



## ELIGIBILITY ASSESSMENT

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# EUROPEAN ENERGY GREEN FINANCE FRAMEWORK DATED 9 JULY 2021

**Prepared by:** DNV Business Assurance Norway AS

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## TABLE OF CONTENTS

|   |    |
|---|----|
| DNV ELIGIBILITY ASSESSMENT .....  | 3  |
| Scope and Objectives  | 3  |
| Responsibilities of the Management of EUROPEAN ENERGY and DNV                               | 3  |
| Basis of DNV’s opinion  | 4  |
| Work undertaken   | 4  |
| Findings and DNV’s opinion  | 5  |
| 1 SCHEDULE 1: ELIGIBLE PROJECT CATEGORIES FOR GREEN FINANCE INSTRUMENTS.....                | 7  |
| 2 SCHEDULE 2: EUROPEAN ENERGY – SPECIFIC GREEN FINANCE ELIGIBILITY ASSESSMENT PROTOCOL..... | 8  |
| 2.1 Use of proceeds   | 8  |
| 2.2 Process for evaluation and selection  | 10 |
| 2.3 Management of proceeds  | 12 |
| 2.4 Reporting   | 13 |

### Disclaimer

Our assessment relies on the premise that the data and information provided by EUROPEAN ENERGY to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

### Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct<sup>1</sup> during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

<sup>1</sup> DNV Code of Conduct is available on the DNV website ([www.dnv.com](http://www.dnv.com))

## DNV ELIGIBILITY ASSESSMENT

### Scope and Objectives

DNV Business Assurance Services Norway AS (henceforth referred to as "DNV") has been commissioned by European Energy A/S (henceforth referred to as "EUROPEAN ENERGY") to provide an eligibility assessment on EUROPEAN ENERGY's green finance framework (the "Framework"). Our methodology to achieve this is described under 'Work Undertaken'. We were not commissioned to provide independent assurance or other audit activities.

EUROPEAN ENERGY develops and constructs wind and solar farms in Europe and South America and thereafter sells these as turnkey projects or keeps them in ownership, thereby being an independent power producer, next to a developer.

The Framework enables EUROPEAN ENERGY (referred to as "ISSUER") to issue Green Bonds and Green Loans (together referred to as "Green Finance Instruments") to finance Green Projects and describes the use of proceeds, process for project evaluation and selection, management of proceeds and reporting for Green Projects covering activities and investments within EUROPEAN ENERGY. The framework has been prepared in cooperation Nordea Bank Abp ("Nordea").

The use of Green Finance Instrument proceeds will finance investments dedicated to:

- Development and construction of renewable energy projects such as solar and wind power
- Research and Development projects related to solar and wind power

with the eligible category being **renewable energy** – including production, transmission, appliances and products, as defined in the LMA Green Loan Principles 2021 and ICMA Green Bond Principles 2021 (together referred to as "the Principles"). Under the Principles, EUROPEAN ENERGY will, on a best efforts voluntary basis, comply with the technical screening criteria and criteria for do-no-significant-harm (DNSH) and minimum safeguards as outlined by the EU Taxonomy Climate Delegated Act ("EU Taxonomy").

No assurance is provided regarding the non-Green Loan Principle terms and non-Green Bond Principle terms within the agreement or EUROPEAN ENERGY's compliance with the EU Taxonomy. Our objective has been to provide an assessment that the Green Finance Instruments to be issued under the Framework has met the criteria established in the Principles.

### Responsibilities of the Management of EUROPEAN ENERGY and DNV

The management of EUROPEAN ENERGY has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform EUROPEAN ENERGY's management and other interested stakeholders in the Green Finance Instruments as to whether the established criteria have been met, based on the information provided to us. In our work, we have relied on the information and the facts presented to us by EUROPEAN ENERGY. DNV is not responsible for any aspect of the projects or assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by EUROPEAN ENERGY management and used as a basis for this assessment were not correct or complete.

## Basis of DNV's opinion

We have adapted our green Bond/Loan eligibility assessment methodology to create an EUROPEAN ENERGY specific Green Finance Eligibility Assessment Protocol (henceforth referred to as "Protocol") to assess the EUROPEAN ENERGY Framework alignment with the Principles - see Schedule 2. Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Green Finance Instruments have been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an ISSUER of a Green Finance Instrument must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an ISSUER of a Green Finance Instrument should outline the process it follows when determining eligibility of an investment using Green Finance Instrument proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a Green Finance Instrument should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting to the Green Finance Instrument investors should be made of the use of instrument proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

## Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by EUROPEAN ENERGY in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a project category eligibility table, mapping the description of eligible projects listed in the Framework to the GBP/GLP categories. The table also assesses category alignment with that of the EU Taxonomy, presented in Schedule 1;
  - Creation of an EUROPEAN ENERGY-specific GBP/GLP Protocol, adapted to the purpose of the Green Finance Instruments, as described above and in Schedule 2 to this Assessment;
  - Assessment of documentary evidence provided by EUROPEAN ENERGY on the Green Finance Instruments and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
  - Discussions with EUROPEAN ENERGY and review of relevant documentation and evidence related to the criteria of the Protocol;
  - Documentation of findings against each element of the criteria as outlined by ICMA and LMA in Schedule 2.
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## Findings and DNV's opinion

DNV's summary findings are listed below, with further detail provided in Schedule 2.

### 1. Principle One: Use of Proceeds

EUROPEAN ENERGY will use the proceeds from to be issued Green Finance Instruments to finance and refinance renewable energy assets and projects. The assets and projects eligible for financing, as outlined in EUROPEAN ENERGY's Green Finance Framework, are dedicated to:

- Development and construction of renewable energy projects such as solar and wind power
- Research and Development projects related to solar and wind power (such as the Risø Test Centre)

DNV concludes that that the eligible categories outlined in the Framework are consistent with the category of *Renewable Energy (including production, transmission, appliances and products)* of the Principles.

Under these Principles, ISSUERS can refer to other parties that provide complementary taxonomies for determining the environmental sustainability of projects. As such, EUROPEAN ENERGY will, on a best efforts voluntary basis, comply with the technical screening criteria, as well as the criteria for DNSH and minimum safeguards outlined by the EU Taxonomy Climate Delegated Act ("EU Taxonomy"). DNV concludes that the stated eligible categories outlined in the Framework align with the definitions provided in the EU taxonomy and therefore provide suitable technical screening criteria for the ISSUER to follow on a voluntary best-efforts basis, including criteria for DNSH and minimum safeguards.

### 2. Principle Two: Process for Project Evaluation and Selection

DNV has reviewed the Green Finance Framework and can confirm that it clearly communicates the investment decision process by which EUROPEAN ENERGY determines how projects fit within eligible Green Project categories.

The ISSUER will put the overarching responsibility for evaluating and selecting projects with its existing Investment Committee, which comprises members of the company's management team, to ensure that only eligible projects are financed with the net proceeds from Green Finance Instruments. DNV considers this in line with the Principles.

DNV also concludes that the decision-making process is positioned within the context of the company's overarching sustainability strategy, with a key focus on renewable energy project development. Furthermore, EUROPEAN ENERGY outlines its aim to on a best effort basis align with the criteria stipulated by the EU Taxonomy when evaluating and selecting Eligible Assets within the wind, solar and R&D categories listed in the Framework, as recommended by the ICMA GBP 2021 Principles. Finally, DNV confirms that EUROPEAN ENERGY has in place appropriate processes to identify mitigants to known social and/or environmental risks from relevant projects.

### 3. Principle Three: Management of Proceeds

DNV has reviewed evidence that states the use of proceeds of the Green Finance Instrument issuance will be directed to financing and re-financing eligible projects described in the Framework and will be recorded in EUROPEAN ENERGY's Green Finance Register. The aggregate amount of Assets in the Green Finance Register will at least be equal to the aggregate net proceeds of all outstanding Green Finance Instruments. Should an Asset no longer meet the criteria outlined in the EUROPEAN ENERGY Framework, it will be removed from the Green Finance Register. Freed up proceeds will then be reallocated to other Eligible Assets. In periods where outstanding net proceeds exceed the value of Eligible Assets in the Green Finance Register, EUROPEAN ENERGY will utilize its

existing liquidity management policy to manage such unallocated proceeds. DNV confirms that such management contains the appropriate investment activity exclusions.

In conclusion, DNV considers the management of proceeds to be tracked and managed by internal processes in line with the Principles. EUROPEAN ENERGY will endeavour to have a third-party audit undertaken on allocated proceeds, which DNV considers best market practice.

#### 4. Principle Four: Reporting

DNV confirms that EUROPEAN ENERGY has committed to report in line with the Principles: the ISSUER will report annually on the allocation of proceeds to Eligible Assets and their actual or estimated impact where possible. Examples of impact metrics include renewable energy capacity installed, annual renewables generation and GHG emissions reduced and/or avoided.

DNV notes that European Energy will endeavour to align reporting with standards and practices as outlined by ICMA and the guidelines in the Nordic Public Sector Issuer's Position Paper on Green Bond Impact Reporting, highlighting a commitment to best practice.

Based on the information provided by EUROPEAN ENERGY and the work undertaken, it is DNV's opinion that the Green Finance Framework meets the criteria established in the Protocol and that it is aligned with the stated definition of green loans within the Green Loan Principles 2021 and green bonds within the Green Bond Principles 2021. DNV also concludes that the the stated ICMA/LMA project category descriptions align with the definitions provided in the EU taxonomy and therefore provide suitable technical screening criteria for the ISSUER to follow on a voluntary best-efforts basis, including criteria for Do-No-Significant-Harm and minimum safeguards.

#### for DNV Business Assurance Norway AS

Oslo, 9<sup>th</sup> of July 2021

A handwritten signature in dark ink, appearing to read "Daniel Brenden".

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**Daniel Brenden**  
Consultant and Project Manager  
DNV – Energy Systems

A handwritten signature in dark ink, appearing to read "Mark Robinson".

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**Mark Robinson**  
Lead Reviewer  
DNV – Business Assurance

A handwritten signature in dark ink, appearing to read "Roel Zwart".

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**Roel Zwart**  
Senior Consultant  
DNV – Energy Systems

#### About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

## 1 SCHEDULE 1: ELIGIBLE PROJECT CATEGORIES FOR GREEN FINANCE INSTRUMENTS

| European Energy's Project Description  | ICMA GBP Category  | European Energy's EU Taxonomy reference <sup>2</sup>            | EU Taxonomy definition  | DNV Alignment check  |
|--|--|---|---|--|
| Development and construction of renewable energy projects such as solar power                    | <b>Renewable Energy</b> (including production, transmission, appliances, and products) | 4.1. Electricity generation using solar photovoltaic technology | Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology  |  The stated project description aligns with the definition provided in the EU taxonomy and provides therefore suitable technical screening criteria for the ISSUER to follow on a voluntary best-efforts basis, including Do No Significant Harm (DNSH) and minimum safeguards. |
| Development and construction of renewable energy projects such as wind power                     | <b>Renewable Energy</b> (including production, transmission, appliances, and products) | 4.3. Electricity generation from wind power                     | Construction or operation of electricity generation facilities that produce electricity from wind power   |  The stated project description aligns with the definition provided in the EU taxonomy and provides therefore suitable technical screening criteria for the ISSUER to follow on a voluntary best-efforts basis, including DNSH and minimum safeguards.                          |
| Research and Development projects related to solar and wind power (such as the Risø Test Centre) | <b>Renewable Energy</b> (including production, transmission, appliances, and products) | 9.1. Close to market research, development, and innovation      | Research, applied research and experimental development of solutions, processes, technologies, business models and other products dedicated to the reduction, avoidance or removal of GHG emissions (RD&I) for which the ability to reduce, remove or avoid GHG emissions in the target economic activities has at least been demonstrated in a relevant environment, corresponding to at least Technology Readiness Level (TRL) 6. |  The stated project description aligns with the definition provided in the EU taxonomy and provides therefore suitable technical screening criteria for the ISSUER to follow on a voluntary best-efforts basis, including DNSH and minimum safeguards.                        |

<sup>2</sup> European Commission (4.6.2021) *Annex 1 to the EU Taxonomy Climate Delegated Act*. Brussels, Belgium

## 2 SCHEDULE 2: EUROPEAN ENERGY – SPECIFIC GREEN FINANCE ELIGIBILITY ASSESSMENT PROTOCOL

### 2.1 Use of proceeds

| Ref. | Criteria                 | Requirements  | Work undertaken  | DNV Findings  |
|------|--------------------------|---|--|---|
| 1a   | Type of instrument       | Green Finance Instruments are any type of debt instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing eligible Green Projects. Green finance instruments must align with the four core components of the GLP and GBP, as set out below.<br>Green finance instruments should not be considered interchangeable with finance instruments that are not aligned with the four core components of the GLP and GBP. | Discussions with EUROPEAN ENERGY and Nordea; review of the following documents: <ul style="list-style-type: none"> <li>• EUROPEAN ENERGY Green Finance Framework</li> <li>• EUROPEAN ENERGY’s sustainability report 2020</li> <li>• EUROPEAN ENERGY’s annual report 2020</li> <li>• Formal Q&amp;A Process</li> <li>• Draft Term sheet – RCF</li> <li>• Draft Term sheet – Bond</li> </ul> | DNV confirms that EUROPEAN ENERGY’s Green Finance Framework ensures issuance of “Use of Proceeds” bonds and loans with utilisation of proceeds to Green Projects in line with the four core components of the GBP. DNV has reviewed the draft term sheets for the RCF and Bond and can confirm that the use of proceeds will be in accordance with the Green Finance Framework. In combination with the company’s clear intention to specify the use of proceeds in future documentation for issuances of Green Finance Instruments, DNV confirms that the Framework appropriately ensures that any type of Green Finance Instrument will exclusively finance eligible Green Projects as defined. |
| 1b   | Green Project Categories | The cornerstone of a Green Finance Instrument is the utilization of the proceeds which should be appropriately described in the legal documentation for the security.   | Discussions with EUROPEAN ENERGY and Nordea; review of the following documents: <ul style="list-style-type: none"> <li>• EUROPEAN ENERGY Green Finance Framework</li> <li>• EUROPEAN ENERGY’s sustainability report 2020</li> <li>• EUROPEAN ENERGY’s annual report 2020</li> <li>• Formal Q&amp;A Process</li> </ul>  | The use of the Green Finance Instrument proceeds will finance Green Projects within the following categories as outlined in EUROPEAN ENERGY’s Green Finance Framework: <ul style="list-style-type: none"> <li>• Renewable Energy. <ul style="list-style-type: none"> <li>○ Development and construction of renewable energy projects such as solar and wind power.</li> <li>○ Research and Development projects related to solar and wind power.</li> </ul> </li> </ul> DNV concludes that the Use of Proceeds dedicated towards Renewable Energy are clearly described and fall within the defined category of <i>Renewable Energy (including production,</i>                                    |



| Ref. | Criteria               | Requirements  | Work undertaken   | DNV Findings  |
|------|------------------------|---|---|---|
|      |                        |   |   | <i>transmission, appliances and products</i> ) of the LMA Green Loan Principles 2021 and ICMA Green Bond Principles 2021.   |
| 1c   | Environmental benefits | All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.   | Discussions with EUROPEAN ENERGY and Nordea; review of the following documents: <ul style="list-style-type: none"> <li>• EUROPEAN ENERGY Green Finance Framework</li> <li>• EUROPEAN ENERGY’s sustainability report 2020</li> <li>• EUROPEAN ENERGY’s annual report 2020</li> <li>• Formal Q&amp;A Process</li> </ul> | The entirety of the Green Finance Instruments proceeds will be used to finance Green Projects dedicated to: <ol style="list-style-type: none"> <li>1. Renewable Energy projects</li> </ol> <p>DNV is of the opinion that each activity listed by European Energy under this category has clear environmentally sustainable benefits, as wind and solar energy projects provide renewable electricity, thereby facilitating decarbonisation of power and enabling electrification of energy use.</p>                                   |
| 1d   | Refinancing share      | If a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing and clarify which investments may be refinanced , and, to the extent relevant, the expected look-back period for refinanced eligible Green Projects. | Discussions with EUROPEAN ENERGY and Nordea; review of the following documents: <ul style="list-style-type: none"> <li>• EUROPEAN ENERGY Green Finance Framework</li> <li>• EUROPEAN ENERGY’s sustainability report 2020</li> <li>• EUROPEAN ENERGY’s annual report 2020</li> <li>• Formal Q&amp;A Process</li> </ul> | DNV confirms that the proceeds of Green Finance instruments will be used for financing new project developments as well as refinancing of eligible Green Projects. The allocation report, provided to all Green Finance Instrument investors by EUROPEAN ENERGY on an annual basis, will include the relative share of new financing versus refinancing. A targeted maximum look-back period of 3 years is also defined in the Framework. DNV deems this to be in alignment with the Green Loan Principles and Green Bond Principles. |

## 2.2 Process for evaluation and selection

| Ref. | Criteria   | Requirements  | Work undertaken  | DNV Conclusion   |
|------|--|---|--|--|
| 2a   | Investment-decision process                                | <p>The Issuer of a Green Finance Instrument should outline the decision-making process it follows to determine the eligibility of projects using Green Finance Instrument proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> <li>• A process to determine how the projects fit within the eligible Green Projects categories identified in the Green Bond/Loan Principles;</li> <li>• The criteria making the projects eligible for using the Green Bond/Loan proceeds; and</li> <li>• The environmental sustainability objectives.</li> </ul> | <p>Discussions with EUROPEAN ENERGY and Nordea; review of the following documents:</p> <ul style="list-style-type: none"> <li>• EUROPEAN ENERGY Green Finance Framework</li> <li>• EUROPEAN ENERGY’s sustainability report 2020</li> <li>• EUROPEAN ENERGY’s annual report 2020</li> <li>• Formal Q&amp;A Process</li> </ul>   | <p>The documentation that DNV has reviewed demonstrates that EUROPEAN ENERGY has an appropriate decision-making process in place in order to select and determine the eligibility of projects under the Green Project criteria. Given the company’s business model, which puts an emphasis on project development, the overarching responsibility of the process of project evaluation and selection will sit with the Investment Committee. This committee comprises members of the EUROPEAN ENERGY management team and oversees all investment decisions. This committee will also, on a voluntary best effort basis, ensure that Eligible Assets under the Principles also align with the substantial contribution criteria under EU Taxonomy climate mitigation, as well as the do-no-significant-harm (DHS) and minimum safeguards. For the specific Taxonomy economic activities with which European Energy will aim to align, see Schedule 1.</p> |
| 2b   | Issuer’s environmental and social and governance framework | <p>The Issuer of a Green Finance Instrument should clearly communicate to its investors their environmental sustainability objectives; and are encouraged to:</p> <ol style="list-style-type: none"> <li>1. Position this information within the context of their overarching objectives, strategy, policy and/or processes relating to environmental sustainability. Issuers are also encouraged to disclose any green standards or certifications to which they are seeking to conform.</li> </ol>  | <p>Discussions with EUROPEAN ENERGY and Nordea; review of the following documents:</p> <ul style="list-style-type: none"> <li>• EUROPEAN ENERGY Green Finance Framework</li> <li>• EUROPEAN ENERGY’s sustainability report 2020</li> <li>• EUROPEAN ENERGY’s annual report 2020</li> <li>• Formal Q&amp;A Process</li> <li>• Email: Shared information on general initiatives on biodiversity</li> </ul> | <p>DNV can confirm that the Green Project evaluation and selection is positioned within the context of EUROPEAN ENERGY’s high-level objectives and environmental commitment, and the suggested KPIs are described in the framework.</p> <ol style="list-style-type: none"> <li>1. DNV confirms that the Framework communicates the ISSUER’s strategy towards Climate Action and how the Eligible Assets fit this strategy. The Framework details that the Framework is aligned with the ICMA GBP 2021 and the LMA GLP 2021.</li> <li>2. DNV confirms that the Framework includes the aim to align the project selection and evaluation process with the EU taxonomy, by on a best efforts voluntary basis include substantial contribution, DNSH and minimum safeguards criteria to the process of selecting</li> </ol>  |

| Ref. | Criteria | Requirements  | Work undertaken | DNV Conclusion   |
|------|----------|---|-----------------|--|
|      |          | <p>2. Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria, including if applicable, exclusion criteria; and also disclose any green standards or certifications referenced in project selection.</p> <p>3. Have a process in place to identify mitigants to known material risks of negative social and/or environmental impacts from the relevant project(s). The identified mitigants may include trade-off analysis and monitoring of the potential risks are seen as meaningful by the issuer</p> |                 | <p>eligible Green Projects under the wind and photovoltaic solar power categories, as well for R&amp;D related to the technologies.</p> <p><b>3.</b> DNV confirms that EUROPEAN ENERGY has processes for identifying material risks for negative social and/or environmental impacts from projects. For social impacts, the company actively takes part in citizen hearings and proactively engage in community dialogue to ensure an inclusive process. For biodiversity risks, the company lead several initiatives – such as avoiding the use of pesticides where possible, building mostly on lands with less biodiversity (i.e. agricultural lands), avoiding disturbing biodiversity rich areas (by i.e. planting biodiversity friendly vegetation, creating wildlife passages, doing beekeeping).</p> |

## 2.3 Management of proceeds

| Ref. | Criteria           | Requirements  | Work undertaken   | DNV Conclusion   |
|------|--------------------|---|---|--|
| 3a   | Tracking procedure | The proceeds of a Green Finance Instruments should be credited to a dedicated account or otherwise tracked by the Issuer in an appropriate manner, to maintain transparency and promote the integrity of the product. | Discussions with EUROPEAN ENERGY and Nordea; review of the following documents: <ul style="list-style-type: none"> <li>EUROPEAN ENERGY Green Finance Framework</li> <li>Formal Q&amp;A Process</li> </ul> | <p>DNV concludes that the net proceeds will be tracked in an appropriate manner, through a Green Finance Register that will monitor eligible assets and ensure the allocation of net proceeds to such eligible assets.</p> <p>DNV confirms that the Framework ensures that over the duration of the outstanding Green Finance Instruments, a pool of Assets in the Green Finance Register is built up which at least equals the pool of net proceeds of all outstanding Green Finance Instruments.</p>       |
| 3b   | Tracking procedure | Issuers are encouraged to establish an internal governance process through which they can track the allocation of funds towards Green Projects.   | Discussions with EUROPEAN ENERGY and Nordea; review of the following documents: <ul style="list-style-type: none"> <li>EUROPEAN ENERGY Green Finance Framework</li> <li>Formal Q&amp;A Process</li> </ul> | <p>DNV can confirm that the management of the Green Finance Instruments net proceeds will be through an internal governance process, through an internal tracking procedure as outlined in 3a. EUROPEAN ENERGY will in this regard also endeavour to have a Third Party Audit undertaken of the allocated proceeds. DNV considers the appointment of an external auditor to verify appropriate tracking of the Green Finance Instruments proceeds to eligible Green Projects to be best market practice.</p> |
| 3c   | Temporary Holdings | Pending such investments or disbursements to eligible Green Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.       | Discussions with EUROPEAN ENERGY and Nordea; review of the following documents: <ul style="list-style-type: none"> <li>EUROPEAN ENERGY Green Finance Framework</li> <li>Formal Q&amp;A Process</li> </ul> | <p>It is EUROPEAN ENERGY's aim to allocate net proceeds to new and existing projects that qualify under the Eligible Asset criteria. In periods when total net proceeds from the Green Finance Instruments exceed the value of the assets in the Green Finance Register, the unallocated net proceeds will be managed in accordance to EUROPEAN ENERGY's liquidity management policy, which has appropriate exclusions for temporary holdings in place.</p>  |

## 2.4 Reporting

| Ref. | Criteria             | Requirements  | Work undertaken  | DNV Conclusion  |
|------|----------------------|---|--|---|
| 4a   | Periodical reporting | In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Green Instrument proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact. | <p>Discussions with EUROPEAN ENERGY and Nordea; review of the following documents:</p> <ul style="list-style-type: none"> <li>• EUROPEAN ENERGY Green Finance Framework</li> <li>• EUROPEAN ENERGY's sustainability report 2020</li> <li>• EUROPEAN ENERGY's annual report 2020</li> <li>• Formal Q&amp;A Process</li> </ul> | <p>DNV concludes that the reporting requirements are satisfactorily described in the EUROPEAN ENERGY Green Finance Framework, with a Report on the allocation and impact of Green Finance Instruments being published on the company's website annually as long as there are Green Finance Instruments outstanding.</p> <p>The allocation reporting includes the provision of an overview of the amounts outstanding under the Green Finance Instruments. The allocation report will to the extent feasible include a list of the Eligible Assets funded including amounts allocated, with detailed descriptions and case studies of selected assets. It will also provide the share of new financing versus refinancing. DNV considers the allocation reporting conform market standard.</p> <p>The Impact report will either report on actual or estimated environmental impact of the investments. Metrics can vary, with installed power generating capacity, annual renewable energy generation or annual GHG emissions reductions/or avoided being listed as the most likely indicators. DNV considers the impact reporting conform market standard.</p> <p>DNV notes that EUROPEAN ENERGY has committed to align reporting with standards and practices as outlined by ICMA and the guidelines in the Nordic Public Sector Issuer's Position Paper on Green Bond Impact Reporting, highlighting a commitment to best practice.</p> |