

Reporting according to section 99a of the Danish Financial Statements Act regarding corporate social responsibility (CSR)

The reporting statement is a part of the Management Review of the Annual Report for 2016. The reporting statement has been read by the auditor but not audited.

European Energy is highly aware of the Company's role as a member of society at the local, national and global/international levels. The Company therefore makes targeted efforts to ensure that its core business area and activities are developed in a financially, environmentally and socially responsible manner. To this end, European Energy both complies with statutory requirements and takes voluntary corporate responsibility initiatives in the countries and communities in which the Company operates. European Energy believes that responsible business behaviour is a precondition for creating long-term value for the Company and its stakeholders.

The UN principles on human rights, labour rights, environment and anticorruption guide European Energy's corporate responsibility efforts, and the UN Global Compact initiative for corporate social responsibility provides inspiration for the Company's own CSR initiatives. Consequently, European Energy's business model rests on the 9th principle of the UN Global Compact, namely encouraging the development and diffusion of environmentally friendly technologies. By continuing to develop a successful and profitable business while adding 108 MW of additional renewable energy capacity in several European countries is an achievement that helps drive the shared effort of building climate friendly societies.

In future, European Energy will continuously endeavour to expand its corporate responsibility efforts by integrating environmental and social aspects in its planning and decision-making processes. These efforts will be based on the issues most relevant to European Energy's core business and commercial goals, as this will best enable European Energy to implement the initiatives that can most ideally/optimally benefit the Company and its stakeholders.

Climate and environment

Although European Energy has no particular policy for impacts on climate change, the Company's core business of developing, constructing and selling renewable energy assets contributes directly to reducing the adverse effects of climate change and damage to the environment. In 2016, European Energy constructed 108 MW of wind and solar farms which will not only benefit the green transition of society but also limit the externalities of fossil fuels e.g. on air pollution. Since 2004, European Energy has increased the overall production of renewable energy by approximately 800 MW, thereby decreasing fossil fuel dependency and CO₂ emissions by offering a renewable source of power that emits no hazardous particles or greenhouse gases. In line with European Energy's business goal of enlarging the Company's operational portfolio, European Energy strives to generate and distribute renewable energy and thereby contribute to preserving the environment and enhancing sustainable growth in the countries of operation.

European Energy's activities pose no particular environmental risk; nonetheless, the Company closely monitors and assesses the physical impact of its activities. European Energy's projects are subject to environmental permits and are at all stages governed by comprehensive environmental legislation and rules in place to safeguard the areas surrounding the Company's wind and solar farms, including flora and fauna, local residents and the landscape. European Energy has no outstanding environmental issues with authorities, nongovernmental organisations or local residents as a result of its activities. To the extent possible, European Energy also limits the environmental impact of its business activities. For example,

European Energy focuses on replanting trees and shrubs in corresponding areas if the Company's activities require the removal of such vegetation.

Human Rights

European Energy has no particular policy for human rights although the company considers diversity an important asset and is committed to ensuring equal opportunities and rights for all employees. Consequently, the Company does not tolerate discrimination or harassment based on religion, race, ethnicity, gender, age, sexual orientation, political opinion or other grounds/factors/characteristics. European Energy has a diverse workforce with a broad employee composition in terms of geographical and cultural background as well as gender and age distribution. Moreover, health and safety are always a priority for European Energy. In particular, the Company implements stringent health and safety procedures to maximise employee security and minimise the risk of industrial accidents. These provisions have also fostered an injury- and incident-free working environment in 2016. As European Energy often carries out activities in areas with high unemployment rates, the Company also helps ensure growth in local communities by providing jobs for local workers, contractors and suppliers.

Considering European Energy's business activities and locations, the Company has not as yet deemed it necessary to prepare a specific policy on human rights.

Ethics and conduct

Transparency and compliance with national and international regulations and standards are considered cornerstones of European Energy's business conduct, and the Company is committed to undertaking its activities and performing its practices responsibly and with due consideration and respect for internal and external procedures and guidelines. In 2016, there have been no breaches or corruption of code of ethics.

In 2016, European Energy focused on the improvement of the working climate and enhancing workers' skills related to stressful situations. First of all, European Energy provided all employees with a valuable first aid course to help colleagues in need of first aid. Additionally, European Energy held a working session on work related stress to provide employees with the necessary tools to reduce adverse effects of stress. Finally, a survey on the working environment was conducted and is currently being followed-up through a set of objectives related to the improvement of the indoor environment and reducing discomfort from noise.

Most Group companies have been provided with a code of ethics that addresses relevant issues and outlines the proper conduct for interacting with the Company's internal and external stakeholders. European Energy operates internationally, currently in 11 European countries (Denmark, Sweden, Finland, the UK, Germany, Italy, Poland, Bulgaria, Spain, Croatia and Greece) and the Maldives and Brazil, all of which have fairly limited risks as regards the exposure of businesses to human rights violations. European Energy does not conduct any activities, liaise or contract with business partners or suppliers in countries considered high-risk in human rights terms.