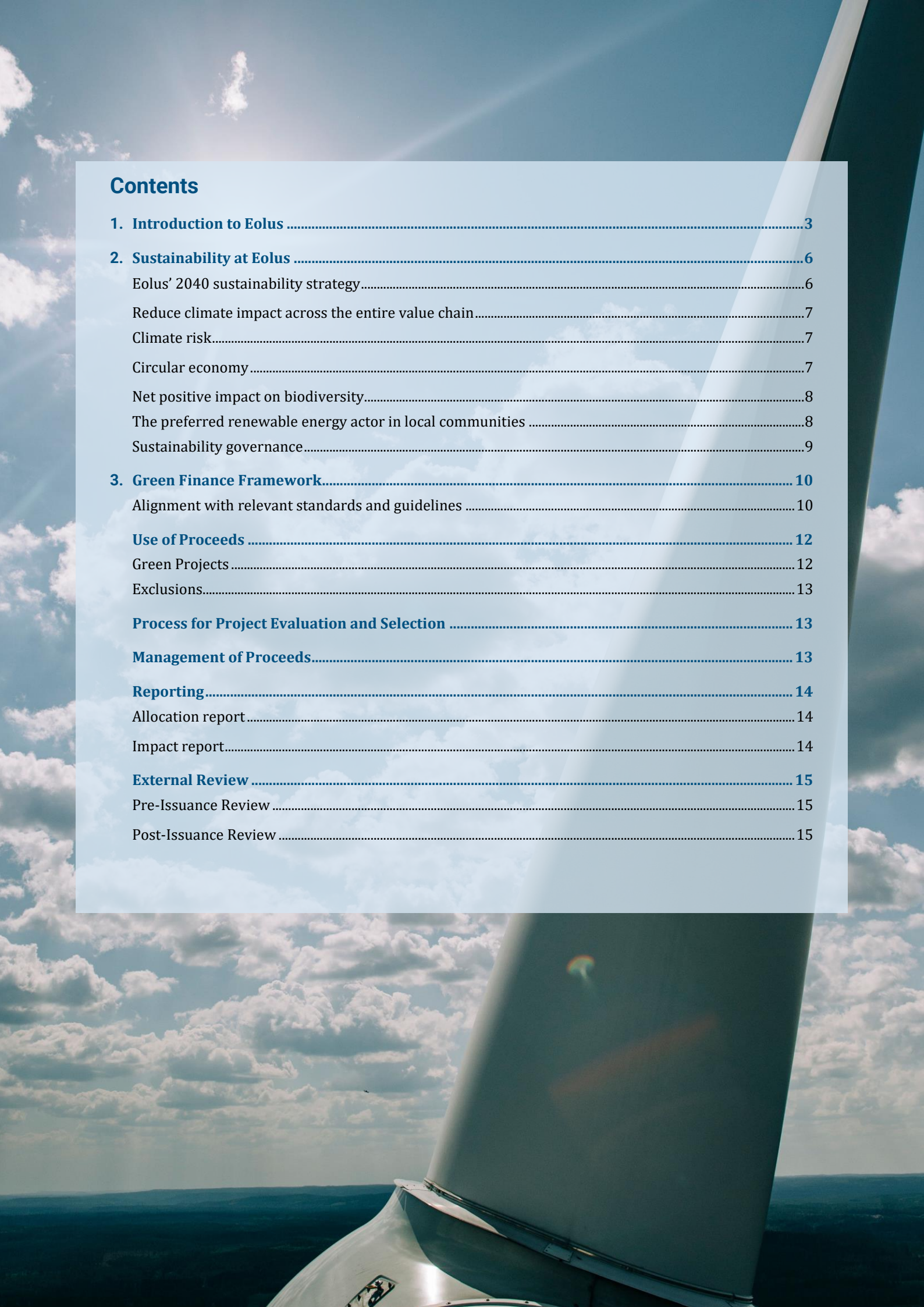
Eolus Vind AB

Green Finance Framework

March 2025



Contents

1. Introduction to Eolus

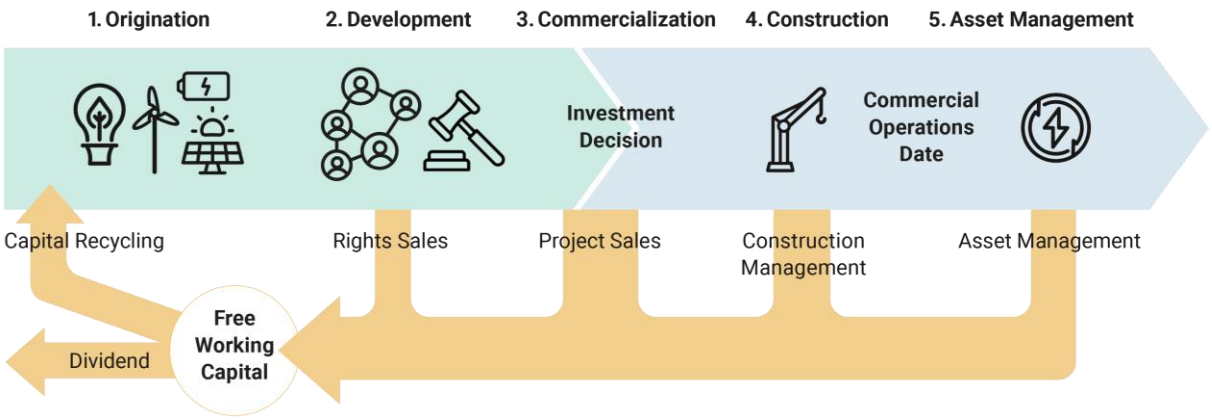
Eolus is a leading developer of renewable energy operating in Europe and the United States. Our vision is to enable a renewable future where everyone can lead a fulfilling, yet sustainable life.

Eolus develops, constructs and manages renewable energy assets across different technologies, including solar, wind and energy storage systems. We develop projects in Sweden, Finland, the Baltics, Poland, Spain and the United States, meeting a growing need for decentralized and affordable renewable electricity production for private and industrial consumers.

Our energy solutions are innovative and customized. We are flexible with regards to the choice of technology, selecting that which best matches the location and current market conditions.

Eolus has a dynamic project development portfolio, which allows us to meet evolving market demands. We primarily develop greenfield projects, either on our own or in partnerships, but also acquire project rights in various phases of development.

Our asset-light business model is optimized to create value at every step of development, construction and operation of renewable energy assets. With a solid track record of developing and establishing renewable energy facilities from start to finish since 1990, we are a trusted and reliable partner.



We follow a proven project process in five steps: origination, development, commercialization, construction and asset management

Our technology portfolio

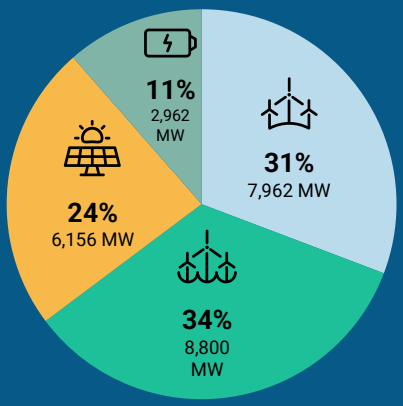
Onshore wind
A wind turbine converts the wind's kinetic energy into electricity. Eolus has been developing onshore wind power since its founding in 1990. In total, we have contributed to the realization of more than 800 wind turbines

Offshore wind
Offshore wind power enables large-scale electricity production. The wind is stronger and more consistent at sea, allowing for the generation of vast amounts of renewable electricity with minimal impact on people and sensitive environments

Solar
Solar farms convert the sun's radiant energy into electricity. Eolus focuses on developing large-scale solar farms as well as hybrid projects that combine solar power, onshore wind power, and energy storage

Storage
Eolus is actively working to integrate battery storage into our renewable energy solutions, both in connection with production facilities and as standalone units, depending on market conditions

Portfolio by Technology 31/12/2024 (MW)



Onshore wind
Offshore wind
Solar
Storage
Total **25,880 MW**

Over 35 years, Eolus has constructed more than 800 wind turbines in Europe and the US. In recent years, we have moved into other technologies, such as solar power and battery storage.

Currently, Eolus is constructing a stand-alone battery storage project in California comprising 100 MW/400 MWh and three onshore wind projects in Sweden, totalling 88 MW.

Project portfolio by market and technology 31/12/2024

	Onshore wind	Offshore wind	Solar	Energy storage	Total project portfolio per market (MW)
Sweden	49%	60%	21%	0.3%	41% 10,537 MW
USA	11%	-	40%	83.8%	22% 5,820 MW
Finland	19%	40%	3%	-	20% 5,248 MW
Poland	9%	-	32%	7.4%	11% 2,897 MW
Spain	3%	-	4%	8.4%	3% 750 MW
Latvia	8%	-	-	-	2% 628 MW

Our aim is to divest the projects we develop before construction starts. We prepare projects for divestment in the commercialization phase, where we identify potential customers and procure construction services and components, such as wind turbines, solar panels or battery storage systems. Ahead of the construction phase, we normally sign a Construction Management Agreement (CMA), by which we manage the construction and the relationships with contractors on behalf of the customer. The customer usually signs a multi-year asset management agreement with Eolus whereby we work to maximize production on behalf of the customer through surveillance and maintenance of the asset. The asset management services also include financial and sustainability reporting.

Eolus is an independent developer, and we do not produce any wind turbines, solar panels or battery storage systems. We collaborate with various partners and use the suppliers that best meet the demands and requests for each project.

Sustainability is a core part of Eolus' business, and through our project portfolio we enable sustainable investments for both local and international partners. When we select projects, we do not only look at the business opportunity but also consider the renewable energy demand of businesses and households in the relevant geography, potentially conflicting interests related to for example local communities or environmental considerations, local acceptance, opportunities for grid connection and the feasibility of constructing roads and foundations. We are committed to acting responsibly in all aspects of our business. In the section 'Sustainability at Eolus', we describe how we manage environmental and social risks and impacts in our operations.

2. Sustainability at Eolus

By developing renewable energy projects, Eolus' core business contributes to the transition to a fossil-free energy system, and to the EU's climate targets and the UN Sustainable Development Goals. Yet, the production and installation of solar panels, wind farms and battery energy storage generate greenhouse gas (GHG) emissions, and impact local communities and the environment. To ensure that we both maximize the positive impact from renewable energy development and mitigate negative impacts from our activities, we have developed a long-term sustainability strategy to guide our business plans and operations.

The sustainability strategy is based on the topics that are material to our business and contains overarching targets for climate, biodiversity and social engagement. These three target areas guide each step we take going forward and help us reduce our climate and ecological footprint. By 2040 we aim to reach a state of net zero greenhouse gas emissions, and by 2030 we aim to achieve a net positive impact on biodiversity and be the preferred renewable energy actor in local communities. To make this happen we break down our ambitious goals into a number of strategic initiatives and related actions plans.

Eolus' 2040 sustainability strategy

Our vision is to enable a renewable future where everyone can lead a fulfilling, yet sustainable life

Sustainability Targets

Climate

By 2040: Net-Zero emissions

Our operations and our entire value chain emits net zero greenhouse gases, enabled by us being collaborative, innovative and transparent

Biodiversity

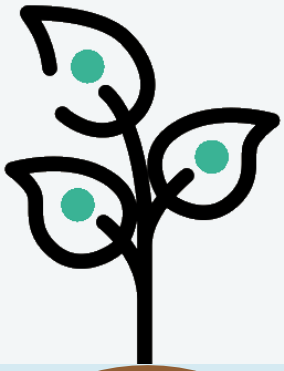
By 2030: Net Positive Impact

We have a net positive impact on biodiversity and nature in our areas of influence on both land and sea

Community Engagement

By 2030: The preferred renewable energy actor in local communities

We are known for being a responsible and trustworthy actor with a transparent and caring approach



Sustainability Enablers

Circularity

By 2040, circularity is the core that supports our business model

Eolus as an Employer

Our dedicated co-workers are a key resource for the implementation and success of our sustainability strategy

Supplier and Partner Dialogues

By 2040, we are a demanding and caring partner to our stakeholders. We are responsible and transparent

Reduce climate impact across the entire value chain

The manufacturing and construction phases are two of the largest sources of the climate impact from a renewable energy project. Eolus does not manufacture any components but purchases goods and services from subcontractors on behalf of the customer, which means that most of the GHG emissions in Eolus' projects come from the value chain.

Eolus' business model aims to divest projects just prior to construction start, but projects may be sold earlier or later in the development process. In any event, the GHG emissions related to production, transport, installation, operation and end-of-life management of renewable energy facilities fall within Eolus' scope 3 emissions, as they are part of our projects' life cycle emissions.

We are currently working to establish a complete inventory of our scope 3 GHG emissions, which will form the basis to develop science-based targets and a related transition plan. We aim to commit to the Science Based Targets Initiative in 2025.

Climate risk

We have invested in a tool for assessing physical climate risks in all new projects, making it part of the formal decision-making process of whether to continue the development of a project. Such assessments have previously been performed ad-hoc after divestment at the discretion of the project buyer but will now form a key part of Eolus' standard development process, beginning in 2025. The climate risk assessments form the basis for location specific mitigating action plans. If a location's physical risk exposure is considered too high, we will not move forward with the project. The aim is to provide a better basis for assessing risks in planned projects and ensure that all Eolus-developed assets meet the EU Taxonomy's requirements for climate risk assessments.

Circular economy

The production of wind turbines, solar panels and battery storage systems require significant material inputs, hereunder steel, aluminium, glass, plastic as well as critical minerals. Therefore, we strive to include a life cycle approach in our decisions, especially in the early design phases of our projects. Our Environmental Policy includes instructions of how Eolus shall work on circularity.

Eolus does not produce components for turbines, solar panels etc., but procure them for the new owners of our projects. Our efforts to promote circularity thus rely on cooperation with manufacturers, the future projects owners and industry partners. We also try to influence industry development via memberships in national industry associations, such as the Swedish Wind Energy Association.

We set clear requirements on circularity for suppliers of wind turbines, solar panels and battery storage systems, both directly in agreements with key suppliers and more generally through the expectations found in our Code of Conduct for Suppliers and Business Partners. We choose Best Available Technology (BAT) components that fulfil principles related to durability, recyclability and reuse as well as easy dismantling.

We are also planning to perform a company level risk assessment in accordance with the Taskforce on Climate-Related Financial Disclosures (TCFD) Framework in 2025. The assessment will evaluate both physical and transition risks and opportunities, their probability and potential financial effect on our business. The results of the TCFD assessment will be integrated into our strategic planning and governance.

Net positive impact on biodiversity

To achieve our goal of a net-positive impact on biodiversity in our areas of influence, we are working continuously to strengthen and systematize our project development process. The ambition of a net-positive impact is in line with international framework's such as the EU's Biodiversity strategy for 2030 and the objectives in the Kunming-Montreal Global Biodiversity Framework.

Going forward, we aim to set specific, interim targets for biodiversity based on transparent and credible methodologies and are evaluating Science Based Targets for Nature (SBTn) as a potential method. Our sustainability strategy outlines that at least one action to promote biodiversity must be implemented in each project, such as restoring ditches or wetlands.

We work systematically according to the mitigation hierarchy: avoid, minimize, restore, and compensate. The impact on nature from each of our projects is assessed through Environmental Impact Assessments (EIA) in accordance with Directive 2011/92/EU or equivalent national regulation. The impact assessment identifies how negative effects can be minimized, inter alia through placement, technology and design choices and restoration plans. To be able to set targets for biodiversity, we are currently assessing different methods for measuring biodiversity, and the intention is to connect this to the inventories made for the EIA. We have also started mapping sites under asset management situated in proximity to biodiversity sensitive areas (including the Nature 2000 Network of protected areas, UNESCO World Heritage Sites and Key Habitats). None of the renewable energy sites managed by Eolus are considered to have a material negative impact on local habitats.

Eolus' internal working group on biodiversity is tasked with integrating the mitigation hierarchy into our project model, and to develop a tool for assessing biodiversity risk in our projects in accordance with the Taskforce on Nature-related Financial Disclosures Framework (TNFD). The tool will serve as a complement to mandatory environmental impact assessments and be part of Eolus's project model. The tool for assessing biodiversity risk has been implemented fully as of the beginning of 2025.

The preferred renewable energy actor in local communities

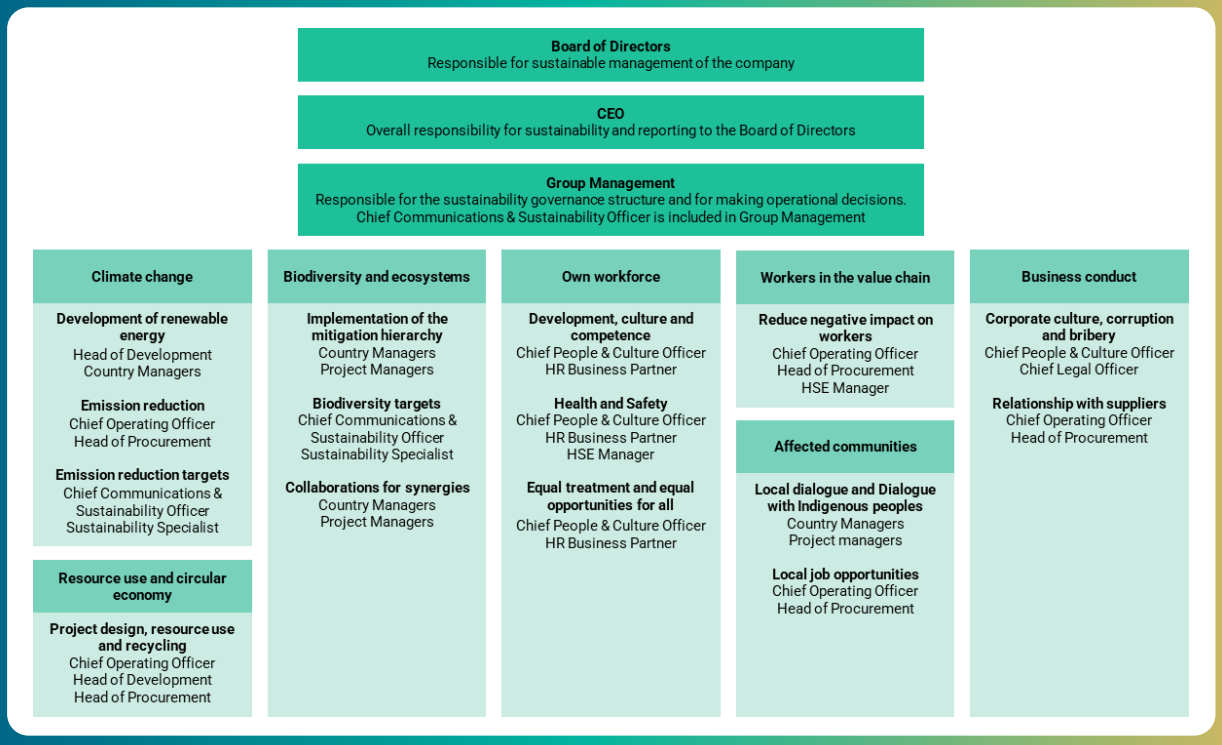
Meaningful and transparent engagement with local communities is a prerequisite for the successful development of a renewable energy project. Communicating openly from an early stage is key to create trust between Eolus and local stakeholders and ultimately strengthens local support for the project.

We have long experience with local community engagement and a strong focus on involving people that may be affected by our project. To this end, assessments of the impact on local communities is an integral part of our project development methodology, and each project has a communication and stakeholder plan adapted to its particular needs, ensuring that dialogue is prioritized throughout the project life cycle.

The energy transition must also respect human rights, not least the rights of Indigenous Peoples. Energy facility permitting is governed by a series of laws and regulations to ensure that the rights of Indigenous Peoples are respected, and that other community interests are taken into account. Before a permit process can begin, there is a democratic process of consultation, and various studies are carried out. In addition, Eolus has a Code of Conduct as well as a Human Rights Policy and Guidelines for Indigenous Peoples' rights outlining Eolus's principles for dialogue with Indigenous Peoples. We have also introduced specific guidelines and gates in our project model for engaging in dialogue with Indigenous Peoples.

Sustainability governance

Eolus' Chief Communications and Sustainability Officer is a member of Group Management and ensures that sustainability is integrated into decision-making and the business operations. The responsibility for implementing the sustainability strategy and achieving our targets has been distributed between various roles as shown below.



Management of relationships with suppliers

Eolus' business relies on long, complex and global supply chains with risks for adverse environmental impacts, corruption, poor working conditions and human rights abuses. We require our employees, as well as our business partners and suppliers, to uphold ethical business standards. Our work is based on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the ILO core conventions, the UN Guiding Principles on Business and Human Rights, and the Ten Principles of the UN Global Compact.

The principles of these international standards are further operationalized through our Code of Conduct, Code of Conduct for Suppliers and Business Partners as well as a set of policies for environment, sustainable procurement, human rights, work environment etc.

Suppliers are subject to environmental and social due diligence processes with clearly defined activities such as risk assessments. We also participate in industry-wide initiatives. Eolus has for example recently become a member of the International Responsible Business Conduct (IRBC) Agreement for the Renewable Energy Sector to receive support, knowledge and experience exchange in our continued work to strengthen governance and due diligence principles from a risk perspective.

Health and Safety

Eolus has a zero-accident vision, both for its own employees and for contractors working on construction projects. Our goal is to create a physically and mentally healthy workplace where managers, employees and work environment representatives work together.

As Eolus does not have its own production or construction operations, the risks for own employees mainly relate to the psychosocial and physical work environments 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.

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 contractors and sub-contractors. 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.

3. Green Finance Framework

To fund and support our ambition of enabling a renewable future, we have established this Green Finance Framework (the "Framework"), enabling the issuance of debt instruments such as Green Bonds and Green Loans (hereafter collectively referred to as "Green Finance Instruments").

The Framework is aligned with the 2021 ICMA Green Bond Principles (with 2022 appendix) and the 2023 LMA Green Loan Principles (the "ICMA/LMA Principles"). The Framework defines the assets and projects that can be financed by Green Finance Instruments ("Green Projects"), and it also outlines the process for evaluating, selecting, tracking, and reporting on such investments.

Each Green Finance Instrument issued hereunder should in their relevant transaction documentation refer to this Framework. Eolus and any of its wholly owned subsidiaries may use this Framework to issue Green Finance Instruments.

This Framework may in the future be updated to harmonise with market and/or company developments. Any such future changes will not apply to Green Finance Instruments issued under previous versions of the Framework.

In line with the ICMA/LMA Principles and best market practice, this Framework includes the following segments:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting
- External review

Alignment with relevant standards and guidelines

The ambition of this Framework is to meet best market practice by adhering to relevant standards and guidelines in the green finance market. Each Green Project category has therefore been mapped against the ICMA/LMA Principles, the UN Sustainable Development Goals ("UN SDGs") as well as relevant economic activities covered by the EU Taxonomy.

The EU Taxonomy states that to qualify as environmentally sustainable, an economic activity should 1) make a Substantial Contribution to the achievement of one or several of EU's six environmental objectives,

2) Do No Significant Harm to the achievement of any of the other environmental objectives, and 3) meet Minimum Social Safeguards.

We have aligned our Green Project criteria with the EU Taxonomy technical screening criteria for Substantial Contribution to Climate Change Mitigation. As further described in the sustainability segment of this Framework, we integrate material sustainability related risks in our project development processes. These practices capture many of the elements included in the EU Taxonomy criteria for Do No Significant Harm and Minimum Social Safeguards.

Following from Eolus's business model, our revenue is derived from project development and divestment of renewable energy facilities and subsequent management on behalf of the customer. This means that the operational renewable energy assets developed by Eolus, along with their taxonomy-aligned electricity production revenues, do not accrue to Eolus in a direct manner.

Use of Proceeds

An amount equal to the net proceeds from Green Finance Instruments issued under this Green Finance Framework will be allocated towards a portfolio of assets and projects, in whole or in part, that meet the Green Project criteria listed below. Green Projects may be fully or partly, directly or indirectly, owned by Eolus or any of its subsidiaries and allocated proceeds will reflect Eolus' share of the investments.

Green Finance Instruments issued under this Framework will be used to finance new Green Projects as well as for refinancing purposes. New Green Projects are defined as ongoing projects or investments made within the reporting period, while refinancing represents projects and investments completed earlier. Green Finance Instruments may refinance existing debt as well as equity investments in Green Projects. Refinancing of capital expenditures are applicable without lookback period. For operational expenditures, a lookback period of 24 months applies.

Green Projects

Green Project criteria	EU Taxonomy economic activity	ICMA / LMA Principles category	UN SDGs
Solar power Investments in, and expenditures related to, the development, construction, installation, operation and maintenance of facilities for electricity generation using solar photovoltaic (PV) technology and related infrastructure.	4.1 Electricity generation using solar PV technology 4.9 Transmission and distribution of electricity 7.6 Installation, maintenance and repair of renewable energy technologies	Renewable energy	
Wind power Investments in, and expenditures related to, the development, construction, installation, operation and maintenance of facilities for electricity generation from onshore and offshore wind power and related infrastructure.	4.3 Electricity generation from wind power 4.9 Transmission and distribution of electricity 7.6 Installation, maintenance and repair of renewable energy technologies	Renewable energy	
Energy storage systems Investments in, and expenditures related to, the development, construction, installation, operation and maintenance of energy storage systems.	4.10 Storage of electricity 7.6 Installation, maintenance and repair of renewable energy technologies	Energy efficiency	

Exclusions

For the avoidance of doubt, Green Finance Instruments will not be used to directly finance investments in fossil energy generation, research and/or development within controversial weapons (such as anti-personnel mines, cluster munitions and weapons of mass destruction), resource extraction causing grave harm to the environment, gambling, pornography or tobacco.

Process for Project Evaluation and Selection

Only such assets and projects that comply with the Green Project criteria defined in the Use of Proceeds section of this Framework are eligible to be financed with Green Finance Instruments. To ensure the transparency and accountability around the selection of Green Projects, Eolus has established an internal Green Finance Committee that is responsible for evaluating assets and projects against the criteria of this Framework and selecting those eligible for inclusion in the Green Project portfolio selection process.

The Green Finance Committee consists of the Chief Communications and Sustainability Officer, the Chief Finance Officer, the Investor Relations Manager, Head of Development and other members from the Management, Project Development, Sustainability and Finance teams in Eolus. All decisions will be made in consensus. The Green Finance Committee will keep a register of all Green Projects, which is to be updated at least on a quarterly basis. To ensure traceability, all decisions made by the committee will be documented and filed.

The Green Finance Committee holds the right to exclude any Green Project already funded by Green Finance Instruments, which is further described below under Management of Proceeds. It is our ambition to follow relevant developments in the green finance market, and the Green Finance Committee is further responsible for any future oversight and updates of this Framework.

Management of Proceeds

An amount equal to net proceeds from issued Green Finance Instruments will be earmarked for financing and refinancing of Green Projects as defined in this Framework. Proceeds will be deposited in our general account, and we aim to fully allocate an amount equal to net proceeds from a Green Finance Instrument towards Green Projects within two years from its issue date.

As new Green Projects are initiated, and existing projects may be sold, the portfolio of Green Projects will be dynamic over time. After reaching full allocation, we aim to ensure that the aggregate amount invested in Green Projects is equal to or exceeds the outstanding volume of Green Finance Instruments.

If a Green Project already funded by Green Finance Instruments is sold or for other reasons is no longer considered eligible by the Green Finance Committee, we will strive to replace such project by another qualifying Green Project as soon as practically possible.

The Finance Department and ultimately the CFO is responsible for managing the allocation of proceeds and keeping track of allocated amounts towards the Green Project portfolio. In the event of unallocated proceeds, these will be placed in the liquidity reserves and managed accordingly. Unallocated proceeds cannot be used temporarily to finance any activity as defined by the exclusion criteria under Use of Proceeds.

Reporting

To enable investors and other stakeholders to follow the developments of the Green Projects financed by Green Finance Instruments, we will publish a Green Finance Report. The report will be published annually for as long as there are Green Finance Instruments outstanding, and it will be made available on our website. The report will include an overview of allocation as well as environmental impact, based on the metrics provided below.

Allocation report

The allocation report will include the following information:

- The nominal amount of Green Finance Instruments outstanding, divided by instrument
- Amounts invested in each of the Green Project categories
- The share of new financing versus refinancing
- Examples of Green Projects that have been financed by Green Finance Instruments
- The amount of net proceeds awaiting allocation (if any)

Impact report

The impact report aims to disclose the environmental impact of the Green Projects financed under this Framework. Reporting of environmental impact will be aggregated for each Green Project category and, depending on data availability, calculations will be made on a best intention basis. The impact metrics will be measured where possible and otherwise estimated. Methods and assumptions used in calculations will be disclosed. Impact reporting will be aligned with the portfolio approach described in ICMA's "Handbook – Harmonized Framework for Impact Reporting" (June 2024).

The impact assessment may, where applicable, be based on the following metrics:

- Annual installed renewable electricity generation capacity (MW)
- Annual renewable electricity generation capacity under development (MW)
- Annual renewable electricity generation under asset management (MWh/GWh)
- Annual installed energy storage capacity
- Estimated annual avoidance of GHG emissions (tonnes of CO2e) from installed renewable electricity generation capacity compared to baseline[1]

[1] *The baseline will apply the grid factor used in the NPSI's Position Paper on Green Bonds Impact Reporting (NPSI Position Paper on Green Bonds Impact Reporting 2024)*

External Review

Pre-Issuance Review

Eolus has obtained a Second Party Opinion from S&P Global Ratings to confirm this Framework's alignment with the ICMA Green Bond Principles and the LMA Green Loan Principles. The Second Party Opinion will be made available on our website together with this Framework and future Green Finance Reports.

Post-Issuance Review

An independent auditor appointed by Eolus will on an annual basis provide a limited assurance report confirming the amount of proceeds from issued Green Finance Instruments that have been allocated to Green Projects. Furthermore, an independent verifier will provide a limited assurance report verifying the impact calculations and estimates.