Sustainability Report 2015

Scatec Solar
Improving our future™

SCATEC SOLAR'S VALUE CHAIN

Project development

- Site development
- System design
- Business case
- Permitting
- Grid connection
- PPA negotiation / tender / FiT secured

Financing

- Detailed design & engineering
- Component tendering
- Debt / Equity structuring
- Due Diligence

Construction

- Project management
- Supplier and construction monitoring
- Quality assurance
- Funding and cash flow management

Operations

- Maximize performance and availability
- Maintenance and repair

Ownership

- Asset management
- Financial and operational optimization

Scatec Solar

Scatec Solar is an integrated independent solar power producer, delivering affordable, rapidly deployable and sustainable source of clean energy worldwide. A long term player, Scatec Solar develops, builds, owns, operates and maintains solar power plants, and already has an installation track record of close to 600 MW. The company is producing electricity from 383 MW of solar power plants in the Czech Republic, South Africa, Rwanda, Honduras and the United States. Construction of an additional 43 MW solar power plants in Jordan is under way.

With an established global presence, the company is growing strongly with a project backlog and pipeline of close to 1.5 GW under development in the Americas, Africa, Asia and the Middle East. Scatec Solar is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker symbol 'SSO'.

KEY FACTS

Established	2007
Employees	132
Listed on the Oslo Stock Exchange	2014
Market capitalisation (year-end)	NOK 3.7 billion

2015 PRODUCTION

466,278 MWh

UNDER CONSTRUCTION

43 MW

PROJECT PIPELINE

1,069 MW

OUR LOCATIONS

OUR VISION

Improving our future

OUR MISSION

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

OUR VALUES

Predictable
Working together
Driving results
Changemakers

Sustainability

One eventful year has gone by since we released our first Sustainability Report. I am humbled, yet proud to say we have progressed well on the commitments we gave. We have received lots of feedback encouraging us to continue our work as it makes a difference to the people and the communities where we operate. For us, this is part of our business. We see and truly believe that only well integrated projects are sustainable. And local involvement is both important and necessary.

I would like to think that we have moved one step further with this year's report, and that the focus and dedication we are demonstrating positively influences our employees, our business partners, the communities and the local people that we touch through our sustainability programmes.

The edifice of our programme for sustainability was established last year, and it is built on three principal pillars: delivering competitive renewable energy, contributing to local value creation and being a trusted business partner.

The Paris Climate Agreement in December 2015 clearly established the global desire for a new clean energy road map for the world. Countries, companies and municipalities are committed to increasing the share of renewables in their energy use, with several influential multinational companies leading the way by choosing to opt for 100% renewables. As part of the solution to reduce carbon emissions and safeguard our environment, Scatec Solar is committed to continue doing what we are best at – providing rapidly deployable, affordable, efficient, clean and safe grid-scale energy. In 2015, our solar plants located in different parts of the world, generated electricity that avoided 426,000 tons of carbon emissions.

In this report, we also highlight the individuals that we reached out to and worked with throughout the year. Telling their story is important – whether it is through the first-ever initiative to include women in construction work in Honduras, the creation of nearly 2,000 jobs - mostly local – during peak construction, the certification of more than 300 new workers with documented skills or planning a new language learning centre in Jordan. In implementing our programmes, we work with our business partners. Together we can create more. And we also ensure that we are all united in a common purpose, aligned to a common strategy.

A firm hand is needed in order to achieve the full transparency and auditability that we require from all the operational stages in our value chain. Openness and solid grievance mechanisms are an integral part of this work.

We delivered 974,000 hours of accident free projects work around the world. The final HSSE records shows only two minor lost time incidents across our five solar power plants completed or under construction in 2015.

Sustainability is interwoven into the DNA of our company, because we believe this is the only way to do business. Our business strategy is anchored in the firm belief that sustainable development is what assures stability, predictability, viability and longevity. We are as values-driven as we are performance-driven. And we strive to make people proud to work with and for Scatec Solar.

Raymond Carlsen
CEO

Our sustainability framework

Business ethics and sustainability extend beyond compliance with local, national, regional and international rules and conventions. Compliance is mandatory in Scatec Solar, but our aim is higher in that we aspire to become a leader so that other enterprises too can see the benefits of sustainability. Sustained ethical practices build trust among our stakeholders; they are also vital to our business ambitions and corporate strategy.

In 2014, Scatec Solar undertook an important step towards further improving and systemising the work within the scope of sustainability. We developed a policy that defines Scatec Solar's fundamental principles of integrity and sustainability.

Our approach to sustainability is built around three main principles: delivering competitive renewable energy, contributing to local value creation and being a trusted business partner. Ten priority areas are grouped into these principles. Each of the areas is defined by a policy, an evaluation of results in 2015, and a set of ambitions to be measured guide our work for 2016. Our sustainability framework is displayed below and the chapters that follow present each area in more detail.

SUSTAINABILITY FRAMEWORK

Improving our future

Delivering competitive renewable energy			Contributing to local value creation		Being a trusted business partner				
Predictable energy production	Securing capacity growth	Promoting and financing solar energy	Local development	Community engagement	ESG integration in project development	HSE and labour conditions	Talent attraction and retention	Anti-corruption	Responsible procurement

1. DELIVERING COMPETITIVE RENEWABLE ENERGY

1.1 Predictable energy production

Our policy

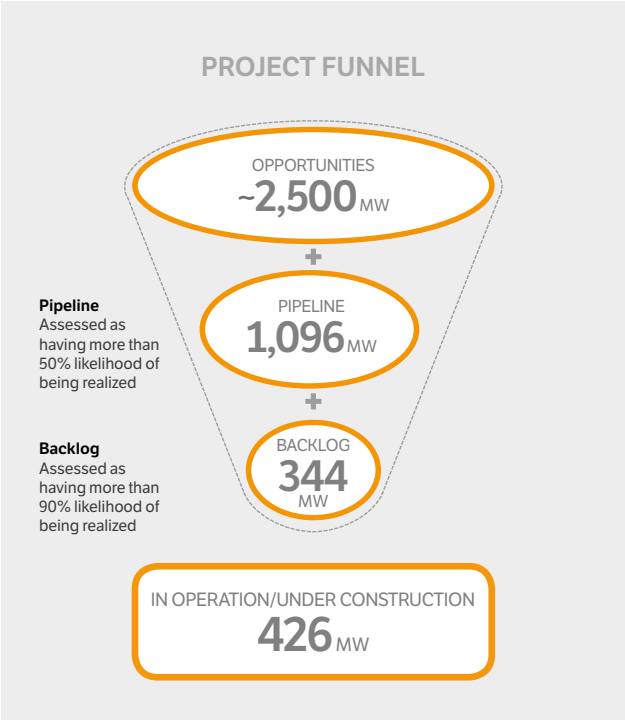
We have established a track record for delivering predictable and affordable supply of solar electricity. Being a long-term player, we attach top priority to the operational excellence of our solar plants, which is essential to earn the trust of the local communities, our customers and our business partners. Our business model is founded on three fundamentals:

- Build solar power plants based on the highest industry standards and according to the "Scatec Solar Quality Policy"
- Source components from leading suppliers based on the latest proven technologies available
- Operate and maintain the plants to ensure maximum performance of the solar power plants

Our achievements and results in 2015

We increased our total installed capacity of power producing solar plants from 219 MW to 383 MW, an increase of close to 75%. The Agua Fria (60 MW) plant in **Honduras** was grid connected in the third quarter. The commissioning of this project was a milestone for the company, representing our debut into the Latin American solar market. The Red Hills plant (104 MW) in Parowan, Utah, **United States** was grid connected in December. Constructed in less than a year, this is Utah's first utility-scale solar plant. It will more than double the state's solar footprint.

During 2015, we also started construction of three solar power plants in **Jordan** with a total capacity of 43 MW. The Oryx, EJRE and GLAE projects are scheduled for completion during the first half of 2016. Annual production from these three plants is estimated to be 104,000 MWh, generating revenues of about USD 17 million per year. The electricity produced will be sold under a 20-year Power Purchase Agreement (PPA) with the National Electric Power Company (NEPCO). All plants are located in the area near Ma'an City in southern Jordan.



At year-end, Scatec Solar was producing electricity from ten solar power plants. The total production in 2015 increased 70% to reach 466 GWh, up from 274 GWh. The production performance (plant uptime) of our power-producing assets across the portfolio has been above 99%.

Our ambitions and goals

We will work to realize and complete all the projects totaling 422 MW in our current project backlog in 2016. Construction is progressing well to ensure that our three solar plants in Jordan are completed and start production as planned. In addition, we will continue to use our expanding base of experience from existing operations to provide inputs to enhance design and operating procedures for new solar power plants.

1.2 Securing capacity growth

Our policy

The growth of our business is in itself a positive contribution towards tackling the twin global challenges of climate change and energy deficits in many parts of the world. We are also mindful that taking part in driving change through new solutions and technology is key to growth. Our policy is to:

- Actively pursue new project opportunities within prioritised global regions to secure a robust project pipeline
- Develop projects in collaboration with local partners that can contribute to provide clean energy and bridge energy gaps
- Monitor developments in relevant technologies and solutions and contribute to innovative initiatives in the sector

Our achievements and results in 2015

Scatec Solar is growing strongly and continuously seeks new and attractive project opportunities worldwide. During 2015, we secured additional capacity growth in several regions of the world. Our project backlog, defined as projects with a secure off-take agreement assessed to have more than 90% likelihood of reaching financial close and subsequent realisation, stands at 422 MW. This includes the three 258 MW Upington projects in **South Africa**, the 33 MW Segou project in **Mali**, the 53 MW Los Prados project in **Honduras** and the 78 MW Sertão & Sobral projects in **Brazil**.

In April 2015, we were awarded the preferred bidder status for three additional projects in South Africa with a combined capacity of 258 MW in the fourth bidding round under the REIPPP programme (Renewable Independent Power Producer Programme). In July 2015, Scatec Solar, together with its partners, the World Bank's International Finance Corporation (IFC) and Power Africa 1, signed a Power Purchase Agreement (PPA) with Mali's utility, the Electricité du Mali (EDM), for delivery of solar power over the next 25 years from a 33 MW solar power plant. In October 2015, Scatec Solar and Norfund (Norway's Investment Fund for Developing Countries) signed a share purchase agreement to acquire the 53 MW Los Prados solar project in Honduras. The project has secured a 20-year PPA with Empresa Nacional de Energía Eléctrica (ENEE), the government-owned utility.

A massive solar energy programme is emerging in **Egypt**. Scatec Solar has secured participation in five projects totalling 341 MW (DC) under Egypt's new 2000 MW Feed in Tariff (FIT) Programme (First Regulatory Period 2015 – 2017), making it a lead player in Egypt's pioneering solar energy programme located in Benban and Zafarana.

"Our plan to invest more than USD 600 million in Egypt's solar energy programme over the next two years will be a significant boost to Egypt's economy."

- Terje Osmundsen, Scatec Solar's Senior Vice President for Business Development in an interview published in the Daily News Egypt

Our ambitions and goals

Scatec Solar has a target to reach 1,400-1,600 MW of solar power plants in operation and under construction by the end of 2018. At the time of publishing this report, we have 383 MW in operation, 43 MW under construction in Jordan and a pipeline of projects with a combined capacity of 1,096 MW. The pipeline includes projects in **South Africa, East and West Africa, Egypt, Pakistan** and the **Americas**. The project opportunities by the end of the year held a combined capacity of 2,500 MW across the Americas, Africa and MENA.

1.3 Promoting and financing solar energy

Our policy

The growth of renewable energy production continues to be driven by political determination to create a low carbon economy and increase access to energy globally. We have knowledge and experience that are valuable in shaping and driving this agenda. Our policy is intended to:

- Share knowledge and experiences of the benefits of renewable energy in dialogue with policy makers, local authorities, investors and other partners
- Encourage regulatory developments and incentives that support renewable energy
- Leverage carbon and climate finance to improve projects' internal rates of return
- Ensure that our efforts to promote renewable energy are done in a balanced manner and with integrity

The 10 MW Oryx solar power plant in Jordan.

Our achievements and results in 2015

Scatec Solar was active at several industry conferences, where we continued to share knowledge on solar energy at events and seminars throughout 2015. These included amongst others the Utility Week in South Africa, the SREP (Scaling Up Renewable Energy Programme in Low Income Countries) conference in Jamaica, Solar Projects Egypt in Cairo, PowerTrends 2015 in Manila, Africa Energy Forum in London and the NABA's Nordic African Business Summit in Oslo. In addition to expanding the Company's partner network, the purpose of the participation has been to share knowledge of the benefits of deploying more solar globally and how policies can be implemented to ensure increased investments in solar in the future. Scatec Solar also shares knowledge through blogs and articles.

Fossil fuels dominate the energy mix of most countries with the largest growth in energy demand coming from the developing countries.

A running theme across our markets is the high fossil fuel content in the energy mix. Local governments are grappling with the task of increasing energy supply to meet rising demand while simultaneously addressing growing concerns regarding air pollution and carbon emissions. In South Africa for instance, Scatec Solar's three operating plants generate over 420,000 MWh of electricity to provide power to over 90,000 households resulting in avoiding more than 400,000 tons of carbon emissions per year. Coal currently accounts for 84% of South Africa's energy mix, causing huge carbon emissions. Based on a study conducted by the premier Council for Scientific and Industrial Research, South Africa gained US$ 30 million in the first six months of 2015 from Scatec Solar's three operating solar projects. The gains came from saving fossil fuel import costs and avoiding production losses caused by power outages. Solar PV is widely hailed as a "game changer", an important source to improve energy access, avoid pollution and reduce dependence on imported fossil fuel, thus saving precious foreign exchange. Scatec Solar is positioned to support the country further by addressing its energy challenges with the building of three additional solar power plants totalling 258 MW scheduled for construction start in 2017.

All our projects in developing countries undergo the mechanisms of the UN Framework Convention on Climate Change (UNFCCC) to certify that the emission reductions we achieve substitute the use of fossil fuels, and that the impacts are real, verifiable and permanent. All projects are approved as part of this process by host countries for their contribution to sustainable development plans. These elements ensure that the environmental and social integrity of Scatec Solar's projects is of the highest order; meeting the standards set out by the multilateral climate change process under the UNFCCC.

Most countries tabled plans to increase climate action for the UNFCCC Paris climate talks, containing an unprecedented commitment to increase the share of renewables in the total energy-mix. Implementation of these plans can accelerate if developing countries can avail climate finance. A recent research paper published in Environmental Finance by Terje Osmundsen, Scatec Solar's Senior Vice President for Business Development, and Daniel Rossetto from Climate Mundial, Scatec Solar's global climate finance partner, shows how important the UNFCCC mechanisms can be for accelerating clean energy deployment in developing countries. The paper illustrates that UNFCCC mechanisms can enable developed countries to increase their climate ambition by up to 30% from current levels. Developing countries would, in turn, receive USD 400 billion in additional investment in energy infrastructure between now and 2025, creating millions of new jobs and enhancing economic growth, security and independence. Early climate initiatives may save developed nations more than $160 billion (current value) during 2016-2040.

Scatec Solar's operating solar power plants resulted in avoiding 426,000 tons of carbon emissions in 2015. This emission number is based on an official average data mix. Scatec Solar is working with the UN to improve emission calculation methods in order to reflect more accurately the reduction impact of solar PV on carbon dioxide emission volumes.

The table 1 below shows the estimated avoided emissions from our clean electricity generation per year for our plants in operation and under construction (as of the publication of this report).

TABLE 1: SUSTAINABLE NATIONAL DEVELOPMENT ACHIEVEMENTS

ALL PROJECTS (WHEN IN FULL OPERATION)	INSTALLED MW OF RENEWABLE ENERGY GENERATION (DC CAPACITY)	ANNUAL POWER PRODUCTION (MWH)	NUMBER OF HOUSEHOLDS PROVIDED WITH CLEAN ENERGY [1]	GHG [2] EMISSIONS AVOIDED (TONS CO2 PER ANNUM) [3]
Kalkbult, South Africa	75	150,000	35,000	145,000
Linde, South Africa	40	94,000	20,000	85,000
Dreunberg, South Africa	75	178,000	37,500	161,000
Czech portfolio, Czech Republic	20	20,500	16,980	12,000
ASYV, Rwanda	9	15,500	15,000	8,000
Agua Fria, Honduras	60	103,000	80,000	60,000
Utah Red Hills, USA	104	210,000	18,500	178,000
Oryx, Jordan [4]	10	23,000	10,000	15,000
EJRE and GLAE, Jordan [4]	33	78,000	15,000	48,000
Total	**426**	**872,000**	**247,980**	**712,000**

1) Avg. el consumption 4.5kWh/ house IFC std.

2) Greenhouse gases.

3) Figures are company's own estimates and not audited.

4) Plants under construction.

Colleagues together at the Dreunberg solar plant South Africa.

In October 2015, Scatec Solar was awarded the prestigious Norwegian Industry's Climate Prize of 2015 for being "an important player for more people to have access to affordable and renewable energy". The jury comprised the NHO (Norwegian Confederation of Industries), the NTNU (Norwegian University for Science and Technology) and the environmental organisation, ZERO. "Scatec Solar shows that the green shift is all about expertise and technology" declared Kristin Skogen Lund, Member of the Award Jury and CEO of NHO.

"We are very proud to receive this award and happy that the jury appreciates a new and innovative business model in the renewable sector"

- Raymond Carlsen, CEO Scatec Solar

Our ambitions and goals

Scatec Solar shall continue to take a lead role in promoting solar energy and leveraging carbon and climate finance to the benefit of accelerated deployment of large-scale PV in developing countries.

We estimate that emission reductions from Scatec Solar projects for 2016 will amount to more than 700,000 tons. The estimated increase from 2015 is expected from the full year operation of six additional power plants in Honduras, the United States and Jordan. Additionally, we predict the emission reductions in 2018 to reach more than 2.2 million tons of CO2 annually, equal to about 4 percent of Norway's total emissions in 2015.

We are committed to strengthening the emission-abatement contributions of our solar projects, in operation and in the pipeline. We have developed and registered a global Programme of Activity with the UNFCCC. Three Component Project Activities are also under validation with support from the United Nations Clean Development Mechanism (CDM) and validation is targeted for first half of 2016.

2. CONTRIBUTING TO LOCAL VALUE CREATION

2.1 Local development

Our policy

Our goal is to positively impact the societies in which we operate, both directly and indirectly. Our policy is to:

- Employ local labour, enable knowledge transfer and generate job creation in local communities
- Use local suppliers whenever feasible
- Plan for and contribute to local development initiatives
- Ensure that our efforts to impact positively on local communities are done with integrity
- Create awareness of our zero tolerance for corruption
- Train and educate our people on how best to operate in a new, often foreign culture to make every project a collaborative enterprise devoid of friction
- Increase access to renewable electricity generation capacity in countries experiencing energy shortage

Our achievements and results in 2015

Electricity is fundamental to human existence and economic development. Our most significant contribution to local value creation is through increasing access to clean energy. The completion of two solar power plants, Utah Red Hills (104 MW) in the United States and Agua Fria (60 MW) in Honduras in 2015, provided nearly 100,000 households with energy. The Agua Fria plant contributes with an annual power production of 103,000 MWh, while the Red Hills plant - Utah's first utility-scale solar plant - produces 210,000 MWh annually. "The fact that we were able to build this 104 MW grid-scale plant within 12 months is proof of our company's capability to deploy solar power rapidly," says CEO Raymond Carlsen.

Scatec Solar is strongly committed to contributing to job creation including the use of local labour and suppliers. We strive to employ local labour as far as possible, regardless of whether this is a regulatory or contractual requirement. This contributes to reducing unemployment rates and provides knowledge transfer to the communities where we are present. "We build large scale solar plants on time and with excellent health and safety records even though it is the first job for many workers. This speaks for the quality of our training. The biggest inspiration is to see the dignity that work gives to all, especially to previously unemployed people." says Kari M. Fremme, Vice President, Project Execution.

Sazi Ramoekipa is the Plant Supervisor at our Dreunberg solar power plant in South Africa. He says: "Working for Scatec has been a journey of growth and development for me so far. I am happy to see that my contributions were met with great recognition and I feel like I am adding value to the organisation. I believe that I have a bright future ahead within the organisation and I just have to continue working hard".

During 2015, we commenced construction of five solar power plants listed in the table below, and we employed a total of 1,842 workers during the peak construction phase of these projects. The job creation, the percentage of local employment and the number of skill certifications for each project are shown in the table below. The total number of workers involved in the ongoing construction of the Oryx, EJRE and GLAE plants in Jordan is estimated to be about 600. The percentage of local employees is 100% for all three plants. In addition, all jobs have been equally distributed among the local tribes and regions in the area through an employment agreement with the Ma'an municipality.

Sazi Ramoekipa, Plant Supervisor at our Dreunberg solar power plant.

Women in the Agua Fria project

TABLE 3: LOCAL JOB CREATION FROM OUR PROJECTS

PROJECT	JOB CREATION (DURING THE PEAK CONSTRUCTION PERIOD)	% LOCAL EMPLOYEES (CITIZENS)	NO. OF WORKERS WITH DOCUMENTED SKILL ENHANCEMENT
Agua Fria	1,050	82%	275 [2]
Utah Red Hills	192	92%	30 [1]
Oryx	150	100%	N/A
EJRE/GLAE	450	100%	N/A
Linde	550	70%	79 [1]
Dreunberg	1,400	77%	142 [1]
ASYV	600	85%	400 [2]
Kalkbult	900	80%	N/A
Czech portfolio	133	N/A	N/A
Total	**5,425**	**86% on average**	**926**

1) Workers certified.

2) Workers with formalised documentation of experience.

Women in the Agua Fria project
The Agua Fría Project in Honduras had women working in different areas and at multiple levels. About 1,000 people was engaged during the construction phase of the project, of which 70 were women. Although seemingly a small number, this represents a significant step towards including women in typically male dominant industries. Of the women, 21% worked in technical and supervisory areas, which included electrical, civil and environmental engineering. Another 6% worked in assistant and administrative roles, while the rest carried out diverse functions including cleaning, assembly of metal parts and electrical aids. A number of women were interviewed after the construction phase in order to understand their opinions and insights about their experiences from the project, so that Scatec Solar can facilitate more jobs for women in development and operations.

Their eagerness to work in a solar energy project was driven by several different factors. Solar photovoltaic plants represent a new technology in Honduras, as the first projects in the country started construction in 2014. The interviews revealed that one of the main motivations for the women working in the project was the novelty of the technology in the country.

Recalling her experience, Johana Ortiz (Electrical Works Supervisor, Cobra Gran Solar) stated that for her it was not merely the excitement of this being her very first job, but "the thrill of working in one of the first solar projects in her country". This sentiment was also shared by Edda Cerrato, who worked as Electrical Resident for Flores y Flores. She had previous experience from working at a wind farm and felt the Agua Fria project "was innovative and a pioneer in the solar industry of the country".

Gaudi Ochoa, worked in metal parts assembly and cleaning in the project. This job represented the first time she was able to work outside her home. As she said: "My motivation was family-oriented, as a mother of a young child, I believed that working in the project would be an opportunity to provide for my son", adding that there are not many work opportunities for women in the community.

Contribution to local economic development
Scatec Solar contributes to local communities through economic development (ED) initiatives. In South Africa, the Dreunberg project has been supporting the local Small Medium Micro Enterprises (SMME's) in the Burgersdorp area through its Enterprise Development Obligation by means of quarterly monetary grants (ED contributions). This is awarded to eligible

Children part of the SED Programme in South Africa.

local SMME's chosen as ED grant beneficiaries. The grant aims to assist and accelerate the entity's development as a professional local service sub-supplier to the project and in the future to other businesses in the community.

The ED grant contribution is planned to be spent on assisting enterprises with the following elements:

- Business set up cost
- Training and upskilling of staff
- Job creating initiatives

To date, three local SMME's have been carefully chosen as the first ED grant beneficiaries. The grant received by these SMME's has been used to assist with business equipment such as laptops, printers, office furniture and other equipment. One of the beneficiaries has used the grant to create short term employment of 3 youths from the local community. The services of the entities were also used in the construction of the Early Childhood Development (ECD) building, which included the construction of the play equipment outside and building and fitting of the kitchen and classroom cupboard.

For the Agua Fria project in Honduras, the financial contribution to local development initiatives during 2015 amounted to USD 410,000. Of this about 50% was targeted towards initiatives related to education, involving school supplies like notebooks, pencils, colours and paper for children and schools, infrastructure improvements such as painting, renovation of windows and ceilings in schools and donation of computers. Around 30% was spent on other infrastructure such as water tanks, roads and electrification. The rest was spent on equipment and material for a health centre in the area, support of local sport and recreation activities, as well as reforestation. The local procurement spending connected to the land lease and substation lease of the project from 2015 (for a period of 30 years) amounts to approximately USD 115,000 annually.

For the 10 MW Oryx project in Jordan, we estimate that about USD 42,000 will be spent on socio economic development programmes. Some of these programmes are currently under finalization.

SED Programmes

Scatec Solar also makes significant financial contributions to socio-economic development (SED) programmes directly to the local communities were we operate. In South Africa, a fixed percentage of the current operating projects' revenues is dedicated to this and we estimate that the total contribution from dividends and project revenues will amount to about NOK 1.2 billion in financial support to socio-economic development initiatives across our projects during their planned lifetime. These initiatives not only contribute to local value creation and development, they also improve our engagement and dialogue with the local communities, which can be crucial to the successful completion of a project. In the appendix of this report, we elaborate on some of the initiatives launched during 2015. Finally, we will continue to manage with integrity our SED programmes in local communities through The Tshikululu Trust, appointed by us to implement and evaluate these projects.

Our ambitions and goals

In the first half of 2016, we will complete the three projects in Jordan. During 2016, we also target to start construction of solar power plants across East Africa and Egypt.

Moreover, we will continue to develop our experience of hiring local labour when constructing new solar power plants in 2016.

2.2 Community dialogue and engagement

Our policy

Development projects impact local communities. Changes are usually positive, but the possibility of unintended consequences cannot be overlooked. Communication and engagement with the local communities are therefore essential to foresee and minimise potential negative outcomes and maintain good relations with interested parties. Our policy is to:

- Develop a structured stakeholder and management plan for all projects at an early stage to help us inform and communicate with parties that are going to be affected by the project. This enables a two-way dialogue to ensure understanding and support for the project, and set the right expectations of how this will impact the communities
- Appoint a designated community liaison manager in our projects to facilitate understanding and communications among sections of the local communities
- Maintain an active dialogue during the project phases with the local communities to ensure open and integrated communication
- Engage with communities at several levels, from national governments to project neighbours

Our achievements and results in 2015

Community engagement is central to Scatec Solar's way of doing business. We often operate in countries where legal frameworks and governing structures do not necessarily protect the communities we may impact. We therefore employ international norms for stakeholder engagement, such as the World Bank's International Finance Corporation (IFC) performance standards, and our own experiences to ensure that we have a constructive dialogue with the local communities. Regular meetings with the local leaders and representatives also contribute to operational efficiency by alleviating fears, managing expectations and ensuring local support and employee loyalty, rather than opposition to our projects.

For instance in Honduras, we held approximately 15 community meetings open to anyone connected directly or indirectly to our Agua Fria project. This effort alleviated fears and misconceptions about solar technology amongst the local communities. It included dispelling myths that photovoltaic panels generate more heat in local areas or create hazardous radiation. It also addressed concerns relating to noise and dust during construction, all of which were successfully resolved.

In Jordan, we held meetings every fortnight from April 2015 onwards with tribal elders. This mainly addressed community questions over division of local jobs to the different tribes. Whilst successful community dialogue in the USA for our Utah Red Hills project helped ensure that the project enjoyed local support for new clean energy jobs, it also avoided potential opposition and delays to project delivery.

The 75 MW Dreunberg solar plant in South Africa.

A well performed and anchored community dialogue will also help alleviate security risk and potentially prevent incidents from taking place, as an integrated project is often savored by the community and considered partly theirs.

In 2015, all projects were assigned a Community Liaison Officer (CLO) responsible for community engagement to ensure a robust and consistent process. "Through our socio economic and enterprise development programmes, I am grateful to have an opportunity to contribute to improving lives and bringing positive lasting change not only for our communities but for my country", says Nontokozo Nkosi, Community Liaison Manager & ED Asset Manager of Scatec Solar in South Africa.

During the year, we also ensured that all our projects were carried out with a formalised stakeholder analysis and stakeholder engagement plan, in accordance with the expectations set out in the IFC performance standard and the Equator Principles.

"Over 85% of the work force came from workers who had recently been laid off due to the closing of iron mines. As Chad Nay, County Building and Zoning Administrator, who issued our building permit at 5PM on Christmas Eve put it: This is the best Christmas our community could ask for".

- Tim Tennis, Community Liaison Officer,
Utah Red Hills solar power plant

By Christmas 2015, our 104 MW plant – the biggest utility-scale solar plant in Utah – was up and running and producing clean electricity.

Project execution teams interact with the local communities and attempt to look beyond their responsibilities of the project by organizing initiatives for local children and adults. For example, in Agua Fria project, we financed the organization of a football tournament and a kindergarten day for the local community.

Our ambitions and goals

Even though the construction period is over, we will continue to strengthen our grievance mechanism and have a CLO for each of our projects to manage community expectations. We will also formalise the CLO position with clear guidelines about the role and its responsibilities. This will include guidance as to how the formal engagement process should proceed such as how long it will last, how meetings should be conducted and how the dialogue process must be documented. It is important for us to maintain consistently high standards across all our projects to protect our reputation and maximise local community benefits.

Finally, we will continue to manage our SED programmes in local communities with integrity. We will also plan for and contribute to new local development initiatives in new projects to ensure that we impact positively the local communities we operate within and uphold an active and open dialogue with them.

3. BEING A TRUSTED BUSINESS PARTNER

3.1 Environmental, Social and Governance integration in project development

Our policy

The environmental, social and governance impact of our projects is largely determined during the project development phase. Proactive management of these issues in this phase is therefore essential to managing the impact and ensuring the success of the project. Our policy is to:

- Conduct environmental and social impact assessments and additional due diligence if significant matters are uncovered in initial impact assessments
- Conduct risk assessments of potential partners, operating countries and locations to tackle governance-related risk such as criminal records, creditworthiness, breaching sanctions and engaging in bribery and corruption
- Develop all projects in accordance with the IFC performance standards and the Equator Principles
- Integrate these considerations in project development tools and processes
- Design systems and services to minimise the environmental impact, with an emphasis on protecting the local environment

Our achievements and results in 2015

Scatec Solar collaborates with partners that also have high standards for the projects and their associated impacts. We have committed to operate in line with the Equator Principles in all our projects. The projects constructed in 2015 come under "Category B" projects according to the Equator Principles, meaning that they have "potential limited adverse social or environmental impacts that are few in number, generally site specific, largely reversible and readily addressed through mitigation measures". We also follow the International Finance Corporation HSE performance standards, as a requirement for some projects and voluntarily for others, to ensure consistent standards across all our projects.

All the projects constructed in 2015 were developed in accordance with the IFC performance standards. Both the 60 MW Agua Fria plant in Honduras and the 104 MW Utah Red Hills plant in the United States were constructed and completed on time and budget during 2015. Both of these plants have positively influenced the local community, not only through the job creation during the project period, but also through improved services in the area.

When searching and planning for new markets we have a systematic and in-depth process for site selection involving the relevant government body for assessment and approval. This regulated process gives us insight into the potential impact on the environment and the communities surrounding the site and this work is often very comprehensive and involves many stakeholders over a prolonged period. The assessments developed for our projects constructed during 2015, Agua Fria and Utah Red Hills, did not reveal any long-term material negative impact on the environmental or social dimension.

During the execution phase, we identify potential local candidates for positions in our Operation & Maintenance business. In Honduras for example, we are very proud of the quality of the local personnel recruited and their technical expertise. We are exceeding our targets of local employment in Honduras. We also often hire specialist consultants to ensure that we are compliant in our operations. In Honduras, we hired three environmental engineers with special expertise to ensure a high level of quality and control.

In our 2014 sustainability report, we stated that we would strive to ensure a grievance mechanism for all our projects in line with IFC's social and environmental standards. In 2015, as mentioned previously we established a publicly available grievance mechanism for all of our projects covering four different languages; English, Arabic, Spanish and French. The mechanism is available through our website and at each site locally for individuals, communities and companies who have feedback or concerns regarding our projects. This provides a channel to present issues to the administrators of the projects along with procedures to solve these systematically and efficiently. We take all grievances seriously and aim to have a response time of maximum 30 working days. One of the members of the corporate management team directly supervises the grievance mechanism.

Grievance box at the Oryx site in Jordan.

Table 4 below shows the number of grievances received during the execution phase of projects in 2015. All reported grievances were take seriously, and each was addressed and resolved.

Our ambitions and goals

We will work further to formalise environmental, social and governance integration in the project development phase through incorporating these considerations into all stages of our operating model.

Going forward, we will continue to hire specialist consultants such as environmental engineers to ensure that we are compliant in our operations and that we contribute with a high degree of quality and control.

We will also work to ensure that the established grievance mechanism for all our projects is available for the public and all reported grievances are handled in a systematic and timely manner.

TABLE 4: COMMUNITY DIALOGUE AND ENGAGEMENT INDICATORS

INDICATOR	2015 RESULTS
Percentage of operations with implemented local community engagement, impact assessments, and development programmes	100%
Number of grievances received	19
Number of grievances addressed and resolved	19

3.2 Health, safety, security and environment (HSSE) in projects

Our policy

Health, safety, security and environmental focus are key elements of Scatec Solar's approach to operational excellence. HSSE is particularly emphasised through project execution. We take responsibility for HSSE, because we care about the people, the environment and our Company. We define and communicate the health and safety standards to our employees and contractors. Please refer to our HSSE policy for more information. Our policy is to:

- Continuously work for zero harm to personnel, materials and the environment
- Always put safety first, evaluate risk and secure our working environment
- Ensure that all our business activities are conducted in accordance with applicable labour standards and fundamental human rights norms as prescribed by the International Labour Organisation and the Universal Declaration of Human Rights
- Apply a zero tolerance approach to alcohol or other drugs in the work environment
- Ensure fair working hours and wages for all employees and contractors' employees working on site
- Ensure that our operations have a minimum environmental impact with a focus on protecting local biodiversity and using water responsibly
- Always undertake risk assessments of new countries and regions we plan to enter and develop security plans based on this
- Always inform all employees about travel requirements and security briefings when relevant

Our achievements and results in 2015

Health, safety, security and enviroment are key priorities in the development, construction and maintenance of our projects and during transportation to and from the sites. Scatec Solar takes responsibility, sets requirements and monitors performance of health, safety and security.

During the year, we have worked to improve our reporting on accidents, lost time injuries and other indicators in the area of HSSE across all of our projects. This involved establishing and implementing a standardized reporting format for all projects that ensures comparable and consistent data delivered bi-weekly. Further it makes it easier to analyse the reported data to identify areas that need further attention and improvements. In 2015, there were no fatal accidents and two lost time injuries. None of the injuries led to a permanent disability. Detailed injury statistics for each project is shown in the table below. These indicators include the operations conducted by our contractors. We choose to manage, monitor and report on these indicators since the health, safety and security on our sites are our responsibility, regardless of whether the solar parks are constructed by contractors.

We also take a proactive approach to ensure safety of workers and operation of machinery on our sites. Preventive measures are also equally important. During the construction phase of the Agua Fria plant, a vaccination campaign against tetanus and hepatitis C was introduced for all employees. Infections and diseases are considered a risk during the construction of these types of projects. In addition, as part of the first awareness discussions to all employees, both national and foreign, we provided extensive information concerning HIV/AIDS to educate employees about the risks involved.

We put a strong emphasis on creating safe and good worksites for our employees including competitive wage levels above the minimum requirement, limits to long working hours and basic issues such as ensuring access to clean drinking water. Additionally, we recognize that the physical and mental health of our employees is an essential factor for their general well-being at work and increased productivity. In Jordan for example, we have set up a local clinic where we provide occupational health examinations for each employee who is part of any of our three projects. An occupational health hazard is usually an illness or condition that develops over time due to workplace conditions such as exposure to dust, bacteria and viruses.

TABLE 5: HSSE INDICATORS FOR OUR PROJECTS IN 2015

PROJECT	FATAL ACCIDENTS	LOST TIME INJURIES (LTI) [1]	NUMBER OF LOST TIME INJURIES PER MILLION WORKED HOURS	NUMBER OF TOTAL RECORDABLE INJURIES PER MILL WORKED HOURS [2]
Agua Fria, Honduras	-	2	3.1	3.1
Utah Red Hills, USA	-	-	-	-
Oryx, Jordan	-	-	-	-
EJRE, Jordan	-	-	-	-
GLAE, Jordan	-	-	-	-

1) An occurrence that results in a permanent disability or time lost from work of one day/shift or more. None of the reported LTIs led to a permanent disability.

2) Includes two LTIs.

Scatec Solar has operations in regions where mitigating security risk is vital. An extensive assessment of the regions where we have presence has been undertaken during this year. To minimize and mitigate security risk, we have implemented several important initiatives. In 2015, we entered into a partnership with an international, third party security assessment company that primarily provides country risk assessments, security and operational advice, pre-enter preparations, immediate security advice for special situations, emergency response and mandatory training of all employees. The agency electronically monitors the movement of our personnel constantly to safeguard them.

"I was involved in an occurrence in Egypt where our driver suddenly received a call from our security company asking him to slow down, because apparently he was speeding. Through the 24-hour surveillance of our trackers the security company had monitored that the car was speeding".

- Vijandren Naidoo, VP Engineering, South Africa

In addition to this, we have undertaken a review of our emergency preparedness plan including initial training and regular briefing to emergency preparedness teams. A requirement for each of our operating locations is to hire an interim security manager to manage and assess the security environment. The manager is responsible for providing live and accurate information relevant to our operations, ensure quality in relation to personnel and programmes and set standards for the operating procedures.

We believe that security should be mitigated at the lowest level, and that an early start will lead to a better project. We therefore place emphasis on community relations and cultural awareness as an integral part of our training. Working with local people and getting a common understanding will eventually contribute to safety and the creation of a protective environment, thus lowering risk and threat potential.

Our ambitions and goals

We work continuously for zero harm to personnel, materials and the environment, and we believe that all incidents can be prevented through awareness, training and preparedness well in advance. We aim to continue to set high HSSE standards in the countries where Scatec Solar operates. Further, we will build on developing our approach for a common understanding of our expectations with regard to high levels of work ethics and quality control on our sites. We also aim to better analyse the data on accidents, lost time injuries and other HSSE indicators to be able to identify and respond to all types of challenges that can arise in this area. Finally, we will work to develop our partnership with the security assessment partner to ensure that we offer accurate risk assessments for the regions where we operate and thereby better prepare our employees and mitigate security risk.

"We are growing into a truly global company with operations across five continents. This calls for a strong focus on security risk. The safety of our employees is the greatest responsibility we, as a company, will ever have. Going forward we are determined to work continuously to ensure that we are able to mitigate security risk in the countries were we operate."

- Roar Haugland, EVP Business & People Development

3.3 Talent attraction and retention

Our policy

The people of Scatec Solar make up who we are. A highly skilled and motivated workforce is essential to the success of our Company; the execution of our strategy and our continued growth. A competent and dedicated workforce driving towards the same goals is vital to our success. Our policy is to:

- Encourage a working environment guided by a culture based on our values
- Provide our people with opportunities to develop according to their career aspirations.
- Build a high performance working environment, recognising peoples' achievements and rewarding them based on their results
- Ensure that each employee knows what is expected of them in their role
- Provide our people with direct feedback and guidance on their work performance
- Provide equal opportunities and value diversity of people.
- Provide a safe place to work.
- Support and advise managers in leading their teams

Our achievements and results in 2015

Scatec Solar is characterised by enthusiastic and committed people who believe in the importance of our purpose. In 2014, we recognised that maintaining a work-life balance for all our employees was a challenge. This remained a challenge during 2015, and therefore we have established a total of 41 new permanent positions in a number of areas during the year to alleviate this pressure and to cater to our expansion needs. We will continuously monitor this going forward.

One of the key functions of our human resources (HR) department is to attract and retain talent. HR is a support function and its strategy is in line with the business strategy. During 2015, HR continued to focus on supporting leaders with business growth. In addition, HR continued the creation of a core set of tools and processes, to support leaders in attracting and retaining the right people.

Every year, Scatec Solar managers establish a "People Development Plan" in cooperation with their team members. This tool assesses each employee's responsibilities, performance and areas for development.

During 2015, we reviewed our employee benefits packages and improved the offering where deemed necessary. The company implemented annual health checks for all employees.

An overview of sickness absence rate, diversity and numbers of complaints for the headquarter in Norway, and the Company as a whole, is shown in the table below.

TABLE 6: INDICATORS RELATED TO HEALTH AND WORKING ENVIRONMENT

PROJECT	SICKNESS ABSENCE RATE (%)	DIVERSITY (% WOMEN)	NO. OF COMPLAINTS
Head quarter (Norway)	2.3%	31%	1
Total company	2.4%	26%	2

We have formalised a system for dealing with internal complaints, and we received two complaints during 2015. Both complaints were systemically dealt with and successfully resolved within the course of the year.

Our ambitions and goals
As we grow and expand, we continue to develop our approach to HR management further. This will include engaging employees to provide feedback on possible improvements in the working environment, as well as working further to institutionalise the People Development Plan process.

We continue to strive to be a preferred employer for motivated employees with the best talent. We will therefore make sure that we are a highly visible company promoting our positive, social, economic and environmental impact.

We will continue to benchmark compensation and benefit plans for all our employees to ensure that we offer competitive conditions.

3.4 Anti-corruption

Our principles
We depend on a sustainable business environment and set out to comply with our high standards of business ethics. The selection of, and cooperation with, business partners is of vital importance to ensure a non-corruptive business environment. Our policy is to:

- have a zero-tolerance approach to bribery and corruption
- continuously strive to maintain high ethical standards
- build a culture that values honesty, integrity and transparency, and ensure the same behaviour among our partners
- reflect our own high standards of anti-corruption behaviour in the contracts with our partners
- provide anti-corruption training for relevant employees

Our achievements and results in 2015
A truly global company, Scatec Solar operates in several countries exposed to various levels of corruption according to the Transparency International Corruption Perceptions Index. We therefore undertake a thorough assessment of the potential host country, region and partners before we decide to conduct our business. We also demonstrate a high level of awareness in relation to any indicators of corrupt activities while conducting our business.

We always undertake a due diligence of potential partners and suppliers. For the screening process, we use a widely adopted source of structured intelligence to identify heightened risk or blacklisted individuals and organisations. We also have collaborations with an international risk-consulting firm for conducting background checks of business partners and individuals. Some of our main financial collaborators include Norfund, the International Finance Corporation (IFC), member of the World Bank Group, and other leading Development Banks. This ensures a high level of ethical standards. All of our projects are developed in accordance with the IFC performance standards and the Equator Principles.

One of our main goals of the 2014 report was to establish an apparatus to enable whistleblowing. In 2015, Scatec Solar established a whistleblower function for employees to raise legal and ethical concerns related to the company's businesses and activities. A third party has also been assigned as the receiver of any reported concerns.

The overall aim for our work in the field of anti-corruption is to operate in line with best practices. During 2015, we entered a partnership with an advisory firm to focus our efforts in this area and strengthen our compliance. This involves gathering and evaluating all our existing documentation and policies to identify potential gaps and areas of improvements. This collaboration will continue in 2016 and potentially onwards.

Our ambitions and goals
We will continue to raise awareness of corruption and the high expectations we have of our employees and business partners in this regard. We will continue to review our current processes and initiatives to better position ourselves to operate in accordance with best practices.

Going forward, we will ensure that the whistleblower function is anchored and visible for our employees. We also aim to develop further our integrity, dilemma and anti-corruption training in the induction process for all new employees in 2016, particularly for business development and procurement.

3.5 Responsible procurement

Our policy
The selection of suppliers and sub-contractors impact our social and environmental performance. Our policy is to:

- Choose suppliers based on relevant sustainability criteria including transparency, HSSE standards and environmental performance
- Ensure that suppliers commit to our Supplier Conduct Principles and monitor compliance through regular supplier audits of significant and high-risk suppliers
- Take a life-cycle approach [1)] to our carbon footprint and choose suppliers that contribute positively to our climate impact
- Ensure that our solar systems can be reused, recycled or disposed of safely
- Avoid procuring products from any supplier that relies on dangerous or harmful substances to the environment

(1) Lifecycle approach: Accounting for total energy footprint from raw materials to decommissioning.

Our achievements and results in 2015
Our responsibility extends beyond our own operations, and we acknowledge the substantial impact we have on society, and potentially also the environment, through our supply chain. To ensure a responsible and resilient supply chain we set requirements and engage in dialogue with our suppliers and sub-contractors. We integrate sustainability in every step of our procurement process, from pre-qualification to ongoing dialogue with existing suppliers.

In 2015, we worked to formalise and standardise the pre-qualification due diligence and tender processes, so that our requirements meet the same standards in all our projects. All our contracts contain details regarding HSSE standards and labour rights. We furthermore require all our suppliers to comply with

and sign our supplier code of conduct. The code focuses on compliance with laws and regulations as well as internationally recognized standards. Topics covered by the code include; anti-corruption and ethical business practices, human rights, the environment, HSSE and labour rights.

To ensure our suppliers meet our standards we visit selected suppliers to monitor performance regarding factors such as quality, HSSE, labour conditions and environmental management. In 2015, we visited 13 of our current and potentially new major suppliers. We also identified two cases where contractors were in breach of our standards, one in Jordan and the other in South Africa. We requested corrective actions and followed up on implementation of our requirements. In both cases, the contractors successfully put in place improvements, and therefore we did not need to take further action.

Innovation is important in a fast moving industry such as ours, and we collaborate with suppliers to drive the development of new and better solutions such as reducing the use of precious metals in solar modules. In 2015, we implemented a strategy involving quarterly meetings with key technology providers where we share and co-develop ideas for improvement on every front possible, including sustainability.

Our ambitions and goals

We plan to continuously evaluate our approach to responsible procurement and will in 2016 update our supplier code of conduct to include more specific requirements aligned with international standards and legal requirements.

Procurement is a part of our value chain that has potential for negative environmental impact. This includes greenhouse gas (GHG) emissions and emissions of local pollutants. The solar energy we produce positively contributes to avoiding GHG emissions. In order to contribute further to reducing GHG, we aim to take on a life-cycle perspective and limit the amount of GHG emissions and energy consumption in our supply chain.

Therefore, we intend to conduct a risk assessment of our supply chain to identify environmental risk hot spots, develop an action plan, and start measuring and reporting on our greenhouse gas emissions. With regard to production of components we buy from our suppliers, our current requirements include good life expectancy and safe end-of-life disposal options. But now we aim to expand the requirements to also include the GHG emissions and energy consumption in the production process of our purchased products. We also seek to review our own energy consumption during the construction phase with the goal of replacing fossil fuels with renewable energy sources.

Site visit at the 40 MW Linde solar plant in South Africa.

Appendix – case studies

Elizabeth Jaften, Acting Principal of Scatec Solar's Renosterberg ECD, Petrusville, South Africa.

Early Childhood Development (ECD)

Children are the foundation of sustainable development. The early years of life are crucial not only for the child's health and physical growth, but also for its cognitive, IQ and EQ development. Scatec Solar runs four ECD centers in South Africa benefitting 376 children and 11 ECD teachers. Teachers are specifically trained for this project. Books and toys are provided for the children. "The ultimate goal of ECD programmes is to improve young children's capacity to develop and learn. A child who is ready for school has less chances of repeating a grade, being placed in special education or being a school dropout," states World Bank. Early intervention has long term positive impact on the child and the society as a whole. As the UNICEF notes "Events in the first few years of life are formative and play vital role in building human capital, breaking the cycle of poverty, promoting economic productivity and eliminating social disparities and inequities."

Elizabeth Jaften is the Acting Principal of Scatec Solar's Renosterberg ECD center located in Petrusville. This is one of Kalkbult ECD centers involving four teachers and benefitting 37 children. Says Elizabeth: "The training we are getting is not only helping me as a teacher but giving me more skills since I'm the acting principal.

SED programmes Dreunberg

A new fully functional fenced ECD building was built and donated to the Gariep Municipality and 75 children are the recipients of appropriate toys, books and equipment. The children in the area can now spend their early childhood days in the nurturing environment of a crèche, which has all the necessary facilities to meet their learning and exploratory needs.

This project was a collaborative effort between Scatec Solar EPC, Dreunberg construction partners Raubex Infra, Ibhayi Contracting and RaiPro Engineering. The total project cost close to Rand 1 million was additional to the Dreunberg Project's 1.11% quarterly SED obligation on revenue received. The building and all upgrades was constructed by local contractors and local labour, including the building of a jungle gym.

FARR Programmes

Another initiative implemented in 2015 is the programme managed by the Foundation for Alcohol Related Research, FARR. Conducted in Petrusville and Phillipstown, the programme is called "My Healthy Child" ("My Gesonde Kind" in Afrikaans). In the local communities, alcohol addiction among pregnant women takes a high toll on the health of the mother and

dooming the unborn child to become a victim of Foetal Alcohol Spectrum Disorder (FASD) upon birth. FASD usually occurs when a pregnant woman consumes more than four standard drinks per day. Symptoms of this disorder result in birth defects, including abnormal appearance, low body weight, small head, poor coordination, learning disabilities, problems with hearing or seeing and behavioural problems that can in their adolescence result in brawls, high risk sexual activity and predisposition to alcohol and drug addiction. The "My Healthy Child" programme focuses on preventing Foetal Alcohol Spectrum Disorder (FASD) by conducting general awareness and prevention programmes, mother and child awareness programmes and the diagnosis of FASD in children. The programme has created local employment for four local project workers and a total of 256 first graders have been analysed and referred to specialists when necessary.

A comprehensive community training programme was conducted, impacting a total number of 240 community members. Additionally, 20 educators from the local schools received training related to FASD and how to teach and help children suffering from this condition.

"It brings great hope to us, and I believe you will be able to help many pregnant women. I see that this project will make a difference. Now I know more and will also make a difference in my community. "

- Fytjie Smile, mother who participated in the programme.

The School Renovation project

Under the SED programmes, Scatec Solar has provided funds for repairing damaged school buildings. The broken roof at Emizamo Yethu ECD center in Phillipstown posed a huge risk to the center's three teachers and 79 children. The roof was fixed by a local contractor.

The Phillipstown High School hall was damaged and couldn't be used for over eight years. This was repaired. Mr A Douw, Deputy Chairperson of the Governing Body at Phillipstown High School worked previously as a driver at our Kalkbult solar project site during its construction. Says he: "I'm very excited about this project and grateful to Scatec Solar for making it possible. It will not only benefit the school, but the community as a whole. The building of the Kalkbult project helped our community with jobs and we learned new skills that can be used in other projects, I wish we could have more solar plants to build to create more jobs especially for the youth. I am happy to see that the solar plant I helped build is now helping to build my community and I cannot wait to see more development in the future".

Scatec Solar's SED programmes also contribute to job creation, women's empowerment and improving local entrepreneurial skills. The Phillipstown school hall revamp project was undertaken by a local vendor, Miss Zanele, founder and owner of 083 Zanis Enterprise. She was awarded the tender for repairing the school hall through a procurement process managed by the Tshikululu Trust, appointed by Scatec Solar to oversee our SED programmes.

"As a SMME (Small, Medium and Micro Enterprises) business woman, I came to learn that construction is a lucrative business. It is however only profitable if you have the necessary experience and trained staff. The opportunity granted to me by Tshikululu and Scatec Solar to renovate the School Hall has challenged me in many aspects of business, not just construction. Being mentored by the project manager from Tshikululu on how to interpret the specifications and factor in the manpower and pricing when submitting quotes, made me realise my past mistakes. From this project I have learned important issues such as correct pricing and control, time management and understanding client's requirements. I am proud to say that I am inspired. Above all, I have been trained to be a strong, disciplined and more professional business woman."

Mr A Douw, Deputy Chairperson of School Governing Body at Phillipstown High School. Previously worked at the Kalkbult Site during construction as a driver.

Miss Zanele, founder and owner of 083 Zanis Enterprise.

Dreamfields project

In August 2015, Scatec Solar introduced a programme to involve youth in sports, primarily soccer and netball. This initiative aims to enable and encourage mass participation in netball and soccer amongst school children to create a positive attitude towards attending school along with an appreciation of the value of teamwork, discipline and healthy lifestyles – all of which contribute to long-term benefits. Expending the energy of the youth productively also reduces risks of crime, drug and alcohol addiction. It also provides opportunities for students who may not be academically inclined to develop their talent for sports. Our Kalkbult solar project in partnership with the Dreamfields Project has launched the Dream Leagues initiative in seven schools in Phillipstown, South Africa. Each school has been provided with equipment. Workshops have been conducted and tournaments organised. It is estimated that the sport equipment and gear provided has benefitted a total of nearly 800 children.

Field Band Foundation

In addition to Kalkbult, our solar project in Linde has also launched programmes to benefit the youth. Supported by the Kalkbult and Linde Socio Economic Development Programmes, Scatec Solar and the Field Band Foundation launched the Field Band Project in August 2015 in Phillipstown, Petrusville and Hanover in South Africa. The initiative aims to offer young people the opportunity to develop their artistic talents, work together and develop as youth leaders. The Field Band Foundation uses music and dance and youth leadership to model active citizenship, where young people are encouraged to develop their emotional resilience, sense of responsibility and commitment to making healthy choices for a productive future. Being part of a band means learning more than music. It is about learning how your individual contribution creates a symphony of joyful sound and action. It is about learning to develop talent, how to help a friend along the way and to learn from role models. Anything worth doing takes hard work, persistence and discipline; that sometimes one has to find out why there is discord and how you could - together with your group - find ways to fix it. Several new bands began rehearsals with children at selected schools in September 2015, and one month later the project had 596 members – 243 boys and 353 girls.

Youth part of the Field Band project in South Africa.

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