



SUSTAINABILITY
REPORT
2017/2018





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SUSTAINABLE PRIORITIES AND TARGETS

”Wind power has evolved from a marginal method of generation to a fast grower, representing an increasing share of electricity generation both in Sweden and globally.”

Welcome to Eolus Vind AB's first Sustainability Report. This report summarizes Eolus's role in a business sector characterized by active efforts to achieve sustainable development. The report describes our most important sustainability issues and risks, and our targets for the coming fiscal year.

For us, sustainable business incorporates our own practices, as well as upstream and downstream activities in the value chain. To ensure a sustainable value chain from beginning to end, we are currently reviewing the sustainability requirements we impose on our suppliers.

In addition to the supply chain, one of our key sustainability aspects is that we are an attractive workplace, and that our employees are satisfied. Our success has largely been due to our ability to attract and retain qualified employees. In 2018/2019, we will therefore focus on refining our efforts to

become an attractive employer. When it comes to sustainability, there are always some areas of a company that can be changed and improved. In this report, you can read about our plans for the 2018/2019 fiscal year.

Eolus has been playing an active role in the Swedish energy system's transition since 1990, and due to our expansion into other countries, we are also contributing to the global transition. Wind power has evolved from a marginal method of generation to a fast grower, representing an increasing share of electricity generation both in Sweden and globally. We are proud to be part of this transition.

PER WITALISSON
Chief Executive Officer





COMMITMENT, DRIVE AND EXPERIENCE

THE TRANSITION TO A SUSTAINABLE SOCIETY IS ONE OF TODAY'S MOST IMPORTANT ISSUES.

The company's operations touch all parts of the sustainability concept: ecological, economic and social sustainability. Eolus therefore has a corporate social responsibility – in addition to generating a profit for our shareholders, offering cost-efficient solutions to our customers and providing meaningful, stimulating work for our employees. This responsible approach is not contradictory. On the contrary – it is a competitive advantage and a prerequisite for our future success.

Eolus considers the company and its operations an important part of an infrastructure development that is benefiting society. Generating electricity from wind power helps to make our society more sustainable. Wind power is a natural part of Sweden's energy supply and will play an increasingly greater role in the transition to a sustainable energy system, with a political target of 100% renewable electricity generation by 2040.

INFINITE RESOURCE, A WEALTH OF OPPORTUNITIES

Wind is an infinite resource, and an energy source that is completely free. A wind turbine is environmentally friendly and generates minimal greenhouse gas emissions throughout its lifespan. Studies show that onshore wind power emits 10-15 grams of CO₂ per kWh, while coal power accounts for 850-1,000 grams of CO₂ per kWh. A wind turbine can continue to generate electricity for 20-25 years. When a turbine reaches the end of its useful life, it can be dismantled and recycled, or sometimes renovated and re-installed on a new site. The land on which wind power has been established can be restored and used either for new purposes, or for new electricity generation by constructing new wind turbines.

A DRIVING FORCE

Eolus has been a leading Nordic player in the transition to renewable energy since 1990. The company has driven the development of greater efficiency, and has extensive knowledge of where and how wind farms should

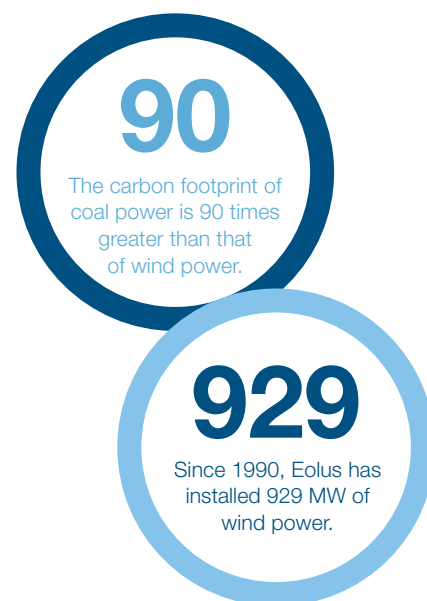
be built to optimize electricity generation while also accounting for other community interests. Value creation is inherent to our long experience – including the ability to account for people, the landscape, the environment and society throughout the value chain. Since the company was founded in 1990, Eolus has been involved in the construction of 541 wind turbines with a total capacity of approximately 929 MW. With a large order backlog and attractive projects under development, Eolus will continue to contribute to the transition.

A VALUE-CREATING PARTNER

Eolus aims to be a respected company that creates value for its stakeholders. The company's employees are expected to act properly, fairly and honestly. The same standards are imposed on consultants, suppliers and other business partners. Impartiality shall prevail in all business relationships. Eolus aims for a high degree of transparency when communicating with shareholders and society in general.

In addition to its own market research, Eolus monitors trends in the industry and in other countries through its membership in Swedish Wind Energy, the Swedish Windpower Association, NORWEA, CALWEA, the Estonian Wind Power Association and the Latvian Wind Association.

Our vision is to be the most profitable wind power developer and an attractive business partner in the transition to a sustainable society.





THE UN SUSTAINABLE DEVELOPMENT GOALS

Our work with sustainable development is based on the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) set by the United Nations General Assembly in 2015. The SDGs affect all sectors of society, and the business sector has a key role to play in their achievement. Eolus's mission embraces several SDGs, such as combating climate change, ensuring access to sustainable energy for all, and promoting decent working conditions and sustainable economic growth.



MATERIALITY AND STAKEHOLDER ASSESSMENT

When preparing for this first Sustainability Report, the company conducted an analysis to determine the material sustainability aspects for Eolus's business practices and where the company has the greatest impact. The analysis was based on both risks and opportunities in connection with sustainable business and the overall areas assessed were the environment, employee-related issues, social conditions, respect for human rights, anti-corruption and governance-related issues.

Of the five areas that are mandatory to assess in a Sustainability Report under the Swedish Annual Accounts Act, human rights in the supplier chain are not considered material for Eolus. The share of high-risk suppliers in this respect is considered limited.

Both materiality and stakeholder assessments commenced with a situation analysis, where a team of employees from various functions discussed megatrends, international agreements, European and national legislation and industry benchmarks. Workshops were then held on two occasions in which material sustainability aspects were both identified and prioritized, and stakeholders were identified.

GRI GUIDANCE

To guide and inspire this process, the material sustainability aspects of the economic, environmental and social categories applied by the Global Reporting Initiative (GRI) were used. However, this report is not based on the GRI framework.

In a first ranking of materiality and stakeholders, a number of areas were selected. These were then ranked on the basis of "significance for stakeholders" and "extent of sustainability impact."

PRIORITIZED ASPECTS

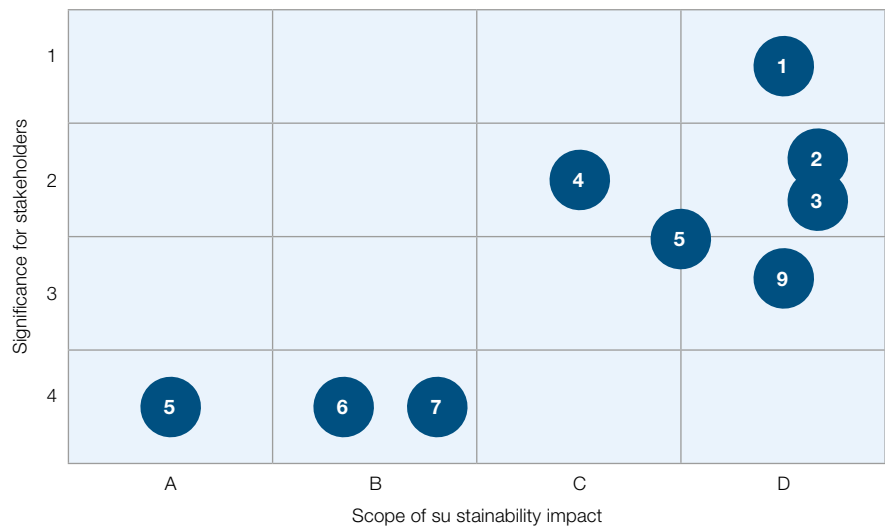
The sustainability aspects considered high-priority and that the company intends to focus on are:

- The supply chain
- An attractive employer
- Anti-corruption

ANALYSES PROVIDED INSIGHT

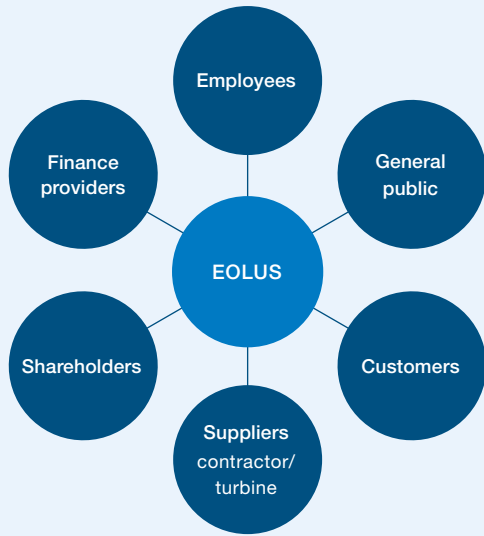
In addition to a materiality analysis, a stakeholder assessment was also carried out to identify the company's stakeholders. When these were identified, they were divided into three groups based on their impact on the company and its operations. The materiality

and stakeholder assessments created greater insight into the sustainability aspects that are material for Eolus, and will underlie the company's sustainability strategy. Eolus's efforts with these sustainability aspects are presented in the description of new targets in this report.



No.	Aspect	Sustainability category	Comments
1	Professionalism	Economic	Not prioritized this year
2	Attractive employer	Social	Prioritized
3	Interest rates/currency	Economic	Not prioritized this year
4	Customer satisfaction	Economic	Not prioritized this year
5	Labor market initiatives	Social	Not prioritized this year
6	Energy and climate	Environment	Not prioritized this year
7	Equality and diversity	Social	Not prioritized this year
8	Corruption and bribery	Economic	Prioritized
9	Supply chain	Environment and social	Prioritized

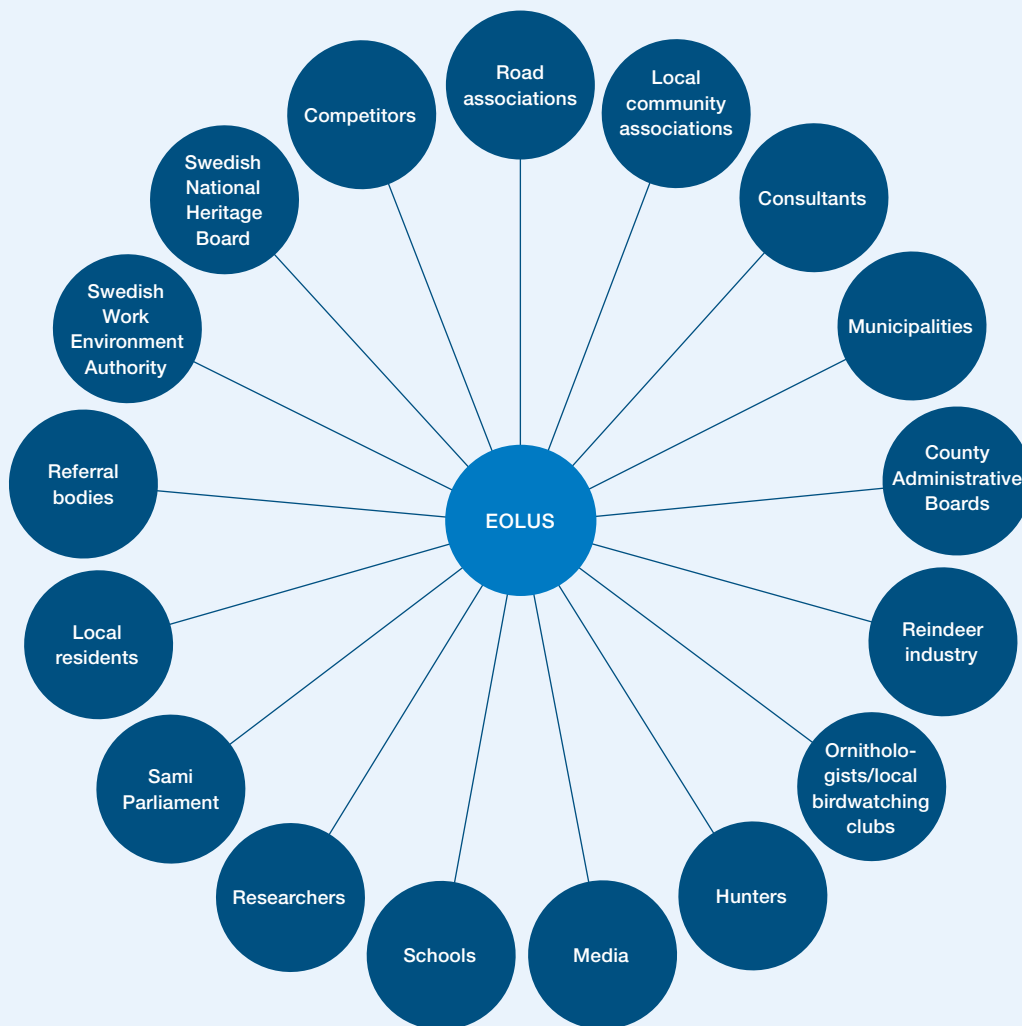
STAKEHOLDERS CONSIDERED TO HAVE A MAJOR IMPACT ON THE OPERATIONS



STAKEHOLDERS CONSIDERED TO HAVE A MID-SIZED IMPACT ON THE OPERATIONS



STAKEHOLDERS CONSIDERED TO HAVE LITTLE IMPACT ON THE OPERATIONS



GOVERNANCE AND RESPONSIBILITY FOR SUSTAINABILITY ASPECTS IN THE OPERATIONS

The Board is ultimately responsible for the management of Eolus Vind AB, which also includes issues related to sustainable business. This Sustainability Report was adopted at the Board meeting in November 2018.

The CEO is responsible for execution of the Board's decisions and strategies. Group Management supports the CEO and other operations and is responsible for the ongoing

sustainability efforts. Group Management also makes decisions on sustainability targets and strategies and the activities to be prioritized for the fiscal year.

The basic starting point for Eolus's efforts is to minimize the potentially negative impacts of the operations and to take advantage of the opportunities created by a sustainable business.

SUSTAINABILITY TARGETS

Based on the prioritized sustainability aspects identified, the current situation, potential risks and the targets that Eolus intends to work with are outlined below.



The Jenåsen wind farm

THE SUPPLY CHAIN

Eolus uses a large number of suppliers throughout the entire chain for the establishment of wind power facilities. This chain begins in the early development stage of a project and progresses through the entire project's advancement into an operational facility. A great deal of external labor is used in the establishment stage, in particular, via the companies contracted to build roads, pour the foundations and install internal electricity and fiber optic networks. Eolus does not have its own construction employees, but has project managers who are responsible for the establishment of facilities. The turbine suppliers also engage personnel to deliver and assemble the wind turbines on site. Establishment is the most costly stage and requires the most labor, and subsequently carries the highest safety and environmental risks.

Eolus is dependent on its contractors' compliance with their contractual health and safety obligations. Another way to tighten control over contractors and their subcontractors is to prepare a Code of Conduct that contractors are required to sign and follow for larger-scale contracts.

Risks:

Like other construction sites, physical injuries, such as crushing injuries, falls from heights or collisions with heavy work vehicles, can occur during the construction and establishment of wind farms. In a multi-subcontractor chain, it can be difficult for Eolus to know whether contracted personnel and suppliers are complying with all safety regulations. Unless precautions are taken, establishments can cause environmentally hazardous emissions and compliance with all environment-related permits must be ensured.

Target:

In 2018/2019, to prepare a Code of Conduct for the companies that are contracted for the establishment of facilities constructed by Eolus.

ATTRACTIVE EMPLOYER

Eolus is a knowledge-intensive company with a small-scale organization. This means that the experience, knowledge, creativity and commitment of our employees is important for the company, and for the development of Eolus's market offering. Reaching this goal requires a corporate culture where every employee can achieve a balance between work, life and personal development. Our corporate culture also helps us to recruit and retain the best employees and ensures that we are – and are perceived as – an attractive employer.

Because every employee plays a major role in the development of the company and its ability to deliver projects for divestment (both high-priority and other projects) across several geographic markets, there is major commercial value in being able to attract and retain the best people.

Eolus has high ambitions when it comes to reducing the risk of occupational injuries and illness. The aim is to reduce illness rates, ensure a faster return to work and continuously improve procedures for promoting a positive health and safety culture. Eolus is not bound by any collective bargaining agreements. Instead, the company has negotiated a pension and health insurance plan, and an employer-sponsored wellness program. During the year, the average number of employees in the Group was 35 (33). The number of women employees was 10 (10), corresponding to 20% (30).

With a small organization operating in several countries, the Eolus Group does not have a separate HR function, which could be a weakness. In the 2018/2019 fiscal year, Eolus will therefore investigate whether the company is in need of an HR function or, alternatively, purchase professional services of this nature to the extent required.

Risks:

Due to the high degree of dependence on individual employees, Eolus's activities in the project development, divestment and establishment stages could be adversely impacted if employees leave the company, or if it is difficult to recruit qualified people. In turn, this could make it difficult to complete transactions.

Target:

In 2018/2019, Group Management will assess the need for a separate HR position and should such a need exist, propose the duties involved in such a position. A report will be presented in connection with the next Sustainability Report.

ANTI-CORRUPTION

Eolus aims to be a respected company that creates value for its stakeholders. The company's employees are expected to act properly, fairly and honestly. The same standards are imposed on consultants, suppliers and other business partners. Impartiality shall prevail in all business relationships. Eolus aims for a high degree of transparency when communicating with shareholders and society in general.

Because Eolus is a small company in terms of employees, there is no central procurement function. Procurement is carried out by various people within the scope of their own area of responsibility. Due to the major transaction volumes that are essential to both Eolus and our counterparts, there is a risk that undue influence may be exerted to obtain business advantages in the form of contracts. Since Eolus strives for sound and impartial business relationships in order to maximize commercialism and shareholder value, there is a need to clarify and validate the strict practices that are already in place.

Risks:

If individual employees are subject to undue influence, or the company exerts undue influence to gain an unfair advantage, the legal consequences could damage the company's reputation.

Target:

In 2018/2019, the company will create anti-corruption guidelines and set a target of zero corruption cases per year.

AUDITOR'S OPINION ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of Eolus Vind AB (publ), Corp. Reg. No. 556389-3956

Assignment and delegation of responsibilities

The Board is responsible for the Sustainability Report for the fiscal year from September 1, 2017 to August 31, 2018 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

Review focus and scope

Our review has followed FAR's recommendation RevR 12 Auditor's opinion on the statutory sustainability report. This means that my

(our) review of the Sustainability Report has a different focus and substantially less scope than the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides sufficient grounds for our statement.

Statement

A Sustainability Report has been prepared.

*Hässleholm, November 29, 2018
PricewaterhouseCoopers AB*

Eva Carlsvi

Authorized Public Accountant

ABOUT THE SUSTAINABILITY REPORT

This is Eolus Vind AB's first Sustainability Report and pertains to the 2017/2018 fiscal year. The Sustainability Report comprises Eolus Vind AB (Corp. Reg. No. 556389-3956) and has been prepared pursuant to the Swedish Annual Accounts Act, Chapter 6, Sections 10-11. The company's subsidiaries are excluded, because they either have low sales in relation to the Group's total sales, or are dormant. When signing the Annual Report, the Board of Eolus Vind AB has also adopted the Sustainability Report.

Cover photo: The Gunillaberg wind farm.

Photo: Daniel Larsson and Johan Funke.

Layout: Mustasch Reklambyrå AB.

Translation: The Bugli Company.

Eolus Vind is a leading Nordic wind power developer. Eolus creates value at every level of project development, establishment and operation of renewable energy facilities. We offer attractive and competitive investment opportunities in the Nordic region, Baltic countries and the US to both local and international investors.

Since the company's inception in 1990, Eolus has been involved in the construction of more than 540 wind turbines with a capacity of nearly 930 MW. The Eolus Group currently has customer contracts for asset management services with an installed capacity of more than 400 MW. Eolus Vind AB has approximately 8,200 shareholders. Eolus's Class B share is traded on Nasdaq Stockholm, Small Cap.

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