

# 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 2017. 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 146 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 the 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 and environment, 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 2017, European Energy constructed 146 MW of wind and solar farms (108 MW

in 2016) 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 950 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. 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 any other factors. In 2017, the company employee handbook was updated with a section regarding work environment and harassment to highlight that EE has focus on work environment and the well-being of employees. Furthermore, EE has created a thorough stress policy to prevent and to take action if a colleague experiences stress.

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, which is why EE in 2017 offered all employees to join a company health insurance and pension scheme, covering life insurance, critical diseases and loss of earning capacity. 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. There have been no breaches or corruption of code of ethics.

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, Brazil and Mexico, all of which have fairly limited risks as regards the exposure of businesses to human rights violations. European Energy does not condone any violations of human rights. In 2018, European Energy will look into good business conduct, and a zero tolerance in regards to bribery and corruption.