

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.

Material topics are identified based on stakeholder expectations, significant impacts and internal strategic priorities. Stakeholder expectations are mapped through formal interviews, and in dialogue with our local stakeholders as part of our daily business on the ground. We also receive stakeholder feedback at the corporate level through dialogues with investors, regulators and financiers. We assess identified topics for the significance of their environmental, social and economic impacts.

In 2021, we reviewed our materiality assessment to incorporate new technologies, including hydropower and wind, and focusing on both impacts and risks. We developed an internal value chain impact and risk analysis through workshops and internal engagements. We engaged with 15 key stakeholders to get insights into their perspectives and concerns. All the information collected through the internal and external interviews was aggregated, and on this basis, we defined our most material ESG topics and priorities.

Key topics and concerns that have been raised through stakeholder engagement are presented below:

Stakeholder group (GRI 102-40)	Engagement (GRI 102-43)	Key concerns (GRI 102-44 i)	Response (GRI 102-44 ii)
National governments and customers	Close dialogue with national governments is a natural part of our operations and our projects often involve regular dialogue. This dialogue is usually conducted by our project development team or community liaisons.	The main concern of governments in host countries, that will often also be our customers, is local impacts and value creation, which usually includes the economic value of the projects, increased access to energy, the potential for direct and indirect job creation.	ESG Performance Report 2021, pages 36-38
Local government and communities	A social impact assessment is conducted as part of the planning of all projects and based on this a plan for stakeholder engagement is developed. Scatec emphasizes continuous dialogue with local and regional communities in order to manage and meet expectations. A	The main concern of local governments and communities is also local impacts and value creation, specifically job creation, local content and education/training.	ESG Performance Report 2021, pages 36-38

Stakeholder group (GRI 102-40)	Engagement (GRI 102-43)	Key concerns (GRI 102-44 i)	Response (GRI 102-44 ii)
	dedicated community liaison officer (CLO) is appointed to all our locations.		
Co-investors and partners	A detailed dialogue with regards to expectations is the starting point for all partnerships, and detailed in our agreements.	<p>Co-investors and partners are concerned that we are a trustworthy business partner that applies international best practice standards such as the IFC Performance Standards and the Equator Principles in order to manage environmental and social impacts.</p> <p>In addition, investors are particularly concerned with our climate strategy and targets, resource use and circularity, key ESG risks within our supply chain including human and labour rights, environment and climate, corruption and conflict minerals, and corporate governance linked to executive remuneration, board composition and minority shareholder rights, are topics of interest.</p> <p>Investors with a specific impact investment focus are also concerned with the local value creation, and promotion of clean energy. Some of our partners are also concerned with our ability to promote Norwegian exports.</p>	ESG Performance Report 2021, pages 5-6, 8, 14-17, 40-41
Financing partners	Financing partners are mainly engaged prior to providing capital, and often have very specific requirements with regards to how environmental, social and governance factors are assessed and managed.	<p>Financing partners also focus on our business conduct and efforts to ensure that we are a trustworthy business partner.</p> <p>In addition, they are concerned with our climate strategy and targets, circularity, key ESG risks within our supply chain including human and labour rights, as well as environment and climate. Local financiers and financiers with an impact focus are also concerned with our local impact and value creation in terms of for example access to energy and job creation.</p>	ESG Performance Report 2021, pages 40-41

Stakeholder group (GRI 102-40)	Engagement (GRI 102-43)	Key concerns (GRI 102-44 i)	Response (GRI 102-44 ii)
Shareholders	Existing and potential shareholders are engaged on a regular basis and often express their concerns and expectations directly with top management.	Shareholders are concerned with the ability to create value in the short and longer term and governance aspects such as anti-corruption and being a trustworthy business partner. Further, corporate governance linked to executive remuneration, board composition and minority shareholder rights, are topics of interest.	ESG Performance Report 2021, pages 8, 40-41
Employees	Our employees make up our company and who we are.	Many of our employees are proud of our social and environmental impact through promoting renewable energy and our strong sustainability, as well as ability to demonstrate local value creation. This is strongly linked to employee motivation and purpose. Employees are also concerned with own working conditions, health and safety, and opportunities to develop competencies and career path.	ESG Performance Report 2021, pages 5-6, 40-41
Contractors	Contractors concerns are heard as part of the project they are involved with and our contractors are considered as if they were our own employees when on our sites.	Contractors that work on our projects are mainly concerned with working conditions, fair wages, health and safety and opportunities to develop competencies.	ESG Performance Report 2021, pages 26-28
Norwegian government and regulators	The Norwegian government is engaged through the various institutions that are interested in our efforts in Norway and in other countries.	The Norwegian government regulates our efforts and is also interested in supporting the positive impacts of our efforts in Norway and abroad.	ESG Performance Report 2021, pages 5-6, 36-38

Stakeholder group (GRI 102-40)	Engagement (GRI 102-43)	Key concerns (GRI 102-44 i)	Response (GRI 102-44 ii)
Suppliers	Close supplier engagement is key to understand the ESG risks and opportunities in our supply chain. Supplier audits and other types of engagements are undertaken each year to monitor and establish a platform for good dialogue and feedback.	Our suppliers are concerned with fair pricing, working conditions, and health and safety.	ESG Performance Report 2021, pages 31-33
NGO's	NGO's that represent local communities are engaged through each phase of the project. Environmental NGOs in Norway are engaged through collaboration with regards to promoting renewable energy.	NGOs in the local communities are concerned with our ability to create local value. Norwegian environmental NGOs support us in our efforts to promote renewable energy.	ESG Performance Report 2021, pages 36-38