

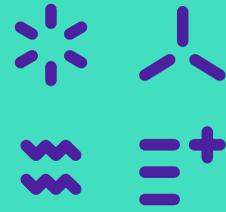
A photograph of a snake with brown and black spots hanging from a branch in a natural setting. The snake is coiled and its head is visible. The background is a blurred natural environment with dry branches and foliage. A large teal circle is overlaid on the left side of the image, containing the text 'Scatec' and 'Biodiversity Strategy'. A button labeled 'START READING' is located in the lower center of the image. In the bottom right corner, there are several white, rounded rectangular shapes arranged in a pattern.

Scatec

Biodiversity Strategy

START READING

Our vision
Improving our future



Our mission
To deliver competitive and sustainable renewable energy globally, to protect our environment and to improve quality of life through innovative integration of reliable technology

Our values
Driving results
Changemakers
Predictable
Working together

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Refer to our corporate website for our reports:
<https://scatec.com/>

Note from the CEO

The development and construction of utility-scale renewable energy projects may have environmental impacts such as habitat degradation, the reduction of resource availability, and the transformation of habitats, which can affect biodiversity.

At Scatec, profitable growth and biodiversity protection are not competing priorities—they are mutually reinforcing pillars of our strategy. As we accelerate renewable energy deployment in emerging markets, we recognize that long-term success depends on safeguarding the ecosystems that sustain our projects and communities.

Our biodiversity strategy is embedded in every stage of project development. Through early screening we identify and avoid high-risk areas before committing capital, ensuring efficient delivery and reducing compliance costs. This proactive approach enables Scatec to scale responsibly, maintain investor confidence, and protect ecosystems that sustain our operations.

In short, our growth strategy is not just about building renewable capacity—it's about creating enduring value for shareholders, communities, and nature.



Terje Pilskog, CEO



Scatec's Interface with Biodiversity

Our business operations interface with biodiversity in several ways, primarily through land-use changes during project development and construction. Potential land-use and species biodiversity impacts according to technology are outlined below:



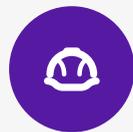
Solar project construction involves land use change over significant areas that can lead to habitat conversion and potential ecosystem degradation.



Wind projects, if poorly located, can have a substantial impact on birds and bats due to collisions during the project's lifespan.



Hydropower projects can disrupt river flows, affecting aquatic species, riverine vegetation, and ecosystem services, as well as impact land species if large areas are flooded to create reservoirs.



Value chain impacts include mining for materials used in solar panels, wind turbines, and batteries that can significantly impact land use and freshwater resources during renewable energy project construction and refurbishment.

Risks to Scatec include increased mitigation and compliance costs, as well as reputational and financial risks associated with the loss of threatened ecosystems or species.

- The risk and impact identified in relation to the sustainability matter of land-use change are interrelated, and the actual impact or risk depends on strategies to avoid or mitigate such impacts and tolerate risk.
- Mitigating a potential impact may come at a cost, such as delayed construction and / or offsetting biodiversity losses.
- If no adequate mitigation of negative impact is in place, this increases reputational risk and the possibility of negative financial effects.

Despite these risks, Scatec's proactive biodiversity strategy creates significant opportunities:

- Enhanced Decision-Making: Early screening and our governance framework help avoid high-risk areas, reducing delays and compliance costs.
- Competitive Advantage Through Best Practice: Applying global biodiversity standards positions Scatec as a sustainability leader and attracts ESG-focused investors.

- Strengthened Stakeholder Relationships: Transparent biodiversity management builds trust with regulators, communities, and NGOs, enabling smoother permitting.
- Value Chain Influence: Engaging suppliers on biodiversity risks promotes responsible sourcing and reduces upstream impacts.

Scatec is dependent on ecosystem services through functional biodiversity in the operations phase of our projects, for example, vegetation cover is important for reducing dust and for stabilising soil to avoid erosion. From a value chain perspective, the renewable energy industry relies on raw materials extracted through mining to manufacture capital goods, such as solar modules, wind turbines, batteries, inverters and substructures.



Our Strategy

Scatec's biodiversity strategy emphasizes:

- Establishing a progressive governance framework to seamlessly integrate biodiversity considerations into decision-making processes.
- Proactively identifying and implementing measures to avoid and minimize irreversible biodiversity loss associated with our projects.
- Planning and allocating resources to drive impactful biodiversity conservation initiatives and promote greater awareness.
- Strengthening transparency by advancing the disclosure of biodiversity impacts, risks, and opportunities across all Scatec's endeavors, operations, and the value chain.

We strive to avoid and mitigate irreversible impacts during a project's design phase. In line with the Equator Principles and the IFC Performance Standards, Scatec is committed to restoring sites to their former state or better at the end of their life. Operating across diverse regulatory environments, we recognize that national biodiversity legislation may vary significantly. Where local requirements fall below the standards set in Scatec's policies and guidelines, we consistently apply our own higher standards to ensure robust biodiversity protection.

Governance Framework

Our framework facilitates early identification of biodiversity-related challenges, enabling the exclusion of project opportunities with significant biodiversity impacts without remediation plans or resulting in net loss. It applies threshold criteria for early-stage decision-making, collaborates with other disciplines, and supports informed decision-making on risks by allocating appropriate resources.

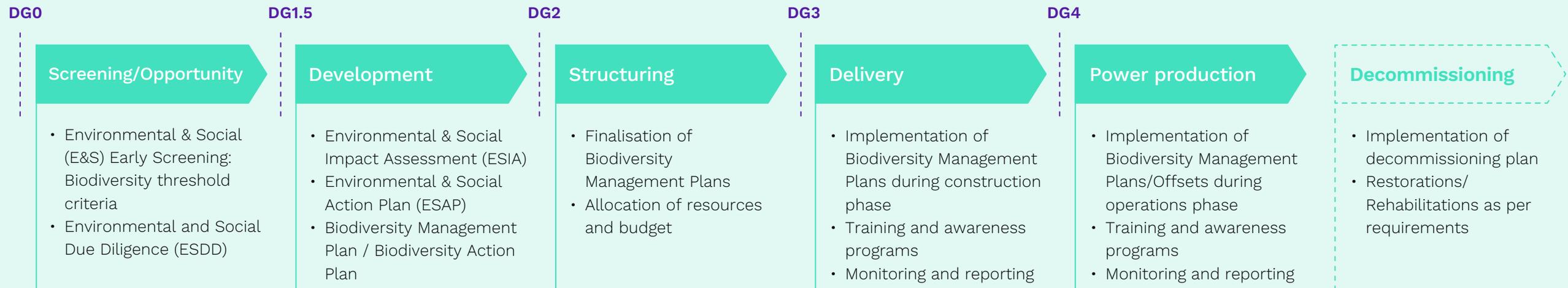
External consultants and internal experts assess biodiversity using specialised tools, while our Environmental and Social teams identify risks and impacts. Biodiversity Management and Action Plans are developed collaboratively with experts, authorities, stakeholders, and contractors for thorough planning and implementation. The Board of Directors is kept informed of Scatec's biodiversity issues and holds the EMT responsible for executing the strategy.



Creating Markets, Creating Opportunities

Governance Framework

Key processes and decision gates (DGs) for biodiversity management along our value chain



Overall management of biodiversity risks and impacts

- Aligning diligence/assessment findings for design optimisation/minimising biodiversity impacts
- Preparation and implementation for relevant biodiversity management plans and mitigation measures
- Allocation of appropriate project budget and resources
- Training and capacity development for local site teams and relevant functions
- Continuous monitoring of mitigation across construction and operations, as well as implementation of necessary corrective actions
- Reporting and disclosures

Threshold Criteria

Our biodiversity threshold criteria is designed to guide project planning and ensure compliance with international best practice for biodiversity conservation. The criteria aims to prevent significant adverse impacts on species, habitats, and ecosystem services that are critical for global and local biodiversity.

- Avoid developing projects in:
 - Habitat that will result in the loss of $\geq 0.5\%$ of the global population and/or ≥ 5 reproductive units of a species listed by the IUCN (or the in-country red data list) as Critically Endangered or Endangered.
 - Habitat that will result in the significant loss of a Vulnerable species to the extent that its red lists status would change from Vulnerable to Endangered or Critically Endangered.
 - Habitat that is of significant importance for endemic or range restricted species¹ that regularly holds $\geq 10\%$ of the global population size AND ≥ 10 reproductive units.

¹ For terrestrial vertebrates and plants, restricted-range species are defined as those species that have an Extent of Occurrence of less than 50,000 square kilometres (km²). For coastal, riverine, and other aquatic species in habitats that do not exceed 200 km width at any point (for example, rivers), restricted range is defined as having a global range of less than or equal to 500 km linear geographic span (i.e., the distance between occupied locations furthest apart).

- Habitat that is of significant importance for ≥ 1 percent of the global population of a migratory or congregatory species or which support ≥ 10 percent of the global population of a species during periods of environmental stress.
 - Habitat that represents $\geq 5\%$ of the global extent of an ecosystem type meeting the criteria for IUCN status of CR or EN.
 - Habitat that has been identified by key experts, or is well known to the scientific community, as important for key evolutionary processes such as climate change adaptation corridors, speciation and important corridors for biological connectivity, the loss of which would result in the significant degradation and/or loss of biodiversity.
- Avoid introducing or contributing to the spread of plant and animal Alien Invasive Species within or adjacent to project development that would result in the loss of biodiversity.
 - Avoid the loss or degradation of Priority Ecosystem Services² that local communities are dependent on for their livelihoods, health, safety or cultural heritage.

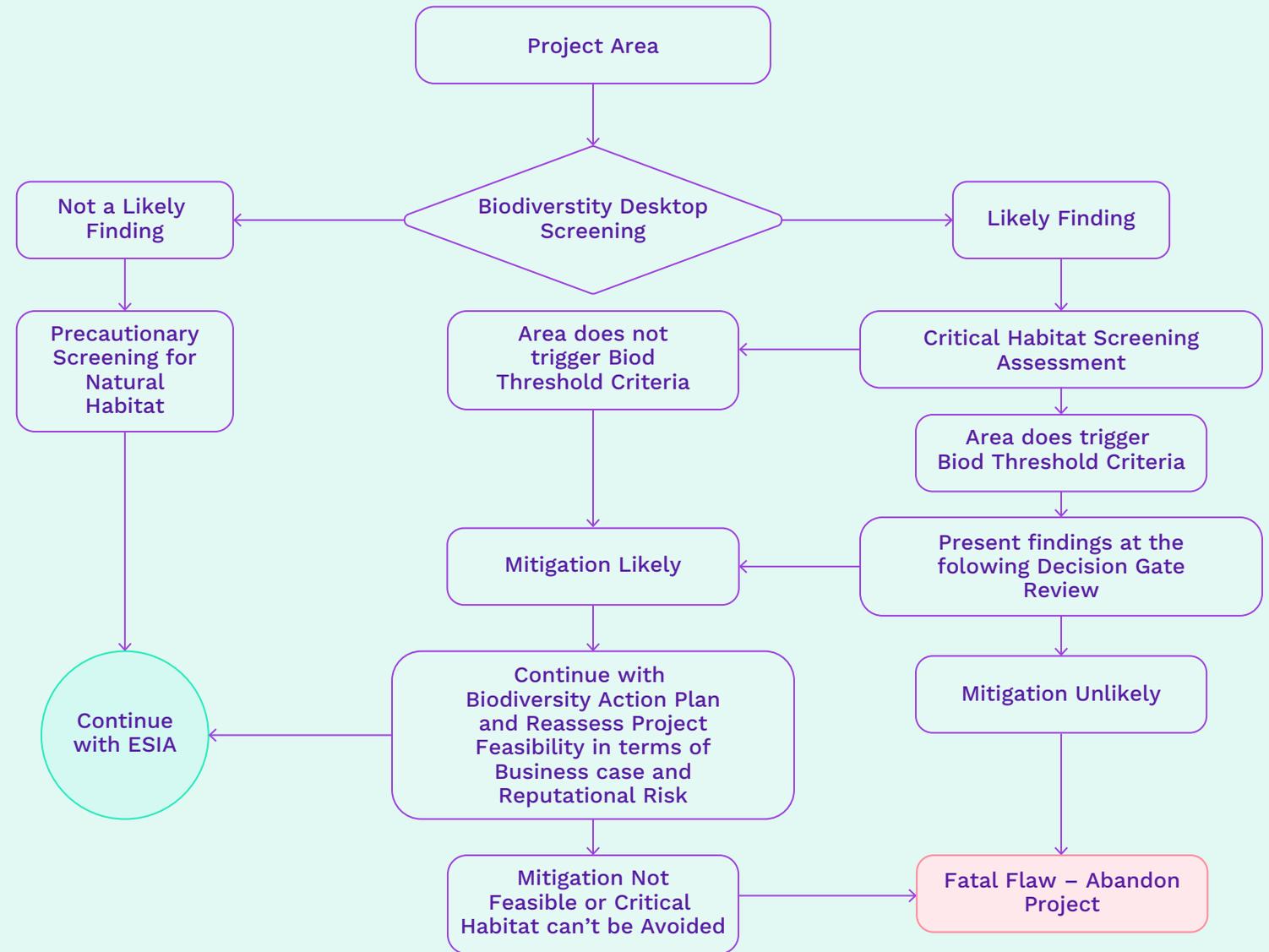
² Priority Ecosystem Services refer to ecosystem services where project operations are likely to result in a significant impact on the ecosystem service which will result in a direct adverse impact on Affected Communities “livelihood, health, safety, and/or cultural heritage” and where project has direct management control or significant influence over the service



Decision Tree

The Integrated Biodiversity Assessment Tool (IBAT) is an internationally recognized screening tool that we apply across all projects to identify biodiversity-related risks at an early stage. This proactive approach forms the backbone of our Decision Tree, guiding project feasibility assessments by considering both potential biodiversity impacts and associated capital expenditure requirements.

IBAT provides access to critical information on biodiversity priority sites, supporting risk management and informed decision-making. While the IBAT report offers an initial indication of potential concerns, it does not detail direct, indirect, downstream, or cumulative impacts. Instead, it serves as a globally recognized starting point for structured decision-making at key stages of project development—decisions that can ultimately determine project viability. Early risk identification enables us to allocate budgets for detailed studies, providing more granular data on potential triggers and strengthening both our understanding and decision quality.



Our decision tree serves as a practical application of Scatec's biodiversity strategy, ensuring that environmental considerations are embedded into every stage of project development. It integrates key elements of our governance framework, including biodiversity threshold criteria, resource allocation for detailed assessments, and the principles of the mitigation hierarchy—avoid, minimize, mitigate, and offset. By combining these components, the decision tree provides a structured approach to evaluating project feasibility, enabling us to identify risks early, prioritize avoidance of critical habitats, and implement effective mitigation measures where necessary. This systematic process strengthens decision-making, reduces compliance risks, and ensures that biodiversity protection remains central to our growth strategy.

Mitigation Hierarchy

Our mitigation hierarchy includes:

- **Avoid:** Opportunities causing irreversible impacts or net loss during screening.
- **Minimize:** Reduce the intensity and/or extent of impacts through layout/design changes.
- **Mitigate:** Specific mitigation measures to restore/rehabilitate ecosystems.
- **Offset:** Compensate for residual significant adverse impacts.

Note: Scatec annually reports according to the Corporate Sustainability Reporting Directive (CSRD) and underlying European Sustainability Reporting Standards (ESRS) requirements. These disclosures cover resilience assessments, stakeholder engagement, targets and metrics.

Ambitions

Our biodiversity ambitions focus on embedding nature protection across all stages of our renewable-energy developments by aligning our Biodiversity Strategy with the TNFD, ensuring full compliance with IFC Performance Standards and the Equator Principles in every project, including biodiversity baselines and impact management requirements. Scatec applies a strict avoid–minimise–restore–offset hierarchy to prevent and remediate ecological harm, conducts 100% environmental and social assessments for all new projects where biodiversity risks are evaluated and mitigated, and integrates biodiversity risk into board-level sustainability oversight and decision-making processes. Together, these commitments aim to ensure Scatec develops renewable energy responsibly while protecting ecosystems and contributing to improving the future.