

The Scatec logo is positioned in the top left corner of a teal circular graphic. It features the word "Scatec" in a white, sans-serif font, with a stylized sun icon above the letter 'S'.

Scatec

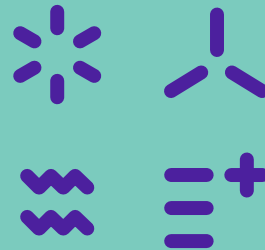
ESG Performance Report

2023



Our vision

Improving our future



Our mission

To deliver competitive and sustainable renewable energy globally, to protect our environment and to improve quality of life through innovative integration of reliable technology

Our values

Driving results
Changemakers
Predictable
Working together

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Refer to our corporate website for our reports:
<https://scatec.com/>

Clean energy in a sustainable way

Scatec is a leading renewable energy provider, accelerating access to reliable and affordable clean energy in emerging markets. We develop, build, own and operate renewable energy and have 4.2 GW in operation and under construction across four continents at year end 2023. Additionally, Scatec started construction for 0.3 GW in the first quarter 2024.

Sustainability is a fundamental part of our organisation, rooted in all our business units and integrated across our value chain. We have dedicated sustainability resources, both at the project and corporate level, involved in all power project phases for long term approach and impact.



Sustainability strategy and reporting



Governance and risk management approach

Sustainability is an integral part of our organisation and is embedded in all business units.

The sustainability team in each country consists of both corporate support teams and specialists who report to the global headquarters and ultimately to the Executive Vice President (EVP) People, Sustainability & Digitalisation, who is part of the Executive Management team (EMT) reporting directly to the Board of Directors (Board).

The Audit and Sustainability Committee carries out quarterly reviews of Scatec's ESG reporting, and the Board is responsible for regular reviews of material sustainability topics. This includes, but is not limited to, the review and advising on the Company's sustainability strategy, evaluation and monitoring of annual ESG targets and results, and discussions related to strategic direction and other key decisions. Sustainability topics including health, safety and security, anti-corruption, responsible procurement, environmental and social impacts, and stakeholder engagement are reviewed by the EMT and the Board on a biweekly and a monthly basis. The development

of annual ESG key performance indicators and targets as well as tracking and communication of progress towards targets, is reviewed quarterly by the Audit and Sustainability Committee and bi-annually by the Board. Specific sustainability targets are linked to Scatec's CEO and EMT remuneration, including:

- The implementation of our climate roadmap and reaching the 2024 climate targets
- 31% of female managers and 91% full time employee retention
- Zero casualties and reaching the [HSSE targets](#)
- Ensure CSRD alignment for 2024

For all our projects, environmental and social risks are identified, reported, and actively managed with clear decision gates and requirements through all project phases. A detailed corporate ESG risk matrix is developed to ensure that relevant risks and their respective status is raised monthly to the EMT and quarterly to the Board.



Scatec's sustainability team collaborates closely with our regional teams and business units to review and address relevant sustainability matters quarterly. Our sustainability policy commitments are integrated into our organisational strategies, operational policies and procedures through continuous collaboration with all business units on shared projects and initiatives. The key principles and management approach governing the way we operate and address each material ESG topic, is included in our [online report](#) linked in each chapter of this report.

Compliance

Scatec is committed to operating in line with the Equator Principles and IFC's Environmental and Social Performance Standards to ensure consistent practices across all projects. Our work is also guided by the OECD Guidelines for Multinational Enterprises. We work with trusted partners such as the IFC, Norfund, KLP and several larger development banks who all have high standards for the projects and their associated impacts.

Further information on our corporate governance, compliance and risk management can be found in the [Annual Report](#), [Corporate Governance Report](#) and on our [corporate website](#).



CSRD readiness

The Corporate Sustainability Reporting Directive (CSRD) requires all large companies and listed companies to disclose information on the impact of their activities on people and the environment, as well as risk and opportunities arising from social and environmental issues.

Scatec initiated its preparatory work towards the requirements of CSRD during the first quarter of 2023. Key high-level actions from the year are highlighted below.

What is CSRD?

- The Corporate Sustainability Reporting Directive (CSRD) is a European Union (EU) legislation that sets a new standard for sustainability reporting.
- The CSRD entered into force in January 2023 and is applicable for the financial year 2024.
- Requires companies to include sustainability information in their annual report, apply the double materiality principle, report according to ESRS, digitally tag key data points, and obtain limited assurance of sustainability data.
- Read more about the CSRD [here](#)

Key actions 2023:

1

CSRD project planning: Identified project scope, key roles and responsibilities, timeline and actions.

2

Double materiality assessment: Reviewed and updated Scatec's materiality assessment according to CSRD requirements including comprehensive stakeholder engagement on impact and financial risk and opportunities.

3

ESRS gap analysis: Mapped and identified gaps against the ESRS reporting requirements and developed a plan to close all gaps.

4

Targets and KPIs: Reviewed our target setting process and current key targets for all material topics to ensure alignment to CSRD target requirements.

5

ESG data management and internal controls: Reviewed internal control process and assessed ESG data quality and completeness for all material ESG topics.

6

Due diligence and governing documents: Further formalised due diligence within the human rights topic area aligned to the Transparency Act. Continued monitoring of the CSDDD and implications for all ESG topics.

7

Reporting and external assurance: Formalised ESG reporting platform for ESRS and continued with independent external review and assurance of our annual sustainability reporting.

ESG priorities and double materiality

Renewables must be deployed with respect for nature, social inclusion and in close cooperation with broader society. The impact of renewable power plants on biodiversity and local communities needs to be understood and minimised and economic development and job creation is essential for renewable deployment to gain support.

Double materiality assessment

Scatec assesses material sustainability related impacts, risks and opportunities according to the concept of double materiality in the ESRS. The double materiality assessment has a dual focus by investigating both an organisation's impact on environment, people and society and how different ESG topics financially impact the company.

Since 2019, Scatec have conducted materiality assessments every second year, building the foundation for ESG strategy and reporting according to best practices. In 2023, we developed our materiality approach to align with the double materiality principle in the upcoming Corporate Sustainability Reporting Directive (CSRD). The assessment is validated by the Executive Management (EMT), reviewed by the Board of Directors, and will be reviewed annually.

Stakeholder engagement

Regular engagement with internal and external stakeholders to understand what types of topics and issues concern them is key to determining our sustainability priorities. Scatec's key stakeholder groups include co-investors and partners, financing partners, shareholders, employees, suppliers, contractors, governments and regulators, and local communities.

Stakeholders have been involved in the double materiality process through interviews, roundtables and workshops, and their perspectives are integrated in the assessment. Interactions with external sustainability experts, partners and networks also inform our understanding of impacts, risks and opportunities along the value chain.

The double materiality assessment has been organised and performed in close collaboration between the Company's Finance and Sustainability Reporting & Strategy units. A working group with subject matter experts and line managers contributed with inputs and cross-functional discussions:

Environmental and Social Management, Health and Safety, Community Engagement, Human Resources, Supply Chain, Financial Controlling, Enterprise Risk Management, Investor Relations and Communications. The EMT and representatives from the Audit and Sustainability Committee were involved in one-to-one conversations as part of the insights phase, in addition to the validation of the results. The difference between internal and external stakeholder views were also reviewed and discussed as part of the assessment.

Methodology

The double materiality assessment was conducted during third and fourth quarter 2023 and is based on the guidelines described in ESRS 1, and the relevant themes and sub-themes. As part of the insights phase of the assessment, we performed a nature risk assessment inspired by the Task Force on Nature related Financial Disclosure (TNFD) to gain a better understanding of financial risk and opportunities related to biodiversity.

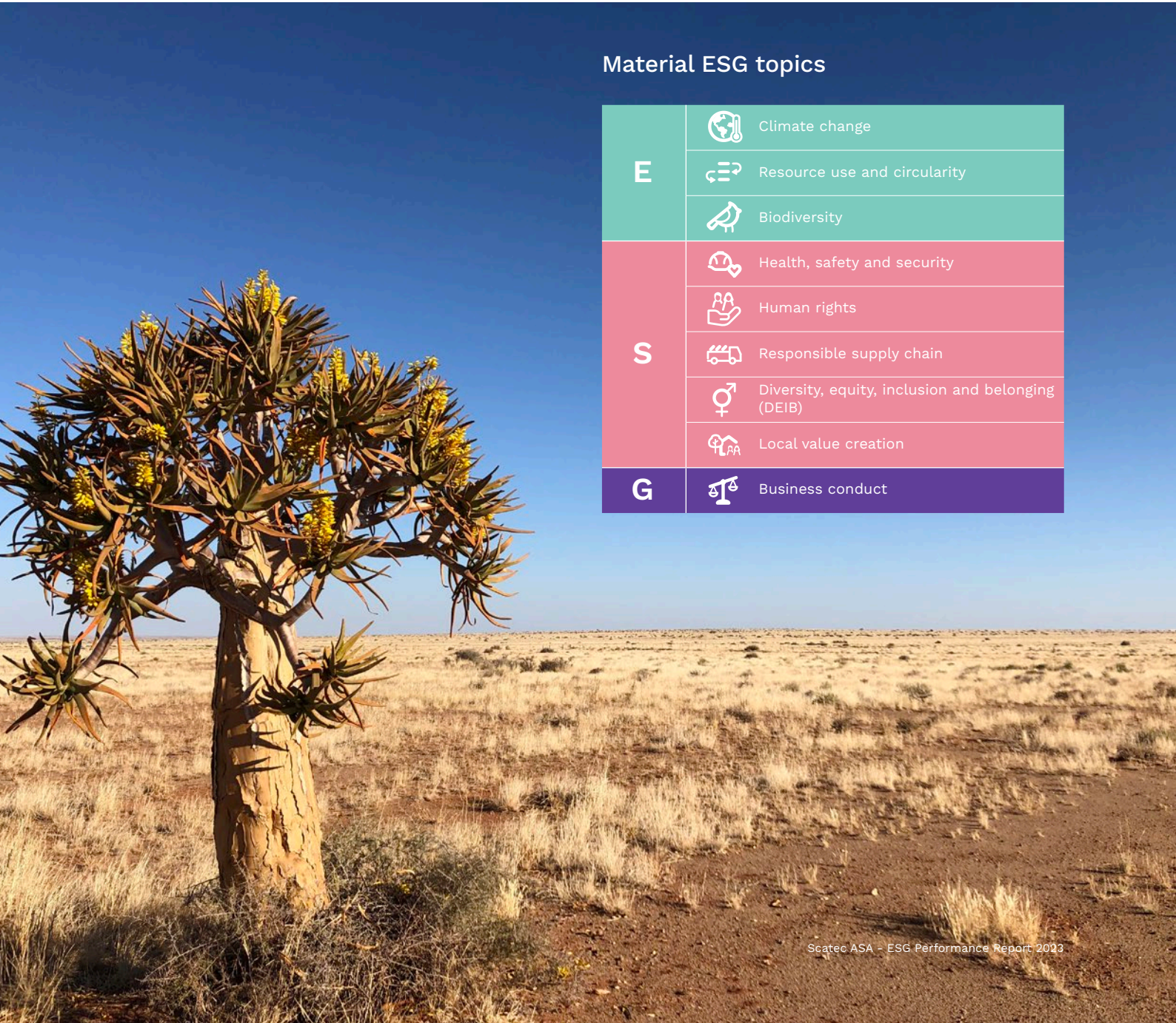
In the impact assessment, we evaluated Scatec's impact on people and the environment over short, medium and long term, in own operations and along the value chain. The impacts include both negative and positive impacts that Scatec can have on the society and the environment. The most relevant and significant impacts were summarised and scored. Significance is a factor of severity (scale, scope and irremediability) and likelihood (each scored from 1-5). For the financial assessment, the financial effects are dependent on the type of risks and opportunities. The risks and opportunities have financial effects on short and medium term for projects under construction and in operation (current) and on medium and long term for growth possibilities (future). The financial effect is calculated as severity multiplied with likelihood.

The double materiality assessment is conducted through a mix of quantitative and qualitative methods, including interviews,

desktop analysis and scoring, and was built on a solid foundation of previous analyses and resources such as the TCFD report, Transparency Act Statement, ESG Performance Report and the Annual Strategic Report. Broad stakeholder involvement both externally and internally across the organisation informs the assessment, including also geographical reach with involvement of regional executives and Environmental and Social managers from all geographic areas.

Results

The output of the assessment is still undergoing final validation and will be presented in Scatec’s integrated report for FY 2024. The initial results from the assessment indicate that the list of material ESG topics will largely remain the same as in previous years, but the prioritisation of the topics may change. This report presents all material ESG topics listed below, structured along three overall environmental, social and governance chapters.



Material ESG topics

E	 Climate change
	 Resource use and circularity
	 Biodiversity
S	 Health, safety and security
	 Human rights
	 Responsible supply chain
	 Diversity, equity, inclusion and belonging (DEIB)
	 Local value creation
G	 Business conduct

ESG performance and targets

Scatec reports on targets and key performance indicators across our material topics. The table below covers key ESG results and performance from the full year 2023.

	KEY PERFORMANCE INDICATORS	UNIT	STATUS	TARGET 2023	ACTUAL 2023	ACTUAL 2022	ACTUAL 2021	TARGET 2024
E	E&S assessments in new projects	% projects assessed	●	100	100	100	100	100
	GHG emissions - scopes 1 and 2 ¹⁾	tonnes CO ₂ e	●	3,900	3,765	3,641	8,745	N/A
	GHG emissions intensity - scope 3 ²⁾	tonnes CO ₂ e/kWh		N/A	116	377	8	N/A
	GHG emissions avoided ³⁾	million tonnes CO ₂ e	●	2.0	1.9	2.0	2.0	2.8
	Renewable electricity consumption (I-RECs)	% RE use	●	65	73	71	16	80
	Water consumption in water-stressed areas	million litres		N/A	9.3	11.3	11.0	N/A
S	Lost Time Incident Frequency (LTIF)	LTIF/million hours	●	≤ 2.1	0.9	0.7	1.9	≤ 2.2
	Total Recordable Injury Frequency (TRIF)	TRIF/million hours	●	≤ 3.2	2.1	1.6	3.0	≤ 3.2
	Fatalities	number	●	0	0	0	0	0
	Female managers	% female		N/A	29	28	27	31
	Female employees	% female		N/A	30	30	29	N/A
	Gender pay gap of HQ employees (difference in average base salary between men and women)	% difference		N/A	9	7	5	N/A
G	Projects with a Community Liaison Officer (CLO) appointed	% projects with CLO	●	100	100	100	100	100
	Grievances resolved	% resolved	●	100	86	87	79	100
	Confirmed corruption incidents	number	●	0	0	0	0	0
	Whistleblower reports received	number		N/A	29	8	7	N/A
	Anti-corruption training of employees	% trained	●	100	100	100	89	100
	E&S screening of new suppliers	% screened	●	100	100	100	100	N/A

1) Scope 2 is reported following the market-based approach based on international renewable energy certificates (I-RECs).
 2) Indirect GHG emissions from activities related to the scope 3 categories as disclosed in the [Climate change chapter](#) in this report.
 3) GHG emissions avoided include all projects where Scatec has operational control. For all projects where Scatec has an ownership stake, 4.0 mill tonnes of GHG emissions were avoided in 2023.

- Achieved
- Partly achieved
- Not achieved

GHG emissions avoided

1.9 mill

tonnes where Scatec has operational control



Female managers

29%

of females in mgmt. positions



Anti-corruption training

100%

of employees trained



ESG performance summary

Environment

Scatec conducts environmental and social (E&S) risk and impact identification for all projects throughout the business development phase in the form of desktop screening, due diligences and impact assessments. The planning and management of these risks and impacts commences thereafter. Both E&S risk and impact identification and management is performed in close dialogue with project and financing partners. In 2023, new projects in Botswana, Brazil, India, the Philippines and South Africa were subject to E&S desktop screening, due diligences and impact assessments. All new projects are Category B projects according to the IFC Performance Standards, with potential limited adverse E&S impact.

It is key for Scatec to contribute to emissions mitigation for the societies we operate in through renewable energy production, in our own operations and value chain. In 2023, our near term and net zero targets for emission reductions towards 2040 were validated by the Science-Based Target Initiative (SBTi). Our [Net Zero roadmap](#) details the six key initiatives required within our operations and value chain to reach our targets. To measure our contribution to the renewable energy transition, we also calculate emissions that Scatec helps avoid by producing low emission electricity compared to the existing grid mix available in the countries we operate. The GHG emissions avoided from projects where we have operational control reached 1.9 million tonnes by the end of 2023. For all projects where Scatec has an ownership stake, 4.0 mill tonnes of GHG emissions were avoided in 2023.

Social

We delivered nearly 9.2 million working hours with no fatalities or serious injuries (12 months rolling). An increase in working hours during 2023 reflect our continued construction activities in Brazil, Pakistan and South Africa. The lost time incident frequency rate (LTIF) was 0.9 per million working hours and all incidents were investigated, and preventive actions were implemented and communicated.

Road traffic and transportation remains among our most hazardous activities. We reported six high potential incidents related to traffic accidents during 2023. In response, Scatec launched an extensive HSSE campaign focusing on how to further improve on transportation safety management and prevent incidents.

The percentage of female employees in management positions globally was 29% at the end of 2023. Amidst challenges posed by external market dynamics and a focused operational strategy, our organisational growth experienced a slower pace than initially projected. As a result, Scatec initiated a cost savings programme mid-year and adjusted its organisation, also limiting the opportunity to bring in a larger proportion of new female employees into the Company. Despite these hurdles, solid progress was made during 2023 where new hires and promotions into management levels represented 30% women. In addition, the attainment of 30% female representation in Operations & Maintenance (O&M) at our plant in Brazil and the hiring of the first female plant manager in South Africa.

Governance

Throughout 2023, Scatec continued to collaborate with key stakeholders to address the alleged forced labour issues in the solar PV production industry in Xinjiang, China. Key initiatives included the conclusion of the Chain of Custody Audits on the module suppliers for the Mendubim project in Brazil, the Sukkur project in Pakistan and Kenhardt projects in South Africa. In addition, our collaboration with peers on various panel discussions and specialist consultants, as well as updates of governing documents and exploration of alternative sourcing of polysilicon. Scatec and our suppliers believe that traceability will remain an ongoing topic and as such will monitor and follow up on a project specific level even after deliveries have concluded. Through early adopters in the industry, we observed that there are possibilities for tracing all the way to metal grade silicon, which is a tier deeper than polysilicon. In 2024, we will continue to develop our sustainability framework to ensure we remain on top of the industry developments with regards to human rights and tracing of material requirements. We updated our Supplier Qualification procedure to include traceability mapping of all key suppliers (not only module suppliers) based on the supplier's bill of material. Scatec engages regularly on the matter with investors and other key stakeholders through weekly updates on progress and key initiatives. During 2023, 45 contracted and potential suppliers of

key procurement categories were assessed in four ESG areas via the EcoVadis supplier management platform.

The total number of grievances received from projects in operation and under site construction amounted to 92. Given the continued construction activity in three countries in 2023, a high number of grievances was expected. Grievances received during the construction phase generally relate to disputes between our sub-contractors and their workers, as well as the impact of construction activities. Of the total grievances registered, 86% were resolved at year end.

Scatec received 29 whistleblower reports during 2023 with zero confirmed incidents of corruption. The whistleblower reports relate to alleged conflicts of interest, internal financial controls, the workplace environment, safety, data privacy, and human relations concerns. All reports were investigated in line with our procedures and subsequently closed. We continue to raise awareness regarding our Code of Conduct and zero-tolerance policy for corruption through training, targeted workshops, and communication. We provide mandatory anti-corruption and Code of Conduct training to all employees. As at the publication of the report, 100% of all employees within scope had completed the training.

ESG results 2023



Science-based Target Initiative (SBTi):

Net zero target validated

Read more in our [Net Zero roadmap](#)

Position Green[®]

ESG 100
ESG reporting:

A+ rating

Top rating among the 100 largest companies listed on the Oslo Stock Exchange



Climate reporting
and transparency:

A List

Top score
Carbon Disclosure Project

ecovadis

Sustainability rating:

Gold

Among the top 5% of companies rated



ESG rating:

AA

High ranking relative to industry peers of resilience to long-term ESG risks



Corporate ESG
Performance:

B rating

Status:
Prime (threshold: C+)



ESG risk rating:

Low risk

Top score in Utilities industry group

EU Taxonomy

Scatec's contribution to the objectives of the Taxonomy and the economic activities carried out by the Group is defined based on the integrated business model and strategic activities. Scatec is a project organisation that performs economic activities related to different renewable energy technologies and solutions across a range of markets along the value chain.

Substantial contribution

Our activities contribute to the environmental objective climate change mitigation, the global transition to a low carbon society through its renewable energy generation. As we have a global project portfolio, most of Scatec's economic activities are outside of the EU and not directly covered by the EU requirements.

- Electricity generation using solar photovoltaic (PV) technology (4.1)
- Electricity generation from wind power (4.3)
- Manufacture of hydrogen (3.10)
- Storage of electricity enabling activity (4.10)

Do no significant harm (DNSH)

Since 2020, Scatec, along with third parties, carried out multiple assessments to confirm alignment of its economic activities with the Taxonomy criteria and to identify potential gaps. The assessments are specific to the six environmental objectives and the DNSH technical criteria. In 2022, an internal climate risk and risk mitigation assessment was performed for each solar and wind plant. During the last year, Scatec screened each project following a standardised template covering the criteria for substantial contribution and all applicable DNSH, as well as the minimum social safeguards criteria (on a corporate level):

- Climate adaptation
- Protection and restoration of biodiversity and ecosystems
- Transition to a circular economy
- Sustainable use and protection of water resources, and pollution prevention and control

Minimum social safeguards

The minimum social safeguards in the Taxonomy entails ensuring that certain minimum governance standards are adhered to, such as anti-corruption and fair competition; and that social norms are not violated, including human and labour rights. During the last year, on a corporate level, Scatec's alignment was screened following a standardised template covering the detailed minimum social safeguards criteria:

- Human rights
- Anti-corruption
- Taxation
- Fair competition

Reporting on the financial KPIs

Revenue, opex and capex are reported based on our International Financial Reporting Standards (IFRS) consolidated figures. This implies that revenue, capex and opex shall be disclosed for economic activities in companies that are included in the consolidated financial statement. These KPI's do not include figures from joint ventures (JVs) and associated companies, such as the hydropower producing companies.

What is the EU Taxonomy?

To meet the European Union's (EU) climate and energy targets for 2030 and reach the objectives of the European green deal, it is vital that investments are directed towards sustainable projects and activities. The EU Taxonomy is a green classification system that translates the EU's climate and environmental objectives into criteria for specific eligible economic activities.

The Taxonomy is a transparency tool that requires companies to disclose to what extent the economic activities that they carry out meet the criteria set out in the Taxonomy, namely the proportion of revenue, capex and opex aligned with the Taxonomy.

Taxonomy alignment criteria for economic activities

1. Substantial contribution to one or more environmental objective
2. Do no significant harm (DNSH) to any other environmental objective
3. Comply with the minimum social safeguards
4. Comply with the technical screening criteria ¹⁾

1) The EU Taxonomy technical screening (4.) comprises substantial contribution (1.) and DNSH (2.)

	REVENUE		CAPEX		OPEX	
	NOK MILL	PERCENTAGE	NOK MILL	PERCENTAGE	NOK MILL	PERCENTAGE
Eligible	3,352	99%	8,812	100%	345	100%
Aligned	3,193	94%	8,529	97%	334	97%
Not aligned	159	5%	283	3%	11	3%
Non eligible	44	1%	9	0%	-	-

- 94% of Scatec's revenue is derived from eligible activities that are aligned with the Taxonomy. 5% of the revenue is related to sale of electricity from the Czech portfolio that is assessed as non-aligned. The remaining 1% is related to miscellaneous goods and services sold from different entities in the Group classified as non-eligible.
- 97% of the capex recognised during the year relate to Taxonomy-aligned economic activities, namely the generation of electricity through solar PV technology. This is related to the construction of solar plants, mainly the Kenhardt projects in South Africa. All projects under construction (Kenhardt and Sukkur) in 2023 are considered to be aligned to the Taxonomy, except for Release Mexico and Cameroon.
- Scatec's revenue is mainly derived from eligible economic activities aligned to the Taxonomy and the operating expenses incurred in relation to the same activities are also aligned. Opex related to revenue generated on the Czech projects is not aligned.

Refer to our EU Taxonomy Report 2023 on our [corporate website](#).



Material ESG topics

Environment





Climate change

Scatec contributes to the global transition to a low carbon society through its renewable energy generation. The new technology and installations necessary for this transformation also causes climate impacts through production and operation of components and land use changes from solar, wind and hydro projects. We aim to limit the climate impacts in our value chain.

Key risks:

- Climate impacts on countries where we operate
- Increasing climate regulations
- Value chain and land use change emissions in our projects

Key opportunities:

- Increased renewable electricity demand and societal electrification
- Policies promoting renewable energy
- Industry collaboration and innovation



Governing documents
Detailed GRI disclosures

Scatec is a renewable energy solutions provider, accelerating access to reliable and affordable clean energy in high growth markets. Our projects provide affordable, reliable and emission free electricity in growth markets for 20-25 years. Managing climate change impacts is an integrated part of Scatec's overall business strategy.

Performance against 2023 targets

We report on our total direct and indirect emissions resulting from our projects, including our energy consumption and intensity.

GRI STANDARD	METRICS	UNIT	TOTAL 2023	TOTAL 2022 ¹	TOTAL 2021	2024 TARGETS	2030 TARGETS
GRI 302-1	Energy consumption within the organisation						
	Energy consumption (electricity and fuel)	MWh	25,909	26,829	19,305	N/A	
	Electricity use	MWh	22,635	16,417	15,527	N/A	
	Renewable electricity consumption (I-RECs)	MWh	16,560	11,653	2,514		
	Renewable electricity consumption (I-RECs)	%	73	71	16	80	100
GRI 302-3	Energy intensity						
	Electricity production (100%)	GWh	3,615	3,898	3,823		
	Energy consumption per unit of produced energy (operational control)		0.007	0.007	0.006	N/A	
GRI 305-1	Direct GHG emissions (scope 1)		tCO2e	1,167	1,442	1,237	N/A -97%
GRI 305-2	Energy indirect GHG emissions (Scope 2)					N/A	-97%
	Total location-based GHG emissions	tCO2e	10,230	8,055	8,690		
	Total market-based GHG emissions	tCO2e	2,598	2,199	7,508		
GRI 305-3	Other indirect GHG emissions (Scope 3)			418,324	1,470,910	28,951	N/A
GRI 305-4	Emissions intensity		gCO2e/kWh	116	377	8	N/A -55%

1 The total emissions for 2022 is restated.







In 2023, our total emissions amounted to 422,089 mill tonnes CO2e (market-based).

- Emissions in scope 1 and 2 combined increased by 3% from 2022.
- Our share of renewable energy consumption, both through using our own electricity produced on sites and purchase of I-RECs for electricity consumed from the grid, amounted to 73% in 2023.
- The climate emissions associated with our value chain (scope 3) reached 418,324 mill tonnes CO2e in 2023.
 - Scatec had three projects under construction in Brazil, Pakistan and South Africa during 2023.
 - Emissions from capital goods decreased from 2022, while those from upstream transportation and purchased goods/services increased. The majority of capital goods for these three projects were procured prior to construction start, while there is often a time lag in terms of transportation of goods to site. While construction services commenced during 2022, it was fully underway in 2023.
 - Business travel, employee commuting, investments and waste emissions remained largely aligned between 2022 and 2023.
- The emissions intensity for produced energy decreased due to the completion of capital goods purchases in the previous year, from 377 gCO2e/kWh in 2022 to 116 gCO2e/kWh in 2023.

Refer to our [corporate website](#) for more information on our climate accounting.

Key initiatives and highlights in 2023

- We published our [Net Zero roadmap](#) detailing the six key initiatives Scatec will implement towards reaching our Science Based Targets Initiative (SBTi) validated climate targets.
- In 2023, the estimated GHG emissions avoided from the projects where Scatec had operational control reached 1.9 mill tonnes. When including all projects where Scatec has an ownership stake, total emissions avoided were 4.0 mill tonnes.
- Scatec was recognised for its leadership in corporate transparency and performance on climate change, securing a place on CDP's annual 'A List'.

	#1: Electric Mobility
	#2: SF6
	#3: Biofuels
	#4: Back-up power
	#5: Electricity use
	#6: Supplier engagement

Key learnings from 2023

- Reducing indirect emissions in our value chain takes time, as we are dependent on our supplier's own efforts to reduce emissions. To address this issue, we will increase our engagement with strategic suppliers to share our own strategy, improve data quality and encourage them to set ambitious climate targets.
- Scatec will also collaborate through industry initiatives to push for more transparency and improvement of emissions accounting, procurement requirements and other solutions to favour products with lower emission through its lifecycle.
- Several of the six key emissions reduction initiatives from our Net Zero roadmap are interdependent, and we need to work cross-functionally and regionally to be able to assess and develop ambitions and targets for these initiatives.

Targets and ambitions for 2024

- Our SBTi validated climate targets are to minimise direct emissions by 2030 and achieve net zero emissions across our value chain by 2040.
- Implement the Net Zero roadmap focusing on initiatives #1 Electric mobility, #2 SF6 and #6 Supplier engagement.
- 80% of our electricity use from renewables through purchases of I-RECs or use of own renewable electricity (100% by 2030).
- 2.8 mill tonnes of GHG emissions avoided from projects (operational control).

Near-Term Targets Reductions by 2030 from 2019



- Scatec commits to reduce absolute scope 1 GHG emissions by 95%
- Scatec commits to increase annual sourcing of renewable electricity to 100% by 2030 (scope 2)
- Scatec commits to reduce scope 3 GHG emissions 55% per kWh

Long-Term Targets Reductions by 2040 from 2019

- Scatec commits to achieve at least 99% absolute scope 1 and 2 GHG emissions reductions from 2030 through 2040.
- Scatec commits to reduce scope 3 GHG emissions 97% per kWh by 2040



Resource use and circularity

Renewable power plants require large amounts of resources to be built. With power purchase agreements (PPAs) lasting up to 25 years, plants must be designed and operated with consideration to long-term performance and eventual decommissioning.

Key risks:

- End-of-life disposal of components and site restoration costs
- Impacts of resource extraction
- Availability and costs of low carbon components
- Water availability in water scarce areas

Key opportunities:

- Project lifetime extension through repowering and revamping
- Resource efficiency and reduced O&M
- Recycling of main components



Governing documents
Detailed GRI disclosures

Scatec is committed to being a responsible business by considering our projects' long-term performance and end-of-life decommissioning. Most of our GHG footprint and resource use is related to the components making up our plants. We develop plans in line with our [Project Lifecycle Management & End of Life Guide](#) to ensure recycling of modules where possible, to recover materials and reduce lifecycle impacts.

Water is a scarce resource in many areas and therefore an important aspect of our environmental management. We optimise usage of water during operations and focus on limiting water use in areas with high water stress. We avoid impacting natural aquifers or developing near wetland areas where possible.

Performance against 2023 targets

- Scatec reports on non-hazardous waste, such as paper, plastic and metal, and hazardous waste, like oil contaminated materials, concrete, and sewage generated at our project sites.
- In certain projects we report a higher output of waste due to the accumulation of waste streams over a longer time period. It can be more cost efficient to dispose of larger quantities over time, as opposed to small quantities frequently.
- We aim to recycle all waste where possible, incinerate hazardous waste, and only use landfills according to internationally recognised standards.

GRI STANDARD	METRICS	UNIT	ACTUAL 2023	ACTUAL 2022	ACTUAL 2021
GRI 306-3	Total waste generated		36.7	33.6¹⁾	
	- Hazardous waste	tonnes	6.4	7.6	N/A
	- Waste to landfill	tonnes	20.9	19.8	N/A
	- Recycled waste (solid)	tonnes	9.3	6.2	N/A

- We report on the total water withdrawn from all projects broken down by various sources, including areas of water-stress.

GRI STANDARD	METRICS	UNIT	ACTUAL 2023	ACTUAL 2022	ACTUAL 2021
GRI 303-3	Total water withdrawal	mill litres	102.3	91.4¹⁾	N/A
	- Surface water	mill litres	0.1	0	
	- Ground water	mill litres	80.2	80.9	
	- Potable water	mill litres	22.1	9.1	
	- Rainwater	mill litres	0	0	
	- Wastewater	mill litres	0	1.4	
	Total water withdrawal in water-stressed areas	mill litres	9.3	11.3	11
	- South Africa (ground water)	mill litres	4.2	4.3	2.3
	- Jordan (ground water)	mill litres	5.1	7.0	8.6

1) The total waste generated and water withdrawal reported for 2022 is restated from 10.3 tonnes and 26.8 mill litres respectively.

Key initiatives and highlights in 2023

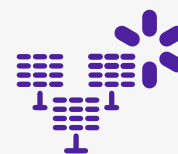
- During 2023, a new cleaning methodology was introduced in Jordan resulting in a reduction in water usage. In addition, higher annual rainfall resulted in fewer module cleaning cycles required.
- In South Africa, we are in dialogue with [e-Waste Africa](#) to explore waste facilities for solar refurbishment and battery recycling that will also aim to involve local small businesses and facilitate local job creation.
- The refurbishment of damaged modules due to extreme weather events, among others, will continue in Egypt in 2024.

What is next for broken solar modules?

As the first generation of utility-scale PV plants reach their end of life worldwide, the industry is faced with an urgent challenge of finding sustainable solutions for broken solar panels. Scatec reports on damaged modules that are accumulating on project sites globally, and we work continuously to find sustainable solutions across all regions.

The Quasar project 2023:

- The Quasar project is an ambitious EU-backed initiative bringing together more than 20 partners.
- The goal is to minimise waste, save precious resources, and create a circular economy that benefits everyone.
- Scatec is responsible for developing a best practice guide on how to inspect, classify, handle and store end-of-life modules.
- We will supply the project with a number of containers of broken modules from our global operations that will be used to test and develop new recycling technology.



Key learnings from 2023

- We see rapid developments in recycling solutions and our corporate strategy for lifecycle management of equipment, as well as each project's preliminary end-of life plan, should be regularly reviewed to incorporate new developments.
- We observe a large difference in the maturity level of recycling solutions in our various focus markets.
- A key industry challenge of recycling solar panels is cleanly separating materials and avoid contamination, to ensure pure materials for recycling into new products. Current solar module design is optimised for a long product lifetime and minimal material usage with little consideration for recycling.

Targets and ambitions for 2024

- Explore and assess end-of-life solutions with 100% of strategic suppliers.
- Pilot a solution for solar module management and recycling in 1-2 projects.



Biodiversity

The development and construction of utility-scale renewable energy plants may include environmental impacts such as the degradation of habitats, reduction of resource availability and transformation of habitats, which can affect biodiversity. Scatec works to implement mitigation measures to minimise impacts and restore biodiversity.

Key risks:

- Stricter requirements from project partners
- More comprehensive legislation
- Land use change, habitat loss and deforestation
- Endangered species impacts

Key opportunities:

- Habitat creation and preservation during operations
- Thresholds development and implementation
- Habitat restoration at end of life



Governing documents
Detailed GRI disclosures

Scatec owns and operates a variety of renewable energy technologies with differing potential impacts on nature and biodiversity. We have a framework for identifying and managing all environmental and social (E&S) aspects relevant to our business under our Environmental and Social Management System (ESMS) that combines policies, procedures, and tools. This system guides the management of biodiversity risks throughout the project lifecycle, starting from the initial project assessment, planning, construction and operations to the project decommissioning phase. We focus our efforts not only on the mitigation of potential negative impacts, but also on the restoration and creation of rich ecosystems.

Performance against 2023 targets

- Scatec maps protected area proximity during project development and has assessed all operational projects reporting on the number of our project sites in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

GRI STANDARD	PROJECT AND COUNTRY	TECHNOLOGY	PROJECT STATUS	AFFECTED AREA (HA)	POSITION IN RELATION TO PROTECTED AREA	DISTANCE TO PROTECTED AREA (KM)
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas					
	Apodi, Brazil	Solar	In operation	856	Outside	3
	Mendubim, Brazil	Solar	Under construction	1,050	Outside	3
	Hrusovany, Czech	Solar	In operation	8	Outside	1
	Mramotice, Czech	Solar	In operation	6	Outside	3
	Sulkov, Czech	Solar	In operation	22	Outside	2
	Svitavy, Czech	Solar	In operation	6	Outside	5
	Agua Fria, Honduras	Solar	In operation	63	Outside	2
	Los Prados, Honduras	Solar	In operation	133	Outside	2
	Merchang, Malaysia	Solar	In operation	81	Outside	1
	Mocuba, Mozambique	Solar	In operation	126	Outside	4
	Sukkur, Pakistan	Solar	Under construction	287	Outside	3
	Dreunberg, South Africa	Solar	In operation	250	Outside	1
	Linde, South Africa	Solar	In operation	108	Outside	4
	Kenhardt, South Africa	Solar and storage	In operation	750	Outside	5
	Progressovka, Ukraine	Solar	In operation	203	Within	0
	Chigirin, Ukraine	Solar	In operation	82	Outside	1
	Boguslav, Ukraine	Solar	In operation	75	Outside	1
	Kamianka, Ukraine	Solar	In operation	50	Outside	8
	Rengy, Ukraine	Solar	In operation	63	Outside	1
	Dam Nai, Vietnam	Wind	In operation	760	Outside	4

- Biodiversity assessments during project planning include the mapping of species that occupy or are near to the site to be developed. We report on red list and national conservation list species identified in the E&S impact assessments and due diligences.

GRI STANDARD	CRITICALLY ENDANGERED	ENDANGERED	VULNERABLE	NEAR THREATENED	LEAST CONCERN
GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations					
Sites red list and national conservation list species are identified in the ESIA	6 ¹	14	31	28	1,088

1 The total number of critically endangered species include two of each species as listed below

- Critically endangered species identified include:
 - Cocoloba cholutecensis (tree) in two projects in Honduras
 - White backed vulture in two projects in South Africa
 - European mink in two projects in Ukraine

Key initiatives and highlights in 2023

- We held two nature risk workshops with our E&S team during the year focusing on the Taskforce for Nature related Financial Disclosures (TNFD) guidance and applying the LEAP²⁾ framework.



- The quiver tree grows slowly and is habitat specific and found in areas with extreme weather conditions. Climate change has made it more difficult for quiver trees and they are struggling to grow as abundantly as in the past.

Scatec protects local Quiver trees at Kenhardt project site in South Africa

Situation: Quiver trees are on the National Flora Red List and our environmental licence in the project area provided us with a clear mandate to protect the trees while we work on the site.

Objective: To execute an operation to preserve the trees on site and ensure an increase of the plant species in the local habitat.

Key actions taken:

- Replanting the trees is a challenging and delicate process, and Scatec partnered with a local specialist team that helped to navigate the entire process.
- The quiver trees are not easy to find, but a nursery that stocked these special trees was located in the Western Cape, and the Scatec team applied for a permit to transport the quiver trees over the provincial border.

Outcome:

- For every tree that was relocated, an additional ten quiver trees were planted.
- To date, all the Quiver trees are growing into beautiful and succulent trees.

Targets and ambitions for 2024

- Develop and adopt a corporate tool to identify biodiversity thresholds for all new projects.
- Develop the first version of Scatec's biodiversity roadmap based on the Taskforce for Nature related Financial Disclosures (TNFD).

2) LEAP (Locate, Evaluate, Assess and Prepare) is an integrated assessment approach for nature-related issues.



Material ESG topics

Social





Health, safety and security

HSSE are key priorities for Scatec. We take responsibility, set requirements, and monitor HSSE performance in the development, construction and operations phases of our projects. We define and communicate our standards to our employees and subcontractors.

Key risks:

- Traffic safety
- Labour and working conditions (own and subcontractor workers)
- Contractor safety and monitoring
- Security and emergency preparedness

Key opportunities:

- Training and awareness
- Open reporting culture and lessons learned
- Technological developments



Governing documents
Detailed GRI disclosures

We continuously work for zero harm to personnel, assets and the environment. All our business activities are conducted in accordance with applicable labour standards and fundamental human rights norms as prescribed by the International Labour Organisation (ILO) and the Universal Declaration of Human Rights.

Scatec is committed to maintaining a comprehensive, effective, and consistent HSSE management system across all projects. Our HSSE performance and objectives are monitored and evaluated in internal and external audits and annual management reviews.

Performance against 2023 targets

GRI STANDARD	METRICS	UNIT	TARGET 2023	ACTUAL 2023	ACTUAL 2022	ACTUAL 2021
GRI 403-9	Work-related injuries					
	Fatalities	number	0	0	0	0
	Lost Time Incident Frequency ¹⁾	number	≤ 2.1	0.9	0.7	1.9
	Total Recordable Injury Frequency ²⁾	number	≤ 3.2	2.1	1.6	3.0
	High potential incidents	number	≤ 1.4	0.8	0.7	1.2
	Sick leave ³⁾	%	≤ 2.0	0.7	0.8	0.9
	Working hours incl. subcontractors	number	-	9,188,955	4,517,720	2,586,755

All figures include hours from subcontractors, except for sick leave. Rates are calculated per million hours worked.

1) Lost Time Incident Frequency (LTIF) is defined as the number of lost time injuries occurring per one million hours worked.

2) Total Recordable Injury Frequency (TRIF) is defined as the number of medical treatments, restricted work incidents, lost time injuries, fatalities, serious property damage and significant environmental incidents per one million hours worked.

3) Sick leave includes hours from full-time employees, short-term employees, and consultants.

- The year was characterised by continued increased construction activity from 2022 in three projects in South Africa, Brazil and Pakistan. We also have operating assets in 15 countries.
- In 2023, Scatec delivered well within all targets across our performance indicators namely the number of fatalities, high potential incidents, LTIF and TRIF.
- The sickness leave rate remained largely in line with previous years.

Key initiatives and highlights in 2023

- Scatec has leading indicators on reporting across different business units such as reporting on incidents and improvement ideas, audit closing and management inspections.
- Scatec is certified to ISO 9001, 45001 and 14001. DNV executes annual intermittent monitoring audits and recertification every three years to confirm the Company's alignment to industry best practice.

0.8 high potential incidents



100%



employees and contractors covered by our Occupational Health and Safety Management System in 2023



Key learnings from 2023

- **Road traffic safety**
 - Road traffic and transportation remains among our most hazardous activities.
 - We reported six high potential incidents related to traffic accidents during 2023. In response, Scatec launched an extensive HSSE campaign focusing on how to further improve on transportation safety management and prevent incidents.
 - During 2023, two Scatec employees were exposed to non work-related traffic incidents that resulted in the loss of life. These were related to transportation accidents outside the workplace in non-working hours. All incidents were fully investigated in line with our corporate policy and changes were implemented in our HSSE management system to mitigate the occurrence of similar incidents in future.

- **Emergency preparedness and response**
 - The objectives of Scatec’s emergency response are to ensure the safety of all our employees, maintain operations when it is considered safe to do so and safeguard our assets.
 - Scatec has organised emergency response resources at three levels – headquarters in Norway, the regions and at each operational asset or project site – to contain and control events and prevent or limit undesired consequences.



6 high potential incident related to traffic accidents

Targets and ambitions for 2024

- Our main goal for 2024 is to have zero fatalities and serious injuries and reach our remaining HSSE targets set out in the key performance indicators table below.

- Reduce number of traffic incidents, from 2023 figures, by:
 - Introducing traffic management related KPIs to the service functions
 - Roll out next level traffic safety campaign incl. training and compliance programme

GRI STANDARD	METRICS	UNIT	PROJECTS WITH OPERATIONAL CONTROL
			TARGET 2023
GRI 403-9	Work-related injuries		
	Fatalities	number	0
	Lost Time Incident Frequency ¹⁾	number	≤ 2.2
	Total Recordable Injury Frequency ²⁾	number	≤ 3.2
	High potential incidents	number	≤ 1.4
	Sick leave ³⁾	%	≤ 2.0
	Working hours incl. subcontractors	number	-

All figures include hours from subcontractors, except for sick leave. Rates are calculated per million hours worked.

1) Lost Time Incident Frequency (LTIF) is defined as the number of lost time injuries occurring per one million hours worked.

2) Total Recordable Injury Frequency (TRIF) is defined as the number of medical treatments, restricted work incidents, lost time injuries, fatalities, serious property damage and significant environmental incidents per one million hours worked.

3) Sick leave includes hours from full-time employees, short-term employees, and consultants.



Human rights

Renewable energy projects may trigger environmental and social impacts. We endeavour to minimise our negative impacts, maximise local benefits and ensure constructive dialogue with all project stakeholders. In all our work, we pay special attention to the human rights we could be at risk of impacting and to the most vulnerable groups.

Key risks:

- Labour and working conditions in direct Scatec activities and within our supply chain
- Land access and economic and/or physical displacement
- Use of security forces

Key opportunities:

- Target setting and performance tracking
- Transparency and reporting
- Capacity building and training



Governing documents
Detailed GRI disclosures

Scatec respects all internationally recognised human rights including the International Bill of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. Our human rights policy is aligned with the United Nations (UN) Guiding Principles on Business and Human Rights to prevent, address, and remedy human rights abuses committed in business operations.

Human rights due diligence in Scatec comprises the assessments of our projects' impact on directly and indirectly affected local communities, vulnerable groups and the local workforce, in addition to the identification of mitigation approaches to be executed in full respect of human rights. Scatec has a systematic approach to due diligence of human rights risks in our supply chain that includes a continuous review of traceability of our key suppliers' supply chain.

Performance against 2023 targets

- We published our first [Transparency Act Statement](#) in June 2023 detailing our work within human rights due diligence and summarising relevant cases from our projects. Refer to the box below for more details.
- Our human rights training for security personnel continued in 2023 and was conducted at all sites where new security service providers were appointed. In addition, tailored training was provided to exposed groups to include community workers, such as Community Liaison Officers (CLOs) and other social staff.

100% 
new operations with environmental and social assessments, including human rights criteria

Transparency Act Statement

The Norwegian Transparency Act requires companies to undertake human rights due diligence aligned to OECD guidelines, report externally on human rights, and respond to requests for information from the public.

Scatec's human rights work during 2023:

- Internal working group comprising of Sustainability, Compliance and Supply Chain business units ensured that impact and risk assessments are implemented and managed in project development and supplier management processes
- Continued grievance mechanism implemented in all projects aligned to the IFC Performance Standards
- Further integration of human rights risk assessments (including the considerations of scale, scope, irremediability and likelihood) to Scatec's Enterprise Risk Management process
- Double materiality assessment aligned to the Corporate Sustainability Reporting Directive's (CSRD) requirements, including human rights impact, financial risk and opportunity review
- Responded to a media query in relation to the Transparency Act

Read more in our [Transparency Act Statement 2023](#) available on our [corporate website](#).

Key initiatives and highlights in 2023

- In 2023, we worked to strengthen our response to Gender Based Violence and Harassment (GBVH) at both project and local community-level. In addition to corporate human resources policies, we introduced site-specific anti-sexual harassment policies in several locations, including at our Mendubim site in Brazil.
 - We have adopted Gender Action Plans and GBVH plans in Pakistan, Botswana, and South Africa. These management plans aim to prevent, address, and manage instances of GBVH, identify potential risks and vulnerabilities within the project, develop action steps and response protocols, and capacity-building initiatives to address GBVH risks.
- During the year, we successfully completed the resettlement processes in Pakistan and Brazil. We received recognition from our project lenders that these cases are good practice examples, given the tailormade approach that provided affected households with broad options to design their new lives in line with their socio-cultural preferences.
- Through our formalised supplier assessments via EcoVadis, all strategic suppliers are screened on the 'Labour & Human Rights' topic, including the following criteria: Employee health and safety, Working conditions, Child and forced labour (human trafficking), Discrimination and harassment.

Key learnings from 2023

- Throughout 2023, Scatec continued to collaborate with key stakeholders to address the alleged forced labour issues in the solar PV production industry in Xinjiang, China. Refer to the [Responsible Supply Chain](#) chapter for related information.
- To ensure greater awareness of human rights impact and our work in our own operations and throughout our value chain, we will convert our current corporate human rights training into a gamified e-learning.
- In Pakistan, our contractors were regularly monitored with respect to working conditions, executed through six audits and six inspections. Several cases linked to labour law compliance, welfare facilities and worker accommodation were identified and investigated aligned to Scatec's corporate procedures.

Targets and ambitions for 2024

- Introduce measures to address gender-based violence and harassment in all new projects.
- Facilitate human rights training to 100% of security guards on all projects.





Responsible supply chain

Sustaining a responsible supply chain and increasing our value chain focus is a key part of our sustainability efforts. We seek to understand, monitor and report on key ESG risks and performance in our supply chain and select and develop suppliers with strong sustainability practices.

Key risks:

- Human and labour rights
- Climate and indirect emissions
- Corruption
- Traceability of components

Key opportunities:

- Industry peer collaboration
- Value chain monitoring and reporting
- Diversifying supply chains
- Flexibility and resilience



Governing documents
Detailed GRI disclosures

Scatec purchases goods and services from a wide variety of suppliers, ranging from large international companies to specialist local suppliers worldwide. We mainly source services and components during the development and construction phases of our projects.

During the year, Scatec had three projects under construction in South Africa, Pakistan and Brazil as well as projects in operation in 15 countries. The map below provides an overview of our current and future supplier base for our main procurement items.

Performance against 2023 targets

- We assessed 45 suppliers of key procurement categories through our ESG supplier management platform, [EcoVadis](#). 79 corrective actions were underway within the areas of Environment, Labour and Human Rights, Ethics, and Sustainable Procurement during 2023.
- We conducted chain of custody audits on our module suppliers following the update to our Supplier Qualification procedure that included traceability mapping of all key suppliers based on the supplier’s bill of material.
- During 2023, we engaged strategic suppliers through our double materiality assessment and individual meetings, that included climate and related environmental topics.

Key initiatives and highlights in 2023

- Scatec published our [Net Zero roadmap](#) detailing the six key initiatives we will undertake to reach our near term and net zero targets, including a core focus on supplier engagement towards scope 3 reduction in the future.
- We updated our human rights saliency assessment during 2023, reflecting the risk of human and labour rights issues within the solar module value chain.
- We continued to engage in several industry and peer collaboration forums including Solar Power Europe, Ultra Low-Carbon Solar Alliance and Sustainability Hub Norway.

100%

environmental and social screening of new suppliers in 2023

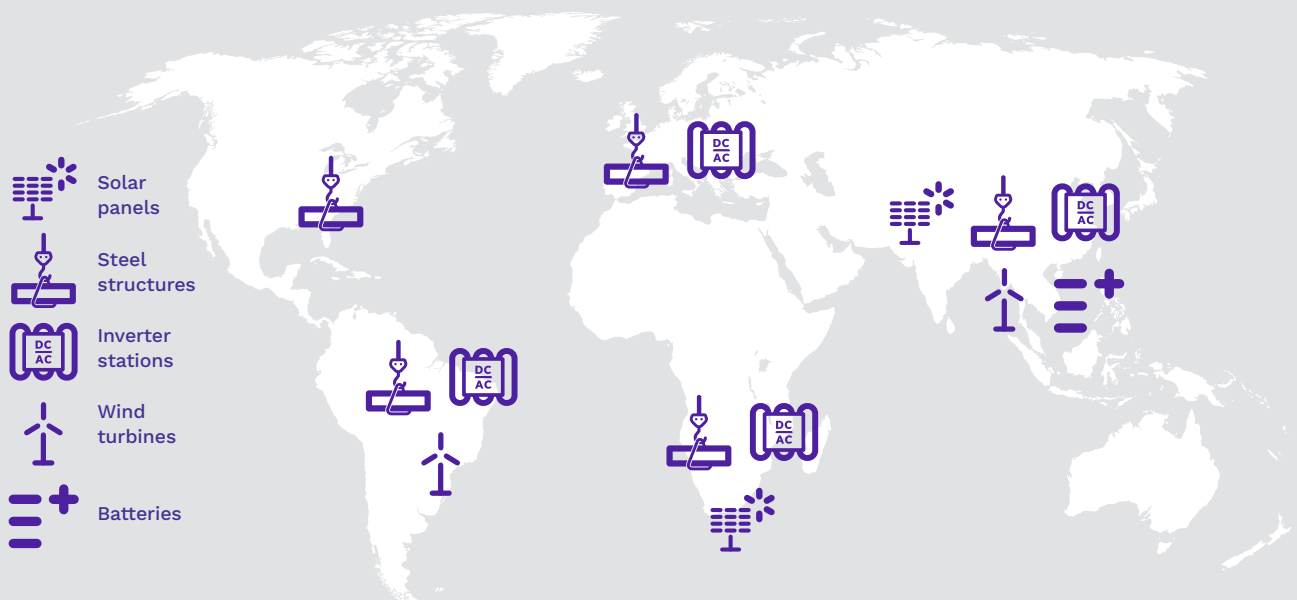


A-score (leadership)

for supplier engagement on climate change, based on our CDP disclosure



Supplier bases



Key learnings from 2023

- Traceability continues to be a high priority for us and our suppliers across all procurement categories and will be followed-up and monitored on a project specific level even after deliveries have concluded.
- Throughout 2023, Scatec continued to collaborate with key stakeholders to address the alleged forced labour issues in the solar PV production industry in Xinjiang, China. See more details in the box below.

Human and labour rights in Xinjiang, China

Main mitigating activities: Scatec is taking the following key steps to ensure that our supply partners follow our integrity standards and are not sourcing components from Xinjiang:

- Scatec requires all suppliers to be vetted through the Supplier Qualification Procedure which requires a traceability map of all sub-suppliers and sub-components which can be screened through the Integrity Due Diligence process and suppliers in high-risk areas can be identified.
- As part of the supplier qualification process a desktop traceability audit is conducted on all shortlisted suppliers to determine their readiness to comply with their supply chain map through their segregation processes in their factories.
- Our contracts have been updated to include specific topics related to the Xinjiang forced labour issue as well as detailed traceability audit processes defined for delivery of goods.
- Once a contract is signed with a supplier, incorporating the required actions from the initial desktop audit, a Phase II audit is conducted on site to verify the performance of the supplier against their supply chain map, ensuring goods destined for our projects are not associated with alleged regions of concern. In 2023, we received our first detailed Chain of Custody Audit reports, confirming our processes and products procured are according to the contractual requirements.
- We are working with suppliers on alternative sourcing of polysilicon.
- We are collaborating with peers in the industry to understand their approach and create collective pressure on the supply chain to ensure compliance.
- Our internal working group held regular meetings and implemented several key initiatives with peers and specialist consultants to further address the issue.

Read more
on our corporate
website



Targets and ambitions for 2024

- Establish and implement the supplier development action plan linked to Scatec's [Net Zero roadmap](#).
- Workshops with 100% of strategic suppliers on climate and net zero initiatives.
- Assess the readiness of 100% of strategic suppliers to provide low carbon components.
- Map our strategic suppliers and their value chains with respective labour policies to ensure traceable supply chains.



Diversity, equity, inclusion and belonging

We acknowledge that people are our most important asset, and we strive to create an environment that fosters excellence, promotes our values, and encourages diversity.

Key risks:

- Talent recruitment and retention
- Work-life balance
- Unconscious bias

Key opportunities:

- Diverse workforce
- Human capital and leadership development



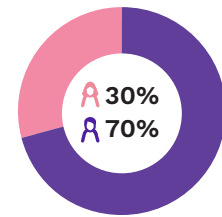
Governing documents
Detailed GRI disclosures

Building a culture that nurtures diversity in all aspects is key to delivering on our company goals and maintaining a flexible and agile working environment. Scatec embraces holistic Diversity, Equity, Inclusion and Belonging (DEIB) in our practices, policies and procedures and development programmes and initiatives.

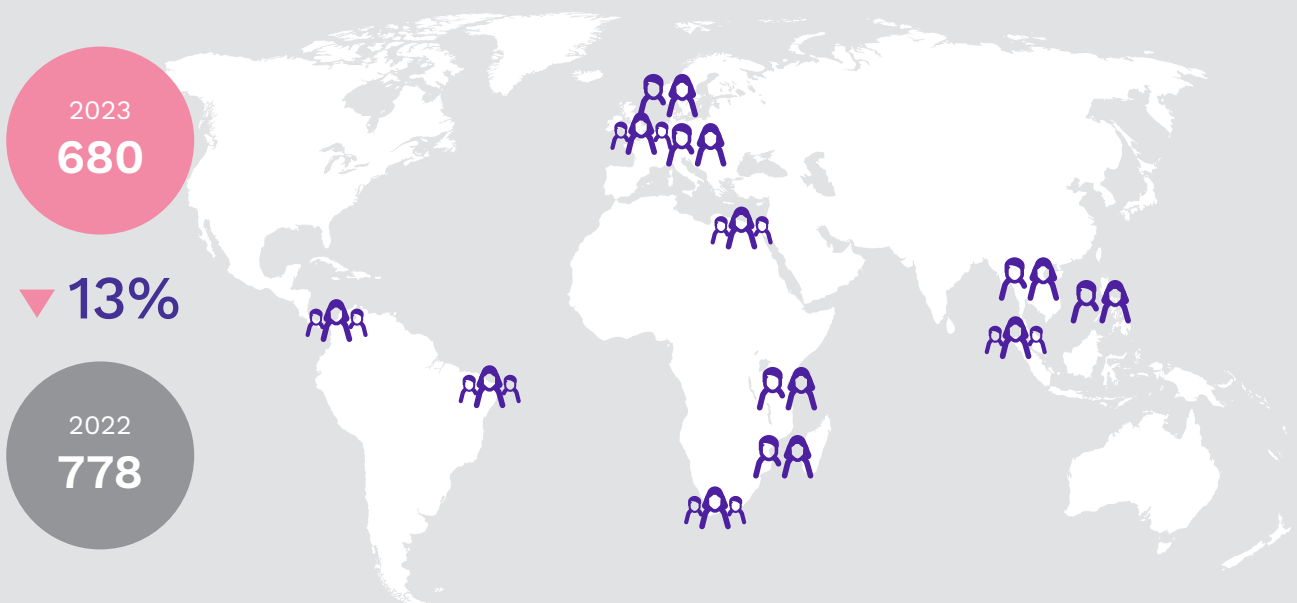
Performance against 2023 targets

- Scatec comprised of 680 full-time employees, 171 fixed term and 42 consultants totalling 893 globally at the end of 2023.
- 88 permanent new employees were hired, of which 28% were women. Refer to our [corporate website](#) for additional employee data.
- Scatec’s voluntary turnover rate was 10.5% for 2023, an increase compared to 2022. Female turnover is lower compared to 2022, while male turnover has increased.
- In 2023, women in management levels reached 29%, compared to 28% the previous year. Progress was made during 2023 where new hires and promotions into management levels represented 30% females.
- Scatec continued to offer unconscious bias training for our leaders as part of our overall initiatives to advance our DEIB culture.
- Scatec’s [Statement of Equality and Non-discrimination](#) includes key gender pay statistics for Scatec ASA (Norway headquarters).

Gender balance



Geographic employee distribution



Key initiatives and highlights in 2023

- The number of different nationalities reached 49 in 2023, and the average age was 38. Our workforce age group ranges from 21 to 70 years reflecting a dynamic and diverse workforce.
- In 2023, Scatec participated in the SHE Index and achieved an index score of 85, +23 points up from 2022.
 - The index disclosed that we are doing better than average when it comes to gender balance in i) Board of Directors ii) Direct reports to Executive Management iii) DEIB Policy.
 - It also suggested to work on i) programs to attract both genders ii) gender balance in Executive Management iii) D&I training for all.
- Scatec conducts a global engagement survey three times annually. The survey serves as an important tool for identifying potential discrimination risks. It includes specific questions about diversity and discrimination, enabling us to pinpoint areas where employees may have perceived any form of discrimination and tailor initiatives accordingly.
- In 2023, Scatec transformed our gender taskforce into a "DEIB Advisory Board"
 - The primary goal was to enhance awareness and support for hiring managers by establishing clear targets, allocating sufficient time for finding female candidates, implementing mandatory bias training for hiring managers, and regularly tracking statistics for more frequent reporting.
 - These initiatives have yielded positive outcomes, evident in the hiring managers' improved understanding and behaviours regarding gender diversity.
 - We also introduced an "Application Tracking System," which integrates artificial intelligence to mitigate unconscious bias during candidate screening and role matching.
- In 2023, Scatec launched an internal Leadership Development program. This consists of Leadership Team development sessions, Masterclasses targeted toward line managers and coaching for select leaders. In all leadership development initiatives, we strive for gender balance.
- In 2023, Scatec launched "Global Mental Health" month in October with several initiatives both globally and locally. This will be continued as an annual event to ensure sustained focus on raising awareness, reducing stigma, and providing support for mental health issues across our organisation.

49 
nationalities
in 2023

79% 
employee
satisfaction
in 2023



Read more
on our corporate
website

Diversity, equity, inclusion and belonging (DEIB) ambassador programme

In 2022, Scatec launched a companywide DEIB training programme, focused on gender and other forms of diversity. We implemented a global DEIB calendar, which outlines global monthly diversity initiatives.

Key facts and actions from 2023:

- We now constitute 50 DEIB ambassadors across 4 regions.
- We performed over 20 actions on 6 locally chosen DEIB topics
 - language, diversity (gender, religion, age, and disability), gender violence, microaggressions, diversity in hiring and cultural diversity.
- Changed the status quo in several countries, for example:
 - Women in Egypt can now choose to work night shifts if they want to
 - Raised the bar on DEIB requirements towards our suppliers
 - 30% working in O&M in our Mendubim project in Brazil are women
 - Hired of the first female plant manager in South Africa

Key learnings from 2023

- Amidst challenges posed by external market dynamics and a focused operational strategy, our organisational growth experienced a slower pace than initially projected. As a result, Scatec initiated a cost savings programme mid-year and adjusted its organisation, also limiting the opportunity to bring in a larger proportion of new female employees. Despite these hurdles, our commitment to gender equality perseveres, as evidenced by notable advancements in female representation across various levels globally.

Targets and ambitions for 2024

Scatec remains dedicated to ensuring equality, enhancing diversity, and preventing discrimination throughout the organisation. Special emphasis will persist in improving gender balance. The following two global goals have been established for 2024:

- Increase female share on management level to 31%.
- Employee engagement score above 80%.

Further targets and priorities for 2024 are included in our [Statement of Equality and Non-discrimination](#).



Local value creation

We develop, construct, own and operate renewable energy projects in emerging markets. By having an active presence for up to 25 years, a unique opportunity exists to positively impact our local neighbours within each phase of a project.

Key risks:

- Community unrest and unresolved grievances
- Social license to operate
- Local community dependence on development programmes

Key opportunities:

- Initiatives and programmes aligned to community needs
- Local job creation and training
- Increased access to clean energy in communities



Governing documents
Detailed GRI disclosures

Contributing to long-term local value creation is a key success criterion for achieving our overall company goal of delivering competitive and sustainable renewable energy. Scatec aims to positively impact the communities we operate in, both directly and indirectly. Our stakeholder engagement work is carried out in accordance with the IFC's Performance Standards and the Equator Principles. To maintain good relations, regular meetings are held with local leaders and representatives in the communities surrounding our sites. Refer to our corporate website for more details on how we work with [stakeholder engagement](#) and [local value creation](#).

Performance against 2023 targets

Stakeholder engagement

- In 2023, we had several projects under development and three projects in the construction phase, both phases requiring strong local presence and community engagement efforts.
- We developed stakeholder engagement plans and ensured early presence of local stakeholder teams on the ground for all relevant projects in 2023.
- We continue to standardise our approach to early phase stakeholder mapping, aligning practices in all new projects with specific focus on South Africa and Botswana.

Local job creation

- During 2023, we directly employed 1,065 local workers through the construction activities from our projects in Brazil, Pakistan and South Africa.
- Each project site has a Plant Manager and several operations and maintenance (O&M) personnel directly employed locally.
- One of our 2023 targets was to appoint a Community Liaison Officer (CLO) in each project³⁾. This continues to be a central part of our local hiring and stakeholder management approach, and we are proud to have reached this target.

Bi-weekly progress reports

to Executive Management on material matters raised by communities

1,065



direct local jobs created during the construction periods of three projects in 2023

GRI STANDARD	METRICS	UNIT	ACTUAL 2023	ACTUAL 2022	ACTUAL 2021
GRI 203-2	Significant indirect economic impacts				
	Plant managers based on site	number	27	27	22
	Operations and Maintenance operators based on site	number	72	77	74
	Community Liaison Officers (CLOs)	number	20	24	21

Grievances

- In 2023, the total number of grievances received from projects in operation and under site construction amounted to 92, of which 86% were resolved.
- Due to the high level of construction activities in Pakistan, South Africa and Brazil during 2023, a high number of grievances was expected.

86%

grievances resolved

3) Where projects are physically adjacent and the local communities surrounding these projects are identical, a CLO may be shared in a project portfolio.

- Grievances received during the construction phase generally relate to disputes between our sub-contractors and their workers, as well as the impact of construction activities – also corresponding to the nature of the remaining open grievances under investigation in Pakistan for 2023.
- Refer to our [corporate website](#) for more information on our grievance mechanism and process.

GRI STANDARD	METRICS	UNIT	ACTUAL 2023	ACTUAL 2022	ACTUAL 2021
GRI 413-1	Operations with local community engagement, impact assessments, and development programs				
	Grievances received	number	92	151	28
	Grievances addressed and resolved	number	79	131	22

Community investments ⁴⁾

- Scatec plans and implements local development programmes in line with our Community Investment Procedure in the communities where we have operations.
- In 2023, we reviewed and updated our community investment framework and procedure, with increased focus on compliance and risk management.
- We continue to prioritise long-term ⁵⁾ investments and ensure that all new local development programmes have a clear monitoring and evaluation plan. Progress is disclosed against targets and impact metrics.

Key initiatives and highlights in 2023

- A full feature of our local development programmes globally is showcased on our [corporate website](#).

Key learnings from 2023

- Climate adaptation and mitigation initiatives and programmes are aligned to our core company competency (renewable energy) and the contribution to sustainable communities can be monitored over time. We will continue to explore community PV and access to water projects.

Targets and ambitions for 2024

- Appoint one Community Liaison Officer (CLO) in each project.
- Directly hire 70% local labour during the peak construction period of a project.
- Ensure all new local development programmes have a clear monitoring and evaluation plan – monitored on a quarterly basis.
- Community needs assessment in all new projects finalised six months prior to commercial operation date (COD).

150+
Local development programmes and initiatives in 2023



65%
long-term
local development programmes in 2023

14
Ongoing community PV projects in Brazil, Honduras, Jordan, Rwanda, South Africa and Ukraine



4) Community investments are our voluntary initiatives that contribute to the long-term common good of the local communities near our project sites and come in addition to efforts made to mitigate or compensate for project-related impacts. We are committed to contributing to the communities in a way that allows them to develop by themselves without becoming dependent on us.

5) Long-term investments build local capacity over time and support longer-term business objectives such as asset predictability, risk management, reputation, and sustainability. While the extent of a long-term project will necessarily differ from location to location, we aim to monitor impact for at least 12 months (source: IFC).





Material ESG topics

Governance





Business conduct

The renewables industry is built by people who believe in a better future. Scatec's focus on bringing power to emerging markets means that many of the countries that we operate in are challenging. We make extensive efforts in our projects and operations to prevent corruption and other unethical practices.

Key risks:

- Challenging business environments
- High value investments
- Government interaction

Key opportunities:

- Transparency and accountability
- Global alliances and partnerships
- Training and awareness



Governing documents
Additional information

Scatec is opposed to all forms of corruption and strives to meet the highest ethical standards across our business activities. Our Code of Conduct embodies our fundamental values and commitment to ethical conduct and safeguards our Company's integrity. It is the core of how we build our business. We implement internal controls to prevent, detect and remedy improper conduct through our [Anti-Corruption Compliance Programme](#).

Compliance with applicable laws and regulations are mandatory in all Scatec activities, but business ethics extend beyond legal compliance. We conduct business with integrity, respecting the cultures, dignity, and rights of individuals in the regions where we operate. Our approach is risk-based, and we have special focus on markets and activities particularly exposed to corruption.

Performance against 2023 targets

- The Code of Conduct was reviewed with internal experts to ensure that emerging risks were addressed, and underlying procedures were strengthened.
- The Code of Conduct e-learning is mandatory and was completed by 100% of our employees in scope, a total of 707. Targeted workshops were held across the company to upskill exposed positions.
- The Compliance Officer Network was strengthened through regular workshops and experience sharing.
- Developing expertise on green hydrogen and storage solution continued for key markets.

Key initiatives and highlights in 2023

- The Code of Conduct is available on our website in six languages (English, Portuguese, Spanish, Afrikaans, Arabic and Ukrainian), and pocket versions were distributed locally to our project sites.
- We held in-person targeted trainings for 892 employees across different business functions to embed compliance requirements into our organisation.
- Ensuring that our employees are comfortable to report potential misconduct is important for Scatec. Scatec's various reporting tools, including the Whistleblowing Channel, was described in our trainings and workshops to reinforce this.

100% 
employee participation
in Code of Conduct
training

745 
third parties were risk
assessed in 2023

100%
operations assessed for
risks related to corruption

Whistleblowing channel

The Whistleblowing Channel is available to all employees, suppliers, partners and customers of the company through internal channels and our [corporate website](#).

The function is operated by an independent third party and available in eleven languages. All whistleblowers have the option to be anonymous.

The whistleblower reports relate to alleged conflicts of interest, internal financial controls, the workplace environment, safety, data privacy, human relations concerns. All reports were investigated in line with our procedures and subsequently closed.

Refer to our [corporate website](#) for more information.



**Number
of reports
received
in 2023: 29**

Key learnings from 2023

- Continued focus on supply chains in high-risk markets is required to ensure that Scatec standards are fully understood and complied with.
- Integrity Due Diligence on potential counterparties allows Scatec to identify and avoid significant risk.
- Holistic and comprehensive risk assessments involving internal experts and stakeholders allows Scatec to identify and avoid significant risk.

Targets and ambitions for 2024

- 100% in scope employee participation in Code of Conduct e-learning.
- Strengthen Scatec Compliance Officer Network through quarterly meetings to upskill members through workshops and experience sharing.
- Enhance risk assessment process with a focus on early phase projects.
- No significant compliance breaches during the year.

Frameworks and assurance

Reporting frameworks and boundaries

Scatec reports in accordance with the Global Reporting Initiative (GRI) Standards and we regard our report to be our Communication on Progress (COP) to the United Nations Global Compact (UNGC). Furthermore, we report to the Carbon Disclosure Project (CDP) and in line with the Task Force on Climate-related Financial Disclosures (TCFD).



During 2023, Scatec initiated its preparatory work towards compliance to the Corporate Sustainability Reporting Directive (CSRD), entering into effect in for FY 2024. Scatec will report in line with CSRD for the 2024 annual reports.

Scatec’s sustainability reporting covers the period of 1 January 2023 to 31 December 2023. We report quarterly on key selected ESG indicators and annually on all relevant sustainability disclosures aligned to the above listed frameworks.

Scatec’s reporting scope covers all projects where we have operational control⁶⁾. Projects included in the sustainability reporting are aligned to our consolidated financial statements, and in addition include the solar project joint ventures (JVs) in Argentina and Brazil. The table below describes how our material topics relate to the GRI Standards. Highlighted cells (marked with an 'X') indicate the boundaries for our reporting on the material topic along our value chain.

MATERIAL TOPIC	PROJECT DEVELOPMENT	PROCUREMENT & SUPPLY CHAIN	CONSTRUCTION	OPERATIONS	GRI TOPIC SPECIFIC INDICATORS
E	Resource use and circularity	x	x	x	GRI 303-1, GRI 303-3, GRI 306-1, GRI 306-2, GRI 306-3
	Biodiversity		x	x	GRI 304-1, GRI 304-2, GRI 304-4
	Climate change	x	x	x	GRI 302-1, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-3 GRI 305-4
S	Health, safety and security	x	x	x	GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9
	Human rights	x	x	x	GRI 203-2, GRI 410-1
	Responsible supply chain	x	x	x	GRI 308-1, GRI 414-1
	Diversity, equity, inclusion and belonging	x	x	x	GRI 401-1, GRI 404-2, GRI 404-3, GRI 405-1
	Local value creation			x	GRI 203-2, GRI 413-1, GRI 413-2
G	Business conduct	x	x	x	GRI 205-1, GRI 205-2, GRI 205-3, GRI 406-1, GRI 415-1

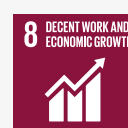
Refer to our corporate website [corporate website](#) for our GRI Index 2023.

6) Definition of operational control: "A company has operational control over an operation if the former or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation" (Greenhouse Gas Protocol).

External assurance

Scatec’s policy and practice for seeking external assurance on our ESG data and sustainability reporting is aligned to our Company’s annual financial audits. Scatec’s material sustainability aspects in reporting on GRI indicators, conducted in accordance with the International Standard on Assurance Engagements (ISAE 3000), was reviewed by PricewaterhouseCoopers (PwC), who is also the auditor for our annual financial statements and related reports. PwC completed a full verification of all GRI disclosures covering each material GRI topic within the scope of a limited assurance.

Please refer to the limited assurance statement and our GRI Content Index (version 01, dated March 19, 2024), available on our [corporate website](#).



Alignment with UN Sustainable Development Goals (SDGs)

SDG	OUR MAIN CONTRIBUTION	SCATEC REFERENCE
Goal 7: Affordable and clean energy		
As a company we contribute directly to SDG 7 “Affordable and clean energy”. Access to energy is fundamental for economic development and people’s standard of living, which implies that contribution to SDG 7 has a positive impact on several other SDGs.	By 2030, increase substantially the share of renewable energy in the global energy mix. By 2030, ensure universal access to affordable, reliable and modern energy services.	ESG Performance Report 2023 page 3
Goal 8: Decent work and economic growth		
Providing safe and healthy working conditions for our employees and subcontractors and protecting labour rights are identified as the most material topics for our business.	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. By 2020, substantially reduce the proportion of youth not in employment, education, or training.	ESG Performance Report 2023 pages 35-38
Goal 17: Partnerships for the goals		
Our partnership-based approach is essential to our role as an integrated solar power producer. We aim to select strong and trusted partners with high standards for all projects.	Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the SDGs in all countries, in particular developing countries.	ESG Performance Report 2023 pages 5-6, 8-9

Memberships and associations

Industry associations, other membership associations, and national or international advocacy organisations in which Scatec participates:

- SolarPower Europe
- Ultra Low-Carbon Solar Alliance
- Norwegian Energy Partners (NORWEP)
- South African Photovoltaic Industry Association (SAPVIA)
- South African Wind Energy Association (SAWEA)

Feedback and contact

Our ambition is to be a sustainable business with regards to our total impact on the societies where we operate. In line with this ambition, we will continue to listen, learn, adapt and improve our business operations. We appreciate feedback from our stakeholders on our sustainability reporting and always strive for continuous improvement. For comments, questions or suggestions, please contact Julie Hamre, VP Sustainability Reporting and Strategy: Julie.Hamre@scatec.com

List of abbreviations and acronyms

CEO	Chief Executive Officer
CO ₂ e	carbon dioxide equivalent
CDP	Carbon Disclosure Project
CLO	Community Liaison Officer
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
DEIB	diversity, equity, inclusion and belonging
DG	decision gate
DNSH	do no significant harm
E&S	environmental and social
EMT	Executive Management team
ESDD	environmental and social due diligence
ESG	environmental, social and governance
ESIA	environmental and social impact assessment
EV	electric vehicle
EVP	Executive Vice President
EU	European Union
g	gram
GHG	greenhouse gas
GRI	Global Reporting Initiative
GWh	gigawatt hour
HSS (E)	health, safety, security (and environment)
HQ	headquarters
IDD	integrity due diligence
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
I-RECs	international renewable energy certificate
ISAE	International Standard on Assurance Engagements
ISO	International Organization for Standardization
IUCN	International Union for Conservation of Nature
JV	joint venture
KPI	key performance indicator
kWh	kilowatt hour
LTIF	lost time incident frequency
mill	million
NORWEP	Norwegian Energy Partners
O&M	operations and maintenance
OECD	Organisation for Economic Co-operation and Development
OREEC	Oslo Renewable Energy and Environment Cluster
OS	Operating System
P&O	people and organisation
PV	photovoltaic
PwC	PricewaterhouseCoopers
RE	renewable energy
SAPVIA	South African Photovoltaic Industry Association
SAWEA	South African Wind Energy Association
SBTi	Science-Based Target Initiative
SDG	Sustainable Development Goal
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Task Force on Nature-related Financial Disclosures
TRIF	total recordable injury frequency
UN	United Nations
UNGC	United Nations Global Compact

The Scatec logo features the word "Scatec" in a bold, white, sans-serif font. The letter "S" is stylized with three short, curved lines above it, resembling a sun or a signal. The background of the logo area is a teal color that transitions into a blurred photograph of a solar panel array in the upper left corner.

Scatec

www.scatec.com

