

Report according to the Norwegian Transparency Act for Eolus Vind Norge Holding AS

Introduction

The Norwegian Transparency Act aims to promote respect for human rights and decent working conditions among companies, while at the same time ensuring the public's access to information. The law requires large Norwegian companies, as well as large foreign companies that offer products and services in Norway, to carry out due diligence assessments in accordance with the Organisation for Economic Co-operation, and Development (OECD) Guidelines for Multinational Enterprises. This involves mapping, preventing, accounting for and following up on how the company handles actual and potential negative consequences for human rights and decent working conditions. Companies must examine both their own operations, supply chain and business partners to uncover potential and any actual consequences for human rights and decent working conditions.

General information

For inquiries regarding this report and requests for information, please contact Karin Wittsell Heydl, Head of Communications and Sustainability, Eolus Vind AB (publ) via karin.heydl@eolusvind.com.

Eolus Vind Norge Holding AS

Eolus Vind Norge Holding AS is a wholly owned subsidiary of the Swedish listed Eolus Vind AB (publ). Eolus Vind Norge Holding AS is a company whose business includes, directly or indirectly through subsidiary, project development, engineering, construction, sales, operation and management of wind farms in Norway. The company has business address Andersrudveien 1, 1914 Ytre Enebakk in Enebakk municipality and a business with employees located in Vefsn municipality. In 2015-2020, the company successfully developed and constructed the wind farm Stigafjellet Bjerkreim kommune in Rogaland fylke.

During the financial year 2022, there has been intensive work on the 400 MW Øyfjellet wind farm in Vefsn municipality where Eolus Vind Norge Holding AS has provided construction management services to the owner of the project: Øyfjellet Wind AS.

The development of the Øyfjellet project was initiated in 2012, permit was granted in 2014 and construction started in 2020. In 2019, the project was sold to Aquila Capital who acquired all the shares in the project company called Øyfjellet Wind AS.

At the end of 2022, all 72 wind turbines had been installed, but there were some remaining tasks within completion of the project and handover to buyer Øyfjellet Wind AS. At the end of 2022, Øyfjellet was the only project under active work in Eolus Vind Norge Holding AS, but the company is evaluating potential future business opportunities within renewable energy in Norway.

Organisation

At the end of 2022, Eolus Vind Norge Holding AS had no employees. During the financial year, 1 woman and 2 men were employed. The company's board consists of 2 people, of whom 1 woman and 1 man: Catharina Persson and Per Witalisson. The company does not have a CEO.

Financial report for 2022 Eolus Vind Norge Holding AS

(NOK)	2022	2021
Net sales	1,329,787,337	2,122,866,159
Net loss for the year	-31,558,331	-31,999,637
Equity	-4,538,478	27,019,853
Equity ratio	-10	48



Øyfjellet Wind Farm

Eolus Vind AB (publ) – parent company

Eolus Vind AB (publ) is one of the leading developers of renewable energy in the Nordics and the company is active across the entire value chain, from early project development to the construction and operation of renewable energy facilities. Founded in 1990, Eolus had by the end of 2022 constructed 666 wind turbines with a capacity of 1,414 MW. Eolus had signed contracts for about 1,550 MW of asset management services of which 882 MW were in operation. Eolus conducts project development operations in Sweden, Norway, Finland, the Baltics, Poland and the US.

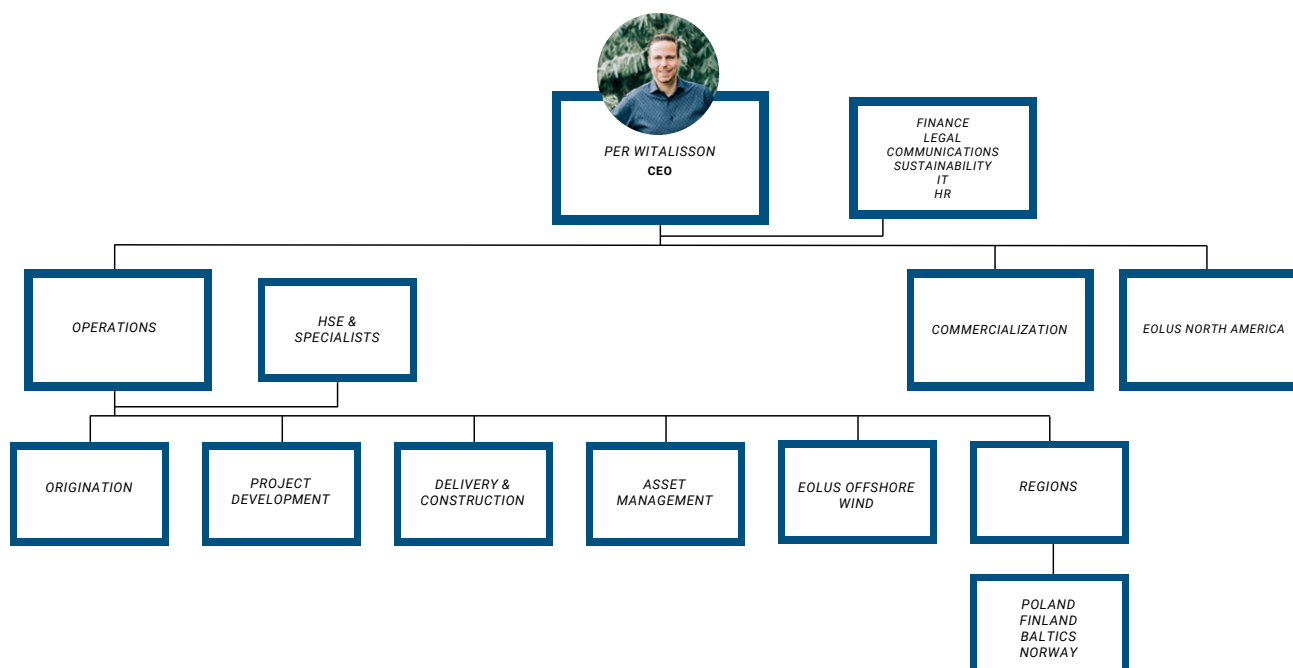
The Parent Company, Eolus Vind AB, Corporate Registration Number 556389-3956, is a limited liability company registered and headquartered in Sweden. Eolus's primary operations is to develop renewable energy facilities and to realize these through sales of project rights for permitted projects and projects under development to a broad base of customers. In most cases, sales are supplemented with a construction management agreement for installation of the facility. Eolus offers a full range of asset management services to energy facility owners that maximizes revenue and production.

The address of the head office is Tredje Avenyen 3, Hässleholm, Sweden, under the postal address Box 95, SE-281 21 Hässleholm, Sweden. The company is listed on Nasdaq Stockholm Mid Cap.

The Group comprises the Parent Company, Eolus Vind AB (publ), and associated operating subsidiaries, and a number of companies formed to manage the development of specific projects for energy facilities. At the end of 2022, the Group had 95 employees.



Organisation



Market, products and services

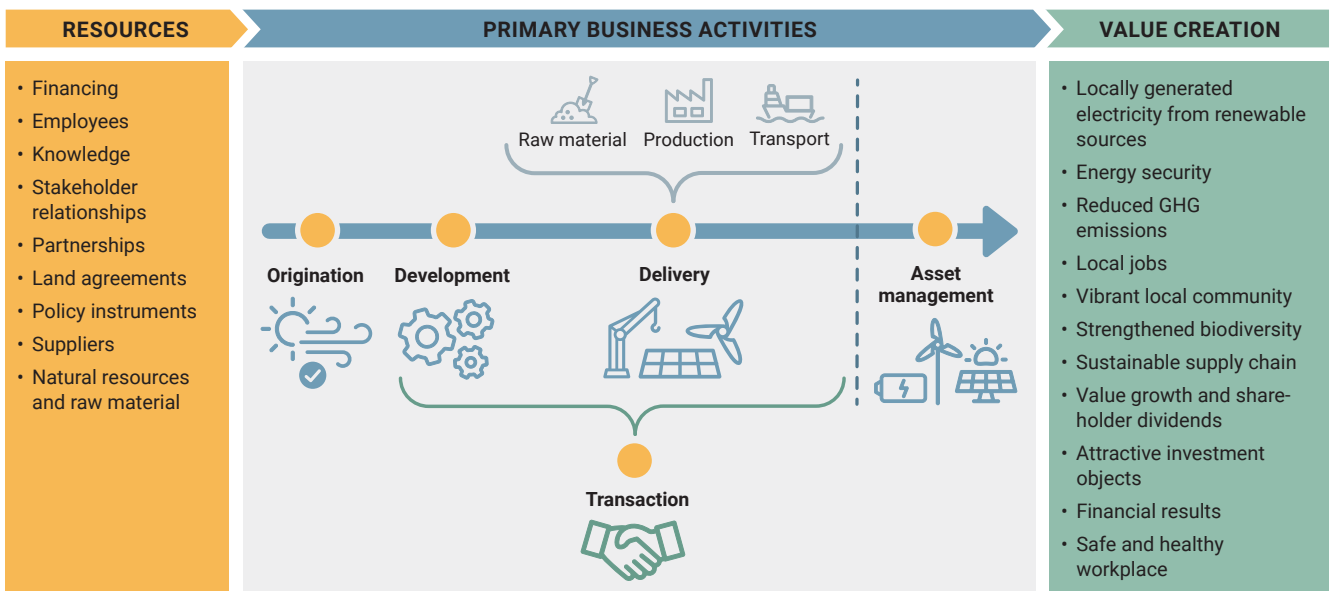
Eolus is active in the renewable energy sector, which is growing rapidly because of the energy transition, the climate crisis and Russia's invasion of Ukraine and the Nord Stream pipeline sabotage. Switching to fossil-free energy is central to reducing greenhouse gas emissions, addressing climate change and to decreasing dependence on Russian oil and gas. The development of the renewable energy sector is very much influenced by political decisions as well as targets and agreements set on national, EU and global level.

Eolus's business concept is to create value at every level of project development, construction and operation of renewable energy assets, enabling sustainable investments for local and international partners. Eolus's main business focus is to develop, install and manage facilities for renewable energy and energy storage. In the asset management operating segment, Eolus offers a full range of asset management services to customers.

Eolus Vind AB and its subsidiaries, including Eolus Vind Norge Holding AS, develops renewable energy projects, such as wind power, solar power and energy storage. The company does not manufacture its own energy facilities or employ construction workers. Eolus purchases wind turbines, solar panels, batteries and other equipment from the suppliers that best meet our demands and requests at each point in time. Construction work is carried out by contracted construction companies.



Value chain and value creation



Business partners

Investors/customers: Most buyers of renewable energy projects in the markets where Eolus operates are international institutional investors, such as funds, insurance companies and reinsurance companies. Projects can also be sold to f.e. energy companies.

Electricity consumers: Eolus signs power purchase agreements (PPA:s) with major electricity consumers. Under a PPA, the customer commits to purchasing all or some of the electricity generated by a specific facility for a fixed period of time. For the Øyfjellet project, handled by Eolus Vind Norge AS, a PPA was signed with local industry Alcoa, providing their production facility in nearby Mosjoen with 1,3 TWh green electricity per year.

Landowners: Eolus signs land lease agreements with landowners providing land for the establishment of renewable energy projects.

Suppliers: Eolus procures equipment as well as services, f.e. construction works, from external companies. Law firms, environmental experts and other consultants are frequently used in the development phase of the projects.

Development partners: In several of its markets, Eolus engages in joint ventures with developers with other fields of expertise or specializations, f.e. floating wind power technique.

Risks and impacts

Risks

In 2022, Eolus conducted a separate risk assessment with a focus on sustainability. The aim was to identify and evaluate the company's sustainability risks and build a risk register to manage risk more effectively. The risk assessment was based on the concept of double materiality, and on Eolus's project development model and value chain, and took the form of a long workshop. Insights

from a stakeholder dialogue that was carried out in 2022 was also used as input to the risk workshop. The employees who took part in the workshop came from various parts of the company and had a natural connection with monitoring external issues.

A risk analysis tool was used that assesses risks based on their probability and impact and provide a structure for categorizing risks from a sustainability perspective (environment, social responsibility and corporate governance). The workshop identified a broad spectrum of sustainability risks that were classified on a scale of low (1–5), medium (6–9) and high (10–16). The risk process is outlined in the internal "Guideline for Risk and Internal Control". Eolus's risk analysis is conducted according to the main principles of the OECD Guidelines for Multinational Enterprises.

Social risks categorized as medium risks include risks for human rights violations in the supply chain, risks for negative impact on local communities where Eolus establishes projects and risks for human rights violations related to Indigenous people's living and/or residing in the project areas. The energy transition must take careful consideration of the rights of Indigenous people, such as the Sámi people. Eolus has long experience of engaging in dialogue with Indigenous people who live and work near or within the site of our wind farms and always strives for early dialogue with Indigenous people when we are investigating a project area.

One social risk has been categorized as high risk since it is anticipated to have the highest probability and greatest impact: that suppliers' activities have negative effects on the working environment, health and human rights despite demands and monitoring from Eolus in the supply chain. For information on how Eolus works with preventing and mitigating this risk, please refer to the section "Governance and due diligence" below.

All risk assessments made at Group level also consider the risks within subsidiaries, including Eolus Vind Norge Holding AS.



Impacts

In the Øyfjellet project, the local reindeer herding district has expressed concern about its possibility to conduct reindeer husbandry in the area due to the project, with the view that the wind turbines will prevent the use of a reindeer migration route to and from a winter grazing area located near the wind farm. Eolus Vind Norge AS has after the sale of the project in 2019, in addition to construction management services, handled the dialogues with the reindeer herding district on behalf of the owner Øyfjellet Wind AS. All agreements are between the district and Øyfjellet Wind AS.

The relationship with reindeer husbandry

The Øyfjellet Wind Farm began as a local initiative around 2011. There have been extensive and thorough consultations involving the reindeer district, the local community, and relevant Norwegian authorities throughout the several years long licensing process, aimed at finding the best possible solutions.

Eolus has had several constructive discussions with the district throughout the years and did find an agreement on appropriate measures for the construction phase. Unfortunately, the discussions have not led to a final agreement for the operational phase.

The wind farm does not affect the main grazing areas, but is located so that one of several possible migration routes to a limited winter grazing area may be affected. This can lead to extra work or extra costs for the reindeer grazing district. It is important that a fair compensation is set for that, along with effective mitigating measures. This is the main purpose of the discretionary case scheduled for May 2023, which has been postponed at the request of the District until spring 2024.

The Norwegian Ministry of Petroleum and Energy and the Norwegian Water Resources and Energy Directorate have done a thorough assessment of whether the wind turbines prevent the reindeer from using the migration route. The wind turbines are not considered to prevent the reindeer from using the migration route and the relevant winter grazing area.

After a consultation process, the Norwegian Water Resource and Energy Directorate NVE in April 2023 decided on a number of mitigating measures to ensure access to a winter grazing area. Øyfjellet Wind AS supports most of the measures but appealed the decision, because they believe some of the measures are vaguely formulated and should be clarified in more detail and that further experience should be gathered. The county governor in Nordland also appealed the decision. The process to find effective remedial measures is therefore still ongoing.

The reindeer district has also questioned the validity of the license of the facility. It is the firm belief of both Øyfjellet Wind AS and Eolus Vind Norge Holding AS that the wind park and reindeer herding can coexist and will continue the efforts to find solutions and facilitate cooperation and dialogue.

Eolus has been developing wind projects for more than 30 years and has a solid experience from dialogues with local stakeholders, including Indigenous people. Still, it is important for Eolus to learn and continue to develop. The learnings from the Øyfjellet project will be included in Eolus's work within human rights going forward by for example strengthening routines and methodology and providing internal training.

Governance and due diligence

Human rights

Eolus's approach to sustainability and human rights is aligned with the 2030 Agenda and the Ten Principles of the UN Global Compact, and governed by an internal Code of Conduct, a Code of Conduct for Suppliers and Business Partners as well as various policies, guidelines and procedures. Eolus supports internationally recognized conventions on human rights and labour standards. Eolus has zero tolerance for child labour, forced labour and human trafficking. Eolus's work in this area is aligned with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, the International Labour Organizations (ILO's) eight core conventions and the Ten Principles of the UN Global Compact.

Health and safety

Everyone who works for Eolus shall have a safe and healthy work environment. Eolus has a zero-accident vision for its employees as well as the contractors in the projects. The objective is to create a physical and mentally sound and stimulating workplace for all employees, contractors and everyone else involved. Eolus therefore works proactively to integrate health and safety into every aspect of the business. Great emphasis is placed on preventive measures where Group Management, employees and Health and Safety Officers work together. The aim is to prevent the risk of occupational injuries and work-related illness, as well as pollution and environmentally harmful emissions.

Diversity and inclusion

Eolus believes that diversity and different points of view are a strength for both the company's business and society at large and therefore works to promote diversity and equal opportunities in its operations. Eolus works systematically with both psychosocial and physical risks in the workplace and has zero tolerance for all forms of discrimination and harassment. To prevent discrimination, Eolus has specific guidelines for diversity and fair treatment. Eolus's employees are urged to report misconduct, both internal and external, to their line manager, HR or anonymously via the whistleblowing system. The guidelines for whistleblowing are available at <https://www.eolusvind.com/en/investors/corporate-governance/business-ethics-and-whistleblowing/>

Governance

The Board of Eolus is ultimately responsible for ensuring that the Group of companies is managed in a sustainable and responsible manner. The Board has delegated day-to-day responsibility for sustainability to the CEO who is responsible for execution of the Board's decisions and strategies. Group Management is responsible for creating and monitoring strategies, priorities, guidelines and decisions related to sustainability. Eolus's Head of Communications and Sustainability is a member of Group Management and ensures that sustainability is integrated into the operations. Eolus's General Counsel and Head of HR are also members of Group Management, and both hold key roles in the company's sustainability governance structure. Eolus also has a Sustainability Coordinator and an HSE Coordinator who are working actively to integrate and delegate sustainability topics together with the HR function.

Governing documents

Governing documents within Eolus that refer to human rights and decent working conditions are the Internal Code of Conduct, Code

of Conduct for Suppliers and Business Partners, Sustainable Procurement Policy, Work Environment Policy, Human Rights Policy, Guidelines for respecting Indigenous People's rights, Guidelines for Whistleblowing and Guidelines for diversity and inclusion.

In Eolus's Human Rights Policy, adopted by the Board of Directors in 2022, Eolus commits to follow the UN Guiding Principles on Business and Human Rights, the UN Declaration on the Rights of Indigenous Peoples, the OECD Guidelines for Multinational Enterprises, the International Labour Organizations (ILO's) eight core conventions and the ten principles of UN Global Compact.

All governing documents applies to all parts of Eolus Vind AB, including Eolus Vind Norge Holding AS.

Due diligence

Since Eolus does not manufacture its own energy facilities or employ construction workers, other companies account for most of our impacts on the environment and working conditions, which means that our responsibility extends beyond our own operations.

Eolus's business relies on long, complex and global supply chains with risks for environmental violation, corruption, poor working conditions and human rights abuses. In the sustainability risk assessment performed in 2022, a material risk of human rights abuses was identified in our supply chain in connection with the extraction of raw materials needed to manufacture wind turbines, solar panels and batteries. To offset and mitigate these risks, we specify requirements for our suppliers in regard to the environment, climate, social responsibility and business ethics. The suppliers must also sign our Code of Conduct. In 2022, we focused on systematizing our procurement process and requirement specifications for our suppliers. As part of this process, we established a central purchasing function in to support the organization and ensure requirement specifications and follow-ups for suppliers. We also started working on a specific Code of Conduct for our suppliers and business partners, as well as a policy and procedures for requirement specifications regarding the environment, social conditions, respect for human rights and anti-corruption. These were finalized in 2023 and are available at www.eolusvind.com/en/operations/sustainability/sustainability-governance/

Work is ongoing to establish additional routines for more systemized due diligence, supplier audits and self-assessments for suppliers.

The above-mentioned procedures and governing documents apply for all entities within the Eolus Group, including Eolus Vind Norge Holding AS. In 2022, Eolus Vind Norge Holding AS provided construction management services to the owner, Øyfjellet Wind AS. Supplier contracts regarding construction etc are between Øyfjellet Wind AS and the respective suppliers. This means that Eolus Vind Norge Holding AS in 2022 had a limited number of suppliers. The majority of the suppliers and spendings are related to technical, legal, financial and other types of consultancy services, sponsoring and costs for office, transportation etc for the employees.

Internal awareness and training

Eolus's policies and guidelines are available on Eolus's intranet, which is used by all employees. If significant changes are made in an existing policy, information about the changes is published on the intranet. When new policies are adopted, Eolus arranges training for all employees, normally in a digital format. For the Human Rights Policy adopted in late 2022, training for all employees has been held in the spring of 2023.

All new employees participate in a mandatory introduction programme where one session covers the policies of Eolus group. There is also a separate session on Health & Safety.

Grievance mechanisms

If irregularities or serious misconduct are suspected, Eolus urges employees and consultants to report them via our whistleblowing system. Any irregularities or serious incidents regarding suspected breaches of laws, ordinances or regulations, or the policies, guidelines or procedures adopted by Eolus, can be reported. Internal processes protect the whistleblower from reprisals. The aim is to expand the whistleblowing system in the coming year to also cover external players who want to report suspected irregularities.

Stakeholder engagement

By communicating with Eolus's various stakeholders, Eolus gains insight into the expectations of Eolus in terms of sustainability, the topics that are important for the stakeholders, how Eolus's activities affect them, and how joint challenges can be solved together. Eolus is engaged in continuous dialogue but also conducted a systematized stakeholder dialogue and assessment during 2022. Together with a consulting firm, Eolus conducted 17 semi-structured interviews and one employee survey. The stakeholder groups included in the stakeholder dialogue were financiers, shareholders, investors, business partner, contractors, turbine manufacturers, PV panel suppliers, the Board and employees.

The development and permitting of renewable energy facility projects is governed by a series of laws and regulations that ensure the facilities can coexist with other community interests. Eolus has long experience of local dialogue and a strong focus on involving and respecting the people who live and work close to the project areas. Engaging in dialogue for a positive development of the local community near the projects is a material sustainability topic for Eolus. The company has a responsibility to listen, understand and cooperate around the varying – and sometimes contradictory – interests of stakeholders to find solutions and to make a local contribution. All projects have their own communication and stakeholder engagement plan to ensure clear and transparent communication and to prioritize dialogue in all project phases.

Our aim is to contribute to the positive development of local communities in the project's catchment area. Since every project has different conditions, initiatives are adapted accordingly.

Eolus strives to always promote local jobs wherever possible. During the most intensive phase of the construction of the projects, local businesses are often contracted for transportation, rental and construction equipment and their operators. Eolus also provides support to the local communities in the form of f.e. sponsoring or so-called wind funds, which is a form of community funding.

Sector initiatives

Eolus is a member of several industry organizations, f.e. Norwea/ Fornybar Norge, Swedish Wind Energy Association, Solar Power Sweden, Hydrogen Sweden, and similar organisations in other countries. Participating in these organizations is a priority for Eolus, in order to be able to contribute to the development of different sustainability topics, such as minimising risks for human rights violations, protecting and strengthening biodiversity, emission reduction etc.

Results from activities initiated in 2022

By implementing a Human Rights Policy and Guidelines for respecting Indigenous People's rights, Eolus has strengthened its governance of this topic, which is a step in minimizing the risk of human rights violations in the operations of Eolus Vind AB and its subsidiaries. The digital training on the human rights policy provided to all employees is also a step in mitigating this risk, as all Eolus employees are now well equipped to assess and handle these aspects in their daily work.

The specific Code of Conduct for our suppliers and business partners, as well as a policy and procedures for requirement specifications regarding the environment, social conditions, respect for human rights and anti-corruption that were finalized in 2023, also contribute to mitigating risks of human rights violations in Eolus value-chain. By implementing these governing documents, Eolus is able to place more stringent requirements on our suppliers and business partners and ensure that they are also working to mitigate the risks of human rights violations in their business activities. Human rights is also a recurring topic in the Group Management meetings of Eolus.

Signatures

The Norwegian version of this report has been digitally signed by the Board of Directors of Eolus Vind Norge Holding AS. Eolus Vind Norge Holding AS does not have a CEO. This report is an English translation of the Norwegian report.

Eolus Vind Norge Holding AS, Board of Directors

Catharina Persson, Chairman of the Board

Per Witalisson, Board Member

