

Sustainability Report 2018/2019



eolusTM

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Eolus – contributing to the renewable revolution

This is Eolus's second Sustainability Report. Like other parts of the company, we strive for continuous improvement in all aspects of sustainability. In our first report, we identified three topics that were important for Eolus: an attractive employer, the supply chain and anti-corruption. During the year, we achieved our target for each of these topics. The company has created a Code of Conduct, including anti-corruption, that applies to Eolus's own employees as well as the consultants and companies engaged by Eolus for the development of projects, or the construction of facilities for renewable energy. In addition, an HR position has been created to strengthen our HR processes, and to help the company attract and retain talented employees. The company's employees play a key role in the development of Eolus and our customer offering.

As mentioned, there are always some areas of a company that can be changed and improved in terms of sustainability. In this report, you can read about our plans for the 2019/2020 fiscal year, with an assessment of the company's climate impacts. We may not be engaged in manufacturing or construction with own staff, but I am absolutely certain that we can reduce our greenhouse gas emissions in other areas.

Since the company was founded by a number of enthusiasts and Swedish wind power pioneers in 1990, Eolus has played an active role in transforming the Swedish energy system. Eolus has been a driving force in the shift that has made wind power the third-largest source of electricity generation. From a mere hobby for hardcore enthusiasts, wind power has now helped to create a new export industry for Sweden. Exports of fossil-free electricity are not only generating revenue for the country, they are also driving back fossil-fuel generation in other countries. 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



“Eolus wants to be part of the renewable revolution by using diverse technologies and operating in various geographic markets.”

The Sötterfällan wind farm



Eolus creates long-term value

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

The transition to a sustainable society is one of today's most important issues. Eolus considers the company and its operations an important part of the infrastructure development that is benefiting society and creating a range of jobs and employment opportunities. Electricity generation from wind is also helping to make our society more sustainable. Wind power is a popular source of energy in Sweden, and the third-largest source of electricity in Sweden after hydropower and nuclear power. In 2019, wind-generated electricity surpassed 20 TWh over a rolling 12-month period for the very first time. Swedish Wind Energy predicts that wind power capacity will reach almost 40 TWh by 2022. Wind power will play an increasingly important role in the transition to a sustainable energy system, where the political target is 100% renewable electricity generation by 2040.

Infinite resource, a wealth of opportunities

Wind is an infinite resource, and an energy source that is completely free. Wind turbines are environmentally friendly and generate minimal greenhouse gas 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. Wind turbines can carry on generating electricity for 20-25 years. When a turbine reaches the end of its useful life, it can be dismantled and recycled, or possibly renovated and re-installed on a new site. The land on which wind power has been established can be restored and used either for new purposes, or for new electricity generation by constructing new wind turbines.

A driving force

Eolus has been a leading Nordic player in the transition to renewable energy since 1990. The company has driven the 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. Since the company was founded in 1990, Eolus has been involved in the installation of 572 wind turbines with a combined capacity of approximately 1,044 MW. With a large order backlog and attractive projects under development, Eolus will continue to contribute to the transition in both Sweden and other countries.

A value-creating partner

Eolus aims to be a respected company that creates value for its stakeholders. The company's employees are expected to act 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 Windpower Association and NORWEA, CALWEA, the Estonian Wind Power Association and the Latvian Wind Association

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

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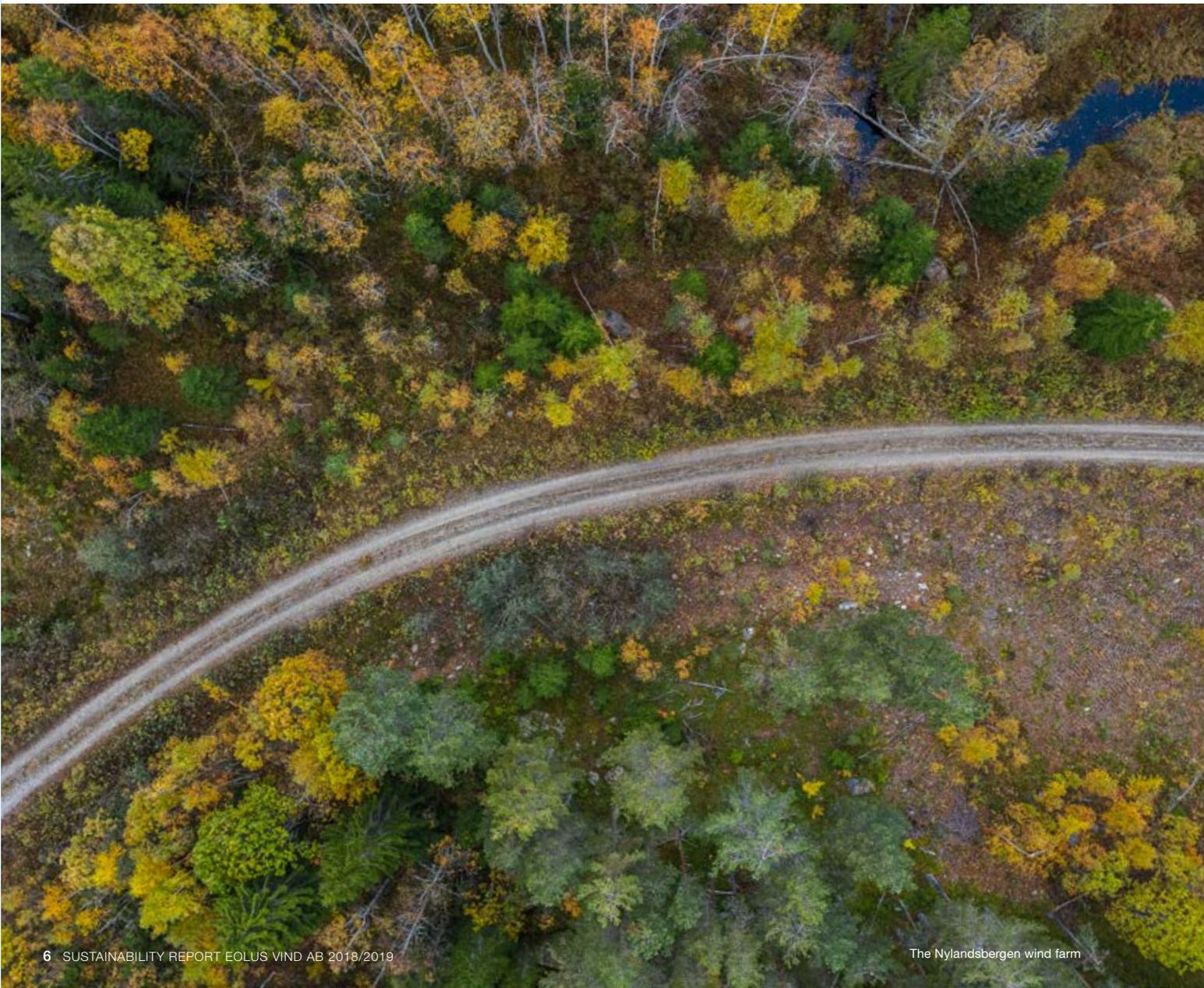
In 2019, wind-generated electricity surpassed 20 TWh over a 12-month period

1,044

Eolus has participated in the installation of wind power capacity totaling 1,044.

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 combating climate change, ensuring access to sustainable energy for all, and promoting decent working conditions and sustainable 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. 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 business concept of developing, installing 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 megawatt-hour, Eolus is creating attractive investment opportunities for our customers. This was initially confined to Sweden, but Eolus has also installed two wind turbines in Estonia, and has 13 wind turbines under installation in the US and seven wind turbines under installation in Norway.

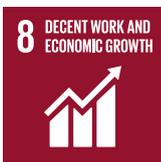


Affordable and clean energy

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

Continued technological improvements and reduced costs for renewable energy are fundamental for reaching the target of 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 the needs of our customers. As one of the leading Nordic proj-

ect developers, Eolus has been first to establish new wind turbine models in Sweden on several occasions.



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 business operations should generate a profit and the company's target for the 2019-2021 period 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 be-

tween 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 has high ambitions when it comes to reducing the risk of occupational injuries and illness. The aim is to reduce illness rates, ensure a faster return to work and continuously improve procedures for promoting a positive health and safety culture. Eolus is not bound by any collective bargaining agreements. Instead, the company has negotiated a pension and health insurance plan, and an employer-sponsored wellness program. During the 2018/2019 fiscal year, an HR position was introduced and a Code of Conduct was adopted.

Materiality and stakeholder assessment

When preparing Eolus's first Sustainability Report (2017/2018), the company conducted an assessment to identify the most important 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 overall areas considered were the environment, labor rights, social conditions, human rights, anti-corruption and good governance. Of the five sustainability areas that are a duty 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 assessments commenced with a situation analysis, where a team of employees from various functions discussed megatrends, international agreements, European and national legislation and industry benchmarks. Workshops were then held on two occasions in which material sustainability topics were both identified and prioritized, and stakeholders were identified.

GRI guidance

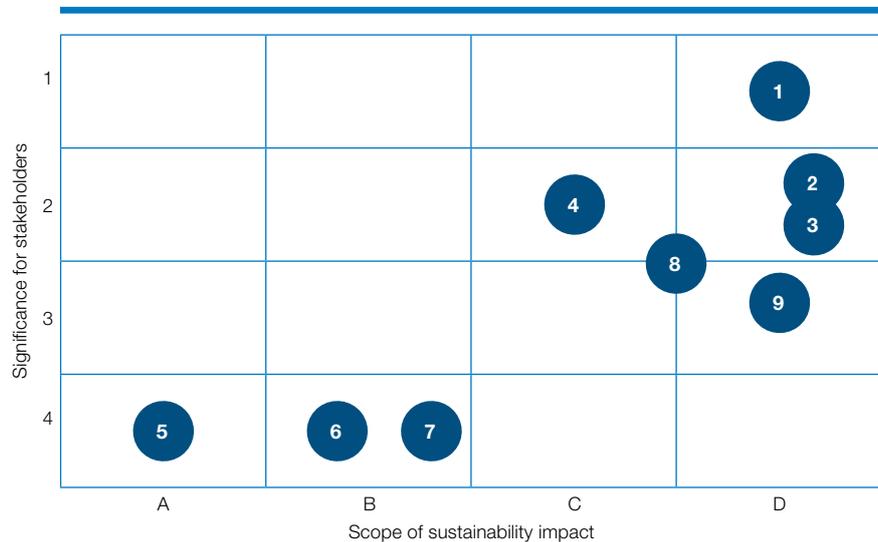
To guide and inspire this process, the material sustainability topics included in the economic, environmental and social standards used by the Global Reporting Initiative (GRI) were used. However, neither this, nor the preceding year's, Sustainability Report have been prepared according to the GRI framework.

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." In the preceding year, three sustainability topics were assigned key priority. These were the supply chain, an attractive employer and anti-corruption. The fulfillment of targets for these topics is presented on page 11.

In the coming fiscal year, the following sustainability topic has been assigned key priority:

- Mapping the company's carbon footprint



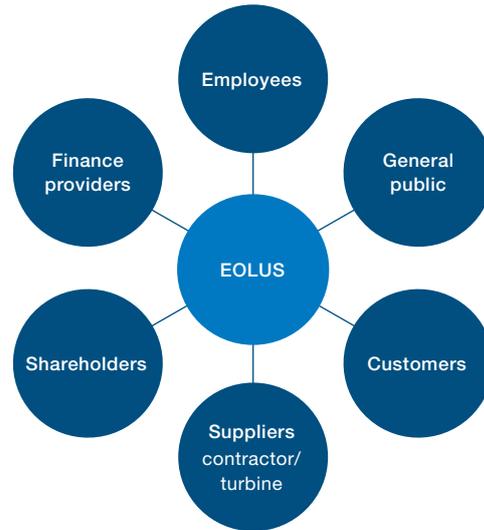
No.	Topic	Sustainability category	Comments
1	Professionalism	Economic	Not prioritized this year
2	Attractive employer	Social	Prioritized last year
3	Interest rates/currency	Economic	Not prioritized this year
4	Customer satisfaction	Economic	Not prioritized this year
5	Labor market initiatives	Social	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	Prioritized last year
9	Supply chain	Environmental and social	Prioritized last 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. For information about the stakeholders considered to have little or a mid-sized impact on the company's operations, refer to page 9 of Eolus's 2017/2018 Sustainability Report.

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



The Iglassjón wind farm

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 November 2019. 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 on sustainability targets and strategies and the activities that are key priority 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 overall current situation and potential risks associated with Eolus's targets for the coming fiscal year are outlined below.

Climate impacts of the company's activities

Eolus does not conduct any manufacturing or construction activities with own staff. 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 limited ability to influence greenhouse gas emissions in these stages. Like other parts of society, however, the company's activities are a source of greenhouse gas emissions. These range from the environmental impact of offices, traveling with private vehicles or public transport, and various types of purchasing. Gathering knowledge about the current situation provides opportunities for making well-informed decisions about the company's climate impact.

Risks:

Since no situation analysis of the company's greenhouse gas emissions has been carried out, it is impossible to know what impact-reducing measures will have the greatest effect. While that could lead to the introduction of commendable initiatives to reduce emissions, the total benefits could be lower than the implementation of other measures.

Target:

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





The Kråktorpet wind farm

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

In Eolus's first Sustainability Report (for the 2017/2018 fiscal year), three sustainability topics were identified and prioritized. These were the supply chain, an attractive employ-

er and anti-corruption. Within the framework of these material topics, three targets were determined for 2018/2019. A summary of the target fulfillments is presented below.

The supply chain

Target:

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

Target fulfillment:

This target was fully achieved when Eolus's Board of Directors, at a Board meeting in October 2019, adopted the Code of Conduct drafted by Group Management. This Code of Conduct applies to employees as well as Eolus's sub-contractors.

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 introduced after Group Management confirmed the need for such a position in the company. Since assuming the role, the HR Manager has completed an HR mapping process, created guidelines for the payroll process and salary setting, created a new OHS plan and started working on a diversity plan and action plan to combat discrimination.

Anti-corruption

Target:

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

Target fulfillment:

Efforts to create anti-corruption guidelines were incorporated into the Code of Conduct process and the guidelines have therefore been adopted.

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 financial year 2018/2019 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.

*Hässleholm, 28 November 2019
PricewaterhouseCoopers AB*

Eva Carlsvi

Authorised Public Accountant



About the Sustainability Report

This is Eolus Vind AB's Sustainability Report for the 2018/2019 fiscal year. The Sustainability Report comprises Eolus Vind AB (556389-3956) and has been prepared pursuant to the Swedish Annual Accounts Act, Chapter 6, Sections 10-11. The company's subsidiaries are excluded, because they either have low sales in relation to the Group's total sales, or are dormant. When signing the Annual Report, the Board of Eolus Vind AB has also adopted the Sustainability Report.

Cover photo: The Jenåsen wind farm
Photos: Daniel Larsson and Istock Photo
Layout: Mustasch Reklambyrå AB
Translation: The Bugli Company

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

Since the company's inception in 1990, Eolus has been involved in the installation of more than 570 wind turbines with an installed capacity of nearly 1,050 MW. The Eolus Group currently has customer contracts for asset management services comprising some 525 MW of wind power deployment. At August 31, 2019, Eolus Vind AB had approximately 14,000 shareholders. Eolus's Class B share is traded on Nasdaq Stockholm, Small Cap.

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