



Scatec

# Statement on equality and non-discrimination

Scatec ASA

Improving our future

## Statement on equality and non-discrimination

This report outlines the Diversity, Equality, Inclusion, and Belonging (DEIB) status of Scatec ASA (“**Scatec**”), meaning our employees in Norway and how we are working to ensure equal opportunities for all employees and prevent discrimination globally. Any statistics and commentary provided in this report will therefore reflect our status within Scatec ASA and its Norwegian employees whilst all supporting strategies, opportunities and challenges will reflect on our global organisation unless otherwise stated.

Our definition of equality is far reaching and all-encompassing based on gender, religion, belief, ethnicity, disability, pregnancy, leave in connection with childbirth or adoption, care responsibilities, sexual orientation, gender identity, gender expression or combinations of these grounds globally, and shall seek to prevent harassment, discrimination, sexual harassment, and gender-based violence.

In this statement, we firstly publish our work of Gender Pay Gap analysis, in accordance with reporting requirements that came into force as of 1 January 2020, as part of Norwegian Equality and Anti-Discrimination Act. Then follow on below with an analysis of the gender pay for Scatec ASA employees using the same position level categories<sup>1</sup> as the 2020 report. We will highlight all actions taken on recruitment, compensation, learning development and retention whilst providing an overview of risks and challenges that we need to overcome to achieve our 2022 targets.

In 2021, Scatec had a global target of increasing female employees from 30% to 33%. Furthermore, we had a target of promoting women to management positions and increase the number of female managers from 33% to 35%. By year end 2021, 27% of workforce were female managers and our female workforce was 29%. Whilst we did not meet the set targets, our hiring of 173 full time permanent employees of which 37% of new hires were female employees is living commitment of what we aspire to deliver. During 2022 we will continue to pursue these targets with more granular actions as highlighted in the goals section of the report.

## Guiding principles, policies, procedures and standards for diversity and inclusion

Our global work with equality and non-discrimination is described in two cornerstone policies:

- a) the Scatec global [HR policy](#)
- b) the [Diversity, Equality, Inclusion and Belonging \(DEIB\) policy](#)

Both policies include guidelines to secure equality and prevent discrimination, harassment and sexual harassment and gives guidance for action and initiatives to meet these challenges.

The policies are supplemented by our standards and processes captured within our operating system:

- Our salary and bonus review process where we use global benchmarking data from Mercer and calibration, to prevent bias in this area
- Our global recruitment guidelines and tools support unbiased recruitment practices by providing consistent and transparent standards and processes
- Our code of conduct where all employees have a duty to report improper behaviour or irregular conditions, this is thoroughly defined through our whistle-blower channel

All relevant policies, procedures and guidelines have been developed with consideration to feedback from employees via regular engagement surveys and employee representatives in the working environment committee. Policies are ultimately approved by Executive Management.

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<sup>1</sup>For level 1, EVP see Executive Remuneration report

## Status on gender equality<sup>2</sup>

Based on our 2020 assessment Scatec identified the need for increased female senior leadership. As such there was a conscious effort to fill level 2 vacancies with 100% females, this led to overall improvement of 3% on the respective level compared to 2020. Even though the gender balance on level 3 – 5 are better than on level 1 and 2 there has been a slight decline in %. Our % of female recruits have increased but not enough proportionally and therefore there is marginal decline. These challenges are explored further under the risk section of the report.

Proportion of women by job level in 2021		Men	Women	Total	Women %
Level 1	Executive EVP	7	1	8	➔ 13%
Level 2	Executive, VP, SVP	18	5	23	⬆ 22%
Level 3	Senior Manager, VP	25	11	36	⬇ 31%
Level 4	Manager, Senior Manager	17	17	34	⬇ 50%
Level 5 <sup>3</sup>	Supervisor/Professional/Technical/Support	17	25	42	⬇ 60%
Proportion of women on the Board of Directors		3	2	5	➔ 40%

Table 1: Gender statistics per level and movement since previous year

Gender balance (no. as of 31.12.2021)		Temporary employees (no. as of 31.12.2021)		Parental leave (average number of weeks per employee)		Actual part time (no. as of 31.12.2021)		Involuntarily part time (no. as of 31.12.2021)	
Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
59 (up by 37%)	84 (up by 65%)	0	3	21	12	1	1	0	0

Table 2: Gender balance based on status of employment

## Scatec's work for equality and non-discrimination

### Diversity as a business imperative

Diversity is a business imperative and competitive advantage for Scatec. In 2021, Scatec had 51 nationalities represented in its global workforce and 25 nationalities represented in Scatec ASA. Building a culture that nurtures diversity in all aspects is key to delivering our goals and maintaining a flexible and agile working environment. We embrace holistic DEIB in our practices, policies and procedures and development programmes and initiatives.

We have taken our 2020 goal of strengthening the diversity and inclusion work related to equal opportunities to heart by using online platforms, industry best practice and analytics to pinpoint the areas of focus for improvement. This helped to anchor 2021 focuses and actions and started with holistic review in total rewards area.

<sup>2</sup>All figures are for Scatec ASA, the Norwegian entity of the Company

<sup>3</sup>Ref. Scatec has eight global position levels whereas level 5 is combining the four lower levels

## Base salary

All full and part-time employees at Scatec ASA have a fixed component of pay that is identified as their 'base salary'. This remuneration component is expressed as an annual amount<sup>4</sup>. Base salary is the fixed pay element in the overall total remuneration package. Scatec ASA has market driven base salary ranges applicable for each position level in the company. These ranges are set up using global benchmarking data from Mercer<sup>5</sup>. The salary range consist of a minimum, midpoint, and maximum base salary levels. This is to ensure employees are provided the opportunity for salary progression as they learn, develop, and perform in their position. The factors that influence an individual's placement within the salary range are:

- Their skills, competence, experience, and contribution
- Type of job role the individual is doing (roles within the business lines such as Project Development, Engineering, Project Managers have higher market rates compared to support functions)
- Individual performance
- Internal relativities for their position to ensure pay levels are in a fair and appropriate manner

Scatec ASA's gender pay gap analysis shows that employees in level 2 – (Executive, VP and SVP) have the largest pay gap with an aggregate average of men earning 12% more. In 2020, this difference was 7%. The increase in difference is largely attributed to integration of employees following the acquisition of SN Power, where we have more male incumbents and further diversification on experience and expertise. For all other levels, the pay gap in 2021 is an aggregate average of men earning 4% more. For level 5 and 4, this is a significant improvement from 2020 (10% and 8% respectively).

		Average difference in base salary between men and woman	
		2020	2021
Level 2	Executive VP, SVP	7%	12%
Level 3	Senior Manager, VP	0%	4%
Level 4	Manager, Senior Manager	8%	4%
Level 5	Supervisor/ Professional/ Technical/ Support	10%	4%

Table 3: Gender pay gap

## Variable pay

There is no discriminatory practice within our variable pay. All permanent employees in Scatec ASA are eligible for an annual bonus. We have a global bonus scheme with consistent maximum bonus levels that are applicable for each position level. Table 4 below shows the achieved bonus percentage comparative to the max (100%) per position level category and level.

The global bonus process works hand in hand with our integrated performance review and development process. Individual performance, objectives and KPIs are established in alignment with the department goals and define the individual's role in contributing to Scatec's ambitions and strategies. As part of the Annual Review, managers conclude the individual's performance assessment based the achievement of individual KPI's and prescribes an 'achieved bonus percentage' for the earning year. The evaluation assesses performance of both the individual performance indicators and behavioural Company values. The manager evaluation is calibrated both at the country and department level, to remove any unconscious bias that might exist.

<sup>4</sup>Some temporary employees, such as interns, have their base salary expressed as monthly or annual. For the purpose of this report, interns are not included.

<sup>5</sup>A global HR consulting group with a market leading business in remuneration surveys: [www.mercer.com](http://www.mercer.com)

For any bonus payments to be made, a minimum level of Company operational and financial performance must be achieved during the earning year. The Threshold may reduce or, in critical situations, even annul the payment of bonus. The Company operational and financial performance is assessed following the Year End results. An evaluation is conducted at a group level on whether the Company group KPIs were achieved.

		Bonus paid in 2020 as a % of base salary <sup>6</sup>		Bonus paid in 2021 as a % of base salary <sup>7</sup>	
		Women	Men	Women	Men
Level 2	Executive, VP, SVP	22%	23%	24%	22%
Level 3	Senior Manager, VP	20%	18%	20%	19%
Level 4	Manager, Senior Manager	14%	12%	15%	15%
Level 5	Supervisor/Professional/Technical/Support	10%	12%	9%	10%

Table 4: Bonus achieved 2020/2021 based on gender split

## Benefits

All permanent employees in Scatec ASA are eligible for the same pension, insurance, and benefits scheme regardless of position level or job. The company provides supplementary personnel insurances including life, occupational and non-occupational disease and disability insurance, travel, health, and pension insurance. All premiums are paid by the Scatec ASA. The company has a defined contribution pension scheme, where Scatec ASA contributes 7% of salary up to 12 G and 13% of salary between 7.1 G and 12 G. The company annual assesses the competitiveness of the insurance schemes.

## Our goals for 2022

Considering our DEIB framework, we acknowledge that we are a diverse company when considering nationalities and other parameters. We do however see that we can make significant further improvement on our gender balance.

Therefore, we will focus our global efforts on initiatives to promote greater gender balance in line with best practice, aimed at excelling beyond compliance.:

- Increase female representation on management level (Level 1 - 4) with 5 percentage points through internal promotions and hiring (from 27% to 32%)
- Work actively to assure the retention of females and keep total attrition rate below 5%
- Improve our DEIB culture and implement mandatory DEIB training for leaders

<sup>6</sup>Data represents all individuals that received a bonus payment in 2020 in Scatec ASA, including those that left the company.

<sup>7</sup>Data represents all individuals that received a bonus payment in 2021 in Scatec ASA, including those that left the company.

## Risks of discrimination or other obstacles for diversity and equality

To meet our 2022 objectives compared to the 2021 goals we will have a strong focus on managing risks and addressing obstacles. Based on feedback from employees globally via engagement surveys, discussions with employee representatives and dedicated focus groups, we have identified the following four key risk areas/obstacles for equality, diversity, and discrimination.

- Recruitment
- Culture
- Leadership
- Work-life balance

In the case of recruitment, we see that recruiting employees from a variety of countries, backgrounds and cultures may challenge the way we communicate and follow up employees. When it comes to leadership, poor gender balance can create a perception of unequal career development opportunities and represent a talent retention risk. We also see that Scatec's growth strategy combined with a performance driven culture might create high expectations and workloads for employees making work-life balance for some a challenge.

The four identified areas are covered in our Diversity, Equality, Inclusion, and Belonging Policy, which can be read in full at [www.scatec.com/sustainability/esg-resources](http://www.scatec.com/sustainability/esg-resources). The policy includes actions which we commit ourselves to take onwards, as summarised below.

## Our measures to prevent discrimination and actions to increase diversity and equality

Increasing the number of female employees were amongst our targets for 2020 and 2021 and continues to be one of our 2022 goals. We strengthened our focus on initiatives to promote greater diversity in 2021 through evolving our policy on diversity and inclusion, as well as focusing on recruiting female candidates and promoting women in our leadership programmes.

We have identified the following targets and measures to mitigate risks within the four identified key risk areas:

### Recruitment

- Work proactively to expand our diverse talent pool through recruiters and employee referral
- Work actively and deploy analytics to improve gender balance on all levels/departments/countries
- Promote recruitment of qualified individuals with disabilities or special needs requirements
- Ensure that all management and senior positions have a diverse shortlisted candidates and gender-balance shortlisted interviewees
- Ensure gender mix represented in the interview panel, to be specific, female interviewer is presented in all recruitments
- Review and start editing internal job description, competency requirement, job advertisement and other employment-related documents in neutral gender language

### Culture

- Provide culture awareness trainings in multiple platforms, including cultural training for project teams, managers, and leaders, and a cultural active online training tool for all employees

In 2021 culture development and integration was a key focus after the acquisition of SN Power and broadening our strategy and technology scope. Culture development targets were set, and training programs and tools including national culture awareness were implemented to strengthen the Scatec culture. Furthermore, we started Team Development sessions for Senior Management teams in four departments to increase both self-awareness and cultural awareness enabling a more in-depth and effective collaboration.

### Leadership

- Ensure gender balance in all leadership development programmes
- Improve diverse leadership teams through systematic succession planning

As part of our leadership development programme, we enrolled 6 female leaders on the AFF50/50 programme. This programme focusses on unconscious bias, barriers for woman and building networks. The delegates anchored vision, strategy, and actions on Gender Balance in Scatec for the year and beyond.

In addition, we had global leadership and coaching courses that can be seen in in our People chapter in our annual report.

### Work-life balance and flexibility

- Promote and evolve a culture of flexibility in the workplace
- Ensure sufficient resources to ensure sustainable growth
- Develop and evolve diversified and fair leave policies to promote work-life balance (parental leave practises, childcare and study leave)
- Strengthening DEIB reporting process

In 2021 we had a goal of monitoring and improving work-life balance among employees by systematic reporting and further culture awareness building amongst employees and leaders. This was achieved by rolling out a Group Flexible Work Principles that guides leaders on hybrid work model. These principles provide clarity for teams to be able to decide on how often to work home from home, thereby creating flexibility.

To monitor the wellbeing of employees, Scatec rolled out a new engagement pulse survey tool that assesses work life balance and inclusion. The key findings can be seen in our People chapter in our annual report. Leaders and employees were encouraged to reflect on the findings and ensure initiatives are taken to improve the working environment.

Scatec rolled out a support for further education policy in 2021 to provide further flexibility for more formal education to be taken. In 2022, we will review our global parental leave policies as part of our work-life balance initiatives.

### Final remarks

We are proud of the steps taken during 2021 and we continue with a strong focus on equality and non-discrimination. We are continuously assessing our employee value proposition to attract the most diverse talent pool. The result of 2021 well-being survey showed positive score in physical and psychological well-being state of our employees. We continue to work in a challenging environment where priorities have shifted, and innovative thinking is needed on attracting and retaining top talent. We will strengthen our analytical approach to drive data driven decision making and pick up trends proactively. We believe that our policies, procedures, and guidelines are relevant and provide a strong backbone to guide us to achieve our ambitious targets.