



# European Green Bond Allocation and Impact report

8 OCTOBER 2026



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# 1 GENERAL INFORMATION

**Date of publication of the European Green Bond allocation and impact report:**

8 October 2026

**Date of issuance of the bond:**

9 October 2025

**The first and last date of the allocation and impact report:**

1 Jan 2025 - 31 Dec 2025

**The legal name of the issuer:**

Elenia Verkko Oyj ("Elenia")

**The legal entity identifier (LEI) of the issuer:**

743700XGU4ZB5G4RPK50

**Website address providing investors with information on how to contact the issuer:**

[www.elenia.fi](http://www.elenia.fi)

**The name of the bonds assigned by the issuer:**

EUR 500,000,000 3.375% Guaranteed  
European Green Bond due June 2033

**The international securities identification numbers (ISIN) of the bond:**

XS3189781662

**The identity and contact details of the external reviewer:**

S&P Global Ratings Europe, Part 4th Floor,  
Styne House, Upper Hatch Street, Dublin,  
Ireland

**The name of the competent authority that has approved the bond prospectus:**

Central Bank of Ireland (CBI)

# 2 IMPORTANT INFORMATION

This bond uses the designation 'European Green Bond' or 'EuGB' in accordance with Regulation (EU) 2023/2631 of the European Parliament and of the Council<sup>1</sup>.

The flexibility under Article 5 of Regulation (EU) 2023/2631 has not been used.

<sup>1</sup> Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (OJ L, 2023/2631, 30.11.2023, <http://data.europa.eu/eli/reg/2023/2631/oj>).



# 3 ENVIRONMENTAL STRATEGY AND RATIONALE

## Overview

Finland offers a favourable environment for low-carbon growth. The emission factor of electricity generation is already among the lowest in Europe, and the majority of the electricity distributed through Elenia's network originates from renewable energy sources. In this context, locating new industrial production, electrification projects and clean energy investments in Finland can deliver significant climate benefits. By connecting new renewable generation and strengthening grid capacity, Elenia helps creating favourable conditions for sustainable economic growth where additional electricity demand can be served with relatively low emissions.

Sustainability is an integral part of Elenia's operations and services and is essential for the task of ensuring the smooth running of daily life in society. The main objectives of Elenia's business strategy include earning customers' trust, ensuring efficient operations, renewing the electricity market and mitigating climate change. Elenia has an integral role in promoting the electrification of society and enabling the connection of renewable energy production to the grid. The majority of Elenia's business is taxonomy eligible and aligned through the

climate change mitigation objective. The Issuer carries out electricity distribution in high-, medium- and low-voltage networks, which corresponds to the description of the taxonomy activity 4.9. Elenia's operations enable the integration of renewable energy and the improvement of security of electrical supply supporting the EU's climate change mitigation objectives.

Elenia is committed to reducing its Scope 1-3 emissions in line with the Science Based Targets initiative ("SBTi ") and the 1.5 degree path of the Paris Climate Agreement. In addition to the SBTi, Elenia is committed to the Business Ambition for 1.5°C target.

The European Green Bond contributes Elenia's broader strategy including the strategic environmental objective of climate change mitigation. The first Nordic EU GB issuance by an electricity distribution system operator in October 2025 supports Elenia's investment program in modernizing its distribution network and enables electrification of society.



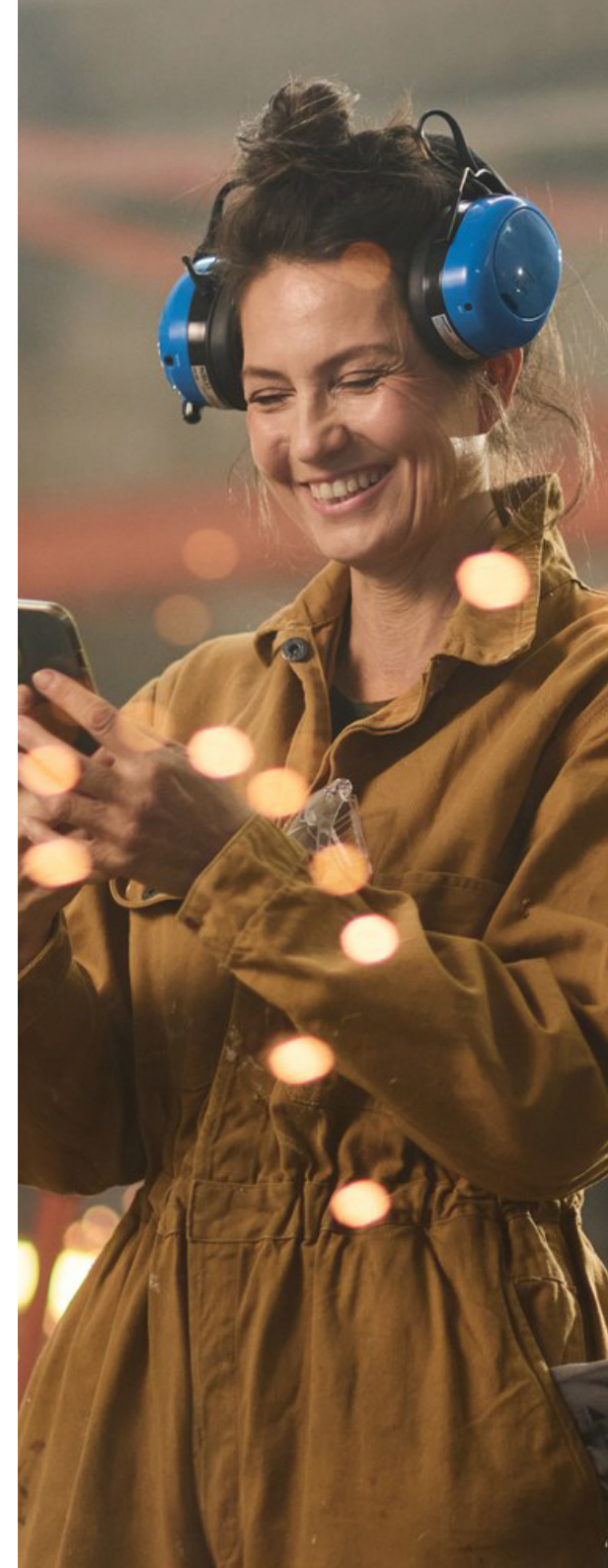
## Background and rationale

Electricity networks are critical infrastructure for society and electricity consumption is expected to increase significantly in the coming years, increasing the need for network capacity in the future. As the electrification of heating, industry and transportation progresses, a reliable electricity network and network services with embedded flexibility alongside growing renewable electricity production are needed. The development requires Elenia to invest approximately EUR 2.3 billion by 2036.

Since 2009, Elenia has built only weatherproof distribution network, meaning old overhead lines are replaced with underground cables to avoid weather-related disturbances. At the end of 2025, 66.4 % of Elenia's 77,400 km network was underground, compared to 65.1 % at the end of 2024.

Elenia's role is to promote the electrification of society and help to connect renewable energy production to the network. By building a smart weatherproof electricity network, Elenia brings to the market functionalities that enable demand response solutions. Elenia's target is that, by 2035, the amount of renewable energy fed into Elenia's network will equal the network's total electricity consumption annually. In order for society to reap the full benefits of the growth of solar and wind power, smart grid solutions and the development of related services are needed to balance electricity production and consumption.

Elenia contributes by building the electricity network and connections, metering the customers' electricity consumption and delivering energy measurement information to electricity suppliers. In its double materiality assessment, Elenia has identified the sustainability aspects that are the most material to the business operations and strategy from both an impact and financial perspective. The assessment considers the impacts of Elenia's activities on people and the environment, as well as sustainability-related risks and opportunities that may affect the company's business, financial performance and long-term value creation. Climate-related risks and opportunities form an important part of the assessment. For example, changing weather conditions, such as freezing rain and shorter frost periods, may affect the reliability of the electricity distribution network. Elenia takes climate risks into account in the strategic planning and development of the electricity network by investing in a weatherproof electricity network to meet the security of supply targets set in the Electricity Market Act ("EMA"). The EMA states that electricity distribution interruptions must not exceed six hours in zoned areas and 36 hours in other areas by the end of 2036.



## Link with the assets, turnover, CapEx, and OpEx key performance indicators

Elenia reports the performance indicators in accordance with the climate change mitigation (CCM) objective, as its operations are mainly focused on this environmental objective.

The majority of Elenia's CapEx and OpEx have been assessed as eligible and aligned to the Technical Screening Criteria set out in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139 and Commission Delegated Regulation (EU) 2023/2485). In 2025, 98.2% of Elenia Oy's CapEx, 80.4% of OpEx and 97.8% of turnover were assessed to be both taxonomy eligible and taxonomy aligned.

## Link to the transition plans and Elenia's Climate targets

Elenia is committed to reducing the greenhouse gas emissions of its operations in alignment with the Science Based Targets initiative (SBTi) and the Paris Climate Agreement 1.5-degree pathway. Elenia's climate targets include a 42% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030 compared to the 2020 baseline. In addition, Elenia has set a long-term Net Zero target to reduce greenhouse gas emissions across its entire value chain (Scope 1, 2 and 3) by approximately 90% by 2050 compared to the 2020 baseline. Elenia's emission reduction roadmap and

Net Zero Business Plan identify the measures needed to achieve these targets. More detailed emission reduction measures can be found in Elenia's [Sustainability Report](#)<sup>2</sup>.

In parallel with reducing its own emissions, Elenia contributes to the broader energy transition through investments in its electricity distribution network. The investments financed under the European Green Bond support Elenia's transition towards a low-carbon energy system. By developing and modernising the electricity distribution network, the investments enable increased electrification of society, facilitate the integration of renewable electricity production and support the efficient use of clean electricity in homes, transport and industry.

The financed investments also strengthen the capacity and reliability of the electricity distribution network, supporting the long-term decarbonisation of the energy system and helping to achieve the climate change mitigation objectives aligned with Elenia's climate strategy.

## Securitisation

This European Green Bond is not a securitisation bond.

<sup>2</sup> <https://www.elenia.fi/files/39a0a0de3f8f9b9c2e-95a465632ee7b58458e114/elenia-and-sustainability-2025.pdf>



## 4 ALLOCATION OF BOND PROCEEDS

### Allocation to taxonomy-aligned economic activities

The European Green Bond will contribute to the environmental objective of climate change mitigation, as referred to in Article 9 of Regulation (EU) 2020/852. Elenia allocates the proceeds to fixed assets, but may also allocate them to capital expenditures and operational expenditures in accordance with the gradual approach.

Elenia allocates 100% of proceeds to activities that are environmentally sustainable under Article 3 of Regulation (EU) 2020/852. Elenia is a distribution system operator, hence investment portfolio consists of replacing old end-of-lifetime networks to improve security of electrical supply and expanding the network to facilitate connection of new customers and capacity expansion of existing customers. Elenia does not own or operate production, consumption or energy storage facilities.

On average, approximately 25% of the proceeds of the European Green Bonds will be used for financing (in the year of issuance or after the year of issuance) and approximately 75% will be used for refinancing in the long run.

Elenia allocates the proceeds of the European Green Bond to the following enabling activity:

- CCM 4.9 Transmission and distribution of electricity (NACE codes D35.12 and D35.13) ~100%

In 2025, approximately 15 % of an amount equal to the European Green Bond proceeds have been used for activities that are environmentally sustainable under Article 3 of Regulation (EU) 2020/852.

No proceeds will be allocated to transitional economic activities, or taxonomy-aligned activities related to nuclear energy and fossil gas in accordance with Articles 10(2) and 11(3) of Regulation (EU) 2020/852.

### Allocation to economic activities not aligned with the technical screening criteria

Proceeds will not be allocated to economic activities not aligned with the technical screening criteria of the EU Taxonomy in accordance with Article 5 of Regulation 2023/2631. The proceeds have been allocated to projects that are already aligned with the EU taxonomy at the moment of the European Green Bond issuance.

Should the Technical Screening Criteria of the EU Taxonomy be amended after the issuance of the European Green Bond, Elenia will ensure that the allocation of such bond's proceeds will comply with the amended criteria no later than seven years after the date of application of the amended criteria.

### Management of proceeds

Proceeds from Elenia's EU Green Bonds will finance investments related to the taxonomy activity 4.9 Transmission and Distribution of Electricity as well as research and development projects related to these areas. The investments will contribute to the objective of Climate change mitigation defined in the EU Taxonomy's Climate Delegated Act<sup>3</sup> by enabling the integration of renewable energy and the improvement of security of supply.

### Issuance costs

Elenia allocates the gross proceeds from the issuance of the EU Green Bond to environmentally sustainable activities without deducting the issuance costs related to the underwriting and placement of the European Green Bond.



<sup>3</sup> Commission Delegated Regulation (EU) 2021/2139

## 5 ENVIRONMENTAL IMPACT OF BOND PROCEEDS

The eligible green expenditures have been selected for their contribution to climate change mitigation.

The environmental impact of the financed investments is assessed through indicators that reflect Elenia's role in connecting renewable electricity generation and the enabling decarbonisation of the energy system.

| Nominal capacity of renewable energy production connected to the grid (MW) | Capacity expansion of the primary transformers in 2025 (MW) | Estimated avoided CO2 emissions (tCO2eq) | Customers within the quality requirements of the EMA (%) |
|----------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------|----------------------------------------------------------|
| 1.910 MW                                                                   | 53 MW                                                       | 4,964.87 tCO2eq                          | 84.7 %                                                   |

### METHODOLOGY

#### Nominal capacity of renewable energy production connected to the grid

The indicator represents the total installed capacity of renewable electricity generation connected to Elenia's electricity distribution network at the end of the reporting period. The capacity is reported in megawatts (MW) and includes renewable energy production facilities connected in all voltage levels, such as solar and wind power installations.

The indicator reflects Elenia's role in enabling the integration of renewable electricity generation into the energy system through the provision and development of electricity distribution infrastructure.

#### Capacity expansion of the primary transformers in 2025

Capacity expansion of the primary transformers describes how Elenia enables its customers to adopt electrification. For example, district heating sector can start using electricity instead of fossil fuels as energy source through power-intensive electric boilers. Similarly, electric vehicles replace combustion engine cars in the distribution network area due to improved charging possibilities. The charging infrastructure, both home charging and public charging stations, is expanding and requires additional capacity from the electricity network.

The aggregate illustrates added capacity of all primary transformer investments during the reporting period. For instance, end-of-life replacement of 16 MW primary transformer with a new 31.5 MW transformer expands capacity by 15.5 MW.

#### Estimated avoided CO2 emissions

The electricity distribution network functions as an integrated system enabling connection, transmission and consumption of renewable electricity. Continuous maintenance, renewal and expansion investments are required to ensure that the network remains operational, reliable and capable of accommodating existing and future renewable electricity generation. For this reason, Elenia applies a theoretical portfolio-level approach when estimating avoided emissions associated with the bond proceeds. The methodology reflects the view that the climate benefits enabled by renewable electricity generation arise from the operation of the network as a whole.

The estimated avoided emissions attributable to the bond are calculated by applying the share of the EU Taxonomy-aligned property, plant and equipment (PPE) financed by the bond to the annual volume of renewable electricity enabled by the network during the reporting period and multiplying this by the average emission factor for electricity production in Finland. The calculation uses Fingrid's (TSO) published average emission factor for electricity production in Finland in 2025 (26 gCO<sub>2</sub>e/kWh).

## Customers within the quality requirements of the EMA

Share of the customers within the quality requirements of the EMA illustrates the improvement of security of electricity supply. Higher reliability empowers the electrification of society, for instance, enabling households to abandon burning of oil as heating solution and adopt fossil-free heat pumps. If security of electricity supply is weak relying on electrical heating method would be too risky for many customers. Hence improved security of electricity supply is also advancing electrification.

The EMA states that by the end of 2036 power needs to be restored within six hours in urban areas and 36 hours in other areas.

## Criteria to meet the EMA 6-hour quality requirements

The 6-hour quality requirement is met by customers whose electrical supply is from a cable network secondary substations that has a fully underground cable connection to the primary substation busbar. In the same 20kV feeder overhead line sections are allowed if they can be separated from the cable network by manual or remote-controlled disconnectors. The 6-hour quality requirement is also considered to be met at the cable network secondary substations that are supplied from the overhead line network in normal connection, but the secondary substation has a backup connection via the underground cable network. The low-voltage network can be comprised of overhead lines.

## Criteria to meet the EMA 36-hour quality requirements

The 36-hour quality requirement is met by secondary substations that have an underground cable connection to the primary substation's busbar and the supply route includes a maximum of 5 km of overhead line. The overhead line can also be longer if it has been separately found to be weatherproof, that is, genuinely clear of trees. An overhead line marked as weatherproof is considered equivalent to an underground cable in terms of the security of supply. The 36-hour quality requirement is also considered to be met by the secondary substations that are supplied through the overhead line network in normal connection, but the substation has a backup connection that is cabled and includes a maximum of 5 km of overhead line. The low-voltage network can be comprised of overhead lines. At the end of 2025, 84.7 % of the customers of Elenia's network business were within the scope of the quality requirements stipulated by the EMA. The corresponding figure at the end of 2024 was 83.4%. The EMA states that 100% of customers must be within the scope of the quality requirements by the end of 2036.



## Adverse impacts

While the financed activities contribute to climate change mitigation by enabling the integration and transmission of renewable electricity, construction, operation and maintenance of the electricity distribution infrastructure may also result in adverse environmental impacts. Potential impacts may include land use and land use changes, temporary disturbance to habitats and species during construction activities, and the use of materials and natural resources.

These adverse impacts are assessed and managed as part of Elenia's environmental management and project planning processes. Elenia seeks to avoid, minimise and mitigate such impacts through environmental management practices, biodiversity evaluations in project planning and responsible resource management. Elenia also seeks to strengthen its understanding of biodiversity impacts through studies. For example, [a biodiversity survey](#)<sup>4</sup> conducted in connection with an underground cabling project highlighted the importance of field surveys, route optimisation and the identification of valuable habitats and harmful invasive species during project planning. These insights support the continuous development of Elenia's environmental management practices and biodiversity considerations in network cabling projects.

<sup>4</sup> [www.theseus.fi/handle/10024/872434](http://www.theseus.fi/handle/10024/872434)

## CASE STUDY

### Utilizing renewable energy in dairy production requires increased network capacity

In the journey towards carbon neutrality the focus is often on the production of renewable energy but equally important is that the produced energy is utilized in the consumption in a way that enables the reduction of total emissions.

Valio Oy ("Valio"), a leading dairy and food company producing and selling milk- and plant-based products and the largest food exporter in Finland, has a factory in Haapavesi in the northern part of Elenia's network area. Valio has ambitious climate targets and aims to significantly decrease greenhouse gas emissions in the milk value chain. From an energy production perspective, this means improving energy efficiency, phasing out fossil fuels and increasing the use of energy generated by heat pumps and electric boilers.

Valio chose an electric steam boiler solution to replace its existing energy production based on biomass and peat. The new technical implementation by Adven includes a 12 MW electric steam boiler and the associated grid connection infrastructure. Until 2026, most of the heat required by the Haapavesi factory was produced at a solid-fuel power plant. Currently, the heat is generated primarily by an electric boiler producing no carbon dioxide emissions.

The 12 MW connection required network development from Elenia resulting in renewal of the Haapavesi primary substation. Elenia will continue to develop the high voltage network and primary substations in the area.



## 6 INFORMATION ON REPORTING

Reporting on green financing and annual reports, including sustainability reporting, can be found within the investor relations section of Elenia's website at [www.elenia.fi/en/investors](http://www.elenia.fi/en/investors).

## 7 CAPEX PLAN

No CapEx plan referred to in Article 7 of Regulation (EU) 2023/2631 is needed, as Elenia allocates the proceeds only to activities that are already fully aligned with EU Taxonomy.

## 8 OTHER RELEVANT INFORMATION

### ICMA Alignment

Elenia's EU Green Bonds do not only meet the European Union Green Bond Standards but are also aligned with the core components of the Green Bond Principles as administered by the International Capital Markets Association<sup>5</sup>.

<sup>5</sup> ICMA Green Bond Principles June 2021 (with June 2022 Appendix 1): <https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf>

## Annex:

### TAXONOMY ALIGNMENT OF PROCEEDS INFORMATION FOR EU GREEN BONDS (GRADUAL APPROACH) TO THE ALLOCATION REPORT

| 1                                      | 2.1                                                            | 2.2                                                             | 2.3                                         | 3.1                                                                   | 3.2                                                                   | 4.1    | 4.2        | 5.1                                                                                                                                                | 5.2                                         | 5.3                                                                                                                                                                  | 5.4                                         | 6.1                                                                                           | 6.2                                                                                                                       | 6.3                                                                                                                             | 7.1                                                                                    | 7.2                                                                                      | 8                    |
|----------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|--------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------|
| Project name, location and description | Bond proceeds allocated to the project since the issuance date | Bond proceeds allocated to this project in the reporting period | Share of project that is funded by the bond | The share of the amount in row 2.1 used for financing and refinancing | The share of the amount in row 2.2 used for financing and refinancing | Sector | NACE codes | of the total bond proceeds allocated to the project, the amount that is allocated to an activity which is taxonomy-aligned since the issuance date | Percentage share of amount given in row 2.1 | Of the bond proceeds allocated to the project in the reporting period, the amount that is allocated to an activity which is taxonomy-aligned in the reporting period | Percentage share of amount given in row 2.2 | The targeted environmental objective, as referred to in Article 9 of Regulation (EU) 2020/852 | An indication of applicable delegated acts used to determine the technical screening criteria, and their application date | Information on the methodology and assumptions used for the calculation of key impact metrics in accordance with delegated acts | Of the amount allocated in the reporting period in row 5.3, capital expenditure amount | Of the amount allocated in the reporting period in row 5.3, operating expenditure amount | EU Taxonomy activity |

### TRANSMISSION AND DISTRIBUTION NETWORKS

|                                                    |            |      |       |       |        |                  |            |       |            |       |                           |                                          |            |   |     |
|----------------------------------------------------|------------|------|-------|-------|--------|------------------|------------|-------|------------|-------|---------------------------|------------------------------------------|------------|---|-----|
| Electricity Distribution Networks                  | 74 540 163 | 69 % | 100 % | 100 % | Energy | D.35.12, D.35.13 | 74 540 163 | 100 % | 74 540 163 | 100 % | Climate Change Mitigation | As outlined in the sustainability report | 74 540 163 | 0 | 4,9 |
| Finland                                            |            |      |       |       |        |                  |            |       |            |       |                           |                                          |            |   |     |
| Security of supply and enabling of electrification |            |      |       |       |        |                  |            |       |            |       |                           |                                          |            |   |     |

### TOTALS:

|                                |                                                                                                                   |            |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------|------------|
| <b>Totals since issuance</b>   | Total amount of bond proceeds allocated since issuance                                                            | 74 540 163 |
|                                | Of which, total amount of bond proceeds allocated to taxonomy-aligned economic activities since issuance:         | 74 540 163 |
| <b>Totals reporting period</b> | Total amount of bond proceeds allocated in the reporting period:                                                  | 74 540 163 |
|                                | Of which, total amount of bond proceeds allocated to taxonomy-aligned economic activities in the reporting period | 74 540 163 |
|                                | <b>Of which:</b>                                                                                                  |            |
|                                | Total amount of bond proceeds allocated to taxonomy-aligned capital expenditure in the reporting period           | 74 540 163 |
|                                | Total amount of bond proceeds allocated to taxonomy-aligned operating expenditure in the reporting period         | 0          |

