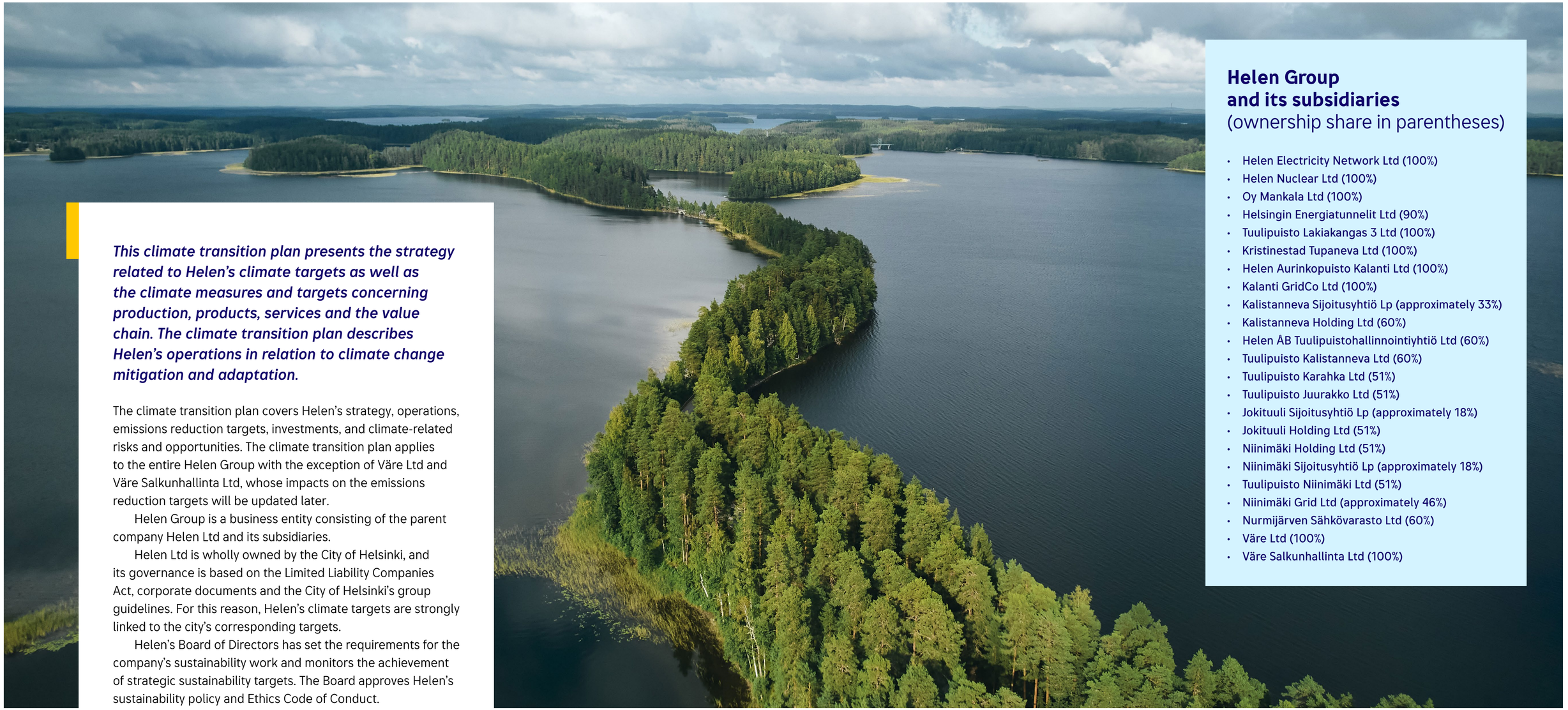
HELEN

CLIMATE TRANSITION PLAN 2026

Contents

Climate transition plan in brief



This climate transition plan presents the strategy related to Helen's climate targets as well as the climate measures and targets concerning production, products, services and the value chain. The climate transition plan describes Helen's operations in relation to climate change mitigation and adaptation.

The climate transition plan covers Helen's strategy, operations, emissions reduction targets, investments, and climate-related risks and opportunities. The climate transition plan applies to the entire Helen Group with the exception of Väre Ltd and Väre Salkunhallinta Ltd, whose impacts on the emissions reduction targets will be updated later.

Helen Group is a business entity consisting of the parent company Helen Ltd and its subsidiaries.

Helen Ltd is wholly owned by the City of Helsinki, and its governance is based on the Limited Liability Companies Act, corporate documents and the City of Helsinki's group guidelines. For this reason, Helen's climate targets are strongly linked to the city's corresponding targets.

Helen's Board of Directors has set the requirements for the company's sustainability work and monitors the achievement of strategic sustainability targets. The Board approves Helen's sustainability policy and Ethics Code of Conduct.

Helen Group and its subsidiaries (ownership share in parentheses)

- Helen Electricity Network Ltd (100%)
- Helen Nuclear Ltd (100%)
- Oy Mankala Ltd (100%)
- Helsingin Energiatunnelit Ltd (90%)
- Tuulipuisto Lakiakangas 3 Ltd (100%)
- Kristinestad Tupaneva Ltd (100%)
- Helen Aurinkopuisto Kalanti Ltd (100%)
- Kalanti GridCo Ltd (100%)
- Kalistanneva Sijoitusyhtiö Lp (approximately 33%)
- Kalistanneva Holding Ltd (60%)
- Helen ÅB Tuulipuistohallinnointiyhtiö Ltd (60%)
- Tuulipuisto Kalistanneva Ltd (60%)
- Tuulipuisto Karahka Ltd (51%)
- Tuulipuisto Juurakko Ltd (51%)
- Jokituuli Sijoitusyhtiö Lp (approximately 18%)
- Jokituuli Holding Ltd (51%)
- Niinimäki Holding Ltd (51%)
- Niinimäki Sijoitusyhtiö Lp (approximately 18%)
- Tuulipuisto Niinimäki Ltd (51%)
- Niinimäki Grid Ltd (approximately 46%)
- Nurmijärven Sähkövarasto Ltd (60%)
- Väre Ltd (100%)
- Väre Salkunhallinta Ltd (100%)

Strategy

Helen's strategic priorities are clean transition, flexibility and profitability. The strategy is based on the company's vision: A future where energy is clean and flexible. The climate transition plan has been drawn up in line with the vision and as part of Helen's strategy. Its preparation and monitoring are guided by the company's need to advance the achievement of climate and emissions reduction targets.

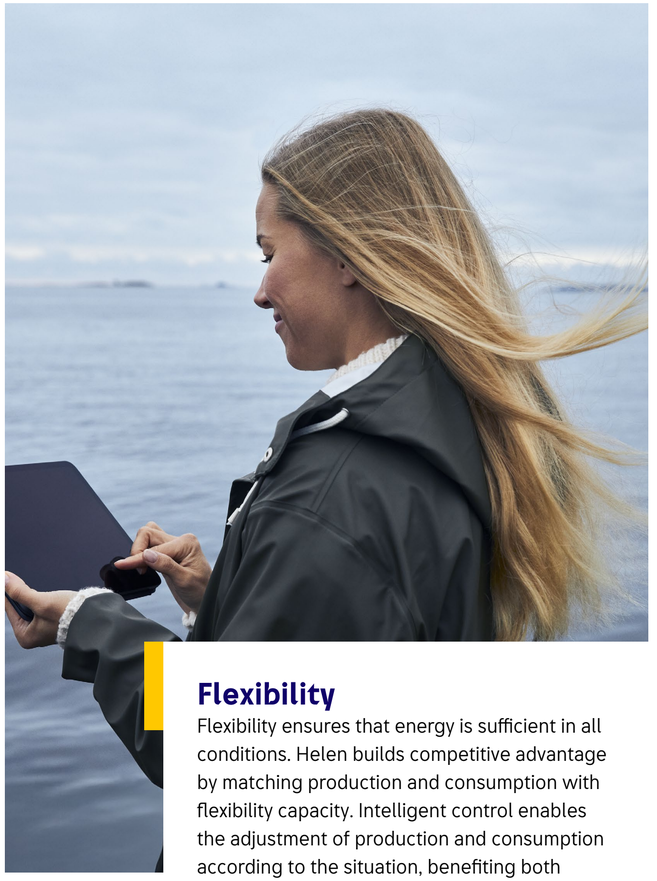
Helen has discontinued the use of coal and is investing in low emission energy production. The company is electrifying its heat production and investing in energy storage to enhance its flexibility capabilities. In the long term, it aims to phase out combustion-based energy production.

Climate change mitigation and adaptation are a central part of Helen's strategy, which is why the decision was made to prepare a climate transition plan.

A future where energy is clean and flexible

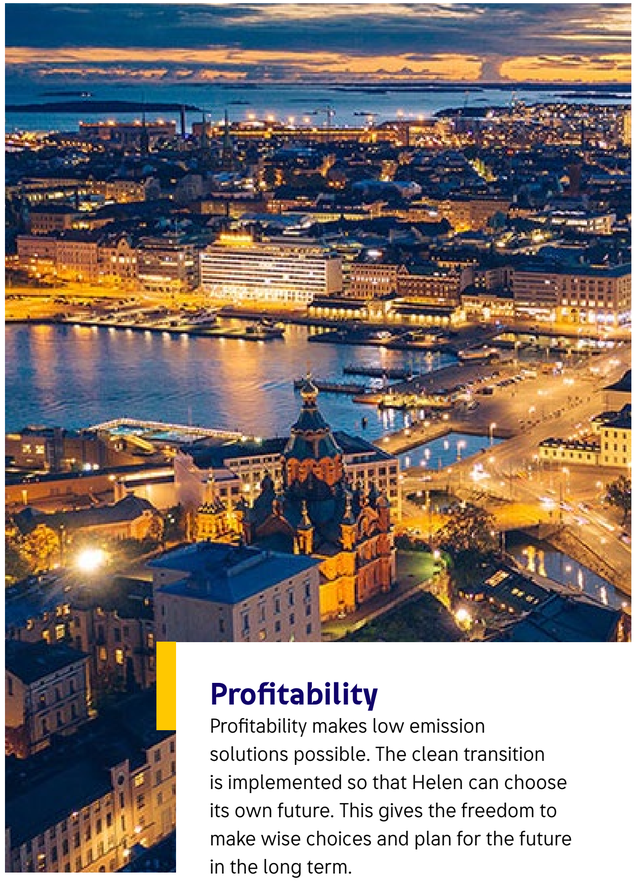
Clean transition

Helen is renewing its energy system into an intelligent and flexible whole in which electricity, heating and cooling are produced with low emissions and ultimately without combustion. Helen invests in low emission energy sources and utilises digitalisation in the optimisation of production and consumption, ensuring security of supply in all conditions.



Flexibility

Flexibility ensures that energy is sufficient in all conditions. Helen builds competitive advantage by matching production and consumption with flexibility capacity. Intelligent control enables the adjustment of production and consumption according to the situation, benefiting both customers and society as a whole. Heat storage facilities increase flexibility by releasing energy precisely when consumption is at its highest.



Profitability

Profitability makes low emission solutions possible. The clean transition is implemented so that Helen can choose its own future. This gives the freedom to make wise choices and plan for the future in the long term.

Products and services

Helen provides its customers with electricity, heating and cooling as well as solutions for regional and renewable energy. Helen's customers include consumers, companies and housing companies.

Electricity

Helen is the market leader in electricity retail sales in Finland. Electricity production is based mainly on low emission energy sources, namely hydropower, nuclear power, wind power and solar power. Electricity production is guided by energy system optimisation, which enables versatile production to be managed and developed. Numerous investments have been made and are being made in electricity production, and these are presented in later parts of the climate transition plan.

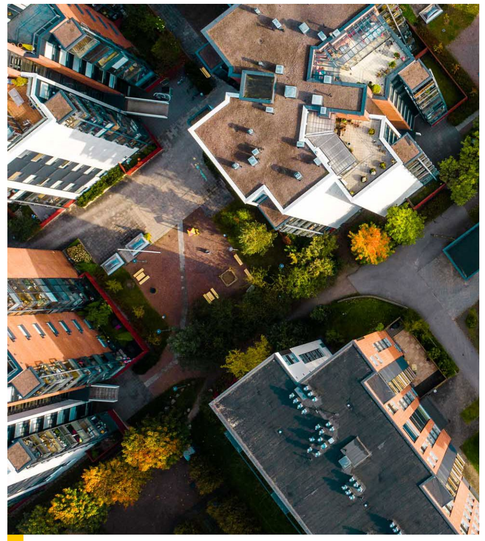
Helen Electricity Network Ltd, a subsidiary of Helen Ltd, distributes electricity and is responsible for the maintenance, development and construction of the electricity network in the Helsinki region. Helen Electricity Network Ltd ensures the security of supply for more than 430,000 electricity customers. The construction of new electricity connections, electricity metering and ensuring adequate transmission capacity are also essential parts of its operations.

Heating

Helen produces, distributes and sells district heating in the Helsinki area. A key element for district heating is the transition to low emission and non-combustion-based production through investments.

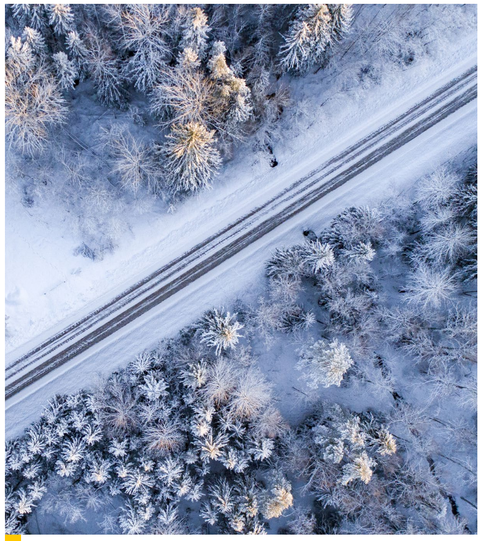
The coal-fired Hanasaari power plant was closed in 2023, and the following year the company's first electric boiler plant was commissioned in the area. The coal-fired Salmisaari power plant was closed in 2025, at which point Helen discontinued the use of coal entirely. Subsequently, heat at Salmisaari is produced in pellet-fired plants as well as electric boilers and air-to-water heat pumps. Heat production at the Vuosaari production site uses heat pumps, the bioenergy heat plant commissioned in 2023, and electricity and heat produced with natural gas.

Helen has several heat production plants and heat storage facilities in Helsinki and utilises industrial waste heat by feeding it into the district heating network.



Cooling

Heat pump plants produce district cooling for Helen's customers in the Helsinki city centre. District cooling is produced mainly in the Katri Vala, Esplanadi and Eiranranta heat pump plants in the same process as district heating using origin-guaranteed emission-free electricity.



Hydrogen

Helen is constructing a hydrogen production plant in Vuosaari, which is its first hydrogen project. Hydrogen can be used, for example, as fuel for heavy transport or supplied to industrial customers. In addition, hydrogen can be used to produce downstream products, the role of which is continuously explored and developed. Waste heat generated in hydrogen production can be utilised in the district heating network located near the plant.

Climate targets

Helen's climate targets are strongly linked to the company's strategic priorities of clean transition, flexibility and profitability. Many decisions and investments already made support the achievement of these objectives and climate targets.

The climate targets have been prepared in accordance with the science-based requirements of the Science Based Targets initiative (SBTi), ensuring that the targets are aligned with the Paris Agreement.

One of the most significant short-term climate actions for Helen is the phasing out of coal, which was realised when the coal-fired power plant in Salmisaari ceased operations in 2025.

Short-term climate target

77%

emissions reduction

Helen aims for a 77% emissions reduction in its own energy production and the energy sold by 2030 compared with the baseline year 2019. The short-term climate targets will be updated in 2026.

Long-term climate target

90%

emissions reduction

Helen will set a new net-zero target in 2026 in accordance with the energy sector guidance. Based on this, the company is expected to aim for a 90% emissions reduction for Scope 1, Scope 2 and Scope 3 emissions by 2040 compared with the baseline year 2019.

The phase-out of coal was implemented by shutting down the plants rather than selling the business. The electrification of heat production is also an essential part of Helen's emissions reduction pathway. The use of biomass as a fuel has increased with the commissioning of the bioenergy heat plant in Vuosaari and the pellet-fired heat plants in Salmisaari.

After the phase-out of coal and the electrification of heat production, Helen is focusing in the short term on renewable energy production and energy storage, which are already under construction and have partly been completed. These investments are presented in later parts of the climate transition plan.

In the medium term, Helen will concentrate on the utilisation of waste heat from data centres. New renewable energy projects, such as additional wind power and solar power, are also possible if the electricity market conditions support their implementation.

In the long term, Helen aims to phase out combustion-based energy production by 2040. This target is supported by the aforementioned short- and medium-term measures. Long-term targets also include projects related to data centres and small modular reactors (SMR). Helen's nuclear energy programme, launched in 2024 and supported by the establishment of Helen Nuclear Ltd, aims to utilise nuclear energy in Helsinki's heat production. Combined heat and power production is also possible within the framework of the nuclear energy programme.

As the share of fossil-fuel-based combined heat and power decreases, heat production will rely increasingly on electricity. For this reason, adequate transmission capacity in the electricity network and investments in strengthening the network are crucial for achieving the climate targets. In parallel with electricity-based heat production, other solutions are explored, including nuclear energy, the utilisation of waste heat from data centres equipped with backup power, and the use of low emission fuels in heat production plants.

Helen participated in the Finnish energy efficiency agreement between business and the Ministry of Economic Affairs and Employment for the period 2017–2025 and has committed to the new period 2026–2035. Energy efficiency in production and distribution reduces primary energy consumption and emissions and is therefore part of the climate transition plan. The aim is to influence customers' improved energy efficiency through new products and services.

The updating of Helen's SBT targets, approved in 2022, as well as the connection between climate targets and biodiversity targets, are also essential for the climate transition plan.

SBT targets and their updating

Helen was the first energy company in Finland to receive official approval for its science based emissions reduction targets in 2022. The SBT targets are based on the Paris Agreement and aim to limit global warming to 1.5 degrees. Emissions reduction targets in the energy sector are set according to the SBTi as intensity targets, for example relative to emissions from the energy produced.

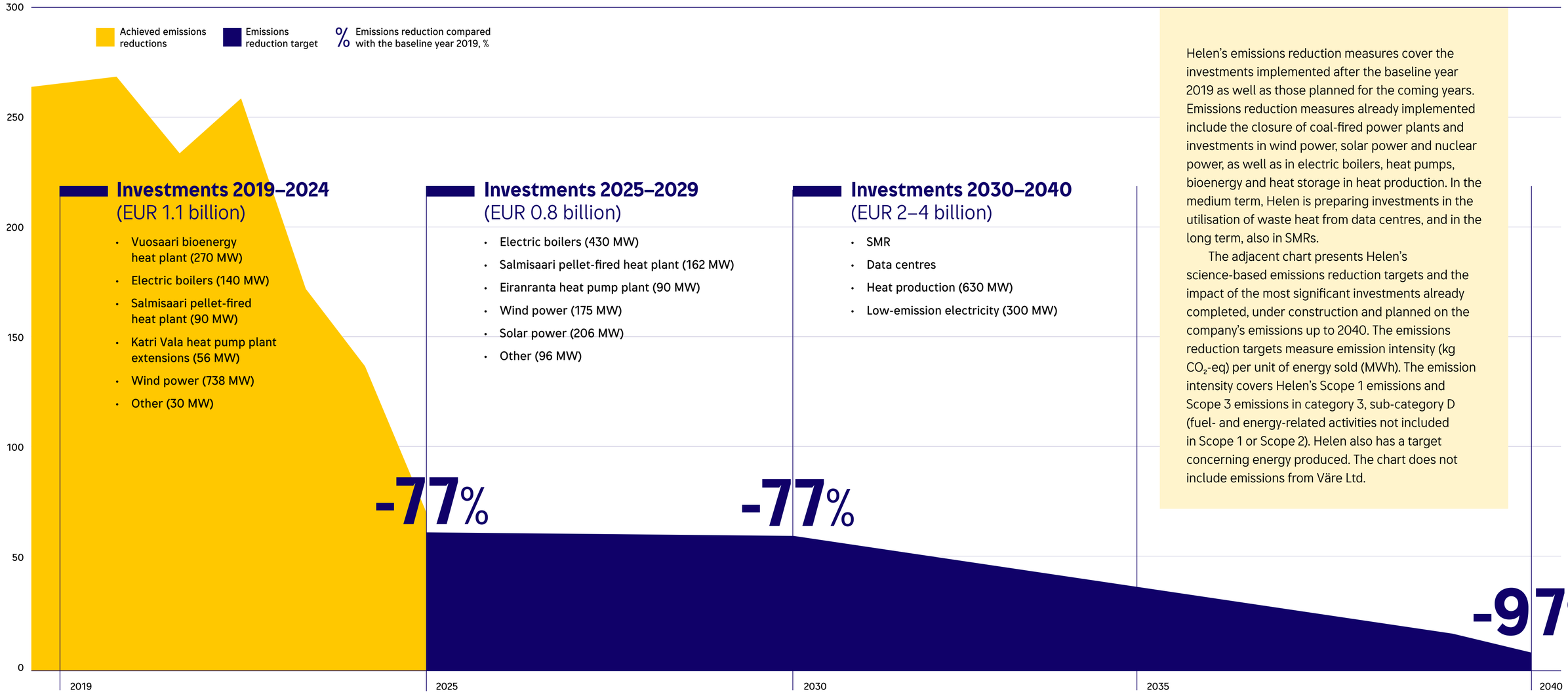
Significant emission sources in Helen's operations include Scope 1 emissions from fuel use as well as Scope 3 emissions from categories 2 (capital goods), 3 (fuel- and energy-related emissions not included in Scope 1 or Scope 2), and 15 (investments).

Scope 3 emissions in category 3 decrease as combustion for energy decreases. Emissions in categories 2 and 15 vary annually depending on investments, but in the long term investments support Helen's emissions reduction targets by helping to reduce emissions. Emissions accounting for investments will also become more accurate as more detailed baseline data and better emissions factors become available.

Helen's emissions reduction targets are aligned with the corresponding targets of the City of Helsinki. The city aims for an 85% emissions reduction by 2030 compared with the baseline year 1990, and net zero by 2040.

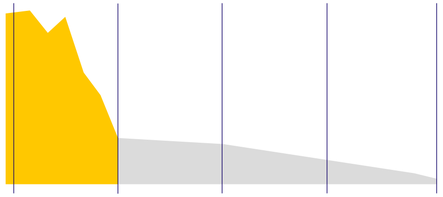
Emissions reduction measures

Helen's emissions reduction pathway



Helen's emissions reduction measures cover the investments implemented after the baseline year 2019 as well as those planned for the coming years. Emissions reduction measures already implemented include the closure of coal-fired power plants and investments in wind power, solar power and nuclear power, as well as in electric boilers, heat pumps, bioenergy and heat storage in heat production. In the medium term, Helen is preparing investments in the utilisation of waste heat from data centres, and in the long term, also in SMRs.

The adjacent chart presents Helen's science-based emissions reduction targets and the impact of the most significant investments already completed, under construction and planned on the company's emissions up to 2040. The emissions reduction targets measure emission intensity (kg CO_2-eq) per unit of energy sold (MWh). The emission intensity covers Helen's Scope 1 emissions and Scope 3 emissions in category 3, sub-category D (fuel- and energy-related activities not included in Scope 1 or Scope 2). Helen also has a target concerning energy produced. The chart does not include emissions from Väre Ltd.



Investments 2019–2024

After the baseline year 2019, investments supporting the emissions reduction targets were made for a total of EUR 1.1 billion.

Heat production and heat storage

The most significant investments in terms of emissions reduction targets were the 270 MW bioenergy heat plant in Vuosaari and the 90 MW pellet-fired heat plant in Salmisaari. These investments enabled the closure of the coal-fired Hanasaari power plant in 2023.

Other significant investments related to heat production included the 140 MW electric boiler plant built in connection with the Hanasaari heating plant, as well as the extensions to the Katri Vala heat pump plant, which increased Helen's heat production capacity by a total of 56 MW. In addition, the waste heat recovery plant at Equinix Ltd's data centre in Viikinmäki and the seasonal heat storage facility in Kruunuvuorenranta were commissioned. The storage has an energy capacity of 6,000 MWh.

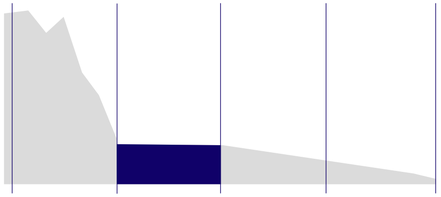
Renewable electricity

Helen's wind power capacity increased by a total of 738 MW as the Lakiakangas, Juurakko, Karahka, Kalistanneva, Pjelax, Polusjärvi, Alajoki-Peuralinna and Oosinselkä wind farms were completed between 2022 and 2024. Helen is a minority owner in the Pjelax, Polusjärvi, Alajoki-Peuralinna and Oosinselkä wind farms.

In addition to the wind farms, Helen's fully owned solar farms in Nurmijärvi and Lohja were completed.

Electricity network

Electricity network investments made in Salmisaari were completed in 2024. Strengthening the electricity network supports the production of emission-free heating and cooling.



Investments 2025–2029

Of the investments to be commissioned during 2025–2029, 68% have been completed, 29% are under construction and 3% are in the planning stage. The total investment in these projects amounts to EUR 800 million.

Heat production and heat storage

In 2025, the coal-fired heat plant in Salmisaari was converted into a 162 MW pellet-fired heat plant, and a 100 MW electric boiler plant was completed in the area. These investments enabled Helen to phase out coal. In 2026, the 90 MW Eiranranta heat pump plant was completed, supported by EUR 14.5 million in funding from the Ministry of Economic Affairs and Employment.

In the same year, Helen made the investment decision to build a 33 MW air-to-water heat pump plant in the Patola production area, which is the first of its size in the world. The plant received EUR 19.0 million in support from the Ministry of Economic Affairs and Employment, and two electric boilers with a combined heat capacity of 100 MW will be constructed alongside it. The Patola plant complex is scheduled to be completed for the 2026–2027 heating season.

In the same year, Helen invested in an electric boiler plant and heat storage facility to be built in the Hanasaari energy block. The plant will consist of four electric boilers with a total capacity of 200 MW, making it the largest electric boiler plant in Europe once completed. The heat storage facility has an energy capacity of 1,000 MWh. The new Hanasaari heat plant complex is also scheduled to be completed for the 2026–2027 heating season.

Renewable electricity and electricity storage

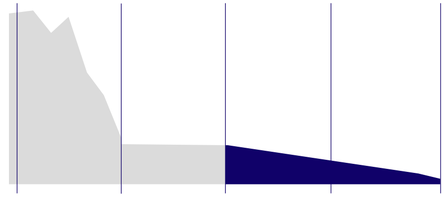
In 2025, the Niinimäki wind farm was completed, increasing Helen's wind power capacity to more than 900 MW.

In addition, electricity storage facilities in Nurmijärvi and at the Lohja solar farm were completed. The 80 MWh storage facility in Nurmijärvi is one of the first large-scale electricity storage systems in Finland.

A 206 MW solar farm is under construction in Uusikaupunki.

Hydrogen

Helen is building a hydrogen production plant in Vuosaari, where hydrogen production is planned to start in 2026. This is Helen's first hydrogen project, enabling the company to build the necessary expertise for large-scale hydrogen production and increase the flexibility of the entire energy system. The project has received EUR 8.3 million in investment support from the Ministry of Economic Affairs and Employment for major demonstration projects in new energy technology. In addition, around EUR 290,000 of Ympäristöpenni funding has been used for containers acquired for hydrogen storage and transport.



Investments 2030–2040

Helen's long-term targets focus on data centres, SMRs and strengthening the electricity network. These investments are estimated to cost EUR 2–4 billion.

SMR

Helen launched its nuclear energy programme in 2024 and established Helen Nuclear Ltd in 2026, aiming to utilise nuclear energy in Helsinki's heat production. In the first phase of the programme, negotiations are conducted with potential shareholder partners, suppliers are assessed and three alternative locations are examined. The environmental impact assessment procedure for the project is in progress, and the investments needed for the project will be specified later.

Data centres

In 2025, Helen announced its intention to increase the utilisation of waste heat generated by data centres in the district heating network by offering energy services to large-scale data centres. The aim is to increase the utilisation of waste heat rapidly, reducing the need for combustion.

Electricity network

To enable the clean transition, Helen Electricity Network Ltd will invest more than EUR 300 million in electricity networks over the next ten years. This includes both high-voltage distribution network investments and investments in the distribution network. The energy transition places new demands on the electricity network, while the ageing network requires renewal and increased capacity.

Risks and opportunities

Helen must be able to supply energy to its customers even during cold winter days, and particularly during peak consumption periods it may be necessary to rely on backup and peak-load capacity. The operation of backup and peak-load capacity is partly based on the use of fossil fuels, which generates emissions. The risks and opportunities related to Helen's operations are described in more detail in the company's annual review.

Risks

The clean transition, which plays a central role in Helen's strategy, entails both significant risks and new business opportunities. Sustainability-related risks are managed as part of Helen's risk management, and in 2025 the assessment of risk impacts was updated so that sustainability perspectives are considered on an equal footing with other risk categories.

Climate risks can be divided into transition risks and physical risks. Key transition risks include changes in regulation, slow permit processes, market uncertainty as well as the profitability and acceptability of investment projects. Helen's risk register identifies especially risks related to investments and technologies, such as the slower-than-expected development of technologies enabling non-combustion solutions or the possibility that such development does not progress to cost-effective commercial deployment. Delays or failures in technological development could weaken Helen's ability to achieve its strategic climate and sustainability targets.

General market uncertainty, the development of technological solutions and changes in the regulatory environment affect the profitability of investments. There is a risk that the baseline information or operating environment used as the basis for investment calculations changes after the investment decision, making new technologies non-functional or economically unviable. In addition, changing or decreasing customer needs may weaken expected returns on new investments.

A significant sustainability risk is also the potential change in the acceptability of different forms of energy production. Not all production methods necessarily align with customers' perceptions of sustainable energy production, which may affect demand and Helen's reputation. This risk is managed by increasing customer and stakeholder awareness of Helen's sustainability work through transparent reporting and open communication.

The growing prevalence of extreme weather events caused by climate change, such as heatwaves, heavy rainfall, storms and exceptionally cold periods, poses physical risks to energy production and distribution. These phenomena can directly affect Helen's own production and distribution infrastructure and indirectly affect the value chain, for example in terms of fuel availability, the operational reliability of energy networks and maintenance requirements.

Risks are managed systematically through risk assessments, a diversified production structure, and careful and proactive infrastructure planning. To manage climate risks, Helen has invested significantly in low emission energy in recent years, and investments will continue in the coming years. The implementation of the investment programme requires the positive development of business cash flow and the successful commissioning of investments over the long term.

Opportunities

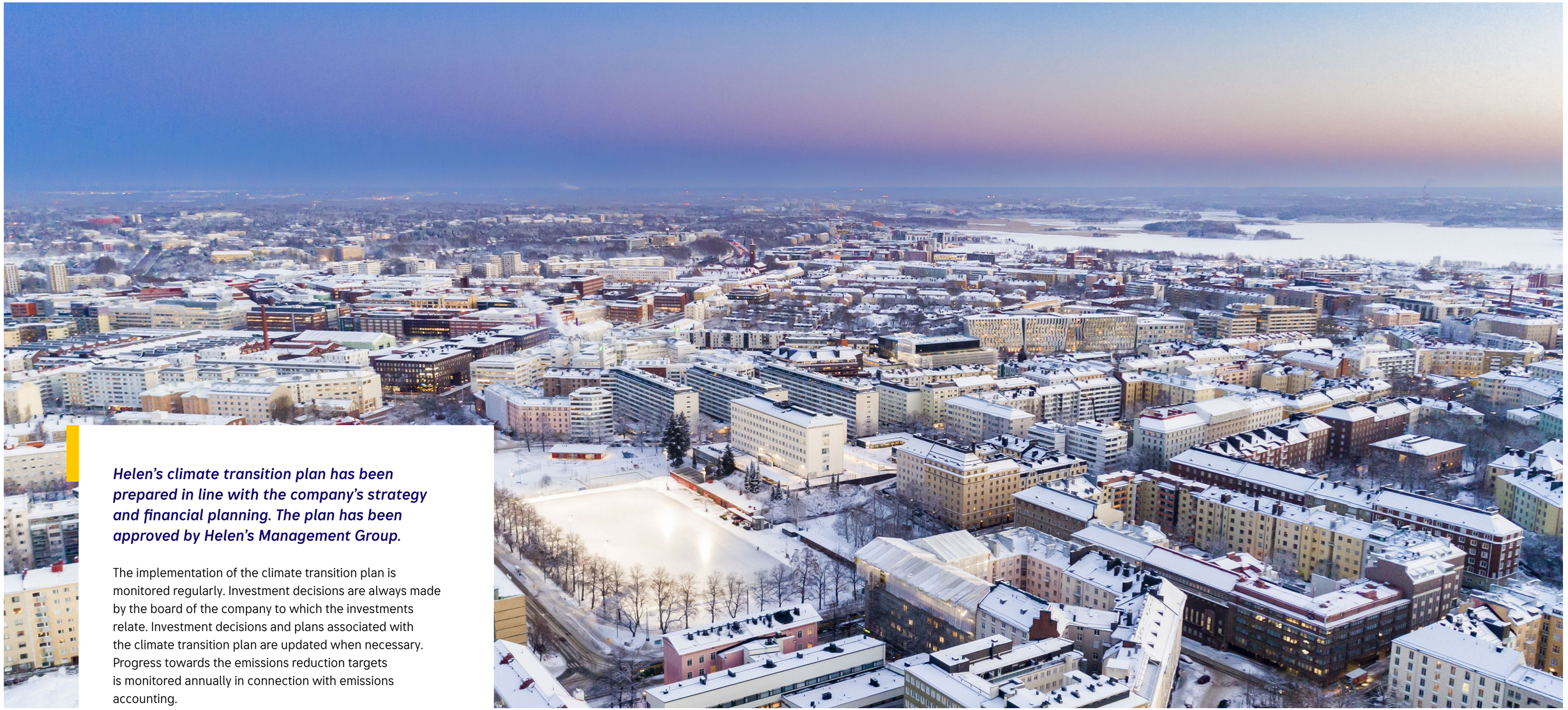
In addition to risks, the clean transition opens up several business opportunities for Helen. Growth in low emission energy production and electricity storage increases market supply and enables the development of new products and services as well as the strengthening of market position as a forerunner in the clean transition.

Developing the procurement structure of district heating and shifting to low emission energy sources reduce costs arising from emission allowances and excise duties, thus improving the profitability of investments.

The clean transition also enables the development of pricing methodologies. Different price-smoothing models and fixed-price products can support the marketing and sales of low emission solutions and enable new business models. In addition, political decisions and changes in market structures may offer investment incentives and opportunities for business expansion, although the unpredictability of regulation also poses a risk.

The development of forecasting models and AI is also seen as a key opportunity for improving energy efficiency. Advanced analytics and AI solutions can generate cost savings, enhance operations and enable the development of new customer-oriented services.

Governance



Helen's climate transition plan has been prepared in line with the company's strategy and financial planning. The plan has been approved by Helen's Management Group.

The implementation of the climate transition plan is monitored regularly. Investment decisions are always made by the board of the company to which the investments relate. Investment decisions and plans associated with the climate transition plan are updated when necessary. Progress towards the emissions reduction targets is monitored annually in connection with emissions accounting.

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