

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

Our CSR Committee is comprised of representatives from our human resources, communications, legal and finance functions. The committee ensures that European Energy carries out its CSR activities effectively and communicates clearly and openly about them.

European Energy publishes its statutory report on CSR for the financial year 2018 cf. Section 99 a of the Danish Financial Statements Act on the company's website, including additional information about policies, progress made during 2018 and expected activities for 2019. Click the link below to access European Energy's statutory report on CSR for the financial year 2018 cf. Section 99a of the Danish Financial Statements Act ("Lovpligtig redegørelse for samfundsansvar, jf. årsregnskabslovens § 99 a"), including additional information about policies, progress made during 2018 and expected activities for 2019.

How we carry out our CSR initiatives

In carrying out our business we comply with all relevant laws, standards and guidelines. We also consider the well-being of our employees a top priority, and we minimize our impact on the environment to the extent possible. We have high ethical standards and aim to conduct business with companies and within countries that share our ethics and respect the protection of internationally proclaimed human rights. European Energy builds solutions to climate change. We construct wind and solar farms as well as large-scale green energy storage. Our farms supply citizens and large corporations with green power, and secure a stable revenue to the institutional investors we are cooperating with.

European Energy discloses here in this report the main highlights of the company's CSR initiatives but does not reflect all the ongoing initiatives and procedures. We also monitor new developments and practices and consider implementing new initiatives that could further enhance our CSR activities when appropriate.

Our business-driven CSR strategy focuses on the following main areas:

Human rights, Environment, Climate, Social and labour conditions and Anti-corruption.

Human rights

European Energy Group respect and honour the human rights of people involved in our business and, in particular, do not use or tolerate any form of forced or child labour. We also recognise our employees' right to freely associate, or not to associate, complying with the laws of the countries in which we operate. We strive to provide fair working conditions and to maintain a safe and healthy working environment for all our employees.

The main activities in 2018 for European Energy in relation to Human Rights was the development and implementation of a group-wide policy covering the area.

The main risk within the field of human rights for European Energy is in the area of contractors, suppliers and to some extent, the partners we have in certain projects. European Energy can counter some of the risk by ensuring contractual commitment to human rights and monitor the work done on our sites. In some cases, we insist that contractors join the relevant national trade associations in order to ensure that the contractor's employees – as a minimum - are part of collective agreements. However, that solution only works well in selected markets.

A challenge within human rights is in relation to suppliers. It is always challenge to monitor the work done by suppliers or sub suppliers, which sometimes occurs in factories thousands of kilometres away. However, European Energy mainly purchases sophisticated technology, which reduces the risk of forced or slave labour.

GOAL:

The goal for 2019 is to develop a system that ensures that all major component suppliers are systematically screened against relevant human rights abuse watch-lists on a regular basis.

Environment

European Energy Group aims for growth that is in harmony with the environment by seeking to minimize the environmental impact of our business operations. We safeguard the areas surrounding our wind and solar farms, including flora and fauna, local residents and the landscape.

As a company, we strive to develop, establish and promote technologies that enable the environment and economy to coexist harmoniously and to build close and cooperative relationships with a wide spectrum of stakeholders.

In 2018, European Energy developed and implemented a new group-wide policy covering environmental issues.

The main environmental risks associated with our business are suppliers and contractors not operating in accordance with environmental legislation, both during construction and operation.

In order to counter this risk, European Energy has developed a standard clause that will be implemented in all contracts of substantial size. We have already achieved this in the majority of the substantial contracts within our wind projects, although we are yet to achieve the same penetration within the contracts for our solar PV projects.

GOAL:

The goal for 2019 is to ensure implementation of a standard CSR clause in 90% of all supplier contracts with a value above EUR 100.000.

To confirm if our contractors and suppliers comply with our CSR standards, we have a goal of 2 or more site visits during the construction phase of all projects.

Climate

European Energy contributes to climate change by way of our employees airplane travel, car use and some of the materials used in our power plants. Nonetheless, European Energy was founded on the idea of facilitating the green transition of power generation. As a result, our whole business idea creates a positive counter to climate change and global warming. In 2018 we grid connected 241 MW new generation capacity, which will reduce emissions by more than 35.000 tons of CO₂ every year.

The climate risk for European Energy relates to CO₂ emissions from travel by car, plane or ship. The risk increases when the company engages in more markets than previously, especially in relation to overseas market, like Brazil and Australia. European Energy are mitigating this by having online meetings and phone conferences whenever it becomes possible and sufficient in contract negotiations instead of physical travel.

The main activities in 2018 for European Energy in relation to climate change were the development and implementation of a new vision and mission, which will push climate change to the top of the agenda.

GOAL:

The Group will construct more than 250 MW new renewable power in 2019 – or the equivalent of an annual CO₂ reduction of 35.000 tons.

Social and labour conditions

European Energy Group strives to provide fair working conditions and to maintain a safe and healthy working environment for all our employees. We support equal employment opportunities, diversity and inclusion for our employees and do not discriminate against them. European Energy has always taken a broad perspective on diversity and consider nationality, age, gender, education, seniority and experience important.

European Energy Group already has undertaken a number of activities regarding the on-boarding of new employees, development and when employees leave the company. European Energy has annual development dialogues between all employees and their immediate manager, which results in a development plan and concrete targets. We also have an annual satisfaction survey among all employees, which allows employees to raise issues – again something that results in a development plan and concrete targets.

In 2018, European Energy supported the area of social and labour conditions by the development and implementation of a group-wide policy covering the area.

The main risk within social and labour conditions for European Energy is in the area of contractors, suppliers and to some extent, the partners we have in certain projects. European Energy can counter some of the risk by ensuring contractual commitment to human rights and monitor the work done on our sites. In some cases, we insist that contractors join the relevant national trade association in order to ensure that the contractor's employees – as a minimum – are part of collective agreements. However, that solution only works well in selected markets.

GOAL:

Maintain above 90% participation in the employee satisfaction survey.

We have a goal of two or more site visits during the construction phase of all projects to confirm if our contractors and suppliers comply with our CSR standards.

Anti-corruption

European Energy do not tolerate bribery of or by any business partner, government agency or public authority and we maintain honest and fair relationships with government agencies and public authorities. We also maintain fair and free competition in accordance with the letter and spirit of each country's competition laws.

In 2018 we established a whistle-blower system, however European Energy recognises the need to step up training and communication with all employees in order to have a fully functional whistle-blower system.

The main risk in relation to anti-corruption is with our contractors, suppliers and partners, especially in markets where European Energy might have limited experience and exposure to local business practises. It would be challenging for European Energy to guarantee that all stakeholders have the same zero-tolerance towards corruption as ourselves. This becomes even more troublesome to detect in cases where something not acceptable might have occurred before European Energy stepped into a project. However, a natural first step will be to ensure that all contractors, suppliers and partners are well aware that European Energy does not compromise on corruption.

GOAL:

The goal for 2019 is to ensure implementation of a standard anti-corruption clause in 90% of all supplier contracts with a value above EUR 100.000.