

An aerial photograph showing a large white wind turbine in the foreground, its three blades extending across the frame. To the right and slightly behind the turbine is a vast solar farm with rows of photovoltaic panels stretching into the distance. The landscape is a mix of green fields and dense forests. The sky is clear and blue.

Eesti Energia 

Eesti Energia Green Finance Framework

October 2025

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EESTI ENERGIA GREEN FINANCE FRAMEWORK ⓘ

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DISCLAIMER ⓘ



Introduction

The updated Green Finance Framework reflects the full integration of Enefit Green into the Eesti Energia Group’s structure and expands the scope of eligible green project categories. It builds on the framework first established in 2024, under which Eesti Energia successfully issued a €400 million Green Hybrid Bond. This updated framework aligns with the Group’s strategy for 2025–2035 and underscores its commitment to scaling renewable energy generation, advancing the circular transition of industrial operations, and supporting the decarbonisation of the energy system.

About Eesti Energia

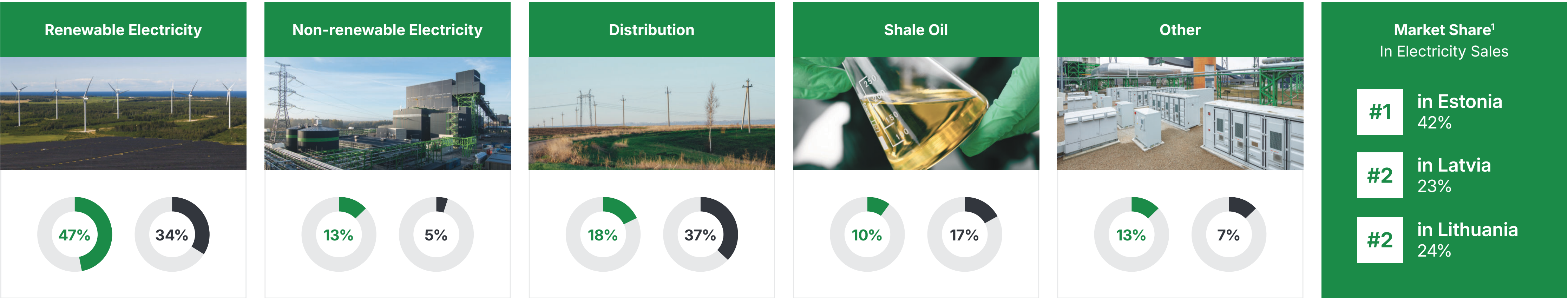
Eesti Energia (“the Group” or “Eesti”) is a vertically integrated energy company operating in the Baltic Sea region, including in Estonia, which is a key market. The Group’s business activities cover the production, distribution, and sale of electricity, as well as a broad range of customer and energy solutions, delivered through an increasingly low-carbon portfolio. The Group is wholly owned by the Government of Estonia.

Founded in 1939 under the name Elektrikeskus upon the decision of Estonian President Konstantin Päts, Eesti Energia was created to electrify the country and connect consumers to a new national power system. Since then, the Group has evolved from a domestic utility into a

diversified energy platform, expanding internationally and transforming its generation portfolio from oil-shale-based production toward renewable electricity.

At the end of 2024, Eesti Energia employed 4,927 people and operated assets across renewable and dispatchable power generation, electricity distribution, retail and trading, and industrial production. Electricity is generated from a balanced mix of wind, solar, biomass, waste-to-energy, thermal and hydro plants, complemented by emerging battery storage and flexibility services.

THE GROUP EXTENDS OVER 5 BUSINESS LINES



% of Revenue LTM H1-25

% of EBITDA LTM H1-25

¹ Company Financial Statements. Notes: ¹ LTM H1-25 figures. Totals may not equal 100% due to rounding.

1. RENEWABLE ELECTRICITY

This segment comprises subsidiaries engaged in the generation and sale of electricity from renewable sources, primarily wind and solar, as well as biomass, hydro and waste-to-energy. Renewable generation now represents the majority of the Group’s total electricity production. In 2024, renewable electricity production amounted to 2,129 GWh, of which 1,681 GWh was wind energy.

These operations form part of the broader electricity business, which remains the largest contributor to Group results, accounting for 64 per cent of revenue and 77 per cent of EBITDA in 2024. Total installed capacity is just above 2,500 MW across the Group’s electricity portfolio.

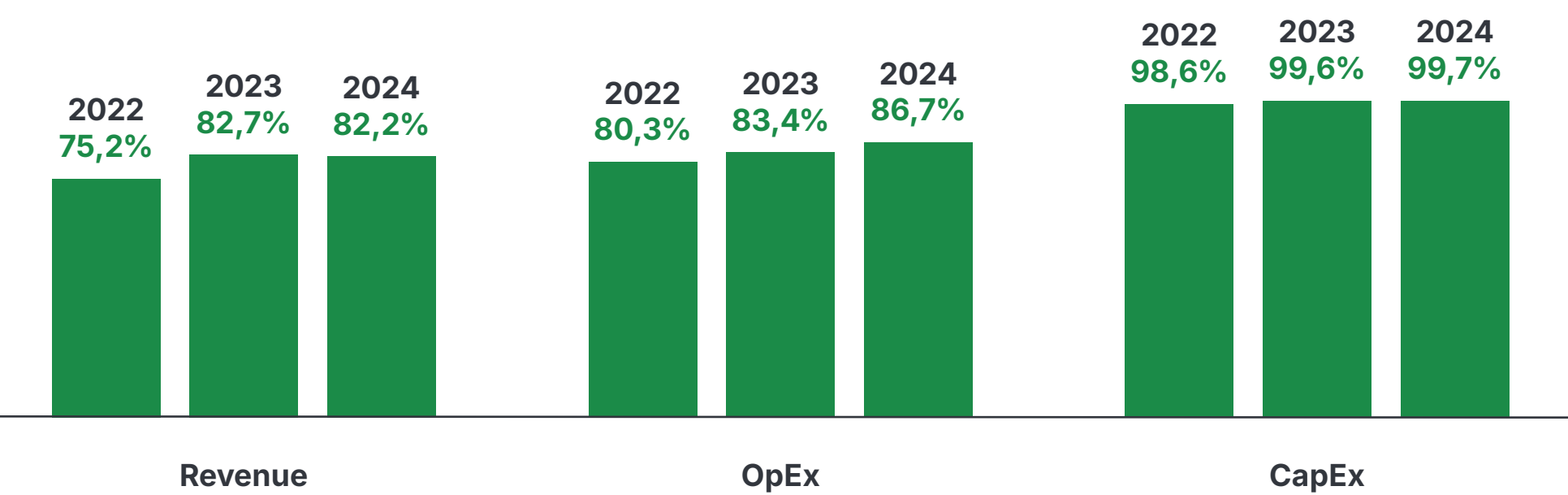
Enefit Green’s assets are a key pillar of Eesti Energia’s sustainable transition strategy, as the company is the region’s largest producer of renewable energy. In 2024, Eesti Energia increased its renewable energy generation by 35% compared to 2023. As a result, for the first time, renewable energy accounted for more than half of Eesti’s electricity generation (56%). Supported by consistent investment in renewables, total installed renewable generation capacity passed 1,100 MW in 2025.

In 2024 Eesti Energia invested €388.4 million through Enefit Green to increase our renewable energy capacity. Investments in wind farms in Estonia amounted to €204.3 million, of which €200.9 million was invested in the Sopi-Tootsi wind farm. Investments in Lithuanian wind farms totalled €112.6 million, of which €102.7 million was invested in the Kelmė wind farms and €9.2 million in the Akmenė and Šilalė II wind farms. Investments in the Tolpanvaara wind farm in Finland amounted to €3.6 million. In 2024, we completed the Tolpanvaara wind farm and the construction phase of the Šilalė and Akmenė wind farms.

In 2024, the share of EU Taxonomy eligible economic activities in Enefit Green’s consolidated revenue, operating expenses and capital expenditures was 82.2%, 86.7% and 99.7%, respectively. Starting FY2025, group level audited Taxonomy figures will be published as part of CSRD compliance.

As of June 30, 2025, additional 149 MW are under construction across three projects: Kelme II (87 MW, Lithuania), Strzałkowo (45 MW, Poland), and Carnikava (17 MW, Latvia), scheduled for completion during 2025–2026. The Group’s development pipeline comprises approximately

Share of sustainable economic activities in Enefit Green’s revenue, OpEx and CapEx according to the EU Taxonomy¹



1,450 MW of additional wind and solar capacity and up to 170 MW of battery storage projects, targeted for commissioning from 2027 onwards.

Enefit Green was listed on the Tallinn Stock Exchange from October 2021 until June 26, 2025. Enefit Green AS shareholders approved a voluntary takeover offer by Eesti Energia AS, resulting in the delisting of Enefit Green from the Baltic Main List and paving the way for full ownership consolidation. This transaction enables Eesti Energia to fully integrate Enefit Green into its group structure.

Starting from 2026, Enefit Green, Enefit AS (sales), the energy trading unit and energy solutions development unit will be consolidated into a single entity named Enefit OÜ. The consolidation is designed to enhance operational efficiency, restore investment capacity, and strengthen the group’s ability to deliver competitive and secure energy solutions. It also supports Eesti Energia’s long-term vision of becoming a resilient and internationally competitive energy company capable of driving the energy transition.

Borrowings at the Enefit Green level remain stand-alone, unsecured and without guarantees from the Group. Following consolidation into Enefit OÜ, these loans will stay outstanding, while all future external financing will be arranged at the Group level, ensuring a unified capital management framework.

¹ Unaudited figures.

2. NON-RENEWABLE ELECTRICITY

This segment includes subsidiaries involved in the generation and sale of electricity from oil shale-based and other fossils based thermal plants, ensuring dispatchable capacity and system reliability in the Baltic power system. In 2024, non-renewable generation accounted for 1,662 GWh. Total electricity production across the Group amounted to 3,791 GWh. Together with the renewable operations, the electricity business achieved total sales of 10,417 GWh, supported by the same 2,500 MW asset base. While still material to earnings, the share of non-renewable generation continues to decline as part of the transition towards renewables.

3. DISTRIBUTION

Distribution – covers regulated electricity distribution and the development of open-market network services in Estonia. The network reaches about 95 per cent of the population, serving 533,000 customers through roughly 61,000 km of 0.4–35 kV underground and overhead lines and more than 24,300 substations. In 2024, the Distribution segment accounted for 17 per cent of revenue and 27 per cent of EBITDA. It functions as a natural monopoly regulated by national authorities.

4. SHALE OIL

Electricity and heat generation from oil shale is the Group's oldest business. Its contribution to group results is on a steady decline as part of the transition towards more sustainable energy sources. In 2024, the segment contributed to 10% of Group's revenues, and 29% of EBITDA. More than half of EBITDA in 2024 resulted from one-off items. The Group produced 451 thousand tonnes and sold 435 thousand tonnes of shale oil in 2024.

5. NATURAL GAS AND OTHER PRODUCTS AND SERVICES²

Together, these segments accounted for 11% of the Group's revenues with no material contribution to the Group's EBITDA in 2024. This included the sale of natural gas, heat and ancillary services. Main ancillary services include solar and storage solutions, public and home EV charging, insurance for household appliances, ultra-fast internet and television network and electrical works.

² For the purposes of this Framework, the Natural Gas business is included in "Natural gas and other products and services" category and not presented as a separate business line.

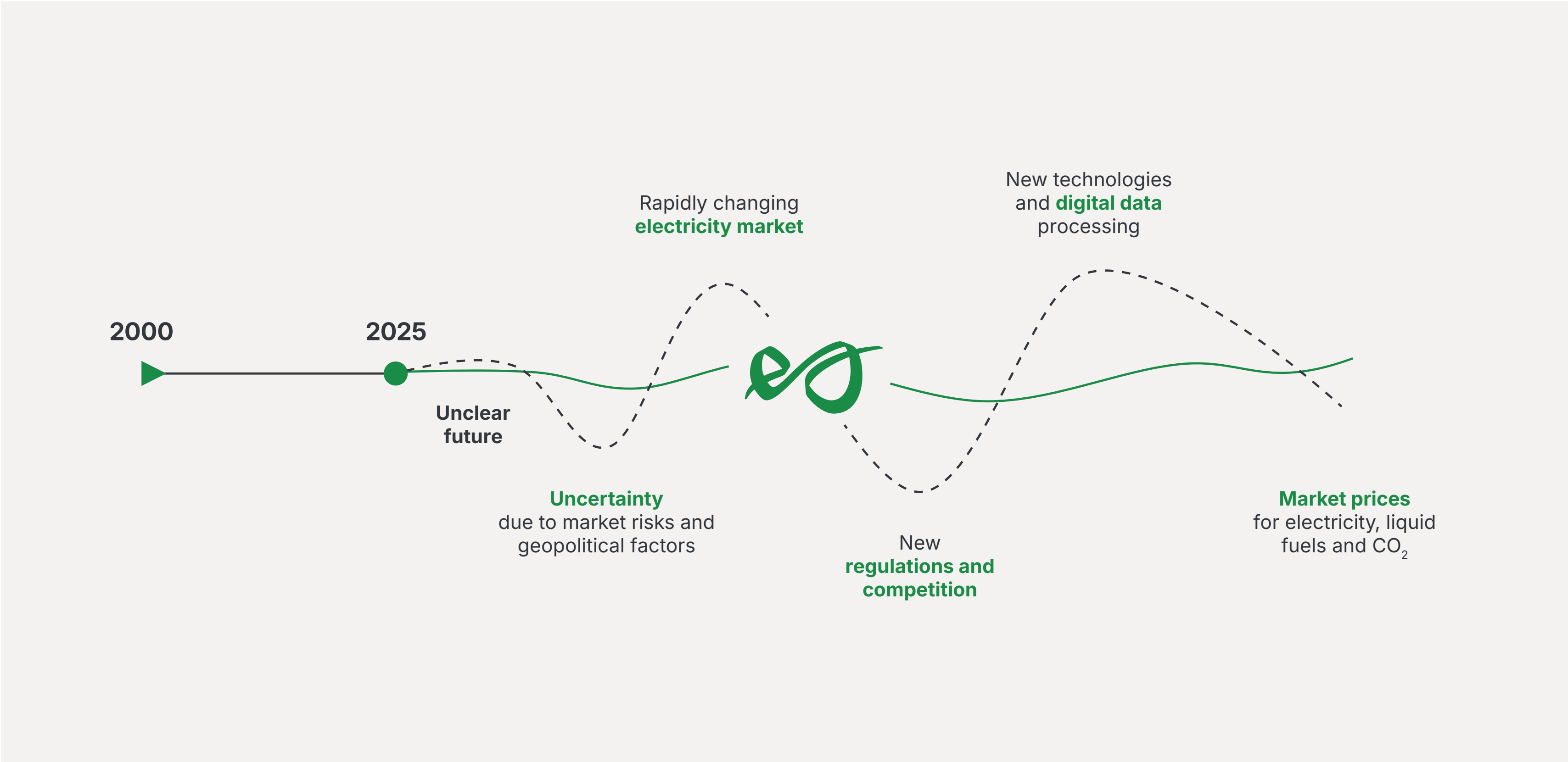


Group Sustainability Approach

Eesti Energia has become one of the region’s largest integrated clean-energy companies, combining renewable generation, grid operations, industrial circularity, and customer-focused energy solutions into a single value chain.

Our competitive advantage on the green journey is our international customer base, talented people, and a diverse portfolio of infrastructure assets. These balance the group’s revenue base in the volatile energy transition, enhance synergies between units from production to sales, and create new growth opportunities.

The Group’s renewable generation portfolio, operated primarily through Enefit Green, forms the cornerstone of its energy transition. With 29 wind farms, 46 solar power plants, one cogeneration unit, and one hydroelectric plant across five countries, the Group’s operational renewable capacity exceeds 1,100 MW, with more than 100 MW under construction, and 1,450 MW development pipeline.



While we see sustainability practices as integral part of the management of all business lines based on their specific impacts, risks and opportunities, the focus is guided by the overarching priorities set at the group level. From FY2025, the group will comply with CSRD and publish a full scope of investor grade sustainability information as part of the annual report. The focus at the group level in the current strategy period is on environmental matters foremost. Environmental focus splits into the five focus areas of emission reduction, circular business models, physical climate risk mitigation, nature conservation, and sustainable supply chains.

We treat social governance best practices as foundational to success in any business line. Our priorities here focus on safety, ethics, and resilience. The Group promotes employee wellbeing and development, ensuring high standards of health and safety and equal opportunities. It fosters trust through transparent communication with customers and communities, supporting local

development and energy accessibility. Governance is anchored in zero tolerance for unethical conduct, strong internal controls, and accountability across all levels. Responsible partnerships and sustainability risk-aware procurement ensure integrity throughout operations, while ethical leadership and a values-driven culture underpin the Group's aim for long-term sustainability through public trust.

Innovation and technology are central to the Group's sustainability path. R&D and open-innovation programs target next-generation renewables, long-duration storage, digital energy-management tools, and material recovery technologies that enhance both profitability and environmental performance. Digitalisation and data analytics efforts target better asset utilisation, predictive maintenance, and balancing of intermittent generation.



Social and Governance Principles

Eesti Energia’s sole owner is the Republic of Estonia, represented by the Ministry of Finance. The Group’s governance framework ensures strategic alignment with relevant regional energy policies and sound corporate management in line with OECD and EU state-owned enterprise governance standards.

The Group has three statutory governing bodies: the general meeting (representing the Republic of Estonia), the supervisory board (exercising strategic oversight) and the management board (responsible for operational management). These are supported by the Strategic Management Group.

The purpose of the Strategic Management Group is to coordinate and implement the Group’s strategy and address cross-cutting matters and developments in the business environment, including those of corporate sustainability. The group’s Strategic Management group is composed of the heads of the group’s business units and central services units, and its composition is determined by the Management Board of Eesti Energia.

Eesti Energia’s strategic goals are set for a five-year period and updated annually, including financial, operational and sustainability objectives among others. There is a separate Sustainability Steering Committee for coordination of group wide sustainability initiatives, ESG governance and implementation of the CSRD.

Employees are at the heart of the Group, which empowers and encourages them to adhere to organisation-wide values and governance principles. Goals and achievements are duly communicated, and Eesti Energia ensures that people have a safe work environment and are paid a competitive salary.

The Group’s Code of Ethics defines behavioural principles based on honesty, integrity, respect and prudent use of resources. It prohibits any relationships or actions that could compromise impartiality and requires all employees and partners to uphold ethical conduct in accordance with Estonian law and the Group’s internal standards.

The integration of Enefit AS and Enefit Green into Enefit OÜ, effective from 1 January 2026, will not alter Group-level governance, except that the CEO of Enefit OÜ will join the Management Board of Eesti Energia AS. Previously, the Management Board included the CEO of Enefit AS, but not the CEO of Enefit Green.

Eesti Energia Climate Transition Plan

OVERVIEW OF TRANSITION PLAN

Based on the European Climate Law, Estonia has outlined detailed long-term climate goals to ensure a positioning as a competitive climate-neutral country by 2050. In line with this, Eesti Energia must ensure a competitive and diverse electricity production portfolio which enables successful operation as an electricity producer and seller. Driven by the goal of sustainability in the valorisation of oil shale, the Group is transitioning from electricity production to the co-production of fuels and valorised building materials feedstocks. The latter will be derived from mining waste and ash and include aggregates and recovered metals.

Eesti Energia's strategy defines the Group's ambition of climate change mitigation. Mitigation of the Group's direct climate impact is targeted from two perspectives, through the reduction of absolute GHG emissions and through the GHG intensity of energy production. In the wider energy system, the group enables the transition by providing a range of ancillary energy services to its customers, such as connection of all sizes of renewables producers to the grid.

TIMELINE FOR IMPLEMENTATION

Eesti Energia aims to achieve Net Zero by 2050, based on the latest version of "owner expectations", signed by the Estonian Minister of Finance in July 2025. The Group Transition Plan indicates strategic initiatives, over the current strategy period of 2025 to 2035, move the group towards achieving this goal. Status of all initiatives in the plan are subject to change with adjustments in group strategy. However, many are already being implemented. Reaching Net Zero by 2050 will likely require the removal of residual emissions by engineered or nature-based CDR solutions.

The current, 2025-2035 strategy is structured in two 5-year phases, which is also reflected in the Climate Transition Plan timeline structure. Below are shown the relevant strategic development activities for both phases, and the emissions targets their implementation is expected to achieve.

Strategy Phase 1: Key Climate Transition Plan Initiatives 2025 – 2029

In this phase the focus is on increasing the share of renewable electricity and advancing the circular use of materials in industrial business. The main objectives are as follows:

- **Renewables and storage capacity building:** Continuing growth in renewable and electricity storage capacities. Increasing the share of renewable electricity generation to 65% of total electricity output (up from 56% in 2024). Ambition to develop 500 MWh of new electricity storage capacity.
- **Scaling circular business models:** Scale pilots aimed at valorising ash tailings and oil shale by-products into alternative building-material feedstocks.
- **Reducing direct emissions of production:** Scope 1 emissions decrease to ~2.7 MtCO₂e/year.
- **Optimizing legacy oil shale plant operations and supplementing with biomass:** to extend asset life, reduce emissions, participate in balancing markets, and reduce oil shale use.
- **Adding modern and sustainable dispatchable capacity:** Developing a 100MW hydrogen-capable gas CHP plant.

Strategy Phase 2: Key Climate Transition Plan Initiatives 2030 – 2035

In this phase, the group aims to maximize the renewable energy and storage portfolio, while oil shale electricity continues to reduce in importance as cleaner dispatchable capacity comes online. In the industry business the focus will remain on developing technologies for valorisation of the ash tailing stockpiles. The main objectives are the following:

- **Renewables and storage capacity building:** The share of renewable energy in electricity production will increase further. We aim to further expand electricity storage capacity to balance added renewables.
- **Growth of the repositioned industry business:** from liquid fuel production towards circularity-centric industries.
- **Phase-out of oil shale-based electricity generation:** once there are sufficient dispatchable capacities on the market.
- **Implementation of CCUS on E280 oil facilities:** subject to favourable economics and CDR regulation.
- **Reducing direct emissions of production:** Group Scope 1 emissions decrease to ~2.3 MtCO₂e/year.
- **Exploration of Hydrogen opportunities:** Elering’s hydrogen infrastructure expected to start operating, which may enable dispatchable switch from gas to hydrogen, and support regional offtake and balancing of the now dominant renewables portfolio.

EMISSIONS TRAJECTORY

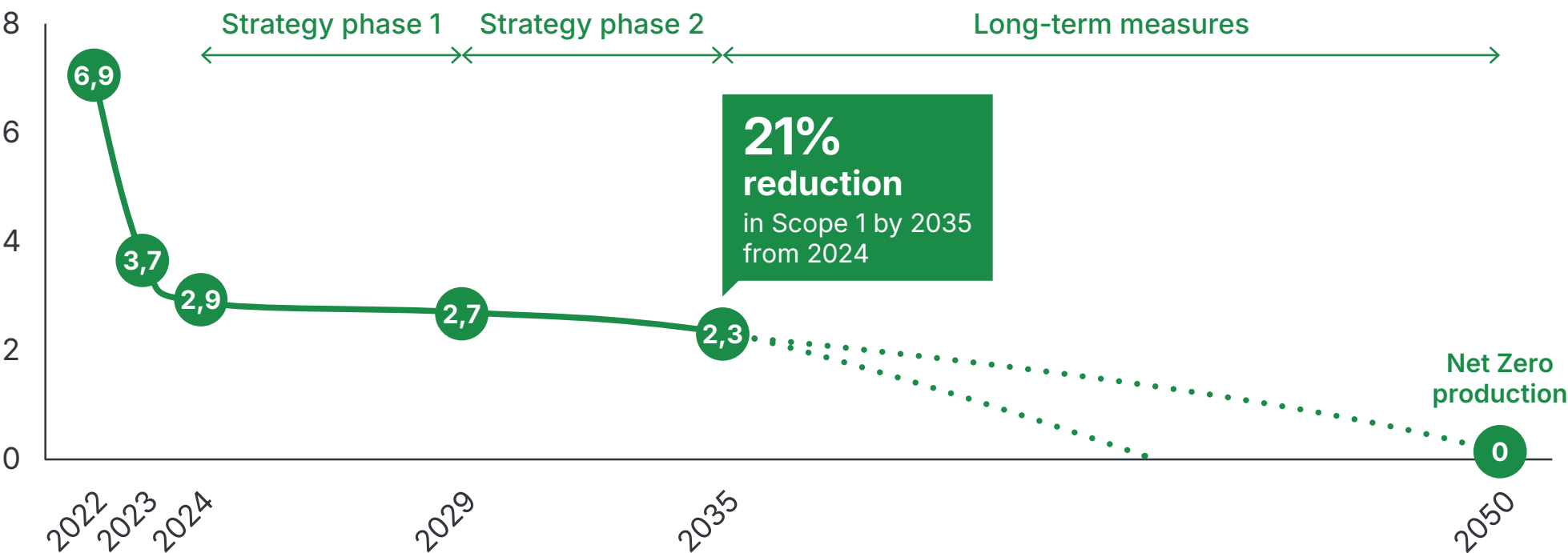
The Climate Transition Plan will result in a reduction in both the absolute GHG emissions and the energy production GHG emissions intensity of the group.

The chart to the right shows the Group absolute Scope 1 emissions starting from the base year of 2022 to the latest full year of 2024. In 2022, which is used as the base year, the total emissions of energy production (Scope 1) were 6.9 Mt CO₂e. By 2035, successful

implementation of all initiatives is estimated to reduce absolute Scope 1 emissions by 21% from 2024 level. Since 1990 the group has reduced Scope 1 emissions by -5.7% per year on average. Since 2015 the rate of reduction has been -12.6% per year on average, significantly exceeding the 4.2% that the SBTi prescribes for achieving the 1.5C trajectory.

Group Direct Emissions of Energy Production (Scope 1)

Mt CO₂e



The Climate Transition Plan receives updates continuously as strategy evolves. Updates to the group emissions trajectory and targeting are coordinated by the Group’s Environmental Team in close cooperation with the managements of business lines and approved by the group Management Board.

The Environmental Team also supports subsidiaries in implementing the Group’s environmental policies, managing the full project development lifecycle, and ensuring compliance across operations. The Group focuses improving environmental performance of existing assets through technological upgrades and efficiency measures. An integrated environmental management system, certified under ISO 14001 and registered with the EU Eco-Management and Audit Scheme (EMAS), ensures systematic monitoring, control and continuous mitigation of environmental impacts in line with policy requirements and corporate values.

DEVELOPMENT PORTFOLIO

The group’s renewables development portfolio reflects the ambition to realize a sustainable energy platform quickly. The following set of actions will be implemented by the Group to meet the targets:

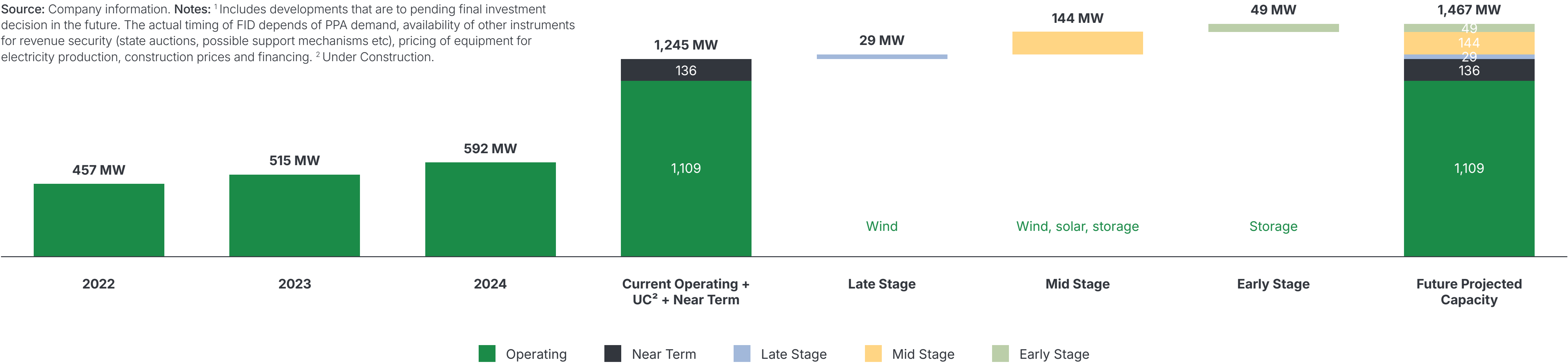
- Increase low emissions production and storage capacity through the development of new facilities.
- Expand the industrial product line by expansion of the current liquid fuels industry by valorising 200Mt of industrial tailing stockpile into metals and construction industry feedstocks.

- Targeted network upgrades to maximize capacity for third party renewables connections through the reconstruction of overhead lines of the medium voltage network and increasing production-oriented free capacity.
- Scale ancillary and EV charging services to enable systemic power efficiencies and emissions reduction.

Increasing wind and solar capacity is core to fulfilling strategic aims.

Complete View Of The Electricity Development Portfolio¹

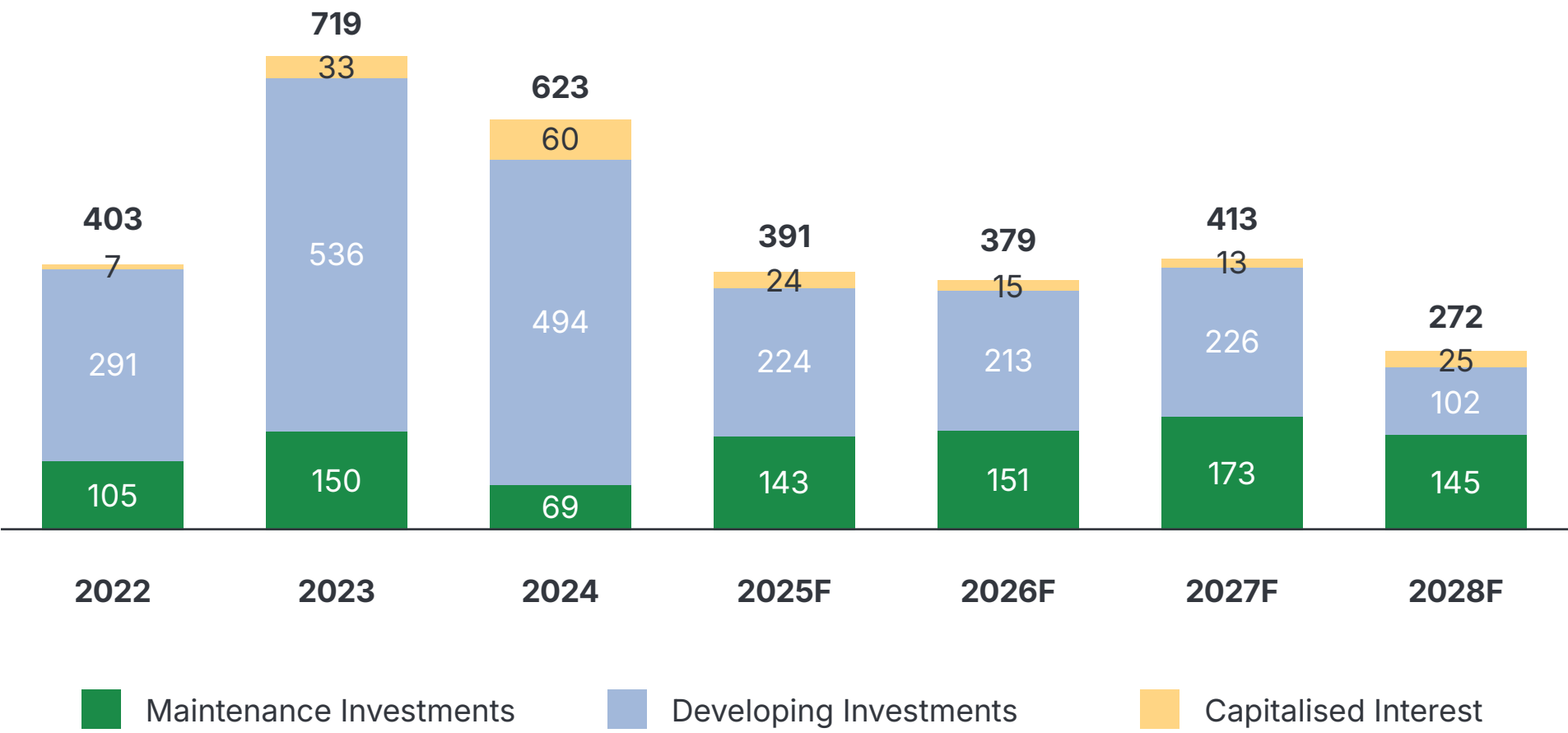
Source: Company information. Notes: ¹ Includes developments that are to pending final investment decision in the future. The actual timing of FID depends of PPA demand, availability of other instruments for revenue security (state auctions, possible support mechanisms etc), pricing of equipment for electricity production, construction prices and financing. ² Under Construction.



Eesti Energia's projected CAPEX is strongly influenced by the Group's transition plan. Maintenance investments are aimed at minimizing irregularities in the generation and transmission operations. Development investments mainly target new renewable capacity, improving efficiency of the transmission network and expanding it to accommodate new renewables loads. A significant milestone was achieved in 2025 with the total capacity of third-party generators connected to our distribution network passing 1000 MW and reaching 1109 MW by Q4 2025.

Development Investments account for ~65% of Total Investments in 2022-2028 to accelerate clean energy transition.

Projected CAPEX
€ million



Note: Figure shows net investments (excluding connection revenues and received government grants).



Research and Development at the Forefront of Energy Transition

Eesti Energia’s research and development (R&D) activities are focused on supporting the implementation of the Group’s strategy, which aims to provide customers with environmentally sustainable, convenient, and useful energy solutions. In 2024, the Group invested EUR 9.6 million in R&D, focusing on reducing the environmental footprint of energy production, improving resource efficiency, and developing new value chains based on circular economy principles.

Current R&D efforts target technologies that support the transition from legacy fossil assets (conventional oil shale-based electricity) towards new revenue streams built on circular principles. This includes the valorisation of mining waste and fly ash into building-material feedstocks, aggregates and recovered metals. The Group also advances energy system digitalisation and storage technologies and strengthens collaboration with renewable technology partners and research institutions to accelerate innovation and its deployment.



Eesti Energia Green Finance Framework



Rationale for the Green Finance Framework

With this update of the Green Finance Framework ("Framework"), Eesti Energia aims to further underline its commitment to sustainability and to engage with an even broader set of stakeholders on the topic of climate change.

In early 2023, Eesti Energia firmly committed to ambitious group decarbonization targets through the implementation of a new sustainability-linked loan, the KPIs and annual SPTs under which have been publicly reviewed by ISS. Eesti Energia has established this Green Finance Framework as an overarching platform under which the company intends to issue Green Finance Instruments, which may include bonds (including private placements), loans, guarantees, hybrids, and any other financial instrument where the proceeds will be exclusively allocated to finance and/or refinance Eligible Green Projects as defined in this Framework.

The Framework will apply to any Green Finance Instruments issued by Eesti Energia and / or its subsidiaries and will be applied if any such financing instruments are outstanding.

This Framework may be updated from time to time to ensure continued alignment with voluntary market principles, emerging standards and classification systems. Any updated version of this Framework will either maintain or improve the current levels of transparency and reporting disclosures. Any Framework updated will be accompanied with an updated Second Party Opinion.

The Green Finance Framework is aligned with market best practices outlined by the International Capital Market Association ("ICMA 2025 Green Bond Principles and the Loan Market Association ("LMA") 2025

Green Loan Principles), updated from time to time, and includes the following four core components:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

The Framework also follows the recommendations of the Green Bond Principles and Green Loan Principles regarding External Review.





Use of Proceeds

Under the current Framework, an amount equivalent to the net proceeds of the Green Finance Instrument(s) will be used to finance, or refinance in whole or in part, new or existing, eligible green investments or assets as defined in the table below as “Eligible Green Projects”.

The financing of such Eligible Green Projects is expected to create substantial environmental benefits by improving the connectivity and distribution of renewable electricity across Estonia and other Baltic countries.

In the case of refinancing existing Eligible Green Projects only investments made within a three-year period preceding and including the year of issuance of a Green Finance Instrument shall be considered.

To the extent feasible, Eesti Energia will communicate the proceeds to be allocated under the project categories in advance of any issuance.

Relevant Eligible Green Project categories (ICMA GBP / LMA GLP)	Eesti Energia Business Unit	Eligibility Criteria	EU Taxonomy Technical Screening Criteria / Economic Activity	UN SDG Contribution
Renewable Energy Investments in the Grid Transmission Network	Elektrilevi OÜ (DSO)	Assets, Investments, Capex and Opex relating to electricity distribution infrastructure and equipment in an electricity system in Estonia.	4.9 Transmission and distribution of Electricity (NACE: 35.1.2 – Transmission of electricity, 35.1.3 – Distribution of electricity)	
Renewable Energy	Enefit Green AS Eesti Energia AS Enefit OÜ	Wind, Solar PV, Battery energy storage systems (BESS)	4.1 Electricity generation using solar photovoltaic technology 4.3 Electricity generation from wind power 4.10 Storage of electricity (NACE: 35.1.1 – Production of electricity, 42.2.2 – Construction of utility projects for electricity and telecommunications)	 
Clean Transportation Investments in Electric Transport Services	Enefit AS Enefit OÜ	Installation of charging stations for electric vehicles connected with the Estonian national grid	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (The economic activities in this category could be associated with several NACE codes, in particular F42, F43, M71, C16, C17, C22, C23, C25, C27 or C28)	

With respect to the allocation of proceeds under the category “Investments in the Grid Transmission Network”, we envisage two primary allocation methodologies.

1. Certain investments we expect to recognize as 100% green. These would be, for example, connections directly between the grid and new sources of renewable energy.
2. The remainder of investments made in the grid we would expect to recognize by applying the applicable ratio of renewable energy transmitted through the grid to our overall investments.
 - a. The renewable electricity production ratio is defined as the share of renewable electricity produced in Estonia. Over the period Jun 2022-Jun 2025, 53% of the electricity transmitted in Estonia was generated by renewable sources. The Transmission operator of Estonia publishes the share of electricity generated from renewable sources regularly. *Source: <https://dashboard.elering.ee/en/balance/total>*
 - b. Eesti currently takes a conservative approach to define the electricity grid eligible amount under the Technical Screening Criteria of the EU Taxonomy. Eesti note that given the Estonian grid is part of the broader European interconnected control areas, 100% of grid expenditures would be considered eligible under the Taxonomy. To ensure alignment, Eesti also seeks to confirm that there is no financing of connections to electricity production facilities over the threshold of 100 gCO₂e/kWh. Noting that under the GHG Protocol, renewable energy can be considered carbon neutral in Scopes 1 and 2, the application of the grids renewable load factor to our total expenditure is taken as a conservative approach to meeting this threshold.

For the avoidance of doubt, in future allocation reports, Eesti expect to set out the total amount of expenditure made in relation to the category “Investments in the Grid Transmission Network” within the relevant look-back period at the time of the report. From this, the expenditures outlined in point (1) above will be deducted, and the renewable energy factor as outlined in point (2) will be applied to the remaining expenditure.

Whilst Eesti will apply the EU Taxonomy’s Technical Screening Criteria (“TSC”) for Substantial Contribution (“SC”) towards Climate Change Mitigation for the eligibility of projects, the Do No Significant Harm (“DNSH”) and Minimum Safeguards (“MS”) requirements are applied on a best-effort basis.

Exclusion Criteria

We would note that no funds raised under our Green Bond Framework would go towards our fossil fuel energy business. All existing fossil fuel exposure currently sits under Enefit Power and Enefit Industry entities and are effectively ringfenced from the entities referenced within our Green Eligibility Criteria. From 1 January 2026, Enefit Industry will be merged with Enefit Solutions and Enefit Power will become a subsidiary of Enefit Industry in a restructuring of all fossil-industrial assets into the Enefit Industry entity.

Investments in Storage of Electricity (EUT 4.10) will exclude projects where hydrogen and ammonia are used as the medium of storage.

For the avoidance of doubt and following the consolidation of Enefit Green within the Eesti Energia Group in 2025, Renewable Energy power generation will be included within the scope of the Eesti Energia Green Finance Framework and part of the Group’s Eligible Green Projects.

Process for Project Evaluation and Selection

Eesti Energia has established a decision-making process to determine the eligibility of the Eligible Green Projects, in accordance with the Eligibility Criteria outlined in the “Use of Proceeds” section of this Framework. The use-of-proceeds of this Framework are aligned with Eesti Energia business strategy and will contribute to achieving its emissions reduction goals.

The corresponding Eligible Assets are required to comply with local laws and regulations, including any applicable regulatory environmental and social requirements, as well as Eesti Energia’s internal risk policies. Eligible Green Projects will be identified, and selected for eligibility, by a dedicated Green Finance Working Group which has been established within Eesti Energia. While the overall medium- and long-term sustainability strategy as well as steps required to ensure adherence to it, is defined at the group level, Eesti’s subsidiaries are responsible for operational implementation. All subsidiaries report to the Management Board and CEO of Eesti Energia as far as adherence to the group sustainability goals is concerned. Sustainability Team of Eesti Energia is responsible for group corporate sustainability reporting.

The Eesti Energia Green Finance Working Group will be responsible to:

- Identify potential Green Projects and verify eligibility in accordance with the Green Finance Framework;
- Monitor the Eligible Green Asset Portfolio;
- Exclude assets that no longer comply with the Eligibility Criteria;
- As Green Finance Instruments mature, remove the oldest assets from the Eligible Green Asset Portfolio for an equivalent amount, to ensure that Green Finance Instruments continue to fund new assets where CAPEX and/or OPEX had been used for allocation purposes for term-based liabilities;

- Maintain the Green Finance Framework up to date to reflect any changes with regards to the evolution of Eesti Energia’s sustainability strategy, target setting and continued alignment of project categories with appropriate national and international sustainability taxonomies and legislation;
- Manage potential environmental and social risks in association with the eligible green assets;
- Preparation of ongoing reporting, such as preparation of allocation and impact reports associated with the Green Finance Framework.



Eesti Energia have a robust internal Risk Management Policy in place. To ensure a coherent approach to risk management, the Group describes the risk areas for which the group, or parts thereof, are responsible for managing the relevant risk. Developing principles and methods, informing related parties and supporting the implementation of the principles is the responsibility of the head of the risk management unit. The Eesti risk management process consists of:

- i) Setting Goals
- ii) Identifying Risks
- iii) Risk Assessment
- iv) Handling / Reacting to Risks
- v) Monitoring risks
- vi) Reporting

The Group's Board retains all final responsibility for risk management in the group. With individual group companies and business units identified as the owner of key risks present impacting daily activities. The council / audit committee then continuously monitors the effectiveness of these procedures.

Environmental risks include a) the activities of the Group cause damage to the environment to the extent that they do not comply with the agreed objectives; b) failure to comply with the requirements of the environmental protection permit of the undertaking will result in the suspension or revocation of the environmental protection permit and the undertaking's main activities will be suspended in part or in full.

Environmental risk management and assessment are the responsibility of the environmental manager. The implementation and operation are the responsibility of the manager of the entity causing the environmental impact. These key stakeholders will be working closely with the Green Finance Working Group to ensure these standards are followed for all eligible green projects, as they would be for any of Eesti's operations.

The purpose of Code of Ethics for Partners is to inform our partners about the ethical requirements that are a prerequisite for cooperation. The document is guided by the principles that our partners also play an important role in ensuring Eesti Energia's sustainability, and that the Group has a higher-than-average duty of care due to its impact on society. We expect our partners to adhere to the principles set out in the Code and to fully comply with all applicable laws and regulations. Based on internationally recognised standards for promoting social and environmental responsibility, the Code requires more than just legal compliance. The topics covered in the Code are consistent with the Ten Principles of the UN Global Compact.

Our strategic goal is to limit our environmental footprint and to be a leader in the renewable energy transition. Environmental risk arises when the Group's action or inaction causes environmental damage that is not in line with agreed objectives. We prevent environmental damage in energy production by optimising the use of existing facilities, implementing new technological solutions and increasing efficiency through the application of circular economy principles. To control, manage and reduce our environmental impact, we have implemented an environmental management system that meets the requirements of ISO 14001 and the EU Eco-Management and Audit Scheme (EMAS), and comply with the requirements of environmental permits.

Management of Proceeds

Eesti Energia intends to allocate the net proceeds from its Green Finance Instruments to an Eligible Green Asset Portfolio on a portfolio basis. This portfolio, selected in accordance with the Eligibility Criteria and project evaluation and selection process presented above, consists of new and / or existing assets, and each individual Green Finance instrument tranche will be listed with proceeds tracked in accordance with this framework.

Over time, Eesti Energia will strive to maintain a level of allocation for the Eligible Green Asset Portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Finance Instruments.

Additional Eligible Green Assets will be added to the Issuer’s Eligible Green Asset Portfolio to the extent required, in accordance with the Eligibility Criteria.

Regarding the Eligible Green Asset Portfolio, the relevant assets are currently held within distinct operating entities: until the end of 2025, Wind and Solar PV assets are located within Enefit Green, Battery Energy Storage Systems (BESS) within Eesti Energia AS, and EV charging assets within Enefit AS. Starting in 2026, Wind, Solar PV, BESS, and EV charging assets will be grouped under Enefit OÜ as part of an internal reorganization. Elektrilevi (DSO) will continue to be the primary operating company for the grid activities.

Eesti Energia intends to allocate all the proceeds of the Green Finance Instruments to Eligible Green Projects within two years of issuance of each Green Finance Instrument. In case Eesti Energia would select Eligible green capital expenditures or operating expenditures, they shall qualify for refinancing with a maximum three-year look-back period before the issuance year of the Green Finance Instrument.



The allocation of the net proceeds of issued Green Finance Instruments to the portfolio of Eligible Assets will be reviewed by Eesti Energia Green Finance Working Group, until full allocation of the net proceeds of issued Green Finance Instruments.

Pending full allocation, any unallocated Green Finance net proceeds will be invested, managed or held by Eesti Energia Treasury on a temporary basis, at its own discretion, in cash, cash equivalents, and/or other short-term liquid instruments.

Reporting

Eesti Energia will publish an annual report on its website until full allocation of the Green Finance Instrument net proceeds, detailing the allocation of the net proceeds of the Green Finance Instruments to Eligible Green Assets, on a portfolio basis. This report will also contain information on the environmental impact of the Eligible Green Projects. Impact reporting may continue post the full allocation of the Green Finance Instruments.

Allocation Reporting:

- Allocation of net proceeds to Eligible Green Portfolio and per Eligible Green Project Category.
- Balance amount of unallocated net proceeds, if any.
- Portion of financing and refinancing.
- Examples of Green Projects that have been funded by the Green Finance Instrument.

Impact Reporting:

Eesti Energia will provide impact reporting at the level of each Eligible Project Category, which may include the following estimated Impact Reporting Metrics:

- Capacity of renewable new energy production connected in the grid (in MW).
- Maintenance and reduction of grid losses through energy efficiency gains and maintenance (in MWh).
- Number of EV charging stations connected to the grid.
- Total capacity of renewable energy projects (MW).
- Annual renewable energy generation (MWh).
- Electricity storage capacity added (MWh).

Second Party Opinion

Eesti Energia has appointed ISS Corporate to provide a Second Party Opinion on the Green Finance Framework, its transparency, governance and alignment with the Green Bond Principles and Green Loan Principles.

This Second Party Opinion document will be made publicly available on Eesti Energia’s website.

Post Issuance External Verification on Reporting

An external verification on the allocation of the Green Finance Instruments will be provided by an external auditor, on annual basis and until the complete allocation of proceeds.

The external auditor will verify that the proceeds of the Green Finance Instruments are either allocated to Eligible Green Projects as defined in this Framework or invested in approved temporary investments. This will be published on Eesti Energia’s website.

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