EUROPEAN ENERGY

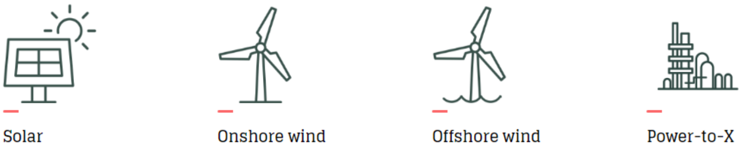
Green Finance Framework

October 2024

About European Energy

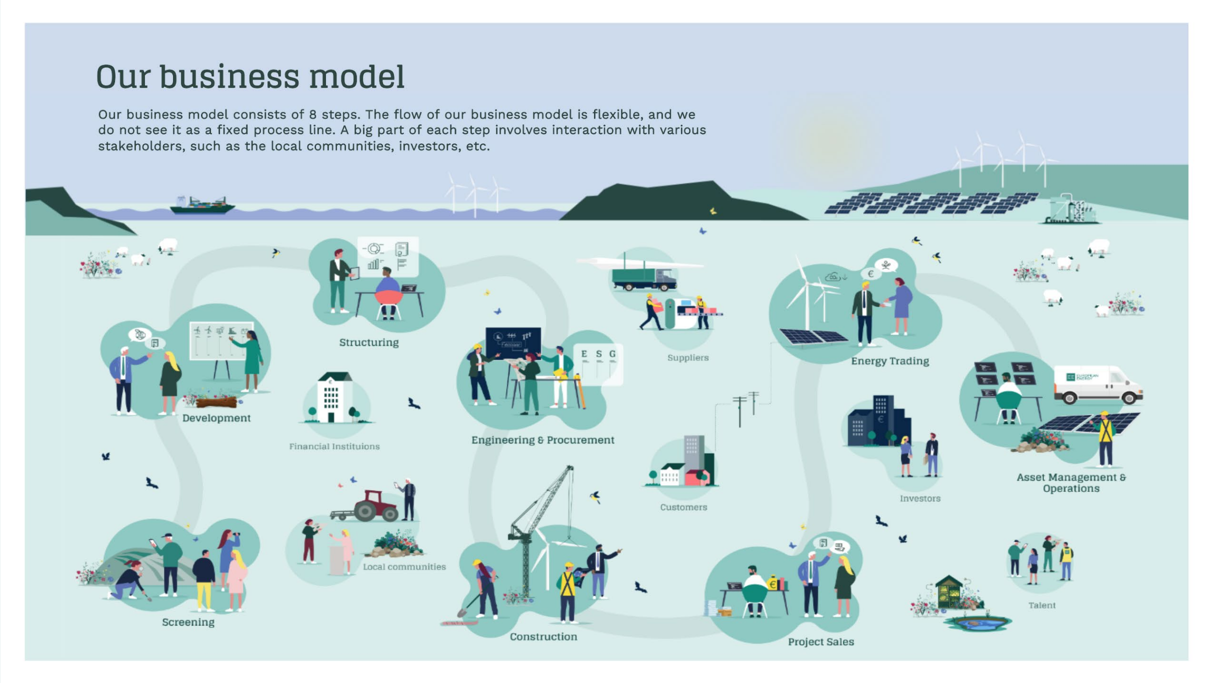
Founded in 2004, European Energy aims to be a major global force in driving the green transition through innovative renewable energy solutions. Initially focused on solar energy and onshore wind, our portfolio has expanded to include offshore wind, Power-to-X, carbon capture, and energy storage. Our core business is built on wind and solar energy, and we play a front-runner role in of Power-to-X solutions within primarily green hydrogen and e-methanol. Today, European Energy has positioned itself to take part along the entire value chain of renewable energy, and employs 800+ employees, representing 40+ nationalities across 20+ countries.

In this Green Finance Framework, "European Energy", "we" and "our" refer to the group, comprising European Energy A/S (parent company) and its subsidiaries.



Business model

Our primary focus is on the development, construction, and divestment of renewable energy projects, including solar parks, offshore and onshore wind farms, and Power-to-X solutions. In some cases, we retain ownership and sell the renewable power as an independent power producer or through Power Purchase Agreements (PPA), or use the power for production of Power-to-X solutions. Additionally, our Asset Management & Operations provide high-quality technical and commercial services to optimize the lifetime value of our renewable energy plants.



Sustainability

Our vision is to be a major global force in driving the green transition. At European Energy, we not only deliver renewable energy, but also strive to integrate sustainable and responsible business practices into our core operations. Sustainability is a key element of our 2026 strategy, covering material environmental, social, and governance topics. Through a corporate-wide commitment, we aim to support a just and green transition by embedding sustainability across our value chain.

Our sustainability strategy translates into an ambitious agenda encompassing three strategic sustainability priorities, including environmental, social and governance-related impacts, risks and opportunities, each with clearly defined ambitions, actions and targets. As a renewable energy company, we see opportunities for a high-scale renewable energy build-out. Renewable energy solutions can drive positive change far beyond substantially contributing to mitigating climate change. It can reinforce a just and thriving planet and have a lasting positive impact on both nature and society – if done sustainably.

E

Renewable energy that revitalises the environment

Build a frontrunner position on decarbonisation, circularity and biodiversity by setting near-term and net-zero targets, contributing to a nature-positive world and embedding circularity in our business decisions.

- Decarbonisation of value chains
- Resource use and circular economy
- Biodiversity and ecosystems

S

A people-centric sustainable transformation

Become an industry-leading social contributor by offering best-in-class employee opportunities, prioritising a Health & Safety culture for all employees and building inclusive stakeholder relationships.

- Our people
- Community engagement
- Health and safety

G

Governance that empowers business accountability

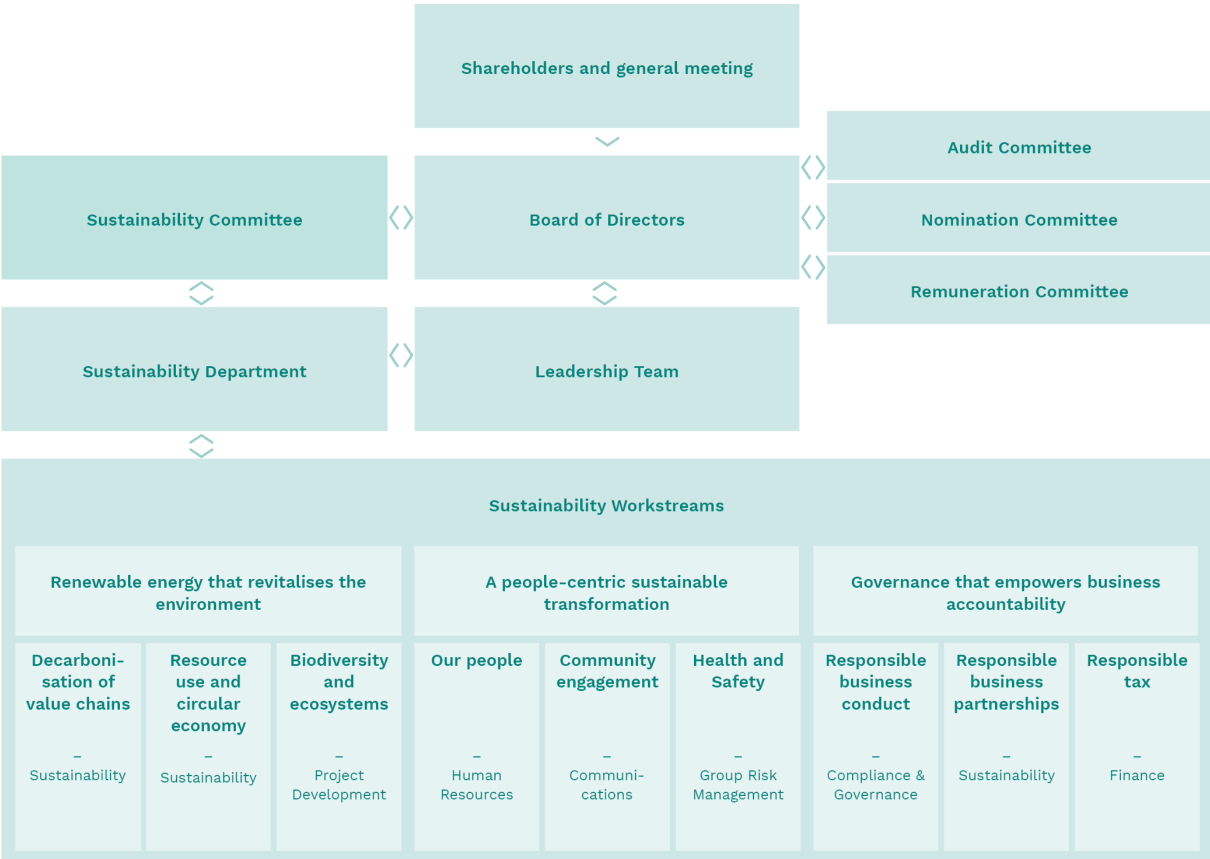
Reach the highest possible standards of relevance to the company in business accountability through responsible business partnerships, ethical employee behaviour and transparent tax practices.

- Responsible business conduct
- Responsible business partnerships
- Responsible tax

European Energy is committed to supporting the UN Sustainable Development Goals (SDGs). While our primary focus is on SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate action), we also make direct contributions to SDG 9 (Industry, Innovation, and Infrastructure), SDG 11 (Sustainable Cities and Communities), SDG 15 (Life on land), and SDG 17 (Partnerships for the Goals). Through our projects and initiatives, we strive to integrate these goals into our core business and everyday activities, fostering sustainable development and positive impacts across the value chain.

Sustainability governance model

Our sustainability strategy is underpinned by a strong governance setup, with cross-company involvement, that will enable us to integrate sustainability in our business activities and deliver on our strategic sustainability priorities.



Rationale for green financing

European Energy has a longstanding record in integrating our green agenda into our financing strategy.

We issued our first green bonds in 2019 (EUR 200 million senior secured green bonds) by reference to our first green bond framework dated May 2019. We have since issued a series of both senior and hybrid green bonds by reference to our green bond framework dated May 2019 and our green finance framework dated June 2021. On the lending side, in 2021 we entered into a green revolving credit facility with a group of relationship banks.

This Green Finance Framework aligns with our ambition to continue financing renewable energy and contribute to the green transition. The continued integration of our green agenda into our financing supports our company vision to be a major global force in driving the green transition.

Green Finance Framework

The International Capital Markets Association (ICMA) Green Bond Principles (GBP) are a set of voluntary guidelines that recommend and promote transparency and disclosure while promoting integrity in the development of the green bond market by clarifying the approach for issuing green bonds. Similarly, the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA) Green Loan Principles (GLP) provide a recommended framework of market standards and guidelines for use across the green loan market. This Green Finance Framework is structured in accordance with the 2021 ICMA GBP, as well as the 2023 LMA, APLMA and LSTA GLP. European Energy may therefore issue or borrow different Green Finance Instruments under this framework, including green bonds and loans. Green Finance Instruments under this framework may be issued or borrowed by the parent company (European Energy A/S) or by subsidiaries, including (but not limited to) by way of subsidiary project financings.

European Energy may also enter into other types of 'Green' or 'sustainable' debt financing not governed by this Green Finance Framework, such as Sustainability-Linked debt. Such other debt financing will be governed by the terms of the relevant instrument.

This Green Finance Framework consists of the core components of the GBP and GLP:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review

European Energy intends to follow best practices in the market as the standards develop, and this Green Finance Framework may therefore be amended and/or updated to reflect future changes in market practice. This Green Finance Framework replaces our prior green finance framework dated June 2021. The prior green finance framework will continue to apply to outstanding Green Finance Instruments under that framework.

Exclusions: Proceeds will not be used to finance investments directly linked to fossil fuel or nuclear energy generation, research and development within weapons and defence, gambling or tobacco

1. Use of Proceeds

The net proceeds of the Green Finance Instruments issued or borrowed by European Energy will be used exclusively to finance or refinance Eligible Assets (or a portfolio of Eligible Assets) that have been evaluated and selected in accordance with this Green Finance Framework. Such Eligible Assets may cover inventory, including development costs, construction costs, and PPE, as well as capital and operational expenditures. The Eligible Assets may be held by project companies wholly or partially owned by European Energy, but allocated proceeds will not exceed the total investment by European Energy.

The Eligible Asset categories are mapped to the relevant EU Taxonomy activities, however allocation to the activities will vary from year to year, depending on where and when investment opportunities occur.

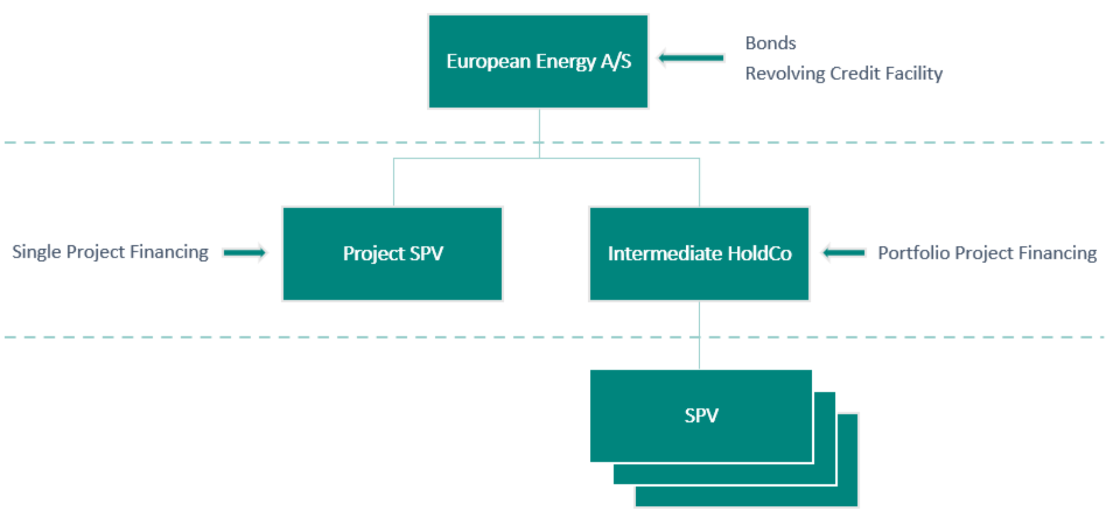
Instruments

This Green Finance Framework covers a variety of Green Finance Instruments across European Energy's capital structure.

Green Finance Instruments may be issued or borrowed by the parent company (European Energy A/S) with the proceeds being contributed by way of equity or shareholder loans to subsidiaries or joint ventures that hold the projects. Subsidiaries may also issue or borrow Green Finance Instruments directly for purposes of financing a single project or a portfolio of projects held directly or indirectly by the relevant subsidiary. In addition, this Green Finance Framework may on a case by case basis be applied to Green Finance Instruments issued or borrowed by joint ventures in which European Energy does not hold a controlling stake.

Revolving credit facilities and other "general corporate purpose" financing may be borrowed under this Green Finance Framework if the Green Corporate Eligibility Criteria are fulfilled and confirmed on an annual basis, as set out in the *"Green Corporate Financing"* section below.

Simplied capital structure, including main types of Green Financial Instruments



EU Taxonomy

European Energy has referenced the EU Taxonomy's Substantial Contribution Criteria (SCC) to climate change mitigation when developing this Green Finance Framework. A majority of European Energy's economic activities are Taxonomy-eligible. As European Energy is currently working on providing documentation on compliance with all components of the Do No Significant Harm (DNSH) and Minimum Safeguard (MS) criteria, the eligible economic activities are not yet fully aligned with the EU Taxonomy. However, we are currently working towards alignment in these areas. A full overview of our EU Taxonomy reporting and methodology is available in our annual reporting.

- **Substantial Contribution Criteria (SCC):** Eligible Assets financed under this Green Finance Framework must fully comply with the EU Taxonomy's Substantial Contribution Criteria (SCC) to Climate Change Mitigation.
- **Do No Significant Harm (DNSH):** European Energy will, on a best-effort basis, also screen the projects against the relevant Do No Significant Harm (DNSH) at site level. As European Energy is currently in the process of developing policies and documentation for some DNSH categories, the Eligible Assets will not fully comply with the DNSH criteria.
- **Minimum Safeguards (MS):** European Energy evaluates Minimum Safeguards (MS) at the group level and assesses four main topics: Human rights and labour rights, corruption, fair competition, and taxation. As European Energy is currently in the process of implementing key frameworks, the Eligible Assets will not fully comply with the MS criteria.

The EU Taxonomy's definition of Capex and Opex only relates to assets held as property, plant, and equipment, and not assets held as inventory. As a renewable energy developer that sells wind farms, solar PV parks and Power-to-X facilities at various project stages, the majority of our assets are held as inventory. This means that a large part of our Capex and Opex is not considered as eligible under the EU Taxonomy and therefore not covered in our reporting. We are addressing this gap by developing a set of voluntary disclosures that allow us to account for all of our assets.

Financing and refinancing

The proceeds of Green Finance Instruments that are not issued or borrowed on a portfolio basis (as described below) will to the extent feasible be allocated to new projects. In cases where such proceeds are allocated to existing projects, European Energy will apply a look-back period of maximum 3 years.

Eligible Asset Categories

Eligible Asset Category	Criteria	Mapping to International Standards
Renewable energy	**Solar and wind** Development, construction, operations and maintenance of renewable energy assets such as solar and wind power. Related infrastructure such as storage of electricity.	**EU Taxonomy:** Substantial Contribution: Climate Change Mitigation Activities: 4.1. Electricity generation using solar photovoltaic technology; 4.3. Electricity generation from wind power; 4.10 Storage of electricity; 7.6 Installation, maintenance, and repair of renewable energy technology Criteria: SCC **GBP Environmental Objective:** Climate Change Mitigation **SDGs:** 7.2
	Power-to-X facilities Development, construction, operations and maintenance of Power-to-X projects such as green hydrogen and e-methanol facilities	**EU Taxonomy:** Substantial Contribution: Climate Change Mitigation Activities: 3.10 Manufacture of Hydrogen (and hydrogen-based synthetic fuels) Criteria: SCC[1] **GBP Environmental Objective:** Climate Change Mitigation **SDGs:** 7.2

2. Selection and Evaluation of Eligible Assets

European Energy's business model ensures a strong focus on project selection and evaluation. European Energy has an Investment Committee (IC) consisting of members from the management team to oversee all investment decisions and ensure that only projects aligned with the criteria set out above, will be selected as Eligible Assets. In relation to the EU Taxonomy, the IC will, on a best-efforts basis, evaluate alignment of each Eligible Asset where relevant with the EU Taxonomy.

The IC meets regularly with the potential for additional meetings when necessary. For bonds and other Green Finance Instruments that are issued or borrowed on a portfolio basis (as described below), the IC will ensure that the green asset pool is

[1] To be introduced in the 2024 annual report

updated annually to reflect the actual portfolio by evaluating and replacing Eligible Assets that have been disposed of or otherwise may no longer meet the criteria.

The Investment Committee is responsible for:

- **Evaluating** the compliance of proposed assets with the eligibility criteria outlined in the *"Use of Proceeds"* section above, the EU Taxonomy, and European Energy's sustainability strategy and policies.
- **Ensuring** that the pool of Eligible Assets is aligned with the categories and criteria as specified in the Green Finance Framework.
- **Identifying** social and environmental risks associated with the Eligible Assets as well as mitigants to such risks.
- **Replacing** assets and projects that no longer meet the eligibility criteria (e.g. following divestment, liquidation, concerns regarding alignment of underlying activity/project-characteristics with eligibility criteria, regulatory changes, etc.).

3. Management of Proceeds

European Energy has established a Green Finance Register to monitor a portfolio of Eligible Assets and to provide an overview of the allocation of the net proceeds from the Green Finance Instruments issued or borrowed on a portfolio basis to the respective Eligible Assets. European Energy will endeavour to build up and maintain an aggregate amount of Eligible Assets in the Green Finance Register that is at least equal to the aggregate net proceeds of all outstanding Green Finance Instruments issued or borrowed on a portfolio basis. European Energy will aim to allocate the net proceeds within the first full financial year after receipt such that the aggregate amount of Eligible Assets in the Green Finance Register as reported in the Annual Allocation and Impact Reporting (as described below) for a given year is at least equal to the aggregate net proceeds of all outstanding Green Finance Instruments issued or borrowed on a portfolio basis in the years prior to the relevant reporting year.

The net proceeds of Green Finance Instruments that are not issued or borrowed on a portfolio basis will not be allocated to the portfolio of Eligible Assets in the Green Finance Register, but to other Eligible Assets. This may include, e.g., the following:

- Green Finance Instruments issued or borrowed by subsidiaries for purposes of project financing, to the extent that the management of proceeds is reported on to the lenders under the relevant project financing in accordance with this Green Finance Framework; and
- Revolving credit facilities and other "general corporate purpose" financing as set out in the *"Green Corporate Financing"* section below.

In some cases, an Eligible Asset may be financed in part by a Green Finance Instrument issued or borrowed on a portfolio basis (e.g., bonds issued by the parent company, European Energy A/S) and in part by a Green Finance Instrument issued or borrowed on an asset-specific basis (e.g., a project financing borrowed by a subsidiary). In this case, only a proportionate part of the Eligible Asset will be included in the Green Finance Register.

Given the inherent nature of European Energy's business model, as described above, allocated Eligible Assets may be sold or otherwise deemed non-eligible for financing under this Green Finance Framework. In such situations, they will be removed from the Green Finance Register.

As set out above, there may be periods when the total outstanding net proceeds of Green Finance Instruments issued or borrowed on a portfolio basis exceed the value of the Eligible Assets in the Green Finance Register. Any such portion will be held in accordance with European Energy's normal liquidity management policy. For the avoidance of doubt, this excludes investments into activities within fossil fuel, nuclear, weapons and defence.

The Green Finance Register will further form the basis for the impact reporting in respect of Green Finance Instruments issued or borrowed on a portfolio basis as described above.

At the time of adoption of this Green Finance Framework, the Green Finance Register will initially comprise the projects described in European Energy's Green Finance Report 2023 issued under European Energy's previous green finance framework dated June 2021 and publicly available on European Energy's website.

4. Reporting

European Energy will annually publish a report on the allocation and impact of Green Finance Instruments issued or borrowed under this Green Finance Framework on a portfolio basis as described above (Annual Allocation and Impact Reporting). This report will be published on an annual basis, starting within one year of the first issuance or borrowing and continuing for as long as there are Green Finance Instruments outstanding which are issued or borrowed on a portfolio basis.

With respect to Green Finance Instruments issued or borrowed by subsidiaries for purposes of project financing or otherwise not on a portfolio basis, the allocation and impact reporting may be made to the lenders under the relevant financing in accordance with this Green Finance Framework. In this case, the Green Finance Instruments may be excluded from the published Annual Allocation and Impact Reporting.

With respect to revolving credit facilities and other "general corporate purpose" financing, separate reporting will be provided annually to the relevant lenders as set out in the *"Green Corporate Financing"* section below.

Where relevant European Energy will seek to align the Annual Allocation and Impact Reporting with the latest standards and practices as identified by ICMA and the guidelines in the Nordic Public Sector Issuer's Position Paper on Green Finance Impact Reporting. The impact report will, to the extent feasible, also include a section methodology, baselines and assumptions used in impact calculations. Further, European Energy expects to align with ongoing market developments around reporting allocation and impact via an online database. European Energy will aim to provide reporting that will allow investors to assess their allocation in relation to impact.[2]

[2] In addition, European Energy intends to provide voluntary reporting on EU Taxonomy alignment of inventories since the majority of European Energy's investments are booked as cost towards inventory, and the EU Taxonomy's definition of Capex and Opex only include PPE.

Allocation Reporting

The Annual Allocation and Impact Reporting will, to the extent feasible, include the following components:

- Project details
- Type and sector of economic activities financed
- EU Taxonomy alignment
- Environmental objective and technical screening criteria
- Outstanding amount of Green Finance Instruments issued or borrowed on a portfolio basis
- Allocation amounts, i.e., the amount of net proceeds from outstanding Green Finance Instruments issued or borrowed on a portfolio basis which have been allocated and the balance (if any) of unallocated proceeds (including specification of the amount of allocated and unallocated net proceeds derived from outstanding Green Finance Instruments issued or borrowed in years prior to the relevant reporting year)
- Share of total proceeds used for financing of Inventories and PPE

Impact Reporting

European Energy will strive to report on the actual environmental impact of the investments financed by their Green Finance Instruments. If/when actual impact for some reason is not observable, or unreasonably difficult to source, estimated impact will be reported. Additionally, the Annual Allocation and Impact Reporting will be subject to confidentiality agreements and for this reason reporting could be done at an aggregate level for certain Key Performance Indicators (KPIs). Where possible, European Energy will aim to disclose the relevant methodology used to calculate impact. The impact indicators vary with investment category, as defined in this Green Finance Framework. The impact metrics selected include the following:

Eligible Asset Category	KPIs
Renewable energy	• Total capacity of renewable energy installed (MW or GW) • Annual renewable energy generation (MWh or GWh) • Annual GHG emissions reduced and/or avoided (tonnes CO2-equivalent)

5. External Review

Second Party Opinion (pre-issuance)

To secure alignment with national and international guidelines, European Energy has engaged S&P Global to act as an external verifier of this Green Finance Framework and the Eligible Assets.

Third-Party Review (post-issuance)

European Energy has appointed an external third party to annually assure that the selection process for the financing of Eligible Assets and that the allocation of the net proceeds of the Green Finance Instruments issued or borrowed on a portfolio basis are conducted in accordance with European Energy's Green Finance Framework.

Publicly Available Documents

This Green Finance Framework, the Second Party Opinion, the third-party review, and related Annual Allocation and Impact Reporting will be publicly available on European Energy's website.

6. Green Corporate Financing

European Energy may enter into revolving credit facilities and other loans for general corporate purposes. Such "general corporate purpose" financing can be eligible as Green Finance Instruments under this Green Finance Framework for as long as European Energy fulfils the following Green Corporate Eligibility Criteria:

- At least 95% of European Energy's EBITDA is derived from Eligible Projects; and
- The proceeds of the loan are not used directly by European Energy to finance investments directly linked to fossil fuel or nuclear energy generation, research and development within weapons and defence, gambling or tobacco.

Compliance with the Green Corporate Eligibility Criteria will be reported on an annual basis to the lenders and externally verified as further detailed in the relevant instrument.