

# Growing responsibly

With ten projects under construction in eight countries across four continents, our ability to manage risks and challenges in complex markets has been tested on many fronts.

Our rapid global expansion requires tremendous efforts from all our people, to ensure that we maintain high standards while delivering on our commitments.

In 2018, we delivered about 6.3 million working hours without any serious injuries, a remarkable achievement considering that the majority of the nearly 6,000 construction workers recruited from surrounding communities are unskilled. A core element of our sustainability work is local training and knowledge transfer – many of the people we hire have never worked for a corporation before. It becomes our responsibility to train and guide them along the way to support further development in the local communities.

Executing several parallel projects is logistically complex. During 2018, our global procurement teams ensured that approximately 3,000 containers, covering a distance of more than 6 million kilometres by road, were transported safely to their respective project sites.

Our sustainability work was also tested in many ways in 2018. We successfully grid connected the Los Prados plant in Honduras after incidents of social unrest and challenges with local community relations. It was a tough process. Our local project team showed impressive dedication and endurance in getting this project to the finish line. In Mozambique, we implemented a livelihood restoration programme for 220

local households in line with the IFC Performance Standards. Every step was carefully monitored by us and our project partners. We also made significant efforts during the year to raise environmental and social standards in our six projects under construction in Egypt.

Stakeholder engagement is of the utmost importance to us. In addition to our regular and continuous dialogue with our local stakeholders, we see increasing expectations for environmental and social governance from investor communities and other stakeholders. In particular, the requirements from financing and project partners are becoming stricter. We see this as a purely positive development for our industry.

In 2018 we continued our fast-tracked journey for sustainability reporting. We have maintained close dialogue with partners, shareholders, lenders, employees, and other stakeholders to get valuable inputs on their concerns and interests regarding sustainability. Their inputs help us target our reporting and focus on the sustainability issues that really matter to Scatec Solar's business.

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conduct in the four key areas of labour conditions, human rights, environment and anti-corruption. By operating in line with recognized principles across these areas, businesses make an essential contribution to the Sustainable Development Goals. In 2018, we worked to review and better align our selection of SDGs to our core business, as well as to areas where we see substantial risks and opportunities. The result is that we now focus instead on fewer goals, those with measurable targets and increased impacts.

The more solar projects Scatec Solar develops, the larger positive climate impact we generate. In 2018, our operating solar power plants avoided about 650,000 tons of greenhouse gas emissions. These avoided emissions will more than double when projects currently under construction reach commercial operation. We also began preparations to report to the Carbon Disclosure Project (CDP) by assessing climate-related risks and opportunities and their impacts on our business.

Solar energy remains the fastest-growing renewable energy source in the world. We see substantial opportunities from rapid technology developments that open up for new business models and solutions. Our New Ventures unit is exploring a range of new technologies to offer better solutions to a broader market. Corporate power purchase agreements, robotics, and floating solar are just a few exciting examples.

We are truly enthusiastic to see what 2019 and beyond will bring. One thing is for sure: We will do our utmost to maintain our position as a sustainable company with the mission of lighting up emerging economies worldwide.

Raymond Carlsen (CEO)