power

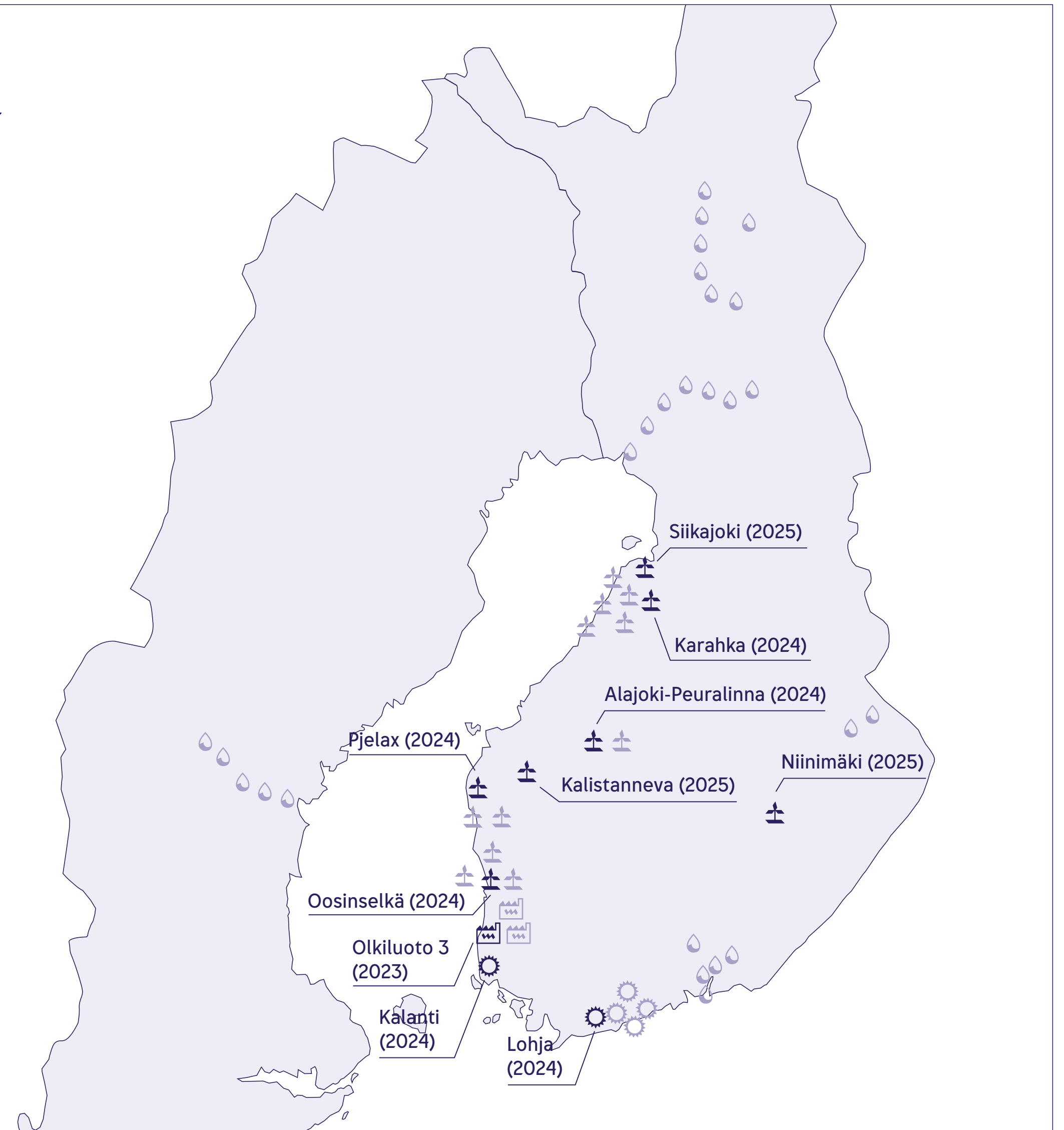
Electricity production

4,686

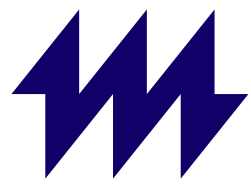
GWh

Carbon neutral energy

55%



Figures represent year 2023

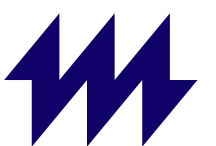


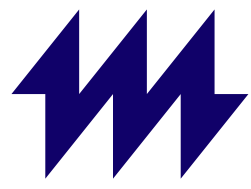
Helen's view on how to build a sustainable energy system

In late 2023, we published a new strategy, which lays out the foundation for our business operations and supports our long-term competitiveness. As part of the changes brought about by the new strategy, we adopted an organisational structure based on business units that are accountable for their results and Group functions that support the business units. As the world changes around us, we want to do more than simply change with it: we want to anticipate the changes and lead the transformation of the energy sector as a trailblazer of the green transition. Our strategic choice is green flexibility.

The core aspects of our strategy are the green transition, flexibility and profitability. Profitable business enables significant investments in green transition projects, which we implement by increasing the flexibility of the energy system.

We have set a target of making our energy production carbon neutral by 2030. Additionally, we plan to phase out combustion-based energy production by 2040. We respond to increasing electricity price fluctuations with superior flexibility. New business models based on flexibility deliver significant benefits to our customers and protect our profitability. Clarifying our service offering and optimising our energy system enables us to strengthen our financial performance.





Sustainability at Helen

With the aid of the materiality analysis, we have identified our most significant impacts on the environment and people as well as the key risks and opportunities for Helen’s financial value creation. External and internal stakeholders play a critical role in the identification process.

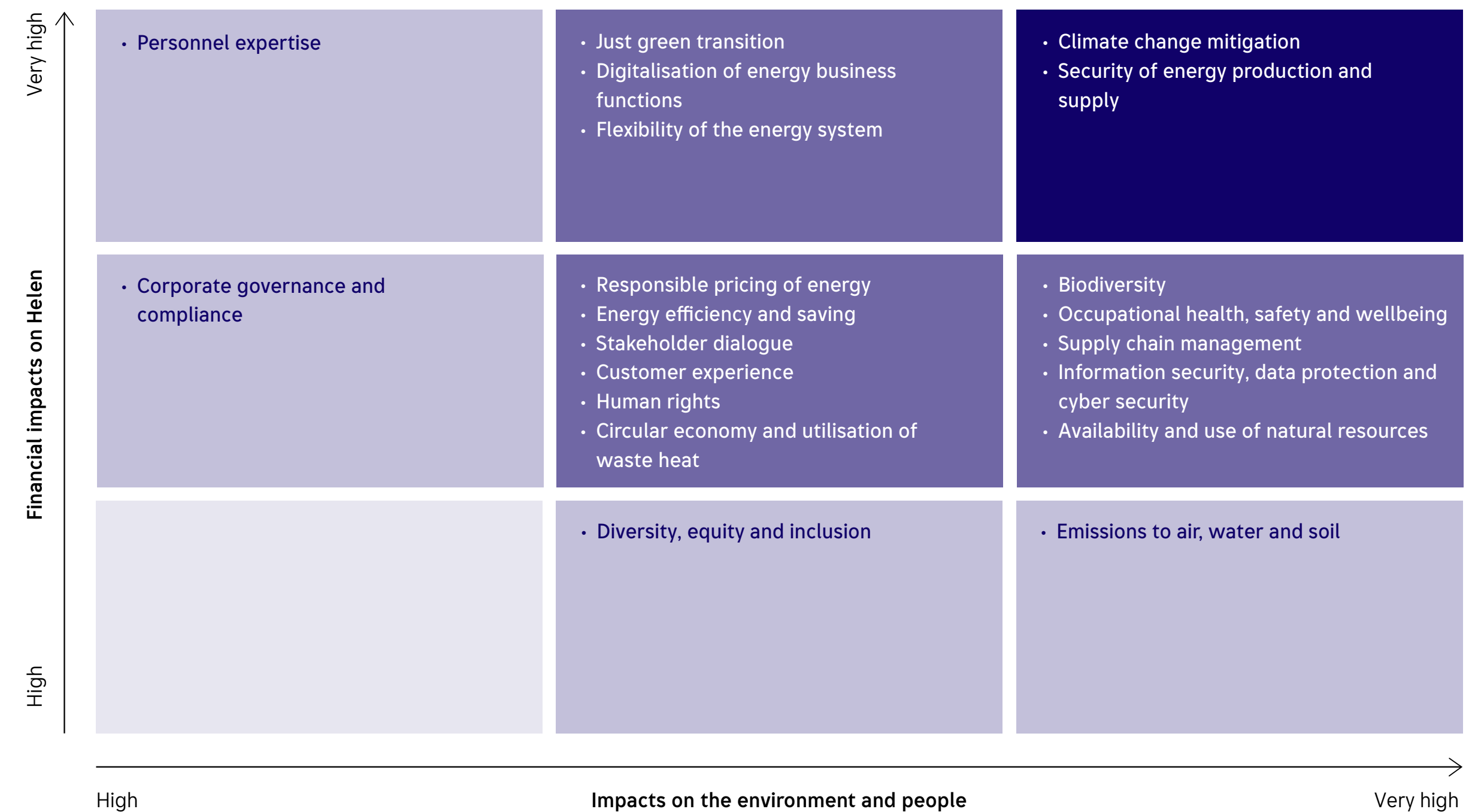
In autumn 2023, we updated our materiality analysis, taking the principles of double materiality into account. The update process involved an external partner and was driven by the changing operating environment in the energy sector, the renewal of our strategy and the need to prepare for reporting in accordance with the EU’s Corporate Sustainability Reporting Directive (CSRD). Our Annual and Sustainability Report 2023 provides more detail about the analysis process.

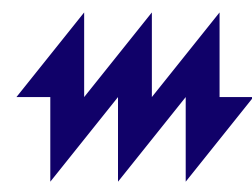
Our materiality analysis matrix shows impacts from the double materiality perspective, prioritised in nine different fields. In addition, we provide verbal descriptions of the content of the material impacts in our Annual and Sustainability Report 2023. The materiality analysis has been approved by Helen’s Management Group as part of Helen’s new sustainability programme.

For Helen Group, a sustainable energy system and climate change mitigation are still clearly the most material sustainability issues. This was also highlighted in the stakeholder interviews. Next in the order of materiality were security of supply and matters related to green transition and energy prices.





For Helen Ltd, the most material issues were the sustainability of the raw materials supply chain and carbon neutral energy production. Helen Electricity Network plays a key role in ensuring the security of supply and leading its partners’ safety, security and sustainability efforts. In addition to the above, stakeholder cooperation and local influencing were emphasised in other subsidiaries.

Material impacts

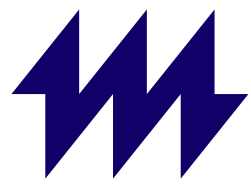




Sustainability programme

THEME	TARGET	METRIC	SDG
Sustainable energy system We are leading the energy transformation as a trailblazer of the green transition. Our target is to make our energy production carbon neutral by 2030 and to phase out combustion-based energy production by 2040.	We will discontinue the use of coal in 2025 and seek to phase out combustion-based energy production in 2040	%	  
	We will reduce our Scope 1 emissions by 80% by 2025 from a 1990 base year	%	
	We will reduce our Scope 1 and Scope 2 emissions by 77% per MWh of electricity and heat produced by 2030 from a 2019 base year	%	
	We will reduce our Scope 1 and Scope 3* emissions by 77% per MWh of electricity and heat sold by 2030 from a 2019 base year	%	
Biodiversity We operate on the terms of biodiversity, aiming for long-term net positivity.	We only use sustainability-certified biomass or biomass sourced from controlled origins	%	
	We conduct a biodiversity survey in all our new energy infrastructure projects that exceed EUR 10 million and in smaller projects that are located near identified sensitive natural areas	%	
	We launch at least 5 projects annually to protect biodiversity	number	
Attractive employer We promote occupational wellbeing and safety. We build an inclusive work community and guarantee our employees equal opportunities. We offer meaningful tasks and growth paths.	We manage and report on our strategic partners' occupational safety with the target of zero accidents	LTIF, TRIF	 
	Our employee Net Promoter Score is at level 37 at a minimum	eNPS	
	100% of our personnel will have completed sustainability training in 2024	%	
	We take diversity into account in our supervisor training and measure the realisation of diversity in our personnel survey	eNPS	
Sustainable supply chain We ensure that our operating methods are sustainable for people and the environment. We are a reliable partner.	We audit 80% of the value of purchases from our strategic and key suppliers by 2024	%	 
	100% of our strategic and key suppliers have filled in our sustainability survey	%	
	80% of our strategic and key suppliers have set an emissions reduction target	%	
Customer-driven products and services We take care of the maintenance of energy infrastructure that is critical to society and ensure security of supply. We provide sustainably produced and responsibly priced energy. We increase the flexibility of the energy system in cooperation with our customers.	Our average annual outage time is		 
	• electricity: < 5 min	min	
	• heat: < 2 h	h	
	• cooling: < 2 h	h	
	We maintain our B2C customers' Net Promoter Score at 20 at a minimum	NPS	
	We rank at least 2nd in sustainability in the Brand Tracking measurement in the entire market	Brand Tracking	
Our customers increasingly choose clean energy	%		
Compliance We comply with laws and regulations and train our personnel and partners regularly. We report on deviations and provide information about our operations transparently.	We operate in compliance with requirements and annually, we have zero of the following: confirmed cases of bribery or corruption; legal actions related to anti-competition practices; fatalities or serious accidents; confirmed cases of discrimination; confirmed cases of child, forced or compulsory labour; breaches of regulations related to product and service information and labelling; breaches of marketing communications regulations; and confirmed complaints related to breaches of customer privacy and losses of customer data	number	

* The Scope 3 emissions target includes greenhouse gas emissions from the energy production of associated companies as well as emissions related to the production of purchased and sold electricity and heat.



We support the UN Sustainable Development Goals

**Goal:**

Ensure affordable, reliable, sustainable and modern energy for all

Helen's target:

A carbon-neutral energy system by 2030. We create an increasingly cleaner, smarter and more flexible energy system, and we are a forerunner of sustainable energy systems.

Indicators:

- Security of supply / annual outage time
- Production and share of renewable energy

**Goal:**

Decent work and economic growth

Helen's target:

We aim for a zero-accident workplace where everyone is involved in the development of occupational safety. With a good level of occupational safety, we want to impact the employees' occupational wellbeing and the improvement of the productivity and quality of work.

Indicators:

- Lost-time incident frequency (LTIF)
- Employee survey, eNPS
- Biodiversity
- Sustainability in supply chains, sustainability survey and audits

**Goal:**

Build resilient infrastructure and promote sustainable industry and innovations

Helen's target:

Our power plants and energy distribution network are a visible, and sometimes also invisible, part of Helsinki. We develop our worksites in order to improve the experience of customers and citizens.

Indicators:

- Number of new products
- Investments in carbon-neutral production

**Goal:**

Ensure sustainability of consumption and production methods

Helen's target:

Reduction of environmental impacts is an important part of our activities. Climate change mitigation has a significant impact on our planning of future energy solutions and our future investments.

Indicators:

- CO₂ emissions
- Airborne emissions

**Goal:**

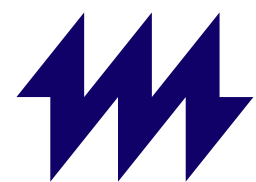
Take urgent action to combat climate change and its impacts

Helen's target:

To achieve carbon neutrality by year 2030

Indicators:

- Targets of the Science Based Targets initiative
- Reduction of CO₂ emissions
- Carbon-neutral products and services, reducing the customer's carbon footprint



Science Based Targets

In November 2022, Helen was the first Finnish energy company to receive official approval from the Science Based Targets initiative (SBTi) for its emissions reduction targets. The new targets are based on the Paris Agreement, aiming to limit global warming to 1.5 degrees worldwide.

Helen's Science Based Targets:

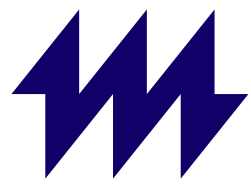
- Helen commits to reduce Scope 1 and 2 GHG emissions 77% per MWh electricity and heat generated by 2030 from a 2019 base year¹
- Helen commits to reduce Scope 1 and 3 (category 3, activity d) GHG emissions per sold electricity and heat 77% per MWh by 2030 from a 2019 base year

In addition to the approved SBT emissions reduction targets, Helen also has its own climate target on carbon-neutral energy production by 2030.

The Science Based Targets initiative (SBTi) is a partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The science-based climate target is based on a scientific calculation method to ensure that the company's targets are in line with the targets signed in the Paris Agreement.

¹The target boundary includes biogenic emissions and removals from bioenergy feedstocks. Biogenic emissions have been treated in the target as zero emissions in accordance with the EU Emissions Trading System (EU ETS).





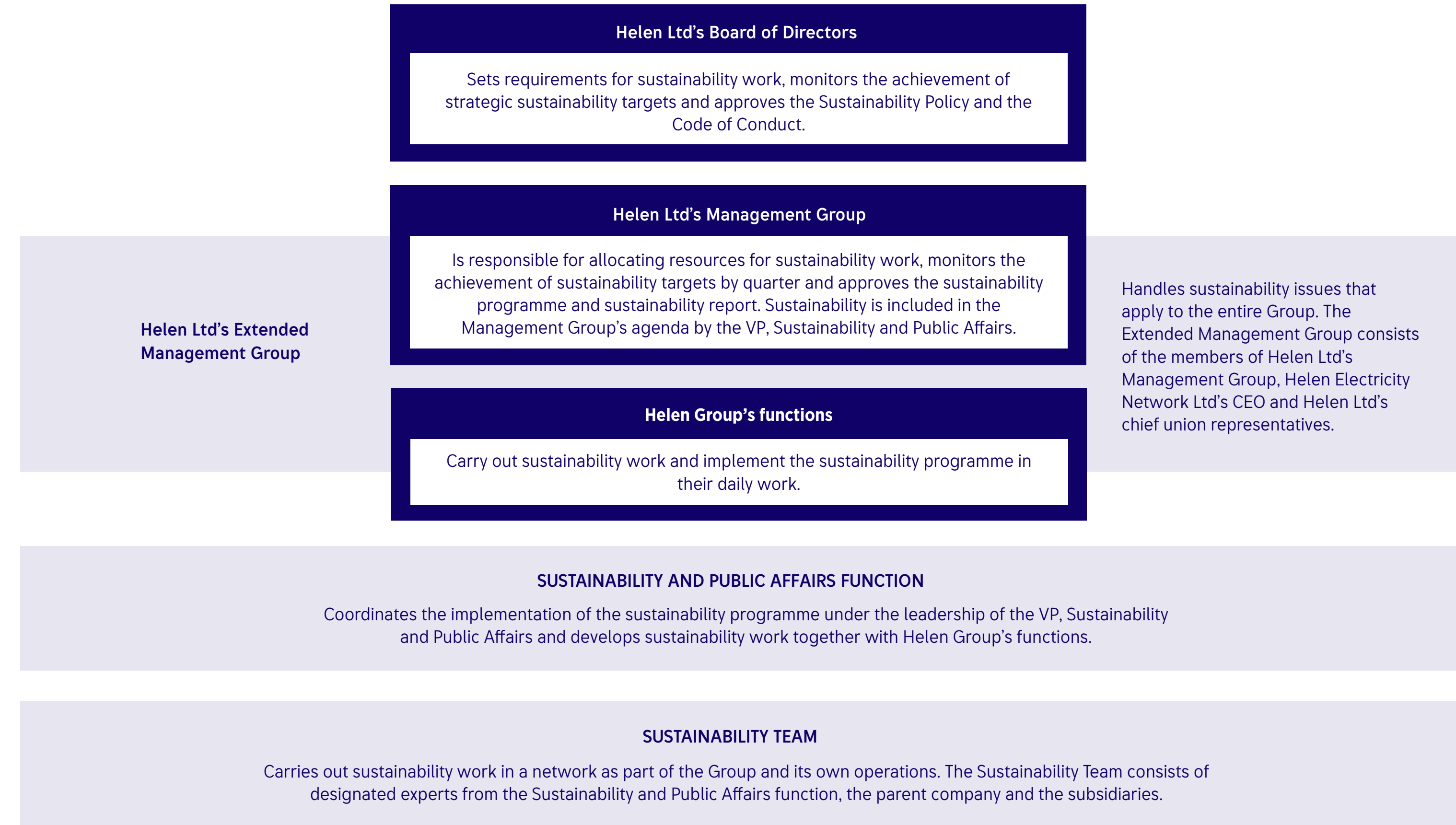
Sustainability management

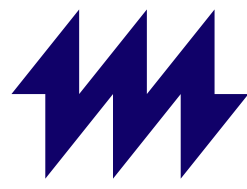
The management of our sustainability issues is based on Helen’s strategy and values, its corporate governance, and the Group’s sustainability policy and Code of Ethics.

As sustainability is a key part of our strategy, the Helen Group’s Board of Directors has the ultimate decision-making authority in sustainability issues. The Management Group’s responsibility is to secure the conditions for our sustainability work, which is coordinated by the Sustainability and Public Affairs team. The practical sustainability work is carried out in the everyday work of all the business areas.

The priorities of our sustainability work are defined in the sustainability programme approved by the Management Group, which also supports reaching the UN Sustainable Development Goals (SDGs). Our owner, the City of Helsinki, reports for the entire group in accordance with these goals.

Management of sustainability





Our sustainability targets are part of the set of strategic management indicators and the performance bonus system for the personnel and the management. We monitor the implementation of the targets on a monthly basis in Helen's Management Group and in the management groups of the business areas. The Board of Directors of Helen Ltd monitors especially the strategically important occupational health and carbon neutrality. We carry out practical sustainability and environmental management with the aid of operating systems and environmental guidelines.

The following standards are applied in our operations:

ISO 14001 standard on environmental management systems:

Helen's electricity generation, the production and distribution of heating and cooling, and fuel procurement are certified in accordance with the ISO 14001 standard on environmental management systems.

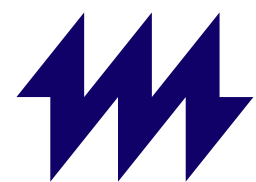
ISO 45001 standard on the occupational health and safety management system:

The occupational health and safety system of Helen Ltd and Helen Electricity Network Ltd has been certified in accordance with the ISO 45001 standard.

OUR OPERATIONS ARE GUIDED BY THE FOLLOWING INTERNATIONAL INITIATIVES AND FRAMEWORKS:

- Science Based Targets initiative (SBTi)
- The principles of the UN Global Compact initiatives
- UN Sustainable Development Goals
- UN Guiding Principles on Business and Human Rights
- The Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation
- Energy efficiency agreements implementing the EU Directive on Energy Efficiency





We are committed to safeguarding biodiversity

Helen aims to know the environmental impacts of the energy we produce for its entire life cycle and to act with respect towards biodiversity. In accordance with our biodiversity strategy, we aim for a net positive impact, where our activities cause more positive than negative environmental impacts as a whole.

The key impacts of our operations on biodiversity are mainly related to the impacts of energy production and distribution on land and waterways. Hydropower plants change significantly the habitats of local waterways, and biomass energy use can cause the impoverishment of forests. In addition, infrastructure projects can cause, for example, the reduction of trees, the fragmentation of areas and habitats, and the spread of invasive species.

Our focus is on protecting biodiversity

We prioritise non-combustion-based solutions when moving to a distributed energy system. We will replace the production of Salmisaari and Hanasaari coal power plants, among other things, with energy storage, waste heat, biomass, and solar and wind power. We will also investigate the use of industrial waste heat, a year-round use of seawater heat recovery and geothermal energy.

When procuring bioenergy, we require sustainable forest management and consideration of biodiversity from our suppliers. Our goal is that 100 percent of the biomass we procure is sustainable. In practice, this means that the wood fuels we purchase are from certified suppliers (e.g. PEFC, FSC or SBP) and origin controlled. We are developing moni-

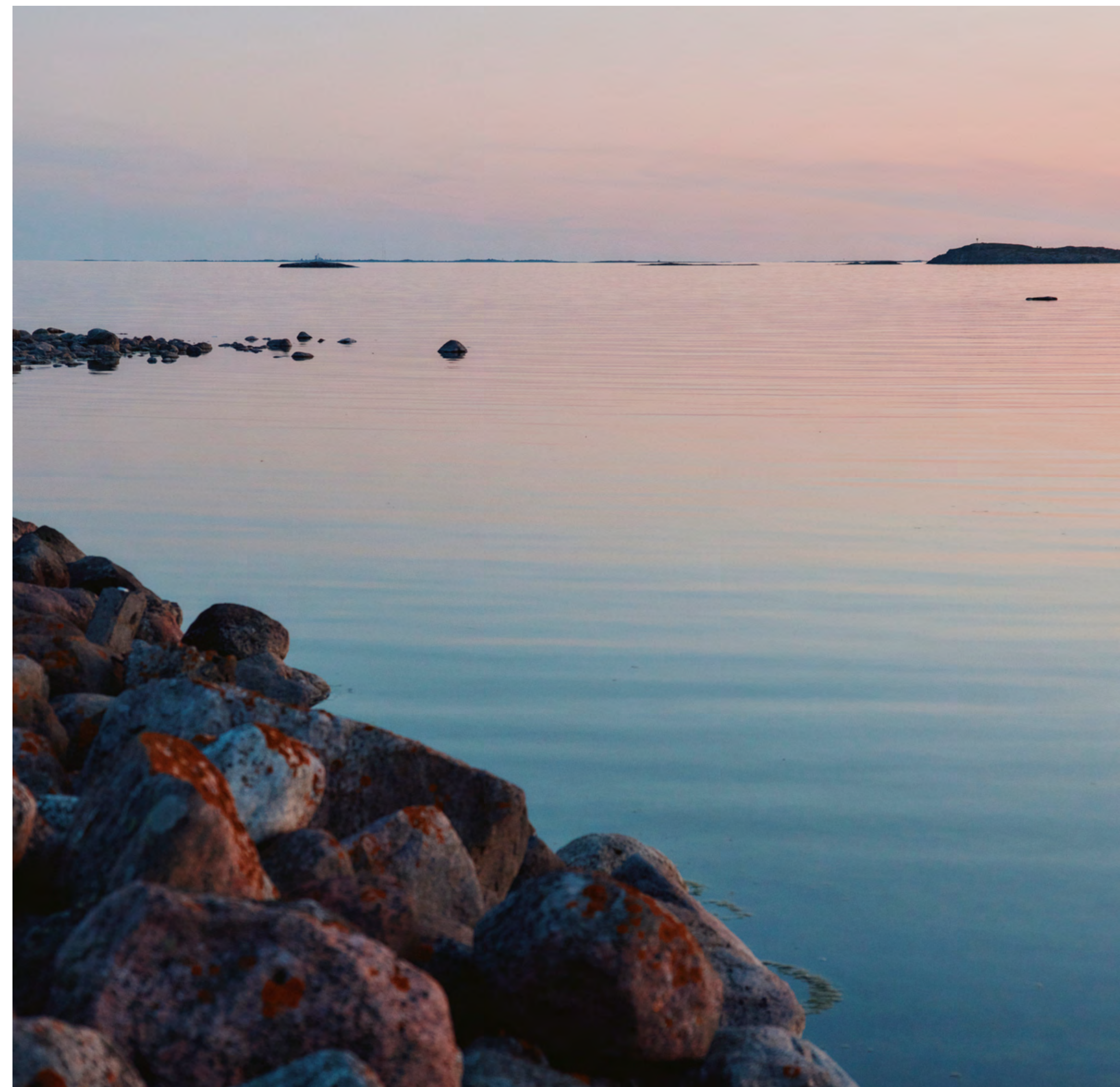
toring systems, which will help us ensure the sustainability in our production and supply chain in the future. We work to preserve and produce deadwood in commercial forests and ensure that fuel suppliers also know the importance of deadwood to the biodiversity of forests. Using sustainable biomass is a transitional solution to secure the supply of heat during the coldest periods of winter and the availability of backup fuel before switching to non-combustion-based solutions.

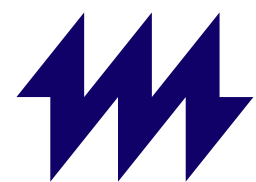
We take biodiversity into account in our emission compensation and strive to compensate only in a way that produces positive impacts on nature.

In order to restore waterway ecosystems, we are currently looking for solutions to enable the passage of fish past the dam to the breeding areas in the west branch of the Kymijoki River. Based on the studies, we have a good understanding of the feasible alternatives and if necessary, we will carry out further investigations.

We carry out environmental impact assessments as part of the planning of new projects and systematically monitor identified risks. In addition, we integrate preparation for natural risks as part of our current operations and regularly audit fuel suppliers.

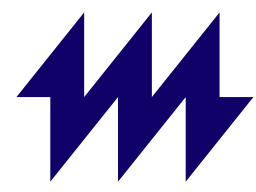
Ecological compensation is part of our selection of means in those cases where our primary goal of minimising environmental impact is not possible for one reason or another.





Green Finance Framework





Green Finance Framework

Carbon-neutral energy production has recently become a strong topic of social debate, and Helen is currently at the heart of energy transition. The tightening legislation directs the development and accelerates the customers' transition towards renewable energy. The European Commission's Fit for 55² legislative package will provide a framework for achieving the climate target. The EU Taxonomy of Sustainable Finance, on the other hand, directs financing of sustainable projects and that way it also has an impact on Helen's investments.

By setting up this framework (the Green Finance Framework or the Framework), Helen aims to mobilise debt capital to support its transition to a renewable, emission-free and distributed energy producer. The Framework is developed to align with the International Capital Market Association's (ICMA) Green Bond Principles 2021 and the Green Loan Principles 2023 administered by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA). Helen strives to follow best market practice and projects financed under this Framework will strive to contribute to at least one of the six environmental goals of the EU Taxonomy.

The four core components of the Principles along with the recommendation of External Review form the basis of this Framework, including:

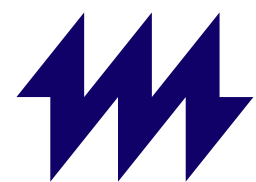
1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Verification

The Framework allows Helen to raise capital through green debt products such as bonds and loans (Green Debt). The terms and conditions of the underlying documentation for each Green Debt instrument shall provide a reference to this Framework.

Danske Bank has acted as an advisor for Helen in the establishment of this framework.

² Fit for 55 refers to the EU's target of reducing net greenhouse gas emissions by at least 55% by 2030.





Use of Proceeds

Allocation of net proceeds

An amount equal to the net proceeds will finance or refinance, in whole or in part, investments undertaken by Helen or its subsidiaries³, in each case as determined in accordance with the Green Project categories defined under Green Projects.

The Green Projects may include the value of fixed assets (Assets), capital expenditures (CapEx) and/or operational expenditures (OpEx), which together will form a portfolio of assets eligible for financing and refinancing with Green Debt.

For a Green Project to be eligible, the investment activities will be related to development, construction, modernisation, operation or installation of energy and clean transportation.

Financing and refinancing

New financing is defined as allocated amounts to Green Projects financed within or after the issuance year, and refinancing is defined as allocated amounts to Green Projects financed prior to the issuance year.

Asset values and CapEx will qualify for refinancing without a specific look-back period, while OpEx qualify with a maximum three-year look-back period prior to the issuance year.

Exclusions

The net proceeds will not be directly allocated to projects for which the purpose is fossil energy production.

Approach to EU Taxonomy

The EU Taxonomy Regulation is a classification system establishing a list of environmentally sustainable economic activities with the aim of scaling up sustainable investments and implementing the European green deal.

To align with the Taxonomy, eligible economic activities must make a substantial contribution to at least one of the six environmental objectives⁴. In addition, the activity must comply with the criteria for not harming any of the other environmental objectives (the Do No Significant Harm criteria, DNSH) and be carried out in compliance with Minimum Safeguards (MS) related to respecting human rights and following good business conduct rules.

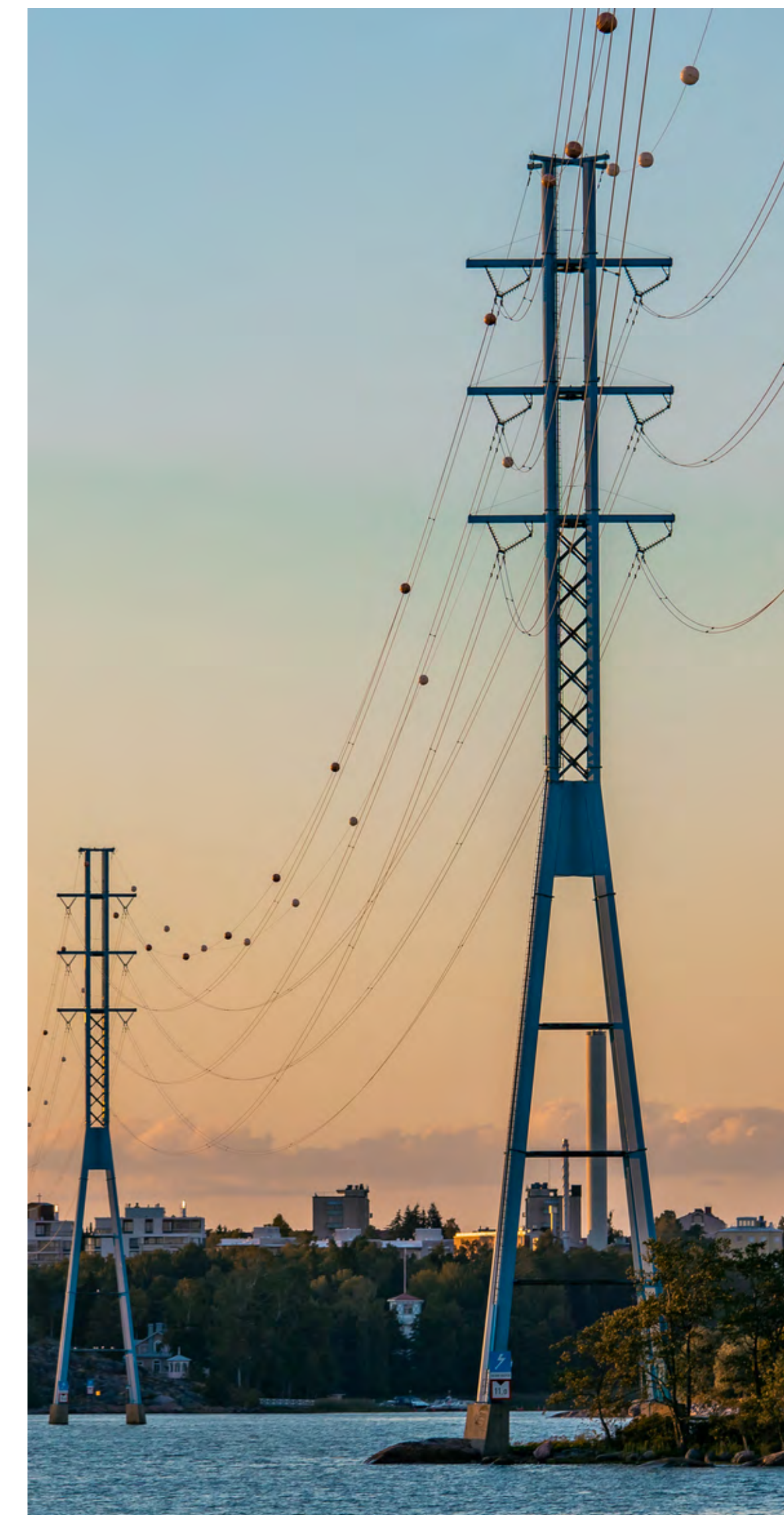
Helen acknowledges the importance of a common definition of sustainable activities, and hence the eligibility criteria of its Green Project categories under this Framework are based on, where relevant and applicable, the substantial contribution criteria for climate change mitigation.

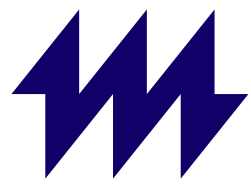
Climate change mitigation is the most relevant objective for Helen as Helen's most significant environmental impact is caused by its emitted greenhouse gas emissions. In

addition, investments required by the green transition are at the core of Helen's strategy and with the help of these investments, Helen is shifting towards carbon neutral energy production.




³ In the case of joint ownership (associates and joint ventures), Helen will only finance its share of the asset value and account for the related impact.

⁴ The six environmental objectives include climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, the protection and restoration of biodiversity and ecosystems.

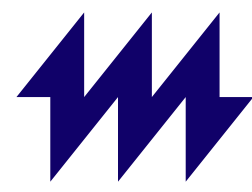




Green Projects

ELIGIBLE GREEN PROJECTS	ELIGIBILITY CRITERIA	CONTEXT
<p>ENERGY</p> <p>Includes ICMA GBP categories of Renewable energy and energy efficiency</p> <p>Eligible EU Taxonomy economic activities including: 3.10, 4.1, 4.3, 4.5, 4.9, 4.10, 4.11, 4.15, 4.16, 4.22, 4.24, 4.25</p> <p>SDGs:</p> <div data-bbox="186 953 573 1065">    </div>	<p>Solar power Photovoltaics (PV) and related infrastructure.</p> <p>Wind power Onshore and offshore wind energy generation facilities and related infrastructure.</p> <p>Bioenergy Generation of heat and cool from biomass. The facilities will use waste-based biomass exclusively from sustainable sources⁵.</p> <p>Heat and cool Facilities that produce heat and cool using waste heat, environmental heat, electric boilers or industrial scale air-to-water heat pumps.</p> <p>Electric heat pumps Electric heat pumps that meet the energy-efficiency requirements in the EU Eco-design Framework Directive or are proven to be below the refrigerant threshold (GWP) of 675.</p> <p>Hydropower Electricity generation facilities that produce electricity from hydropower. The activity complies with one of the following criteria:</p> <ul style="list-style-type: none"> • the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; • the power density of the electricity generation facility is above 5 W/m²; • the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100 gCO₂e/kWh. 	<p>Emission-free electricity production We invest in clean electricity production to meet the demand of an increasingly electrified society. Our investments in several large wind farms and the construction of our first industrial solar park demonstrate our commitment to emission-free energy production. We also plan to build electricity storages to increase flexibility in our energy system.</p> <p>Bioheat replaces coal use The Vuosaari bioenergy heating plant is a new addition to our energy mix which produces district heat (260 MW) while also reducing carbon dioxide emissions. In the Salmisaari plant, we will convert the coal fired K7 boiler to 100% wood pellet firing in the upcoming years. These are important steps towards a more sustainable future for our company and the environment.</p> <p>Waste heat plays a key role in a carbon-neutral future We reduce carbon emissions by utilizing waste and excess heat. Katri Vala heating and cooling plant expanded in 2021 with a new, high-performing heat pump which uses purified wastewater. It will reduce carbon dioxide emissions by 65,000 tonnes a year. The heat pump plant under construction in Eiranranta will produce district heating and cooling from purified sewage water as cold as 5 degrees Celsius.</p> <p>Construction of new heating plants We will construct an industrial-scale air-to-water heat pump plant combined with two large electric boilers at Salmisaari. The electric boilers will generate heat for as many as 30,000 two-room apartments, while the air-to-water heat pumps will produce approximately 61 GWh district heating and 10 GWh cooling per year.</p>

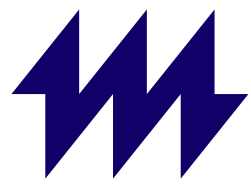
⁵ Using waste-based materials from the forestry (pellets and other residual materials) or agricultural industry that comply with the EU Renewable Energy Directive (RED).




Green Projects

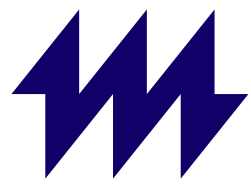
ELIGIBLE GREEN PROJECTS	ELIGIBILITY CRITERIA	CONTEXT
<p>ENERGY</p> <p>Includes ICMA GBP categories of Renewable energy and energy efficiency</p> <p>Eligible EU Taxonomy economic activities including: 3.10, 4.1, 4.3, 4.5, 4.9, 4.10, 4.11, 4.15, 4.16, 4.22, 4.24, 4.25</p> <p>SDGs:</p> <div data-bbox="183 953 573 1065"> </div>	<p>Hydrogen Manufacture of green hydrogen and green hydrogen-based synthetic fuels. The activity complies with the following criteria:</p> <ul style="list-style-type: none"> • life-cycle GHG emissions savings requirement of 73.4% for hydrogen (resulting in life-cycle GHG emissions lower than 3 tCO₂e/tH₂) and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94 gCO₂e/MJ <p>Transmission and distribution of electricity Transmission and distribution infrastructure in an electricity system that complies with at least one of the following criteria:</p> <ul style="list-style-type: none"> • The system is the interconnected European system, and its subordinate systems, or • more than 67% of newly enabled generation assets comply with the 100 gCO₂e/kWh threshold (over a rolling 5-year period), or • the grid's average emissions factor is less than 100 gCO₂e/kWh (over a rolling 5-year period) <p>District heating/cooling distribution Pipelines and associated infrastructure for distribution of heating and cooling that complies with the EU Energy Efficiency Directive⁶. System modifications to lower temperature regimes or advanced pilot systems (such as control and energy management systems and Internet of Things) are eligible without a specific threshold.</p> <p>Energy storage Storage solutions for electricity and thermal energy including battery systems, pumped hydropower storage, and underground thermal energy storage.</p>	<p>The plans for a small pilot hydrogen plant are already well advanced We have well-advanced plans for a pilot hydrogen plant of which, if realized, would be completed on the site of the Vuosaari power plant in 2025. After that, we would like to build a large industrial scale hydrogen plant on that same Vuosaari power plant site.</p> <p>We are strengthening the electricity network structures As a result of the energy transition, the electricity system has an even bigger role in heat production, which requires extensive changes and investments in the electricity network. Over the next 10 years, we will invest EUR 450 million in the electricity network to enable the energy transition, to meet the growing electricity demand and to maintain security of supply.</p> <p>Flexibility in energy production and storage of energy Balancing electricity production and consumption in real-time is necessary. Emission-free solar and wind power are not always available due to weather conditions, so energy storage and flexibility are essential to balance the energy system. Batteries provide short-term electricity storage to maintain the real-time balance and ensure short-term flexibility.</p>

⁶ Compliance means that the system uses at least 50% renewable energy or 50% waste heat or 75% cogenerated heat or 50% of a combination of such energy and heat.



Green Projects

ELIGIBLE GREEN PROJECTS	ELIGIBILITY CRITERIA	CONTEXT
<p>CLEAN TRANSPORTATION</p> <p>Eligible EU Taxonomy category 6.15</p> <p>SDGs:</p> 	<p>EV charging infrastructure</p> <p>Infrastructure dedicated to zero tailpipe CO₂ operation of zero-emissions road transport, including electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS).</p>	<p>We are expanding EV charging infrastructure</p> <p>The share of electric cars in Finland's vehicle fleet is now growing strongly. We are making strong investments in building a nationwide network of fast and high-power charging stations, serving especially the transition to the use of fully electric vehicles.</p>



Process for Project Evaluation and Selection

Helen has designed and implemented a process to ensure that only projects aligned with the eligibility criteria set out in this Framework will be selected as Eligible Green Projects.

As part of this process, Helen has established a Green Finance Committee (GFC) to evaluate and select eligible Green Projects and to allocate net proceeds to such assets. The Green Finance Committee consists of senior representatives from Finance, Treasury, Sustainability and Sustainable Energy departments, and will convene at least annually.

As part of the decision process, new and existing investments will be prepared and presented to the GFC, which is solely responsible for the decision to acknowledge the projects as Eligible Green Projects.

A decision to allocate net proceeds will require a consensus decision from the GFC. In the process of selecting eligible Green Projects and allocating net proceeds, the GFC will also consider aspects such as human and labour rights and the avoidance of significant harm to the other environmental objectives defined in the EU Taxonomy, to the extent possible.

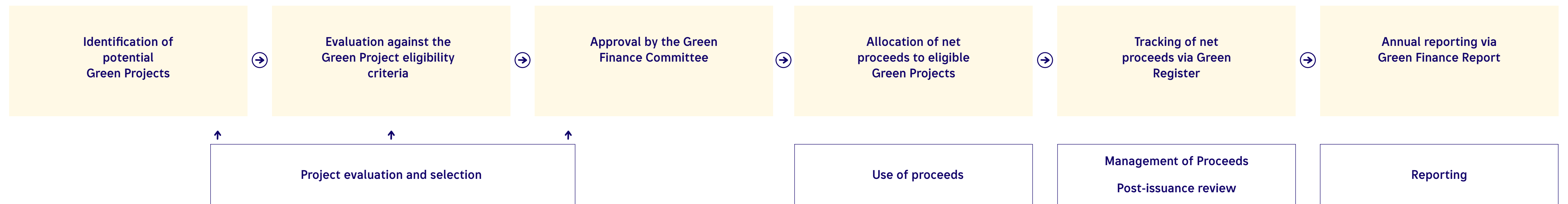
The GFC holds the right to exclude any eligible Green Project already funded if the project no longer meets the eligibility criteria defined in the Framework. If an eligible Green Project for any reason loses its eligibility, funds will then follow the procedure under Management of Proceeds until reallocated to other eligible Green Projects.

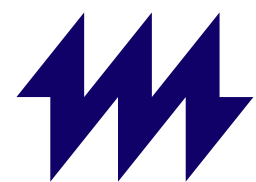
Management of Proceeds

An amount equal to the net proceeds of the Green Debt will finance or refinance Eligible Green Projects. To manage the proceeds, Helen has established a Green Register. The net proceeds will be earmarked against the portfolio of Eligible Green Projects identified in the Green Register. At the end of each year, Helen will review the Green Register and account for any reallocation of proceeds if needed.

In the event that the total outstanding net proceeds cannot be immediately and fully allocated, or if an Eligible Green Project is sold, or for other reasons loses its eligibility, proceeds will temporarily be placed in Helen's general liquidity reserve and managed according to Helen's financial policy, until reallocated to other Eligible Green Projects. Temporary holdings will follow the exclusions criteria listed under the Use of Proceeds section.

A clear process from identification of potential Green Projects to annual Green Finance Reporting ensures a high degree of transparency and measurement of impact





Reporting

To enable the monitoring of performance and provide insight into prioritised areas, Helen will annually publish an allocation and impact report (Green Finance Report) until full allocation of the net proceeds, and, in case of any material changes, until the maturity date of the green bond issued. If Helen has other Green Debt instruments than bonds outstanding, the company may choose to report, in relation to these other financial instruments, directly and non-publicly to the lenders or counterparties. The Green Finance Report may include methodology, baselines and assumptions used in the impact calculations. The impact reporting is conducted on a best effort basis and can to some extent be aggregated, and based on Helen's share of each project, where feasible and subject to data availability. Where relevant, Helen will seek to align the reporting with the latest standards and practices as identified by ICMA Harmonised Framework for Impact Reporting Handbook.

Allocation reporting

Allocation reporting will include the following information:

- The nominal amount of Green Bonds outstanding
- The aggregate size of Green Projects that have been funded by Green Bonds and the split between each project category
- Distribution between new financing and refinancing
- The amount of unallocated proceeds, if any

In addition, Helen may report on the EU Taxonomy alignment of the projects financed.

Impact reporting

Examples of impact indicators that may be reported:

Energy

- Installed renewable energy capacity (MW)
- Annual renewable energy generation (MWh)
- Storage capacity installed (MW)
- Annual GHG emissions reduced/avoided (tonnes of CO₂e emissions)
- Energy intensity (MWh/MWh)

Clean transportation

- Number of public charging points installed

External Verification

Second party opinion

Moody's has provided a second-party opinion to this Framework, verifying its credibility, impact and alignment with the ICMA and LMA/APLMA/LSTA Principles.

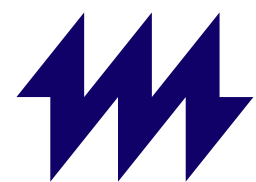
Post-issuance review

Helen will appoint an independent external party, annually until full allocation, to verify that an amount equal to the net proceeds has been allocated to eligible Green Projects.

Publicly available documents

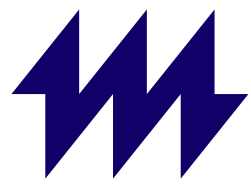
The Green Finance Framework and the second-party opinion will be publicly available on Helen's website, together with the post-issuance review and the Green Finance Report, once published.





Sustainability- Linked Finance Framework





Sustainability-Linked Finance Framework

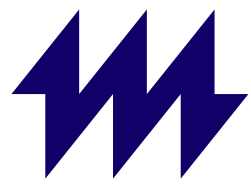
By setting up this part of the Framework (the Sustainability-Linked Finance Framework or the Framework), Helen intends to link its funding with its key sustainability objectives. The Framework outlines targets that are essential to be reached in order for Helen to deliver on its climate commitments.

The Framework is developed to align with the Sustainability-Linked Bond Principles (SLBP) published in 2023 by ICMA and the Sustainability-Linked Loan Principles (SLLP) published in 2023 by LMA, APLMA and LSTA. The five core components of the Principles form the basis of the Framework, including:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Financial characteristics
4. Reporting
5. Verification

The Framework allows Helen to raise capital through sustainability-linked bonds and loans (sustainability-linked Debt). The terms and conditions of the underlying documentation for each Sustainability-Linked Debt Instrument shall provide a reference to this Framework. The purpose of the Framework is to define the KPIs, SPTs, financial characteristics, reporting and verification related to Helen's sustainability-linked debt.





Selection of Key Performance Indicators (KPIs)

The selection of the key performance indicators has been made after considerations on which topics are relevant, core and material to Helen's operations.

KPI 1: Relative Scope 1 and 2 GHG per MWh of electricity and heat generated⁷

KPI 2: Relative Scope 1 and 3 (category 3 d⁸) GHG per MWh of electricity and heat sold⁷

Combined, KPI 1 and 2 covered approximately 80% of Helen's total CO₂ emissions in 2022.

Science Based Targets initiative

In 2022, Helen became the first Finnish energy company to receive an official approval for its Scope 1 and 2 emission intensity target per MWh of electricity and heat sold, and for its Scope 1 and 3 emission intensity target per MWh of electricity and heat sold, from the SBTi. The targets are aligned with reductions required to limit the global warming to a maximum at 1.5°C.

Calculation methodology

Our emission calculations are based on the international GHG Protocol (Greenhouse Gas Protocol), i.e. in addition to CO₂ emissions, also taking into account other greenhouse gases that are calculated according to the life cycle. In addition to direct stack emissions (Scope 1), indirect emissions from the energy we consume (Scope 2) and purchases (Scope 3) are included in the calculation. We started using calculation according to the GHG Protocol in 2021.

In calculating the emission intensity of our greenhouse gases, Scope 1, Scope 2 (market-based emissions) and Scope 3 (category 3 d⁸) are included.

Calculation methodology for KPI 1:

$$\frac{\text{Scope 1 and Scope 2 (market based) GHG emissions}}{\text{Electricity and heat generated (MW)}}$$

Calculation methodology for KPI 2:

$$\frac{\text{Scope 1 GHG emissions + Scope 3 GHG emissions from purchased electricity and heat that is sold to end users}}{\text{Electricity and heat sold (MW)}}$$

Rationale and materiality of the KPIs

Climate change mitigation is one of the most significant challenges of our time. The transition to carbon-neutral energy production is a key focus area of our operations and development work. We have made a conscious effort to work towards carbon neutrality for several years. Carbon-neutral energy production means production that does not increase the amount of carbon dioxide in the atmosphere and that way warm up the climate. The KPIs chosen will support our journey towards carbon neutrality.

In addition, the global situation has highlighted the need to hold on to our carbon neutrality target, which will take us towards an energy future with increasing energy self-sufficiency and security of supply.

Contribution to SDGs:



The KPIs refer to the United Nations Sustainable Development Goal 13 "Climate Action", and 7 "Affordable and Clean Energy", as well as the EU environmental objective "Climate Change Mitigation".

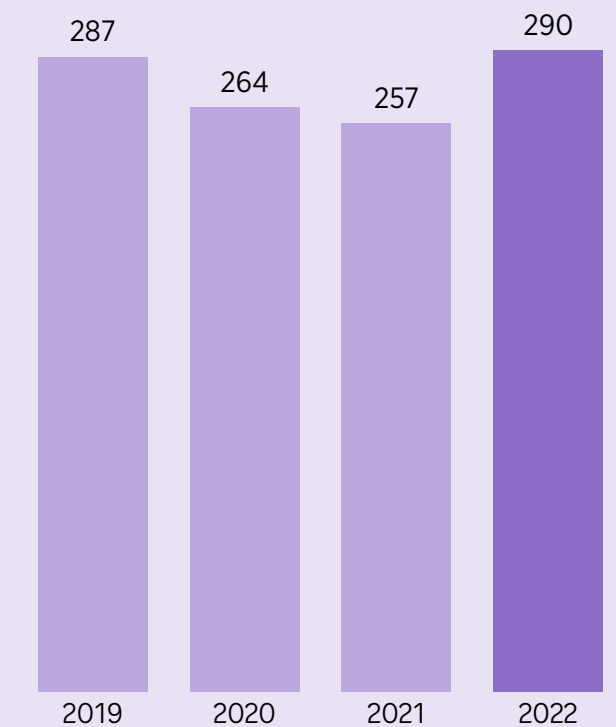
⁷Includes biogenic emissions and removals from bioenergy feedstocks.

⁸Category 3 of the Scope 3 emissions includes fuel and energy-related emissions not included in Scope 1 or Scope 2, and category 3, activity d refers to generation of purchased electricity and heat that is sold to end users.

Read more: [Technical Guidance for Calculating Scope 3 Emissions](#)

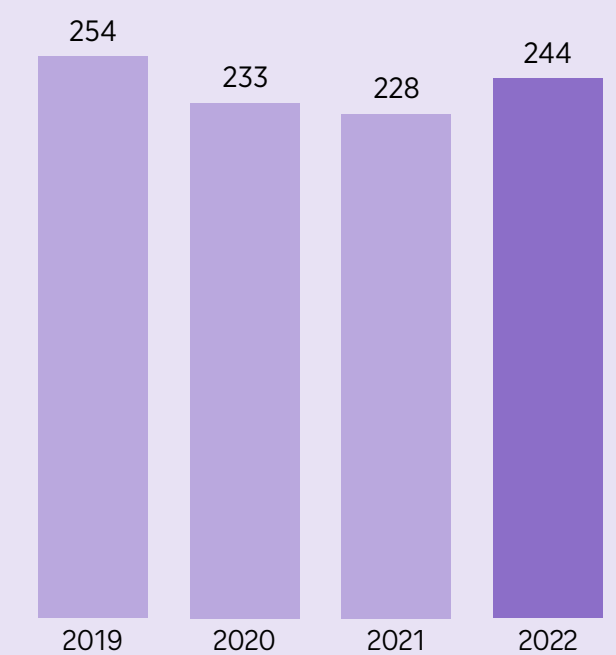
Historical performance*

KPI 1: Scope 1 and 2 GHG emissions per MWh of electricity and heat generated (kg/CO₂e/MWh)

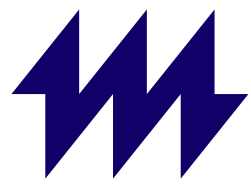


*Baseline year = 2019.

KPI 2: Scope 1 and 3⁸ GHG emissions per MWh of electricity and heat sold (kg/CO₂e/MWh)



*Baseline year = 2019.



Calibration of Sustainability Performance Targets (SPTs)

SPT 1: Reduce Scope 1 and 2 GHG emissions per MWh electricity and heat generated

	SPT 1a - 2028	SPT 1b - 2030
SPTs	-63%	-77%
Target Observation Date	December 31st, 2028	December 31st, 2030

SPT 2: Reduce Scope 1 and 3 (category 3 d⁹) GHG emissions per sold electricity and heat per MWh

	SPT 2a - 2028	SPT 2b - 2030
SPTs	-63%	-77%
Target Observation Date	December 31st, 2028	December 31st, 2030

Proposed targets

Both of Helen's SPTs are validated by the Science Based Targets initiative (SBTi) and based on the Paris Agreement, which aims to limit global warming to 1.5 degrees Celsius worldwide. Specifically, with the validated targets, Helen is committed to reduce Scope 1 and 2 GHG emissions 77% per MWh of electricity and heat generated by 2030 from a 2019 base year (SPT 1b), and Scope 1 and 3 GHG emissions per sold electricity and heat 77% per MWh within the same timeframe (SPT 2b). In addition, Helen has converted these

commitments into shorter SPTs (SPT 1a and 2a) which are determined through a linear interpolation from the 2030 targets.

Strategy to achieve the SPTs

In 2022, we published our carbon neutrality programme, stating on our emissions reduction path and on the actions that will take us to our target, reduce our dependence on imported fossil energy and increase our energy self-sufficiency on an accelerated schedule.

In April 2023, we closed the Hanasaari power plant and with the decommissioning, our coal consumption was halved. We will replace the production with waste heat, sustainable bioenergy, energy storage, as well as nuclear, wind, and solar power.

In 2024, we will move towards distributed heat production and a sustainable energy system.

In 2025, we will close the Salmisaari coal-fired power plant and end the use of coal. Our heat production will consist mainly of heat pumps utilising waste and environmental heat, electric boilers, energy storage, and sustainable bioenergy. We will produce electricity mainly with wind, nuclear, hydro, and solar power.

In 2030, we will further increase wind and solar power and the amount of non-combustion heat production especially with heat pump solutions.

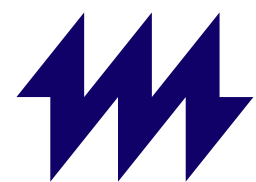
Key factors that could affect the ability to meet the SPTs

The availability of wood chips and the overall sustainability of using forests to produce bioenergy is questioned and could affect our ability to meet the SPTs as bioenergy is one of the key sources of how we plan to reduce our GHG emissions and therefore also emissions intensity. In addi-

tion, if national security of supply requires, we might not be able to e.g., phase out coal according to the schedule as energy production, transmission and distribution systems are part of Finland's critical infrastructure.

⁹ Category 3 of the Scope 3 emissions includes fuel and energy-related emissions not included in Scope 1 or Scope 2, and category 3, activity d refers to generation of purchased electricity and heat that is sold to end users.

Read more: [Technical Guidance for Calculating Scope 3 Emissions](#)



Financial Characteristics

The financial characteristics of any Sustainability-Linked Debt instrument issued under this Framework will be specified in the transaction-specific documentation, and will change depending on whether the selected SPTs are met (Loans) or if a trigger event occurs (Bonds and Loans), resulting in a financial impact.

Bonds

The financial characteristics selected, include specification of financial impact, implementation of the financial impact, Target Observation Date and Reporting End Date, and will be stated in the transaction-specific documentation, where, unless otherwise specified:

- The financial impact will be in the form of a redemption price premium or coupon step-up.
- Any applicable redemption price premium will be paid at maturity, and any applicable coupon step-up will apply from the first day of the next interest period following the Reporting End Date.
- The Target Observation Date is defined as the date when the performance of the KPI is observed and measured, and will fall on the last day of the calendar year.
- The Reporting End Date is defined as the date falling on 120 days after the relevant Target Observation Date.

Trigger events

A trigger event occurs if:

- The performance in respect of one or more of the selected KPIs fail to satisfy the applicable SPTs at the relevant Target Observation Date; or

- The reporting does not meet the requirements as set out in the transaction-specific documentation; or
- The verification has not been provided and made publicly available as set out in the transaction-specific documentation.

Loans

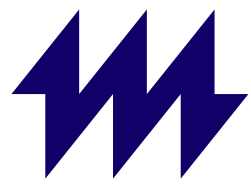
KPIs will be measured annually and depending on the KPI performance in relation to the SPTs, an increase or decrease in the margin may occur and will be outlined in the loan specific documentation.

Recalculation policy

Any material changes in Helen's organisational structure, calculation methodology or data quality will result in a recalculation of the baseline level for each KPI and the related SPT. The recalculated baseline levels or SPTs will be reported in the next sustainability-linked progress report, as stipulated in the Reporting section, and will be verified by a qualified external reviewer as outlined in the Verification section. The recalculations are expected to be consistent with Helen's sustainability strategy and materially in line with the initial ambition level of the SPTs.

For the avoidance of doubt, any new or updated framework, in relation with any subsequent securities issuance, shall not have any implications on the securities issued under this framework.





Reporting

Helen will annually publish a Sustainability-Linked Progress Report to ensure that investors and other stakeholders have updated and adequate information about Helen's sustainability strategy and the performance of the selected KPIs against the SPTs,

The reporting may be in the form of either a stand-alone report, combined with the Green Finance Report or incorporated into the integrated Annual Report. The performance level of each of the KPIs against the relevant SPTs shall be verified by a qualified external reviewer with relevant expertise.

In the case Helen would have other Sustainability-Linked Debt Instruments than bonds outstanding the company may choose to report, in relation to these other financial instruments, directly and non-publicly, to the lenders or counterparts.

The sustainability-linked progress report will include the following reporting points:

- The performance of the KPIs against the SPTs, as per the relevant reporting period, including calculation methodologies and baselines;
- Information about recalculations of the baselines, if any; and
- Information on any relevant updates to Helen's sustainability strategy and/or governance with a potential impact on the KPIs and SPTs.

Where feasible and relevant, the reporting will also include:

- Qualitative and/or quantitative explanations of the major contributing factors behind the evolution of the performance of the KPIs on an annual basis; and
- Updates on new or proposed regulations from regulatory bodies relevant to the KPIs and SPTs.

Verification

Post issuance verification

Helen will annually seek an external and independent verification of its performance against each SPT for each KPI, by a qualified external reviewer with relevant expertise. The external reviewer will be chosen in accordance with the Voluntary Guidelines for External Reviews developed by the Principles for Green, Social, Sustainability and Sustainability-Linked Bonds, and may at the discretion of Helen be changed subject to fulfilling the requirements set out herein. The verification shall be conducted at least with a limited assurance.

Second party opinion

Helen has engaged Moody's to provide a second party opinion to this Framework assessing the relevance, robustness, reliability, and ambition level of the selected KPIs and SPTs and confirming its alignment with the Sustainability-Linked Bond Principles.

Publicly available documents

The Framework and the second party opinion will be made publicly available on Helen's website together with the annual reporting and verification, once published.

