



Green Finance Report

2022

Improving our future

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1. Introduction

1.1. About Scatec ASA

Scatec is a leading renewable energy solutions provider, accelerating access to reliable and affordable clean energy in high growth markets. As a long-term player, we develop, build, own and operate renewable energy plants, with 4.6 GW in operation and under construction across four continents today.

We are committed to grow our renewable energy capacity, delivered by our 800 passionate employees and partners who are driven by a common vision of ‘Improving our Future’.

Scatec’s strategic action plan towards 2027

Scatec will develop, build, own and operate renewable energy in emerging markets, and continue to secure long-term, profitable, and sustainable growth. It is in the Company’s DNA to continually seize new opportunities. Scatec will now do so with a more focused approach and by maintaining a clear intention to create value.

The Company’s strategy is what provides direction and ensures a consistent growth path towards 2027. By that time, Scatec will have strengthened its position as a leader in developing, owning, and operating renewable energy and green hydrogen in our key emerging markets. The Company has a great starting point with its current platform and work, and preparation to be consistently at its strongest starts now. Scatec has a team of changemakers who can make anything possible when working together, driving results and capturing the right opportunities for our future.

Refer to the [Company’s corporate website](#) under “Strategy” for more information.

Our integrated business model

Our business model allows us to capture the total value of a renewable project while retaining control over construction and health and safety matters, while managing the potential impact on people, communities, and the environment.

This business model includes the development, construction, ownership, and operation of renewable energy plants in emerging markets and the sale of power primarily under long-term power purchase agreements (PPAs). Our approach is to offer the most cost-efficient solution for each project, ranging from a single technology to a combination of integrated renewables technologies.



Development

During the initial phase of a project, environmental and social impact assessments and studies are performed to ensure that each project meets our strict HSSE standards. We work to secure attractive locations, grid connections, as well as licences and permits, and enter discussions with potential long-term partners. We negotiate commercially viable PPAs with potential off-takers and start plant design. All project details are summarised in a business case which is benchmarked against our investment criteria. It is our strong conviction that early-stage development is crucial for sustainable value creation.



Structuring & financing

We use our experience to structure and integrate all project documents in collaboration with our financing partners to raise equity and predominately non-recourse debt for the project. Further development work, as well as engineering and construction planning, is performed in parallel with readying the project for construction.

Another key task is optimising project cash flows to maximise returns. Once these have been agreed with our financing partners, a final investment decision is made, and the project reaches financial close.



Construction

During construction, Scatec typically assumes the role of turn-key engineering, procurement, and construction (EPC) provider for the power plant, dependent on project structure and technology. This ensures full control over risk mitigating actions, costs, quality, and progression as well as maintaining a strong emphasis on health, safety, security, and environmental issues.



Operations

Once commissioned, the power plant commences commercial operation and Scatec is often responsible for operations and maintenance, and asset management services, with the aim of maximising performance. These services are delivered under long-term service contracts with pre-agreed commercial terms.



Ownership

As owner of the power plants, our role, is to ensure that the plant is operating according to set requirements. We also manage stakeholders and report to our lenders, partners, and the authorities. We receive annual dividends based on cash flows that are generated under the long-term PPAs or through the sale of power in the power market.

1.2. Scatec and Green Financing

Scatec issued its first Green bond in November 2015 to finance investments in solar power. With the acquisition of SN Power and the broadening scope of renewable energy investments, Scatec chose to establish a new Green Financing Framework (the “Framework”) in February 2021, enabling the Company to finance its contribution towards a low-carbon and climate resilient future.

The Framework has been developed in alignment with the Green Bond Principles 2018¹ (“GBP”) and Green Loan Principles 2018² (“GLP”). The Framework is applicable for issuance of Green Finance Instruments (GFI) including Green bonds, Green loans and other types of debt instruments where net proceeds will be applied to finance or re-finance, in part or in full, new and/or existing projects and assets with clear environmental benefits, as defined in this Framework.

The Framework is aligned with the four recommended components of the GBP and GLP; Use of Proceeds, Process for Project/Asset Evaluation and Selection, Management of Proceeds and Reporting.

The selection of Green Eligible Assets is managed by the Green Finance Committee (“GFC”), which is led by EVP Sustainability, HSSE & Quality and the Scatec Group of Management. All decisions are made in consensus. Only such assets and projects that comply with the criteria defined in the Use of Proceeds section of the Framework are eligible to be financed with Green Finance Instruments. The CFO and Treasury Department are responsible for keeping an updated register of Green Eligible Assets. There were no new investments in projects financed with Green Finance Instruments during 2022.

The GFC monitors the developments of the green finance market and may update the Green Financing Framework to reflect future market practices, such as the EU Taxonomy and potential updates to the GBP and GLP. Scatec aims to follow the development in a close way by:

- Conducting annual evaluation of the Framework’s alignment with EU Taxonomy within the Green Finance Committee. The Green Finance Committee is responsible for decisions on any potential adjustments of the Framework in light of the EU Taxonomy
- Including information on the alignment of underlying use of proceeds in the annual Green Finance Report

The Green Financing Framework has been reviewed by an impartial firm, which has provided a second party opinion to confirm its alignment with the GBP and GLP.

The Framework and second party opinion from CICERO Shades of Green are available on Scatec’s website.

To enable investors, lenders and other stakeholders to follow the development of Scatec’s assets and projects funded by Green Finance Instruments, this Green Finance Report will give an overview of allocation of proceeds and environmental impact. The Green Finance Report will be published annually as long as there are Green Finance Instruments outstanding.

¹Green Bond Principles published in June 2018 are voluntary process guidelines for issuing Green bonds established by [International Capital Markets Association \(“ICMA”\)](#).

²Green Loan Principles published in March 2018 are voluntary process guidelines for issuing Green loans established by [Loan Markets Association \(“LMA”\)](#).

1.3. ESG in Scatec

Scatec's overall mission is to deliver competitive and sustainable renewable energy globally.

Sustainability is an integral part of Scatec's organisation and embedded in all business units. The Company has dedicated sustainability resources both at the project and corporate level involved in all project phases for long-term approach and impact.

Governance and 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. The Company's work is also guided by the OECD Guidelines for Multinational Enterprises and the UN Global Compact. The Company works 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. Refer to Scatec's Corporate website under [ESG resources](#) for a comprehensive overview of corporate policies and other relevant documentation.

In addition, several of the Company's projects in developing countries are assessed against the UN Framework Convention on Climate Change (UNFCCC) to certify that the renewable electricity generated by Scatec's facilities substitute the use of fossil fuels, and that the greenhouse gas emissions avoided by the Company's power production are real, verifiable and permanent.

ESG reporting and ratings

Scatec reports in accordance with the Global Reporting Initiative (GRI) Standards and regard our report to be our Communication on Progress (COP) to the United Nations Global Compact (UNGC), meeting the requirements of the UNGC Active Level. Furthermore, the Company reports to the Carbon Disclosure Project (CDP) and publishes the Task Force on Climate-related Financial Disclosures (TCFD) report annually. Scatec reports on the Company's results and performance across material ESG topics on a quarterly basis.

Being transparent and open is a key responsibility Scatec has to its stakeholders. In 2022, an external auditor conducted a limited assurance covering all GRI indicators. The assurance report conducted in accordance with the International Standard for Assurance Engagements (ISAE 3000) is available on the [Company's corporate website](#).

Scatec holds top ESG ratings from leading global ESG rating agencies actively covering Scatec, namely Sustainalytics (rated as 14.8 – Low-risk of experiencing material financial impacts from ESG factors), EcoVadis (rated Platinum – among the top 1% of companies rated) and once again included in the CDP A List for the third consecutive year. During the year, Scatec was awarded with an A rating in ESG reporting by Position Green, who rated the 100 largest companies listed on the Oslo Stock Exchange.

EU Taxonomy alignment

100 percent of Scatec's revenues, operating expenses and investments are derived from Taxonomy eligible activities. During 2021-2022, detailed third-party assessments were carried out to evaluate the Company's alignment with the EU Taxonomy. The solar PV projects were considered Taxonomy aligned through an external assessment early in 2021. The hydropower and wind assets were assessed during the third and fourth quarter 2021 against the criteria for lifecycle greenhouse gas (GHG) emissions and the Do No Significant Harm (DNSH) principle.

The assessment of the lifecycle greenhouse gas (GHG) emissions for the operating hydropower assets confirmed that emissions are significantly below the threshold set out in the EU Taxonomy (100gCO₂/kWh). The assessment of the DNSH principle of the EU Taxonomy Annex 1 Technical screening criteria confirmed that the assets are aligned with the Taxonomy DNSH criteria but lack a detailed site-specific climate risk assessment. Such assessments were completed during 2022 for the assets to be Taxonomy aligned. Third-party assessments and verification statements are available under "EU Taxonomy" on the [corporate website](#).

The reporting on the proportion of revenues, CAPEX and OPEX that are aligned with the EU Taxonomy will be published in the Company's annual report for 2022.

2. Reporting

In accordance with Scatec's Green Finance Framework, the following sections will report on our allocation of proceeds, in addition to the environmental impact of the Green Eligible Assets financed under this framework.






















2.1 Allocation Report

2.1.1 Green Eligible Assets

Green Eligible Assets are defined as investments that promote the green energy transition, such as direct investments in renewable energy sources. This also includes acquisitions of such projects as well as investments in share capital of companies with such assets, where Scatec has significant operational influence and where the use of proceeds should be directly linked to the book value of the Green Eligible Assets owned by the acquired company, adjusted for the share of equity acquired.

Scatec currently has solar, wind and hydro power plants with 3.5 GW of capacity installed in 15 countries on a 100% basis, and seeks to continue a high rate of responsible growth in core markets. The company's long-term perspective on all investments is based on profitability and potential impact on the environment, people, local communities, and other stakeholders.

Table 1

	Technology	Capacity (MW)	Annual energy generation (GWh)	Estimated GHG emissions avoided (thousand tonnes) ¹
In operation				
Philippines		642	1,710	1,154
Laos		525	2,590	1,062
South Africa		448	955	895
Egypt		380	965	486
Ukraine		336	298	110
Uganda		255	1,499	537
Malaysia		244	325	216
Brazil		162	313	33
Argentina		117	282	81
Honduras		95	141	47
Jordan		43	98	41
Mozambique		40	66	6
Vietnam		39	103	67
Czech Republic		20	23	10
Rwanda		9	13	5
Release		20	42	
Total in operation		3,375	9,423	4,750
Under construction				
South Africa, Kenhardt	 	540		
Brazil, Mendubim		531		
Pakistan, Sukkur		150		
Release projects		26		
Total in operation and under construction		4,622	9,423	4,750

¹Emissions avoided (CO₂): Figures include actual annual production for all projects (solar, wind and hydro) where Scatec has an ownership share. Source for the country and region-specific emission factors are the International Energy Agency (IEA).

2.1.2 Green Finance Instruments

At the end of 2022, Scatec had the following Green Finance Instruments outstanding:

Table 2

Green Finance Instrument	Maturity	Currency	Million	NOK million
Green Term Loan	Q1 2025	USD	150	1,481
Senior Unsecured Green Bond	Q3 2025	EUR	250	2,633
Total				4,115

In addition, Scatec ASA has a USD 180 million, ESG linked, Multicurrency Revolving Credit Facility (RCF) with maturity in July 2025 with Nordea Bank, Swedbank, BNP Paribas and DNB. The RCF was not drawn on per 31 December 2022.

In February 2023, Scatec refinanced the USD 193 million Bridge-to-Bond facility with a new USD 100 million green term loan, and placed NOK 1,000 million in new unsecured green bonds. The Bridge-to-Bond facility was established when Scatec acquired SN Power in 2021. Refer to the [press release](#) for details.

2.1.3 Allocated Proceeds

An amount equivalent to the net proceeds from Scatec's Green Finance Instruments shall be used to finance or re-finance, in part or in full, projects or assets providing distinct environmental benefits ("Green Eligible Assets"). New financing is defined as financing of assets that have been taken into use during the previous 12 months prior to issuance of a Green Finance Instrument. The Company will continuously exercise its professional judgement, discretion and sustainability expertise when identifying the Green Eligible Assets. The impact reporting aims to disclose the environmental impact of the Green Eligible Assets financed under the Green Financing Framework. Impact reporting covers all assets financed by Green Finance Instruments.

In February 2021, Scatec issued a senior unsecured EUR 250 million Green Bond with maturity in August 2025 and a coupon rate of Euribor plus 250 bp. The proceeds were used to refinance the NOK 750 million green bond issued in 2017 and to partially repay the Bridge-to-Bond facility that was committed in 2020, in relation to the acquisition of SN Power. This is defined as new financing in the Green Financing Framework. In addition, Scatec entered a USD 150 million Green Term loan agreement that was included in the financing of the acquisition of SN Power.






The acquisition of SN Power secured the following project portfolio of Green Eligible Assets within hydro and wind. In the table below, we summarise the capacity, annual renewable energy generation and greenhouse emissions avoided in the newly acquired projects.

Table 3

Project	Technology	Economic interest	Acquisition cost	USD 150m Green Term Loan	EUR 250m Senior Green Bond	Share of cost financed with GFI	Renewable Energy capacity added	Annual generation	Annual GHG emission reduced
		%	(NOK)	(NOK million)	(NOK million)	%	(MW)	(GWh)	(thousand tonnes) ¹
SN Power			11,514	1,481	1,883	29%	1,461	5,903	2,820
Theun Hinboun		20%					525	2,590	1,062
Magat & Maris Hydro		50%					397	987	666
Binga & Ambuklao		50%					245	724	488
Bujagali		28%					255	1,499	537
Dam Nai		100%					39	103	67

¹The figure includes the actual annual production for all projects (solar, wind and hydro) where Scatec has an ownership share. The source for the country and region-specific emission factors are the International Energy Agency





Table 4

Project	Technology	Impact financed with GFI			Impact according to Scatec's equity share		
		Renewable Energy capacity added	Annual generation	Annual GHG emission reduced	Renewable Energy capacity added	Annual generation	Annual GHG emission reduced
		(MW)	(GWh)	(thousand tonnes) ¹	(MW)	(GWh)	(thousand tonnes) ¹
SN Power		427	1,725	824	536	1,896	1,007
Theun Hinboun		153	757	310	105	518	212
Magat & Maris Hydro		116	288	195	199	494	333
Binga & Ambuklao		72	212	143	123	362	244
Bujagali		75	438	157	71	420	150
Dam Nai		11	30	20	39	103	67

¹The figure includes the actual annual production for all projects (solar, wind and hydro) where Scatec has an ownership share. The source for the country and region-specific emission factors are the International Energy Agency





The proceeds from the refinanced NOK 750 million green bond from, were allocated as Project Equity to solar project that Scatec has economic interest in. Project Equity compromise of equity and shareholder loans in power plant companies. The proceeds from the NOK 750 million green bond were allocated to the following projects after the issuance in 2017. The proportionate Project Equity in the table below is per 31.12.2022.

Table 5

Project	Technology	Economic interest	Proportionate Project Equity	NOK 750m Senior Green Bond	Share of cost financed with GFI	Renewable Energy capacity added	Annual generation	Annual GHG emission reduced
		%	(NOK million)	(NOK million)	%	(MW)	(GWh)	(thousand tonnes) ¹
Total			1085	750	69%	917	2,155	1,158
Benban		51%	405			380	965	486
Apodi		44%	184			162	313	33
Upington		46%	172			258	595	558
Guanizuil IIA		50%	324			117	282	81

¹The figure includes the actual annual production for all projects (solar, wind and hydro) where Scatec has an ownership share. The source for the country and region-specific emission factors are the International Energy Agency

Table 6

Project	Technology	Impact financed with GFI			Impact according to Scatec's equity share		
		Renewable Energy capacity added	Annual generation	Annual GHG emission reduced	Renewable Energy capacity added	Annual generation	Annual GHG emission reduced
		(MW)	(GWh)	(thousand tonnes) ¹	(MW)	(GWh)	(thousand tonnes) ¹
Total		634	1,490	801	432	1,021	537
Benban		263	667	336	194	492	248
Apodi		112	216	23	71	138	15
Upington		178	411	386	108	250	234
Guanizuil IIA		81	195	56	59	141	41

¹The figure includes the actual annual production for all projects (solar, wind and hydro) where Scatec has an ownership share. The source for the country and region-specific emission factors are the International Energy Agency

In February 2023, Scatec signed an agreement to sell its equity share in the 258 MW Upington solar power plant to release capital for new investments in renewable energy. Refer to the [press release](#) for details.

3. Selected projects

Contributing to long-term local value creation is a key success criterion towards achieving the overall company goal of delivering competitive and sustainable renewable energy. Our goal is to positively impact the communities we operate in, both directly and indirectly. To ensure good relations, regular meetings are held with local leaders and representatives in all communities where we have a presence. Our stakeholder engagement work is carried out in accordance with the IFC's Performance Standards and the Equator Principles.

Scatec plans and implements local development programmes in line with our Community Investment Procedure in the communities where we have operations. Community investments are our voluntary initiatives that contribute to the long-term common good of the local communities closest to our 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.

Benban, Egypt

In 2017, Scatec signed 25-year Power Purchase Agreements for delivery of electricity from six plants totalling 380 MW with the Government of Egypt. In 2019, Scatec's Benban site near Aswan in Upper Egypt was the world's largest one-site project. This is Scatec's largest and our first project using bifacial solar modules. Scatec has a 51% economic interest in the project and the equity partners are KLP, Norfund Investments AS and Africa 50. Lenders are EBRD, FMO, IsDB, ICD and Green CF. Annual energy production is 965 GWh and GHG emissions avoided are 486 thousand tons.

There are several local villages adjacent to the Scatec site in Benban, and livelihood improvement was early identified as a key priority area. Scatec promotes decent work and economic growth in the Governorate of Aswan through the Cattle Head Project. Working with local NGO Orman Association, Scatec provided 150 vulnerable households with one pregnant cow each, prioritising female-headed households. Over 93% of households are generating income through selling calves, milk and dairy products, an increase from 80% in 2021. As a long-term engagement, the programme will be monitored for two years.



Apodi, Brazil

The Apodi project is located in the municipality of Quixere in the north-eastern state of Ceara. The project was established as a 50/50 joint venture with Equinor. Start of construction was late 2017 and the solar plant reached commercial operation in November 2018. The electricity is sold under a 20-year Power Purchase Agreement with the Brazilian Power Commercialization Chamber (CCEE). Scatec has a 44% economic interest in the project and the equity partners are Equinor and Kroma, and lender is BNB. The Apodi project has a capacity of 162 MW, the annual energy production is 313 GWh and GHG emissions avoided are 33 thousand tons.

The community of Bom Sucesso is located only a few hundred metres away from our solar plant. While direct project impacts were limited, a needs assessment revealed that Bom Sucesso would strongly benefit from an upgraded community space and increased access to extracurricular activities for children and youth. In 2021, Scatec partnered with global NGO love.futebol to design and develop public spaces such as a sports court and community garden, benefitting the 500 community residents.

This year, we continued our partnership with love.futebol to offer extracurricular activities such as sports and cultural sessions. The programme aims to enhance the autonomy and leadership skills of children and young people, empowering them with the skills they need to flourish off the pitch. One of the main objectives is that the methodology and knowledge developed during the programme is transferred to the community to create a sustainable legacy.



The Philippines

The Philippines' power sector is a commercial market and features a well-established wholesale market, with all fuel groups represented. The sector boasts robust fundamentals with steady demand growth supporting investment opportunities. Policy continues to be supportive of renewables and the Government has launched a Renewable Energy Roadmap with an ambition to increase reinstalled capacity to at least 20 GW by 2040. SN Power entered the Filipino market in 2005. Today, the joint venture company owned by Scatec and Aboitiz Power, SNAP, is the largest private hydropower company in the country with 642 MW in operation. Annual energy production is 1,710 GWh and GHG emissions avoided are 1,154 thousand tons.

In 2022, SNAP funded 70 projects in the following areas: infrastructure, education, livelihood, health, governance, indigenous peoples (IP) culture, and environment in cooperation with local government units, host communities and IP organisations. These programmes support the UN Sustainable Development Goals (SDGs), including SDG 2 on zero hunger and improved nutrition, as well as SDG 4 on inclusive and equitable quality education. In 2022, SNAP's flagship scholarship programme designed for indigent, bright students from its immediate host communities produced the first group of graduates, with a majority receiving academic honours. SNAP's milk-feeding project supports locally produced milk and is done in partnership with a provincial government to improve the nutrition of children, senior citizens and lactating mothers.



4. External review

External part/verifier

Allocation of proceeds will be subject to an annual review by an external part/verifier. A verification report provided by PwC is attached to this report.



To the Green Finance Committee of Scatec ASA

Independent statement regarding Scatec ASA's Green Finance Report

We have been engaged by Scatec ASA (the "Company") to undertake a limited assurance engagement on selected information about the allocations of proceeds in the Company's Green Finance Report 2022 (Subject Matter Information). The scope of our work was limited to assurance over:

- the description of processes and systems for evaluation and selection of the green projects as described in the Green Finance Report 2022 page 5, and
- allocating proceeds from the Green Finance Instruments to such investments and expenditures, as described in the Green Finance Report 2022 section "Allocated Proceeds" page 9-11, table 3 and 5 (except "Annual GHG emission reduced").

The Green Finance Report 2022 is prepared using the criteria described in the "Use of Proceeds" section in the Green Finance Framework per February 2021. The "Use of Proceeds" sections are attached to the Green Finance Report 2022.

Our assurance does not extend to any other information in the Green Finance Report 2022 than the sections "Allocated Proceeds" table 3 and 5. We have not reviewed and do not provide any assurance over "Annual GHG emission reduced" in table 3 and 5, or for any information reported in table 4 or 6 on page 10-11.

The Green Finance Committee's Responsibility

The Green Finance Committee is responsible for ensuring that the Company has implemented appropriate guidelines for green finance management and internal control.

The Green Finance Committee is responsible for evaluating and selecting eligible green projects, for the use and management of proceeds, and for preparing a "Green Finance Report" that is free of material misstatements, whether due to fraud or error, in accordance with the Company's "Green Finance Framework".

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply International Standard on Quality Management 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.



Our Responsibilities

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Information», issued by the International Auditing and Assurance Standards Board. This standard requires us to plan and perform procedures to obtain limited assurance about whether the Subject Matter Information is free from material misstatement. A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of management's use of the criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and, among others, included an assessment of whether the criteria used are appropriate. Our procedures also included making inquiries primarily of persons responsible for the management of proceeds and the process for selection of eligible green projects and meetings with representatives from the Company who are responsible for the allocation reporting; obtaining and reviewing relevant information that supports the preparation of the allocation reporting; assessment of completeness and accuracy of the allocation reporting; performing substantive testing on a selective basis through inspection of documents; and testing (or reviewing) various supporting documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the criteria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion

Based on the limited assurance procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sections "Allocated Proceeds" disclosed in the Green Finance Report 2022 has not been prepared, in all material respects, in accordance with the relevant criteria.

Oslo, 16 March 2023
PricewaterhouseCoopers AS

Thomas Fraurud
State Authorized Public Accountant
This letter is signed electronically.

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Fraurud, Thomas Haug	BANKID	2023-03-16 15:56

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of the document.

5. Appendix

The appendix is extracted from [Scatec Green Financing Framework 2021](#), page 6-7.

2. Use of proceeds

An amount equivalent to the net proceeds from Scatec's Green Finance Instruments shall be used to finance or re-finance, in part or in full, projects or assets providing distinct environmental benefits ("Green Eligible Assets"). New financing is defined as financing of assets that have been taken into use during the previous 12 months prior to issuance of a Green Finance Instrument. The Company will continuously exercise its professional judgement, discretion and sustainability expertise when identifying the Green Eligible Assets.

Green Eligible Assets





Green Eligible Assets is defined as investments that promote the green energy transition, such as direct investments in renewable energy sources. This also includes acquisitions of such projects as well as investments in share capital of companies with such assets, where Scatec has significant operational influence and where the use of proceeds should be directly linked to the book value of the Green Eligible Assets owned by the acquired company, adjusted for the share of equity acquired.

EU Taxonomy alignment

Scatec has started to explore what the EU Taxonomy will mean for the Company's activities. At this stage, Scatec has engaged a third party to undertake an independent assessment of the Company's alignment with the EU Taxonomy. The assessment will be executed during first quarter 2021. Internally, the Company is in the process of evaluating its activities substantial contribution to environmental objectives and compliance with the technical screening criteria per industry. The Company's preliminary assessment suggest that its activities contribute to the environmental objective - Climate change mitigation. The technical screening criteria for hydropower is still subject for consultation in the Delegated Act published by the EU Commission ³⁾.



3) GEU Commission, "Draft delegated regulation", <https://ec.europa.eu/info/law/better-regulation/>

Green Asset categories	Sub-category	Related SDG ⁴⁾	EU Taxonomy
Renewable energy	Investment activities, and related expenditures, directed towards the acquisition, development, construction, operation, improvement and maintenance of electricity generation facilities that produce electricity from: <ul style="list-style-type: none"> • Solar power • Wind power • Hydropower 	  	Climate change mitigation: <ul style="list-style-type: none"> • Electricity generation using solar photovoltaic technology • Electricity generation from wind power • Electricity generation from hydropower
Energy storage, and other energy solutions	Investments in energy storage and other energy solutions to accommodate the build-out and integration of renewable energy		<ul style="list-style-type: none"> • Storage of electricity

4) GICMA, "Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals", <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Mapping-SDGs-to-Green-Social-and-Sustainability-Bonds-2020-June-2020-090620.pdf>

