

GRI 103-1: Explanation of the material topics and boundaries

Scatec undertook a comprehensive process to identify and prioritize material sustainability aspects for our company. The first step included a mapping of stakeholder groups based on the methodology defined in the AA1000 Stakeholder Engagement standard.

The material sustainability topics for our company are defined based on an assessment of key stakeholder expectations, the significance of environmental, social and economic impacts, and relevance of our strategy. In addition, it stems from ongoing dialogue that is part of daily business on the ground when planning and executing projects, as well as from the corporate level through stakeholders such as investors, regulators and financiers.

Scatec's value chain approach ensured that all material topics are incorporated within our value chain and topics are placed according to where the most significant potential impact occurs.

A list of all material topics is presented below:

Environmental impacts and opportunities



Environmental impacts - supply chain & construction: Select suppliers based on relevant sustainability criteria including high environmental standards and performance. In collaboration with suppliers, understand and manage environmental impacts within our value chain.



Biodiversity: Avoid and minimize negative impacts on biodiversity (ecosystems, plants, animals) and ensure that this is sustainably managed and conserved for future generations



Waste management: Prevent or minimize the impact of waste



Water management: Promote responsible and efficient use of water in sourcing of materials, construction and operations



Greenhouse gas (GHG) emissions: Report on our company's scopes 1-3 greenhouse gas emissions to establish an overview of our own emissions and how to potentially reduce them



End-of-life management: Ensure that our solar energy systems can be reused, recycled or safely disposed through designing recyclable modules, implementing take-back systems, etc.

Social and safety impacts/risks



Security and emergency preparedness: Prepare for and be able to respond to emergencies and minimize all consequential impacts/losses



Human rights – supply chain and construction: Respect human rights and recognize our responsibility of avoiding the infringement of rights of local communities or other stakeholders wherever the company operates. Work closely with our suppliers to support and respect all internationally recognised human rights of people affected within our value chain linked to our operations.



Land resettlement: Avoid involuntary resettlement wherever possible and minimize the impact on individuals displaced through mitigation measures such as fair compensation and improvements to living conditions



Community engagement and development: Ongoing communication in communities about the project and potential impacts, manage expectations and ensure local support and understanding of our projects. Implement development programmes in the local communities where we have operations addressing local needs and social challenges.



Local job creation and training: Contribute to local job creation and skills transfer to the communities where we operate



Health, Safety, Security and Environment (HSSE): Continuously work for zero harm to personnel, materials and the environment. Ensure fair working hours, wages and physical conditions for all our and contractors' employees working on site. Define and communicate our health and safety standards to contractors and monitor their performance.



Human capital development: Develop human capital (knowledge, skills and abilities) in our organization through relevant training and education. Have systems in place to attract new talents and retain existing talent.

Governance



Anti-corruption and integrity: Ensure continuous focus on a zero-tolerance approach to bribery and corruption and strive for high standards of business ethics