

	Community Investment Procedure		Revision
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Document Number	[GovDocumentNumberText]	Originator	Ingrid Høegh
Project Name	NA	Checker	Delene Taute
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## Community Investment Procedure

### 1. PURPOSE

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. True to the vision of Improving Our Future, a uniform approach is necessary.

All community investments shall follow this procedure, which is anchored in the Code of Conduct and the Sustainability Policy. Its purpose is to:

- Describe the process for community investments in Scatec, including the criteria and procedures for assigning, managing, and evaluating the use of resources allocated to local development programmes.

### 2. DEFINITION

By community investments we mean:

- Our voluntary initiatives (i.e., local development programmes) 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.
- In countries that have concessionary requirements, where Scatec is required by the concession to invest in socioeconomic development activities, these shall also follow this procedure.

### 3. OWNERSHIP AND ADVICE

This procedure is owned by the Corporate Sustainability Unit. Changes or questions of interpretation shall be directed to Sustainability.

### 4. GUIDING PRINCIPLES

Community investments in Scatec shall:

1. Be community needs based and promote long-term engagements that benefit both local communities and Scatec.
2. Be proportionate to the size of the overall commercial investment and the magnitude of social and environmental impacts of the projects and operations to which they are associated.
3. Be guided by a Stakeholder Engagement Plan (SEP) that is scaled to the risks and impacts for the asset. The SEP shall be developed in early construction phase and updated prior to operation phase and thereafter on an annual basis.
4. Not be used with the aim to influence public officials in the context of licensing, concession or permitting processes nor to gain an undue competitive advantage.
5. Follow the company procurement standards regarding procurement processes required for the community investment.
6. Limit project management costs to an absolute maximum of 15% of the total investment.
7. Not contribute to political parties, religious groups, trade unions, or campaigns for public office.
8. Follow a participatory approach with regards to selection of activities. Priority areas of engagement include local PV, education, health, women/youth empowerment, and livelihood improvement.
9. Be fully transparent and documented.

10. Have a sustainable exit strategy.

#### 5. MANAGING COMMUNITY INVESTMENTS

- A one-page strategy outlining clear long-term objectives shall be developed prior to operations phase.
- Thereafter, Annual Implementation Plan, with budget and timeline, to be approved by the Corporate Sustainability Unit prior to submission to Project’s SPV Board for funding approval each year.
- Programmes shall have a written and approved agreement with recipient and/or partner affiliation. The agreement should clearly outline the scope, timeline and responsibilities of the programme.
- Programmes shall be monitored on a quarterly basis with the objective of including them in the annual sustainability reports.
- An advisory board headed by EVP Sustainable Business shall meet twice yearly to review ongoing programmes and assess the overall compliance of programs against the Scatec Code of Conduct and the principles defined in this document.

#### 6. COST ALLOCATION

For each project, Scatec makes community development funds available for construction phase and for the entire period of operations. The amounts per project are calculated based on expected revenues and foreseen community needs.

#### 7. ROLES AND RESPONSIBILITIES FOR COMMUNITY INVESTMENTS

Role	Responsibility
Community Liaison Officer (CLO)	<ul style="list-style-type: none"> <li>• Liaise with communities and local authorities</li> <li>• Identify and propose new local development programmes</li> <li>• Follow up and manage existing programmes</li> </ul>
Sustainability Manager	<ul style="list-style-type: none"> <li>• Develop Annual Implementation Plan according to Procedure</li> <li>• Implementation of Plan</li> <li>• Report in the different channels</li> </ul>
Corporate Sustainability Unit	<ul style="list-style-type: none"> <li>• Provide technical assistance to Sustainability Managers and CLOs</li> <li>• Approve Annual Implementation Plan from functional point of view prior to SPV Board submission for funding approval</li> <li>• Integrate reporting</li> <li>• Perform audits and controls on projects on behalf of the Project Board</li> <li>• Advisory Board</li> </ul>
Asset Manager/SPV Board	<ul style="list-style-type: none"> <li>• Approve programmes for funding</li> </ul>