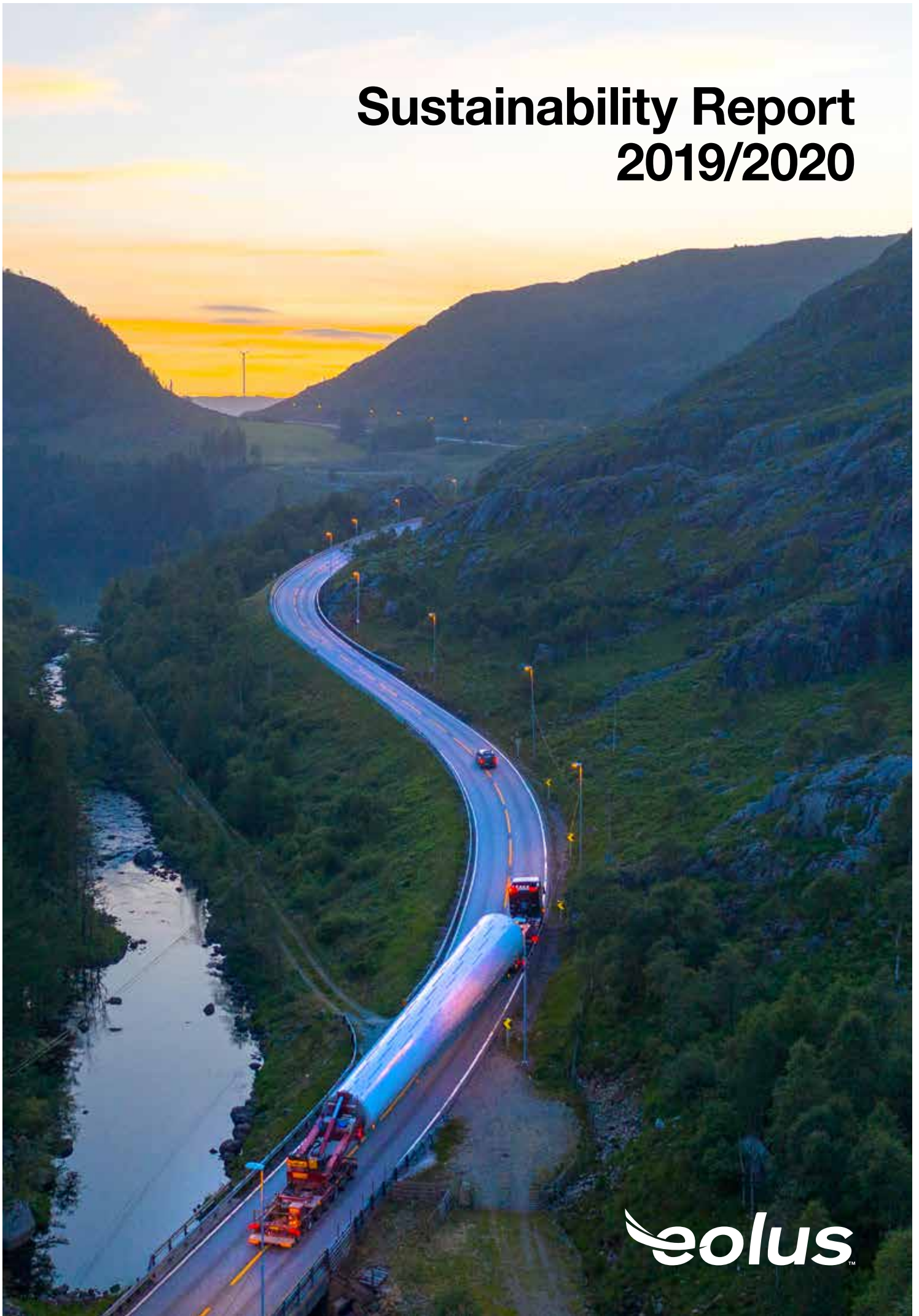


Sustainability Report 2019/2020



eolus[™]

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With a continued focus on the future

Eolus has a long and rich history since the company was founded in 1990. The company and its operating environment have changed since a number of wind power pioneers were far-sighted enough to see the potential of wind. One factor remains unchanged, however, and that is the willingness to constantly change and improve the world by developing and establishing renewable energy facilities. The combination of wind, solar and opportunities for energy storage will change the world. Away from fossil fuel dependence and high greenhouse gas (GHG) emissions that are changing the conditions for life on our planet. Eolus is proud to have been involved in the transition to date. But as always, we are more focused on the future than the past. We will continue to play a key role in the transition, and in more markets than our early wind power pioneers ever imagined. We will continuously improve in all aspects of a successful business, which includes economic, social and environmental sustainability.

The ongoing COVID-19 pandemic has shaken the world and continues to affect nations, companies and individuals. In last year's Sustainability Report, we set a target to map the company's environmental impacts. Due to changed conditions, we did not achieve our target. Given the effects of the pandemic, such as changed business travel patterns and a high degree of working from home for employees, we believe that such reporting would be misleading. We have therefore postponed this process until after the pandemic has subsided.

For me as CEO, and for the company's Board and other executives, it is important that sustainability permeates Eolus's operations. While a lot of work is being carried out every day in this respect, we see a need to systematize the process and to clarify responsibilities. As a result, we would like to strengthen our efforts by establishing a new position with responsibility for sustainability.

With their expertise and commitment, Eolus's employees are our most valuable assets. We will continue to develop the work we have embarked upon to ensure positive workplace politics and that we are an attractive employer. This is always important, but even more important for a company in an expansion phase like Eolus. We are making this clear by setting a target to carry out annual employee satisfaction surveys.

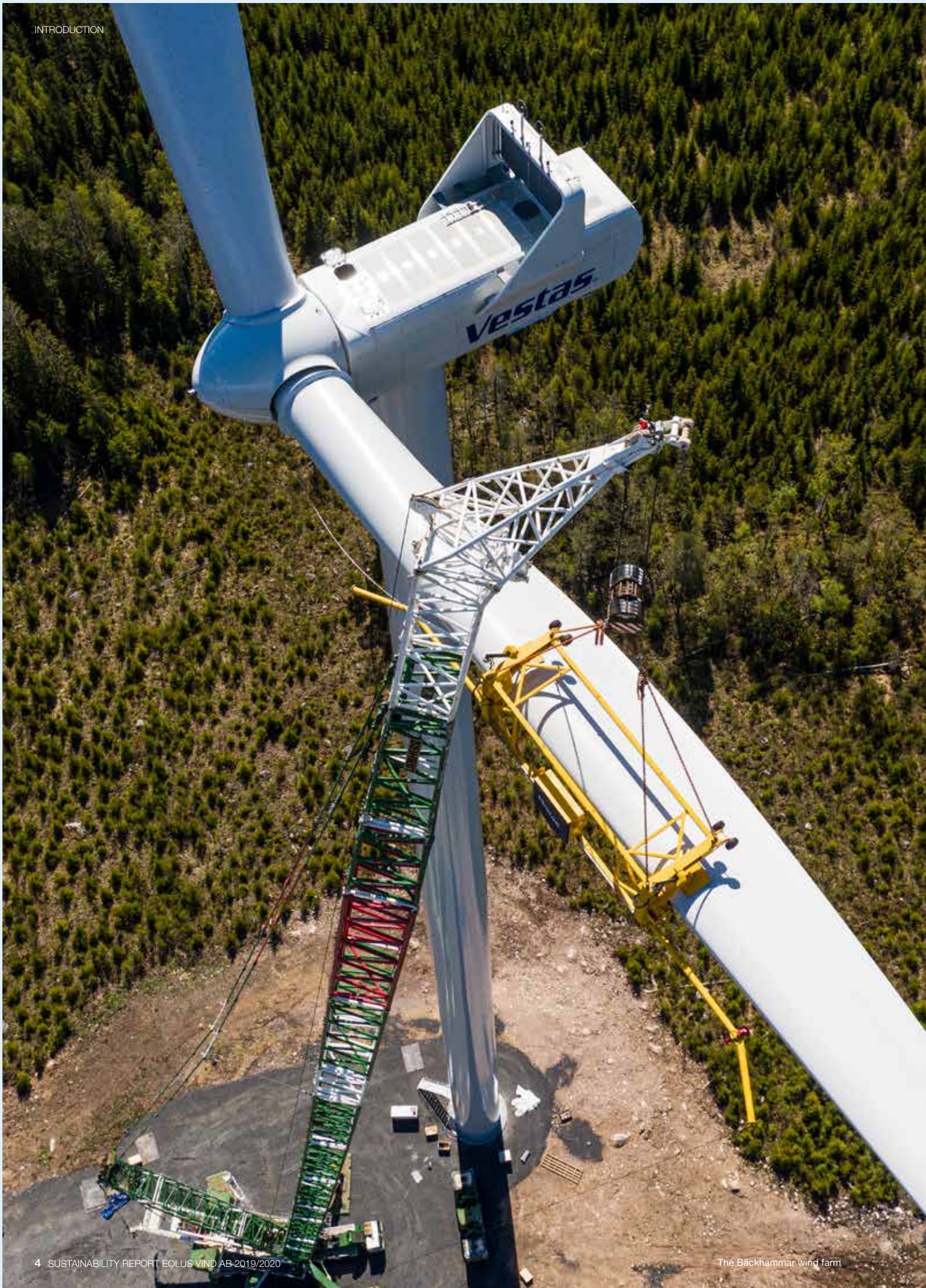
Eolus wants to be part of the renewable revolution by using diverse technologies and operating in various geographic markets. Our vision is to be the most profitable renewable energy developer and an attractive business partner in the transition to a sustainable society.

PER WITALISSON

Chief Executive Officer



“We will continue to play a key role in the transition, and in more markets than our early wind power pioneers ever imagined.”



Fundamental sustainability: economic, environmental and social

The transition to a sustainable society is one of today's most important issues. Eolus is proud to be a part of this transition, while also creating jobs and employment in the company, among our suppliers and among our customers.

As a company that is active in the construction of renewable energy facilities and energy storage, Eolus has a key role to play in the social transition. By developing projects and establishing facilities for renewable electricity generation and energy storage at the lowest possible cost per MWh, the company is contributing to a cost-efficient reduction of CO₂ emissions. The company's operations touch all parts of the sustainability concept: economic, environmental 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.

A view to the future

Renewable electricity generation is playing an increasingly important role in the global energy mix and will play an even greater role moving forward. In the New Energy Outlook 2020, Bloomberg New Energy Finance (BNEF) predicts that wind and solar technologies will account for 56% of the world's electricity generation by 2050. This can be compared with 9% at present, and should also be seen in light of the significant increase in world electricity demand. The transition is being driven by lower installation costs for wind, solar and various energy storage technologies, primarily batteries. This shift is challenging existing business models and presenting new business opportunities for those who are embracing the change, rather than sticking to past truths and old business models. The company's business concept and activities are creating the conditions for Eolus to be part of this future, in the same way as the company has adapted to various market changes since its inception in 1990.

Renewable resources

Wind and solar are resources that are constantly replenished, and sources of energy for electricity generation that are completely free. For example, wind turbines are environmentally friendly and generate minimal GHG emissions over their lifetime. 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. As technological advancements are made and costs are reduced, costs per generated kWh may continue to fall. When a wind turbine or solar PV farm has reached the end of its technical and economic life, it can be dismantled and the land or site on which the facilities have been established can either be used for new electricity generation with new facilities, or be restored and used for purposes other than electricity generation.

Laws, rules and conditions

Project development and permitting of renewable energy facilities is subject to a number of laws and regulations. The aim is to ensure that the facilities can co-exist with other community interests such as local residents, nature and wildlife, military and other critical infrastructure. Permitting is preceded by a democratic process where various stakeholders are able to present their views, and a number of surveys are conducted. During operation, the facilities must comply with a range of conditions for wind power, including noise emission and shadow casting.

Inherent value creation

Eolus has been a leading Nordic player in the transition to renewable energy since 1990. The company has driven the trend toward higher efficiency and has extensive knowledge of where and how wind farms should be planned for optimal electricity generation while showing consideration 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 across the entire value chain. We take this approach with us when developing facilities in other markets in other technologies, such as solar and energy storage.

Comprehensive offering

Since the company was founded, Eolus has been involved in the installation of 653 wind turbines with a total capacity of approximately 1,370 MW. With a large order backlog and attractive projects under development in various technologies, Eolus will continue to contribute to the transition in both Sweden and other countries. With our full range of asset management services, Eolus is helping facility owners to maximize their production, which is helping to generate as much renewable electricity as possible in established facilities. At the end of the fiscal year, Eolus managed 903 MW of wind power and had signed contracts for an additional 515 MW that will be deployed in 2021–2023. When the facilities that are under construction are deployed, the facilities managed by Eolus will generate 4.3 TWh of renewable electricity per year.

Correct and transparent

Eolus aims to be a respected company that creates value for its stakeholders, and an attractive partner in the transition to a sustainable society. The company's employees are expected to act correctly, 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 its shareholders, and with society in general. In addition to its own market research, Eolus monitors trends in the industry and other countries through its membership in Swedish Wind Energy, the Swedish Wind Power Association, NORWEA, CALWEA, the Estonian Wind Power Association and the Latvian Wind Association.

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 business concept embraces several SDGs, such as climate action, affordable and clean energy, and decent work and economic growth.





Climate action

Take urgent action to combat climate change and its impacts.

Worldwide, nations are going to have to slash their greenhouse gas emissions drastically to limit global warming to the 1.5°C target specified in the Paris Agreement. A shift in the energy market is essential for meeting this challenge, which the UN Panel on Climate Change (IPCC) claims is possible to achieve both economically and time-wise. There is a strong global willingness to transition not only the energy sector, but also other sectors of society. This force is far stronger than the objectives and actions of national governments. Federal states, regions and cities from all over the world must unite with companies and organizations that want to contribute to these efforts. Through its busi-

ness concept of developing, establishing and managing facilities for renewable energy and energy storage, Eolus, as a company, is contributing to the social transition. By continuously striving to establish facilities at the lowest cost per MWh, Eolus is creating attractive investment opportunities for a range of investors. Initially confined to Sweden, Eolus has installed wind turbines in Estonia and Norway to date. Establishments are currently under way in Sweden, Norway and the US and in addition to these markets, Eolus is now active in Finland, Estonia, Latvia and the most recent addition – Poland.

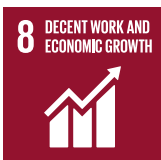


Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all.

Continued technological improvements and reduced costs for renewable energy are pivotal to reaching the target of access to sustainable energy for all. Eolus does not develop or manufacture technology, but contributes to these advancements by adopting new technologies and continuously seeking innovative business solutions that suit our customers and their needs. As one of the leading Nordic project developers, Eolus has been first to es-

tablish new wind turbine models in Sweden from various manufacturers on several occasions. The development of improved opportunities for energy storage is also a key aspect for achieving this goal.



Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

As a company, Eolus strives to create value not only for its shareholders and employees, but also for society as a whole. The operations should generate a profit and the company's target is an average return of at least 10% of equity after tax. Since the company's inception in 1990, Eolus has only posted negative results for one fiscal year, which has helped to build a strong and healthy company.

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. Achieving this target requires a corporate culture in which every employee is able to find 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. Eolus is currently in

an expansion phase in which many new employees have been hired, and more will be hired in 2021. This places demands on the organization to convey the existing corporate culture, while also being open to changes that may occur in the workplace due to increasing the workforce in Sweden and other countries.

Eolus has high ambitions when it comes to reducing the risk of occupational injuries and illness. The aim is to reduce rates of sick leave, ensure a faster return to work and continuously improve procedures to foster a positive work environment. 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 fiscal year, the company's HR position was expanded, which helped to create a new, consistent recruitment process in the company.

Materiality and stakeholder assessment

When preparing Eolus's first Sustainability Report (2017/2018), the company conducted an assessment to identify material sustainability topics for Eolus and where we may have the greatest impact. The assessments were based on both risks and opportunities in relation to sustainable business. The topics identified then are still considered the areas in which the company has the greatest impact and on which the company is focused.

The overall areas considered were the environment, labor rights, social conditions, human rights, anti-corruption and good governance. Of the five sustainability areas that a company is required to report under the Swedish Annual Accounts Act, human rights violations in the supply chain is not considered relevant for Eolus. This is motivated by the fact that the proportion of high-risk suppliers in this respect is considered limited.

Both the materiality and key stakeholder assessments began with a trend 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 during which material sustainability topics were both identified and prioritized, and stakeholders were identified.

GRI guidance

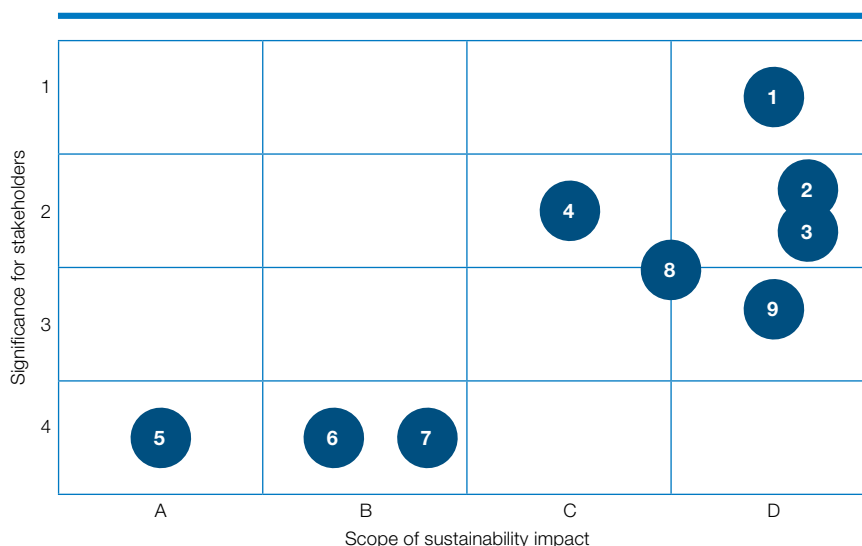
To guide and inspire this process, Eolus reported the material sustainability topics – economic, environmental and social – used by the Global Reporting Initiative (GRI). However, this sustainability report does not follow the GRI Standards.

Ranking and prioritization

In a first ranking, based on materiality and stakeholders, a number of areas were selected. These were then ranked using the criteria 'significance for stakeholders' and 'scope of sustainability impact.' Last year, one sustainability topic was assessed as a priority – to map the company's environmental impacts. The target fulfillment for this topic is presented on page 11.

In the coming fiscal year, two sustainability topics have been assessed as a priority:

- To establish a new position with responsibility for sustainability.
- As of 2021, to conduct annual employee satisfaction surveys and establish methods for working with improvements based on past results.

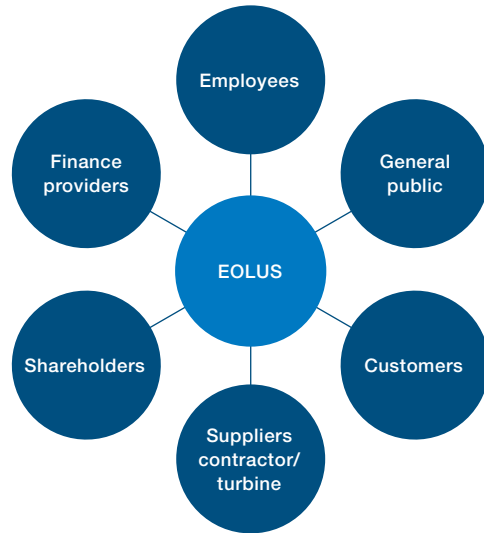


No.	Topic	Sustainability category	Comments
1	Professionalism	Economic	Prioritized this year
2	Attractive employer	Social	Prioritized this year
3	Interest rates/currency	Economic	Not prioritized this year
4	Customer satisfaction	Economic	Not prioritized this year
5	Labor market initiatives	Social	Not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

Guiding sustainability practices

In the stakeholder assessment, the company's stakeholders were divided into three groups according to their impact on the company and its activities. Only those stakeholders considered to have a major impact are presented here. The efforts involved in preparing a materiality and stakeholder assessment provided guidance for the sustainability topics that are material for Eolus and will continue to underlie the company's sustainability practices.

STAKEHOLDERS CONSIDERED TO HAVE A MAJOR IMPACT ON THE OPERATIONS



Governance and responsibility for sustainability topics 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 March 2021. 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 ongoing sustainability efforts. Group Management also makes decisions regarding sustainability targets and strategies, and the prioritized activities 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 topics identified, the current situation and potential risks associated with the targets that Eolus has set for the coming fiscal year are outlined below.



The Stigafjellet wind farm

Establishment of a new position with responsibility for sustainability

With the company's business concept of working with renewable energy and energy storage, Eolus has a key role to play in the transition to a sustainable society. As such, the business concept fosters a sustainability mindset for the company's employees. However, the challenges to building a sustainable business are greater and there is a need to systematize the company's efforts – not least because the establishment and deployment phases of facilities have the greatest impact on other community interests.

Eolus does not conduct any manufacturing or construction activities. Wind turbines and other components for the operation of facilities for renewable electricity generation and transmission are purchased from long-established manufacturers.

Risks:

All sustainability-related issues are becoming increasingly important for investors, shareholders and various business partners. Should the company not systematize its sustainability practices to a sufficiently high degree, there is a risk that the work carried out will not adequately permeate the operations due to employees or external parties not knowing, or not being able to find answers about, how the company meets and manages various sustainability topics.

Target:

To establish a new position with responsibility for sustainability in 2021.

Implementation of annual employee satisfaction surveys

As a knowledge-intensive company with a small-scale organization, Eolus is dependent on attracting and retaining the best employees. The experience, knowledge, creativity and commitment of our employees is important for the company, and for the development of Eolus's market offering. Having a systematic understanding and knowledge of the employee experience and what our employees perceive as satisfactory and less satisfactory in the organization, and listening to suggestions for improvements, are crucial to Eolus's continued success. This knowledge and systemization is important for a growing, but still small-scale organization with short decision-making paths and good opportunities for individual employees to influence the company.

Risks:

Should the company not live up to employee expectations of being a good and attractive employer, there is a risk that employees will leave or feel dissatisfied with their jobs. In turn, this could affect the ability to develop, sell and manage high-quality projects for renewable energy. This includes the loss of key people, the creation of knowledge gaps in the organization and the need to spend time and resources on new recruitments.

Target:

As of 2021, conduct annual employee satisfaction surveys and establish methods for working with improvements based on past results.



Unloading, Härnösand

Fulfillment of the targets in the preceding year's Sustainability Report

When preparing Eolus's Sustainability Report for the 2018/2019 fiscal year, one sustainability topic was identified as a priority for the coming year: the environmental impacts of the company's operations. In the preceding year, three topics were

identified: the supply chain, an attractive employer and anti-corruption. A summary of the target fulfillment for the past year and a follow-up on the target of being an attractive employer are presented below.

Environmental impacts of the company's activities

Eolus does not conduct any manufacturing or construction activities. Wind turbines and other components for the operation of facilities for renewable electricity generation and transmission are purchased from long-established manufacturers. Eolus has a very limited ability to influence GHG emissions in this chain. Like other parts of society, however, the company's activities are a source of GHG emissions. These range from the environmental impact of offices and traveling with own vehicles or public transport to various types of purchasing. Gathering knowledge about the current situation provides opportunities for making well-informed decisions about the company's environmental impacts.

Target:

In 2019/2020, map the company's carbon footprint and create an action plan proposal.

Target fulfillment:

The COVID-19 pandemic changed the circumstances for achieving this target. Due to the operational changes throughout the year, such as new business travel patterns and a high degree of working from home for employees, a mapping of the company's environmental impacts was considered misleading compared with normal operations. In order to be fair and enable concrete measures to reduce emissions, the company's environmental impacts should be mapped in a normal situation. Due to the ongoing pandemic, the company's view is that a mapping of the company's environmental impacts should be postponed until a fair starting point exists for the company's efforts. The conditions for fulfilling this target have not therefore existed.

Attractive employer

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.

Target fulfillment:

In March 2019, a part-time (30%) HR position was established. This position has now been increased to 80%. Initially, an HR survey was conducted and guidelines for the salary process and salary setting were established, together with a new occupational health and safety (OHS) plan. Over the past fiscal year, the HR function's duties included the development of a new recruitment process and platform in order to prepare Eolus for the ongoing expansion. Due to the expansion, the managers affected were offered support in various HR-related issues.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Eolus Vind AB (publ), corporate identity number 556389-3956

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2019/2020 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means

that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Malmö, 26 March 2021
PricewaterhouseCoopers AB

Eva Carlsvi

Authorised Public Accountant

About the Sustainability Report

This is Eolus Vind AB's Sustainability Report for the 2019/2020 fiscal year. The Sustainability Report comprises Eolus Vind AB (Corp. Reg. No. 556389-3956) and subsidiaries that are not dormant, and has been prepared in accordance with Chapter 6 of the Swedish Annual Accounts Act. When signing the Annual Report, the Board of Eolus Vind AB has also adopted the Sustainability Report.

Cover photo: The Stigafjellet wind farm

Photo: Daniel Larsson/Fotograf Daniel,
Simen Haugom/SpectacularNorway
and Istock Photo

Layout: Mustasch Reklambyrå AB

Translation: The Bugli Company



Eolus 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 for local and international investors in the Nordic region, the Baltic countries, Poland and the US.

Since the company's inception in 1990, Eolus has been involved in the construction of more than 650 wind turbines with an installed capacity of nearly 1,370 MW. The Eolus Group currently has customer contracts for asset management services comprising some 903 MW of operational wind power and signed contracts for an additional capacity of 515 MW under construction. At December 31, 2020, Eolus Vind AB had approximately 34,000 shareholders. Eolus's Class B share is traded on OMX Stockholm Mid Cap.

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