

Scatec

ESG – a competitive advantage

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Capital Markets Update 23 March 2021





ESG is integrated in Scatec's operating model

How we work with ESG

- ESG is an integrated part of our business
- Dedicated E&S resources for long term approach and impact
- Solid Environmental and Social Management System covering all projects

A competitive advantage

- Attracts projects and business partners
- Reduces risks and strengthens probability of successful completion of projects
- Becoming imperative to qualify for and win new projects





All Scatec projects must adhere to the IFC PS and Equator Principles



Defines IFC clients' responsibilities for managing their environmental and social risks



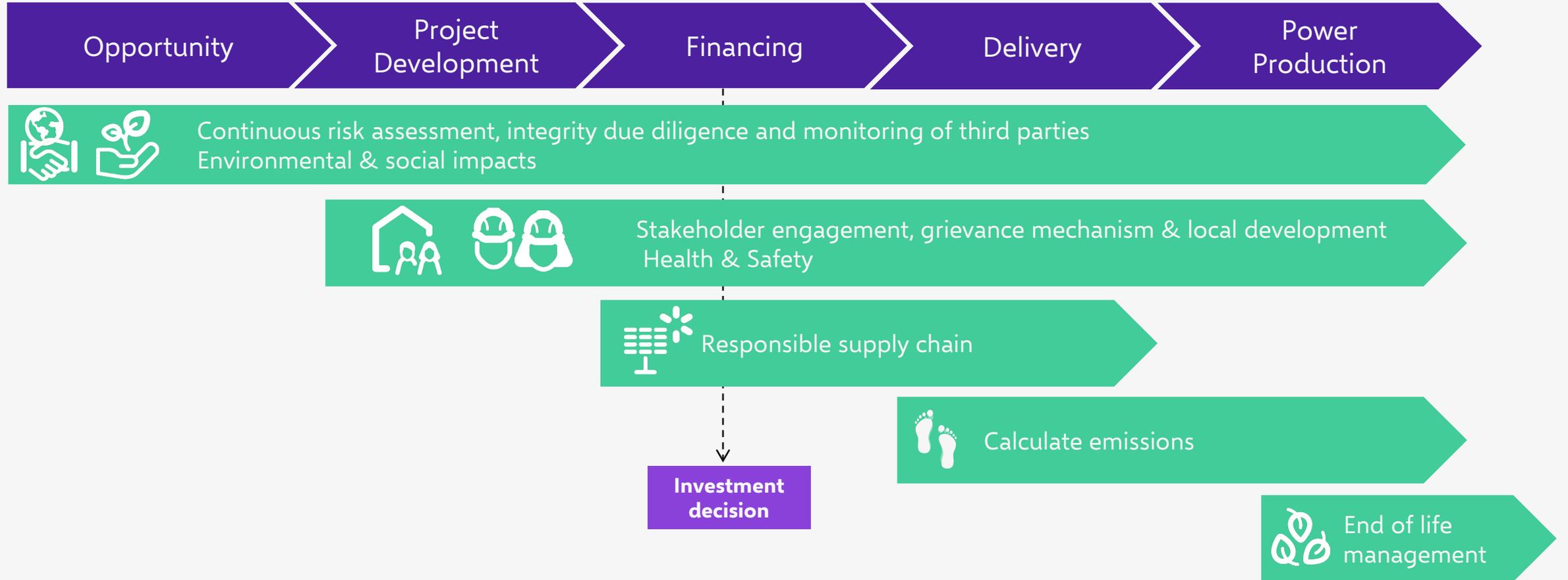
Risk management framework for determining, assessing and managing environmental and social risk in projects



Standards for responsible business conduct for issues such as human rights, labour rights and the environment



ESG is integrated in our operating model





Key risk area: Labour and working conditions

BenBan Solar Park, 380 MW

- Location: Aswan, Upper Egypt
- Grid connected: 2019
- Annual electricity production: 870 GWh
- Number of workers during peak construction: 4,010 – of which 80% local





Potential impact area: Land resettlement and livelihood restoration



Mocuba solar plant, 40 MW

- Location: Zambézia Province, Mozambique
- Grid connected: 2019
- Livelihood restoration of 223 local households
- IFC Performance Standard 5
- Long term monitoring and reporting



Our ESG reporting is guided by close dialogue with key stakeholders



Global Reporting Initiative

- Strategic disclosure
- ESG100: Top rating on ESG reporting by the Governance Group

Carbon Disclosure Project

- CDP score: A List company
- CDP: Recognised as a supplier engagement leader

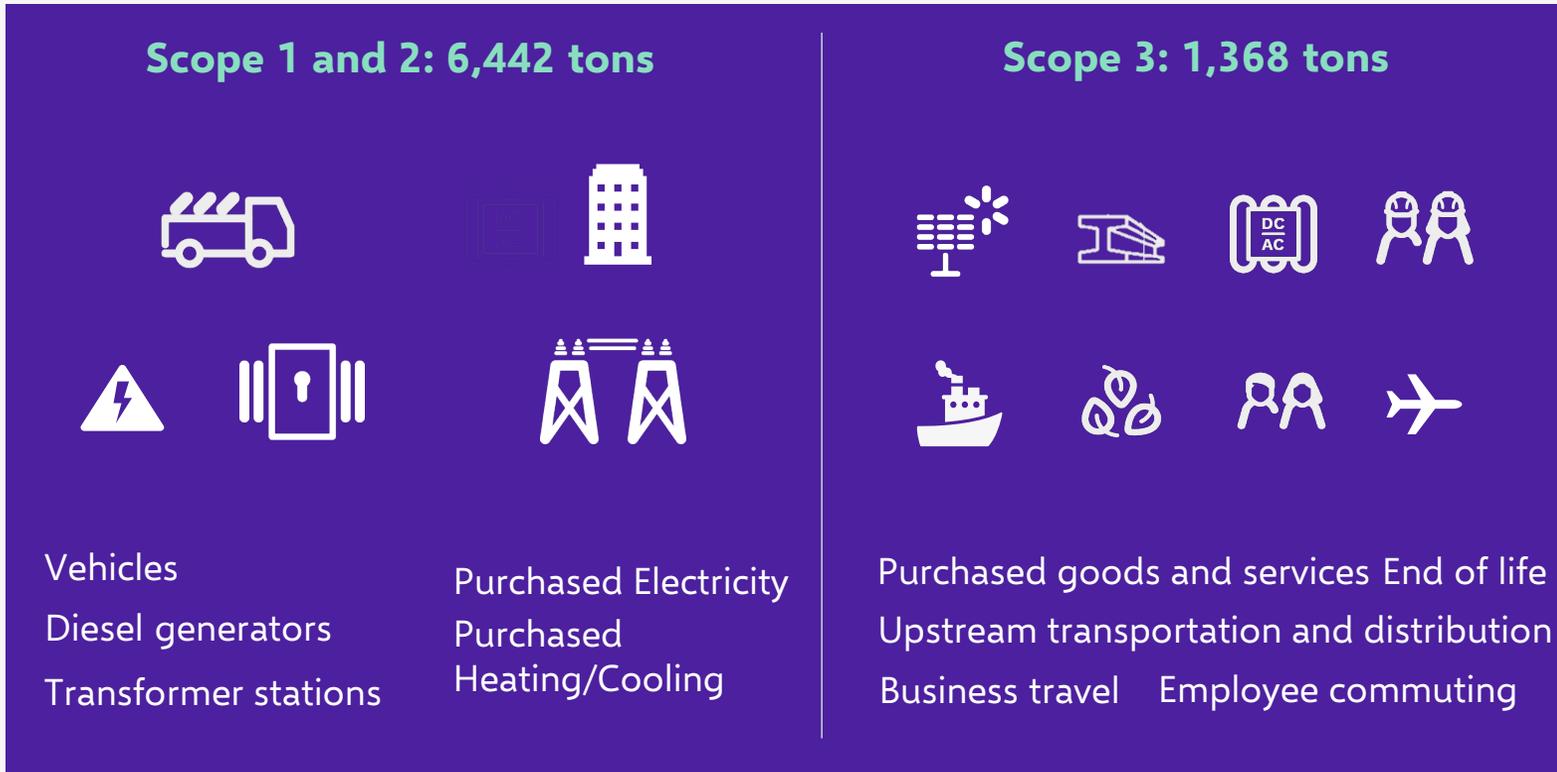
Task Force on Climate related Financial Disclosure

- Climate risk and opportunities
- TCFD report 2020



Climate reporting and targets: Closer engagement with key suppliers

2020 GHG emissions:



Climate target in line with the Paris Agreement and 1.5°C scenario

- Scope 1 and 2:**
- More than 50% reduction by 2030
 - Net zero by 2050*

- Scope 3:**
- Target to be set

Estimated payback time for a 50 MW solar project: 1.5 years

*Base year is 2019



EU Taxonomy discussion

Assessment criteria:

- ✓ **Substantial contribution** to one of the six environmental objectives
- ✓ **Do No Significant Harm** to the other five environmental objectives
- ✓ **Minimum Safeguards** – e.g OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights





A leading position in ESG

- Experience from navigating complex markets
- Identifies ESG project risks early with dedicated teams on the ground
- A net positive carbon footprint – and set targets for reductions in emissions
- Comprehensive ESG reporting and close monitoring of regulations (e.g EU Taxonomy)



Rating summary: Low risk
#1 of 450 – Utilities
#1 of 48 – Renewable power producers



Rating: A- (excellent)
Status: Prime
Prime threshold: C+



Rating: AAA (top rating)
Highest scoring range
relative to global peers



Rating: A
Carbon Disclosure Project
Top score



Scatec

Sustainability Report

2020



Publication date:

26 March 2021

**For questions
or feedback:**

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The logo for Scatec features the word "Scatec" in a bold, purple, sans-serif font. The letter "S" is stylized with three short, upward-pointing lines above its top curve. Below "Scatec" is the tagline "improving our future" in a smaller, lowercase, purple, sans-serif font. The entire logo is centered on a white background, with a large, semi-circular graphic on the right side that transitions from a light pink at the top to a dark purple at the bottom.

Scatec
improving our future