



ESG Questionnaire

Senior Unsecured Green Bond Issue
2025



General industry (I/II)



Please list the industry's three biggest sustainability (ESG)-related challenges and briefly describe the process for identifying these challenges

<p>Challenge #1</p>	<p>Environmental Impacts from Land Use Change Whilst wind and sun are renewable resources, and electricity generation from wind and solar power helps to reduce greenhouse gas emissions to land, air, and water, projects such as wind and solar farms require significant land use, which can disrupt ecosystems and affect biodiversity. Therefore, ensuring responsible site selection and applying suitable mitigation measures in line with the mitigation hierarchy, is crucial</p> <p><i>Process for identifying:</i></p> <ul style="list-style-type: none"> – Biodiversity Risk Assessment: Conducted at an early stage of the project development process to understand systematic biodiversity risks related to the project – Environmental Impact Assessments: Conducted as a part of the project development process to evaluate potential effects on local ecosystems, water resources, and landscapes – Monitoring environmental policies and aligning projects with national and international sustainability frameworks – Collaborating with researchers, NGOs, and environmental organizations to assess and minimize ecological impacts
<p>Challenge #2</p>	<p>Value Chain Sustainability and Ethical Sourcing The renewable energy sector relies on materials like rare earth minerals, steel, and concrete, which have environmental and social risks in their extraction and production. Ensuring responsible sourcing and minimizing adverse impacts on both people and nature in the value chain is a significant challenge</p> <p><i>Process for identifying:</i></p> <ul style="list-style-type: none"> – Due Diligence (DD): Conducting DD of Eolus's value chain in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct – Lifecycle Analysis: Evaluating the emissions and environmental impacts of key materials used in renewable energy projects – Industry Collaborations: Engaging with industry peers and competitors to develop best practices for sustainable sourcing and circular economy principles, both in direct dialogues and via f.e. membership in IRBC agreement for the Renewable Energy Sector and national industry organizations
<p>Challenge #3</p>	<p>Community Acceptance and Social License to Operate Large-scale renewable projects can face opposition from local communities due to concerns about land use, noise, and visual impacts. Gaining community support through transparent communication, stakeholder engagement, and benefit-sharing mechanisms is essential</p> <p><i>Process for identifying:</i></p> <ul style="list-style-type: none"> – Stakeholder Engagement & Public Consultations: Going beyond legal requirements in conducting meetings with local communities, municipalities, and landowners to address concerns and incorporate feedback – Evaluating the potential positive and negative effects of projects on local communities and economies – Exploring ways to contribute to and distribute economic benefits, such as community investment programs and local job creation initiatives

General industry (II/II)



Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome

Yes, we have reviewed our operations to identify which economic activities fall under the EU Taxonomy Regulation (current eligible activities: 4.3 - Electricity generation from wind power, 4.9 - Transmission and distribution of electricity, 4.10 - Electricity storage, 7.3 - Installation, maintenance and repair of renewable energy technology). However, according to Eolus's business model, the company's revenue is derived from project development, establishment and divestment of energy facilities and subsequent deployment phases. Projects are usually divested when they are fully developed and ready for construction, but divestment can also take place during an earlier or later phase, even during construction phase. This means that deployed facilities are not classified as an asset for Eolus since the company does not own them but provides the owner with asset management services. Since the EU Taxonomy only covers tangible and intangible assets, Eolus's financial assets, including project portfolio, and construction and management services, are currently assessed as not being taxonomy eligible

However, since Eolus has several stakeholders who are interested in taxonomy alignment of their assets, we are working to strengthen our processes related to climate risk assessment (part of the Do No Significant Harm criteria) and due diligence (part of the Minimum Safeguards). We have recently implemented a tool to assess resilience to climate-related risks in all new projects. The aim is to identify physical risks and their potential impact in Eolus's project areas. We also follow the principle of using the Best Available Technology (BAT) for the respective site, which includes using suitable technology for the conditions at hand. To ensure Minimum Safeguards, we have also recently strengthened our Value Chain Sustainability Due Diligence process

Environment (I/II)



<p>Please list the firm's three primary risks related to climate change and if any, the firm's climate-related opportunities</p>	<p>Risk #1</p>	<p>Due to climate change there are increased abnormal weather conditions such as increased storms, which can disrupt the global supply chains that Eolus relies on. Delays in delivery and installation of key components due to extreme weather or fires during the construction phase can be costly for Eolus as this may result in project delays.</p>
	<p>Risk #2</p>	<p>Due to climate change there are increased abnormal weather conditions such as thunderstorms, heatwaves and rising water levels which can damage the renewable energy sites that are under asset management by Eolus</p>
	<p>Risk #3</p>	<p>Eolus has an impact on climate change in the upstream value-chain, which gives rise to greenhouse gas emissions, and therefore Eolus will most likely be subject to stricter rules and legislation aimed at limiting global warming</p>
	<p>Climate-related opportunities</p>	<p>The demand for energy from renewable sources will increase in the coming years as it is a critical resource in the transition needed to mitigate climate change</p>
<p>Does the firm anticipate any climate-related investments, and if so to what extent?</p>	<p>Yes, Eolus's core business of developing renewable energy projects is a climate-related investment. By developing renewable energy projects, Eolus is enabling mitigation of climate change directly as the deployment of renewable energy contributes to the reduction of greenhouse gas emissions by replacing fossil energy sources</p>	
<p>Circular Economy: how are purchases and waste managed? If the firm rely on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g. recycling, reusing substitutes or improved resource efficiency?</p>	<ol style="list-style-type: none"> 1. Purchases and Waste: Eolus sets requirements on waste management in our procurement process and follow up on these with the suppliers through monitoring on site and collection of waste data 2. Scarce Resources: Renewable energy relies on scarce resources such as rare earth minerals. To mitigate the risk of resource scarcity, we follow the principles in Eolus's Environmental Policy. When developing and designing projects we apply a life-cycle perspective for the use of resources such as land, water, raw material, and energy, using these in an efficient manner. This includes assessment, selection, and utilization of equipment and components that align with the principles of high durability, recyclability, and ease of dismantling and refurbishing. We also consider life extension and recycling strategies when designing projects and adhere to the principle of using Best Available Technologies (BAT). All projects should have a plan for the end-of-life stage that is detailed on what exactly will happen with the materials. This is in some markets also specified in the environmental permit for the renewable energy asset. We actively engage with suppliers and business partners to reduce emissions in the entire value chain, encouraging innovation, development and provision of equipment and components that support the transition to a circular economy. We aim to engage in new partnerships to use innovative technology for circular solutions 	

Environment (II/II)



<p>Transition-related risks (for example changed customer preferences or legislation): Do you anticipate any risks or opportunities due to the transition to a carbon-neutral society? Is there any risk of the firm's offer being negatively affected? If yes, how has the firm positioned itself to handle that risk?</p>	<p>Risks: Macroeconomic volatility: The macroeconomic changes and volatility present challenges to Eolus's business as regards interest rates, power prices, power capacity and ever changing market behaviour. There is also a risk of higher CAPEX for projects, less profitability in projects and less consumption than expected. Customers' ability and willingness to invest in renewable energy are impacted by macroeconomic and political changes. The risks are mitigated through diversification across different markets and technologies</p> <p>Regulatory Compliance & Risk Exposure: Eolus operates in several markets, which means there is a risk of violating national and EU regulations, as well as international conventions. Additionally, failing to recognize legislative changes could result in missed business opportunities. In addition, new regulations and reporting requirements, such as the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), may increase the company's responsibility to identify, measure, report, and reduce its negative impact on people, the environment, and the climate which could lead to higher administrative workload and increased costs for the company. The risks are mitigated by Eolus ensuring regulatory compliance by employing internal or external legal advisors who support business operations in adhering to relevant laws, regulations, and internal procedures. Eolus internal procedures enforce zero tolerance for all corrupt behaviour. A code of conduct for suppliers and business partners requires adherence to this zero-tolerance policy on corruption offenses. Investment decisions within the company are made by a decision committee, and new suppliers must be approved according to specific procedures, as part of efforts to prevent irregularities. In 2024, Eolus has invested in new tools and processes that have strengthened its ability to detect and mitigate sustainability risks related to new regulations such as the CSRD and CSDDD</p> <p>Opportunities: EU Clean Industrial Deal & US Inflation Reduction Act: The demand for energy from renewable sources will increase in the coming years as it is a critical resource in the transition needed to mitigate climate change. For ex, The EU's Clean Industrial Deal and the U.S. Inflation Reduction Act (IRA) present significant opportunities for a renewable energy developer such as Eolus by providing enhanced funding, tax incentives, and regulatory support, fostering a favourable environment for accelerating clean energy projects and innovation. The fact that renewable energy is cheaper relative to fossil electricity production poses an opportunity also without national or international subsidies or other supporting frameworks</p>			
<p>Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?</p>	<p>Yes, Eolus's target is to achieve net-zero greenhouse gas emissions by 2040 (Eolus' operations and across our entire value chain). This means that Eolus' operations and our entire value chain should achieve a balance where the total greenhouse gas emissions that are emitted should be in balance with what is removed. Our definition is in accordance with the Science Based Targets initiative (SBTi): Reducing emissions to a residual level in line with 1.5°C pathways and neutralizing any remaining emissions with permanent carbon removal</p>			
<p>Please list the firm's (1-2) primary means of making a positive environmental impact or minimising negative environmental impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?</p>	<p>Mean #1</p>	<p>Renewable energy development</p>	<p>Corresponding SDG</p>	<p>Goal 7 - Affordable and Clean Energy, Target 7.2 - Increase substantially the share of renewable energy in the global energy mix. By developing, establishing and managing utility-scale facilities for renewable energy, we are helping to reduce the use of fossil fuels and increase the share of renewable energy in the global energy mix</p>
<p>Mean #2</p>	<p>Target: Net positive impact on biodiversity by 2030</p>	<p>Corresponding SDG</p>	<p>Corresponding SDG</p>	<p>Goal 14 - Life Below Water, Target 14.2 - Protect and restore marine ecosystems. When we develop offshore wind power, we avoid areas that have high natural values and work to strengthen the resilience of marine areas by taking action to restore ecosystems to achieve healthy and productive oceans</p> <p>Goal 15 - Life on Land, Target 15.1 - Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services and Target 15.5 – Reduce the degradation of natural habitats and halt the loss of biodiversity. We strive to protect ecosystems, and preserve and promote biodiversity by avoiding impact on ecosystems, wherever possible, and taking action to mitigate and compensate any unwanted effects</p>
<p>Proportion of sales directly linked to selected UN SDGs</p>	<p>100%</p>			

<p>Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?</p>	<p>As Eolus does not have its own production or construction operations, the risks for own employees mainly relate to the psychosocial work environment and physical work environment in our own offices. However, Eolus has employees carrying out work in energy facilities under asset management as well as construction project managers for facilities under construction. Eolus emphasises preventive work environment measures, which involve close cooperation between management, employees, the internal safety organisation, and occupational health care. Eolus has established policies and routines to investigate and risk assess the working environment continuously. This includes managing incidents, planning actions, and following up on actions already taken. Eolus uses a digital incident handling system to report, investigate, and follow up on accidents, near misses, and risk observations. In projects where Eolus carries out construction management on behalf of the owner and is responsible for health and safety on the construction site, construction work is conducted by both suppliers and sub-suppliers. Eolus has an HSE Manager with primary focus on, but not limited to, health and safety in construction projects. Work is ongoing with establishing a safety roadmap detailing initiatives such as enhanced contractor training, updated safety protocols, and new risk mitigation strategies</p> <p>Eolus has experienced no serious HSE incidents during the last three years</p>
<p>If applicable, please state your targets for gender and cultural equality and indicate the relative split of men/women at every level of the firm, particularly the Board of Directors and management team</p>	<p>Targets from Eolus's Diversity and Inclusion Policy:</p> <ol style="list-style-type: none"> 1) A structured, competency-based recruitment process 2) No cases of salary discrimination 3) Our managers are role models and are knowledgeable about diversity and inclusion 4) A safe and inclusive workplace where all employees feel secure 5) All employees on parental leave are to feel included in the company's operations <p>Actuals (Men/women)</p> <p>Board: 4/2 (33%/66%) Management Team: 3/3 (50%/50%)</p> <p>Eolus is ranked 73 in Allbright's 2024 green list, making Eolus one of Sweden's most equal listed companies</p>
<p>Does the company conduct any other community engagement activities aside from those directly connected to the business?</p>	<p>Yes. To contribute to knowledge-building, Eolus has formed long-term partnerships with several colleges and universities. We hold lectures, take part in panel discussions and offer work experience placements and opportunities for writing thesis in Eolus. Currently, there are two master thesis projects ongoing and we are expecting a visit from a US University in May 2024 through a collaboration partner</p> <p>In addition, Eolus sponsors f.e. sports- and cultural events. In recent years, we have realigned our sponsorship and increased the focus on social initiatives, equality and activities for children and young people. Examples of initiatives we sponsored in 2023 that are not directly connected to our core business: a girl's ice hockey team, a music festival and an initiative to get children more physical active school hours</p>
<p>How often does the firm conduct audits of its suppliers, and how often do you discover incidents not compliant with your code of conduct?</p>	<p>We conduct in-person site visits to observe the supplier's practices, working conditions, and policies in action and speak to workers at the factory / on the construction site. We also have a clause in our supplier contracts where we have the right to review supplier records, such as Environmental Management Plan, Health and Safety Reports and other relevant documentation. In 2023, we visited several suppliers, including wind turbine manufacturing facilities. There is no set interval when audits are conducted. We have not identified any incidents in the past year where our code of conduct for suppliers and business partners has been breached</p>

Social (II/II)



<p>Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?</p>	<p>Mean #1</p>	<p>Renewable energy development</p>	<p>Corresponding SDG</p>	<p>Goal 7 - Affordable and Clean Energy, Target 7.2 - Increase substantially the share of renewable energy in the global energy mix. By developing, establishing and managing utility-scale facilities for renewable energy, we are helping to reduce the use of fossil fuels and increase the share of renewable energy in the global energy mix</p>
	<p>Mean #2</p>	<p>Affordable electricity</p>	<p>Corresponding SDG</p>	<p>Goal 7 - Affordable and Clean Energy, Target 7.1 - Ensure universal access to affordable, reliable and modern energy services. By developing renewable energy, we can enable Lower electricity prices for households and thereby contribute to social well-being by making energy more accessible and affordable, particularly for low-income families. Affordable energy reduces financial burdens, allowing households to allocate more resources to essential needs like food, education, and healthcare</p>
	<p>Proportion of sales directly linked to selected UN SDGs</p>	<p>100%</p>		

Governance



<p>Do all staff members receive continuing education on anti-corruption? Is there an external whistle-blower function? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?</p>	<p>Do all staff members receive continuing education on anti-corruption? Is there an external whistle-blower function? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?</p>
<p>Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen</p>	<p>State: Sweden. Why: Eolus was founded in 1990 in Sweden, and have maintained its headquarter in Hässleholm since 2004. After 22 years in Sweden only, Eolus made its first establishment abroad in 2012. The company's core operations, management and decision-making functions are based in Sweden, making it the natural tax residence. Sweden remains Eolus largest market in terms of project portfolio and workforce. Sweden provides a stable and transparent regulatory environment that aligns with Eolus' long-term business strategy and commitment to responsible corporate governance. Eolus's subsidiaries have their tax residences in their respective markets and make tax payments in full compliance with local regulations and any applicable bilateral tax agreements</p>
<p>How many independent members sits on the Board of Directors?</p>	<p>5 out of 6 (83 %) are independent (in relation to Eolus' major shareholders)</p>
<p>Please state if and to what extent, the company has transactions with related parties</p>	<p>None</p> <p>There are no separate agreements with major shareholders, customers, suppliers or other parties under which Board members or senior executives have been elected or appointed. There are no agreements with Eolus or any of its subsidiaries regarding benefits after the completion of each assignment. There are no close family ties between the company's Board members and senior executives. Nor do any conflicts of interest exist, whereby the private interests of Board members and senior executives could conflict with those of Eolus</p>
<p>Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?</p>	<p>Variable cash remuneration covered by Eolus' remuneration policy shall be based on criteria that aim at promoting the company's business strategy and long-term interests, including its sustainability. Variable cash remuneration is to be based on predefined and measurable financial and non-financial criteria determined by the Board, such as return on equity, delivery of ongoing projects, order intake and capex reduction. The criteria are to apply for one financial year at a time. By rewarding clear and measurable progress in relation to bonus targets linked to the company's financial and operational development, these criteria help support and motivate employees to achieve Eolus's established business strategies, long-term targets and sustainability. For FY2024, the variable compensation criteria included a target (for all employees incl management) regarding maximum average emissions from business travel. Fulfilment of the target determined 5% of the total bonus payment to employees. There was no target specifically associated with diversity</p>
<p>Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. In your response please confirm what KPIs are monitored (if any) and how frequently reporting is undertaken</p>	<p>Eolus's board has the overarching responsibility for ensuring that the company is managed in a sustainable and responsible manner. The daily responsibility for sustainability has been delegated to the CEO, who is responsible for implementing the board's decisions and strategies. The management team is responsible for the development and monitoring of strategy, priorities, guidelines, and decisions within the sustainability area. Eolus's Chief Communications and Sustainability Officer is part of the management team, ensuring that sustainability is integrated into decisions and operations. Additionally, Eolus's Chief Legal Officer and Chief People and Culture Officer have important roles in the company's sustainability governance and are part of the management team. Eolus also has two sustainability specialists and an HSE Manager who work together with the HR function and other parts of the organisation to integrate sustainability aspects into the companies core processes. Responsibility for implementing the strategy and achieving our goals has been assigned across several functions in the company. Key elements and objectives from the sustainability strategy have been integrated into the business strategy for 2025–2027 and into the 2025 business plans developed by each function. These plans have been approved by the management team and adopted by the board of directors and are followed up on a quarterly basis. On quarterly basis, the board and management receive give qualitative updates regarding climate, biodiversity and community engagement describing progress made towards the targets in Eolus's sustainability strategy during the quarter. Starting 2025, the quarterly reporting will also include quantitative data regarding biodiversity initiatives and community engagement initiatives in Eolus's renewable energy projects under development and construction.</p>
<p>Have you signed a Union agreement?</p>	<p>No</p>

Revenue (EUR)	74,450 000 (for FY 2024)
Greenhouse gas emissions; Scope 1, Scope 2, Scope 3	<i>Data for FY2024:</i> Scope 1: 31,5 tCO ₂ e (figure includes own/leased vehicles) Scope 2: 46,3 tCO ₂ e (figure includes consumption of electricity, district heating- and cooling and natural gas). Scope 3 ¹ : 173,6 tCO ₂ e (figure includes the following categories in scope 3: Category 3 - fuel and energy related activities, Category 6 - Business travel and Category 7 - Employee commuting)
Share of non-renewable energy consumption	0%
Share of non-renewable energy production	0%
Energy consumption in GWh	0.09
Tonnes of emissions to water	0
Tonnes of hazardous waste and radioactive waste generated	Hazardous waste: 0,04 ² tonnes. Radioactive waste: 0 ² tonnes
Unadjusted gender pay gap	No information available
Board gender diversity	2 female (33 %) 4 male (66 %)
Fossil fuel operations	No
Sites/operations located in or near to biodiversity-sensitive areas where activities negatively affect those areas	0
Science Based Target	No (but plan in place to set and validate between 2025-2027)
Reports to CDP	No
UN Global Compact Signatory	Yes
Involved in the manufacture or selling of controversial weapons	No
Whistle blower policy	Yes
Supplier code of conduct	Yes

Notes: 1) Eolus has not disclosed all relevant categories in scope 3 yet, and therefore this figure should not be seen as representative for the total emissions from Eolus value chain. The aim is to disclose more categories for scope 3 emissions by the end of 2025; 2) Note that these figures only include information from Eolus direct operations, hence, the company office waste for two of our offices. Waste generated from construction and operations of wind farms are reported directly to the owner. Eolus operations does not generate radioactive waste

Thank you