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Activity and Reporting Obligations Report 2022

This is the 2022 report for Arendals Fossekompagni Parent Company, including AFK Vannkraft. The Group's portfolio companies that are covered by the activity and reporting obligation, will submit their own reports. In accordance with The Equality and Anti-discrimination Act, we have mapped the following elements: Gender balance, part time, temporary workers and parental leave.



“A diverse mix of people leads to better discussions, decisions and outcomes for everyone.”

Ingunn Ettestøl,
Chief Sustainability Officer



SDG 5
AFK supports equal opportunities, equal rights and equal treatment for all employees regardless of gender.

SDG 8
AFK supports and contributes efforts to ensure that our employees and subcontractors have decent work, equal opportunities, fair treatment and a safe work environment.

Arendals Fossekompagni (AFK) strives to be a great place to work, we value our employees, and we strongly believe that diversity makes us better. Our ambition is to preserve and continue to build an inclusive company culture with zero tolerance for discrimination. We believe that a diverse workforce with a wide array of skills and backgrounds drives productivity, brings new perspectives and helps us reach our long-term goals.

Arendals Fossekompagni is committed to contributing to the UN Sustainable Development Goals (SDGs). In our work for diversity and equality we have chosen to focus on the SDGs that are particularly relevant, 5: Gender Equality and 8: Decent Work and Economic Growth.

STRATEGY

For the Arendals Fossekompagni Group, we have defined specific goals for gender equality, applicable for all of portfolio companies. Gender equality is specifically measured at three corporate levels: Board of Directors, C-suite positions, and total work force. At year-end 2022, there were 28% women on our Boards, 14% women in C-suite positions and 20% women in the total work force. Our ambition for 2023 is to increase gender balance on every corporate level, to have a share of at least 40% women. Our long-term target is to achieve a share of 50% women on all our Board of Directors and C-suite positions by 2027. We also participate in the She Index, which focuses on diversity and inclusion in leadership and workforce, equal compensation, and work-life balance.

Arendals Fossekompagni is committed to human rights in all operations. We have KPIs for fundamental human and labour rights, health and safety, and work-life balance. Our policies are addressed in our Code of Conduct, signed by all employees and extended to our suppliers through our Business Partner Conduct.

EQUAL WORKING LIFE

In 2022, Arendals Fossekompagni was certified as an Equal Workplace (“Likestilt arbeidsliv”). Equal Workplace is a research-based certification scheme that provides employers with tools for how to address equality and diversity issues, and a network for learning and sharing experiences with others.

An internal team in Arendals Fossekompagni, comprised of employees from different levels of the organisation, worked together on this project. We mapped how we address equality- and diversity topics, implemented guidelines, and created various action points for our work, which led to the certification. Going forward, Arendals Fossekompagni is committed to continuing the work towards better inclusion and greater diversity.

THE ACTIVITY AND REPORTING OBLIGATIONS IN ARENDALS FOSSEKOMPAGNI PARENT COMPANY

According to The Equality and Anti-discrimination Act § 26, all Norwegian employers are obliged to work actively, targeted and systematically to promote equality and prevent discrimination in the workplace. All public sector employers and private sector employers of a certain size (50+ employees) must comply with a four-step working method and issue a statement on the company's status in two parts: The actual status of gender equality in the company, and the work they have done on the activity duty in anti-discrimination.

Our Parent Company has 36 employees, but still use the four-step working method. We have also decided to report according to The Equality and Anti-discrimination Act § 26. The report follows the structure provided by The Norwegian Directorate for Children, Youth and Family Affairs (Bufdir).

For 2022, and according to The Equality and Anti-discrimination Act, we have mapped the state of gender equality and the general risk of discrimination in Arendals Fossekompagni.

Part 1

State of gender equality

GENDER BALANCE IN ARENDALS FOSSEKOMPANI PARENT COMPANY IN 2022 PER 31.12.2022

	Gender balance	Temporary employment	Parental leave (average number of weeks)	Part time	Involuntary part time	Recruitment
Women	10	1*	4**	2	0	3
Men	26	0	0	0	0	3

*Trainee (6-month contract)

** 1 employee had parental leave for 4 weeks in 2022

GENDER PAY

According to the Activity Reporting Obligation, gender pay should be mapped at least every other year. In 2021 we did a complete mapping of all employees (see Activity Reporting Obligations Report 2021). The General Data Protection Regulation (GDPR) puts limits on what organisations can do with personal data. Bufdir states that there must be at least five of each gender in a subgroup to publish the results regarding gender pay.

According to the Norwegian Public Limited Liability Companies Act section 16-6 b, Arendals Fossekompni has an obligation to publish a remuneration report for the Executive Management. This is published as a separate report.

Part 2

For equality, against discrimination

We strive to be a great place to work, and we have zero tolerance for discrimination on grounds of gender, age, disability, ethnicity, sexual orientation, or religious belief. We aim for a working environment without any form of bullying and harassment. This is a shared responsibility, and it is important that employees are aware and report undesirable behavior. If employees are discriminated against, bullied, or harassed, we will take necessary and proportionate measures. The goals, obligations and follow up are laid down in our Code of Conduct that all employees must sign and comply with.

THE ACTIVITY AND REPORTING OBLIGATIONS: ROLES, RESPONSIBILITIES, AND ORGANISATION

To ensure different perspectives and broad participation, we comprised a team of employees from different levels of the organisation that worked together on this project. Team members were employee representatives from both production and the administration, HR, the Chief Sustainability Officer, and a trainee who supported us in this process. The team had several meetings to examine the risks, analyse causes, provide documentation and discuss measures. The management was also involved in the discussions regarding priorities. The Board of Directors will ensure that we work on our activity and reporting obligations, and they will consider this report once a year.

We examined the general risk of discrimination in Arendals Fossekompni in the areas of:	Within each area we have considered these grounds of discrimination:
Recruitment	Gender
Accommodation	Disability
Salary and working conditions	Sexual orientation
Promotions and development	Gender identity/ gender expression
The opportunity to combine work with family life	Religion/ belief Ethnicity Pregnancy and leave in connection with childbirth/ adoption/care responsibilities



THE FOUR-STEP WORKING METHOD

In accordance with the four-step working method and our work with the equal working life certification, we have investigated risks of discrimination and obstacles to equality. We have analysed the causes of identified risks and planned measures to prevent discrimination and increase equality.

RESULTS

Recruitment

In the last few years, we have experienced a growth in the number of women recruited in the administration and female applicants for these positions. In production, there has been no female applicants for vacant positions. The reason could be that the base for recruitment is quite small (education and experience). We will continue to identify other opportunities to recruit more women in production. We will also continue to professionalise the recruitment process to ensure a focus on diversity.

The duty to accommodate

In December 2022, the administration moved into a newly renovated office space, well designed with regard to accessibility. In 2023, renovation of the rest of the building in Arendal continues. We will still need to make some adjustments for the entire office building to be accessible for all.

At our productions site, the offices are well accommodated, but most of the time the employees work outside the office. To be able to do most of the tasks on the hydro-power plant, there are requirements regarding physical abilities.

At both locations we discuss topics like ergonomics and the work environment with the Occupational Health Services. This is done every two years. In addition, we have inspections with the safety representatives every year.

Arendals Fossekompni strives to be a flexible employer. For periods of time, we adjust tasks, working hours, and more, when needed.

Salary and working conditions

In 2022, we did a complete mapping of the salary of all employees. We found no systematic differences, but we will continue to monitor this in order to prevent systematic gender differences going forward. For our production workers there is a collective agreement. Any bonus agreement is based on KPIs for the team and the employee.

Regarding working conditions, we have two employees working part time by choice and no involuntary part-time. In 2022, we only had one employee on parental leave.

Promotions and development

At least once a year all employees have the opportunity to have a performance review with their manager. We have discovered a need for a more structured process, and we will implement this as a part of our new HR system.

In production, the employees have job descriptions and regular training. This is also required for health and safety reasons. In the administration, the employees are given the opportunity to attend courses and to undergo internal training sessions. A 2022 example of internal training is a nano learning course on information security.

The opportunity to combine work with family life

In Arendals Fossekompni, we have a high degree of flexibility. The opportunity to combine work and family is appreciated among our staff. The administration can work from home when needed, and – to a large extent – plan their own time, travels, and more. Our employees in production follow a work schedule. The workload varies and if something unexpected happens they all need to contribute. However, the overall feedback is that the work-life balance is satisfactory also in production. In our work with equal working life, we discovered the need for more structured information to expecting parents and involvement of employees on parental leave.

PLANNED MEASURES FOR 2023

Topic	Measures	Responsible	Timeframe
Recruitment	Acquire a recruitment/ applicant tracking system	HR	Q2
	Include templates for pre-, on- and off-boarding in the HR system	HR	Q1
Salary and working conditions	Ensure that we have good structures for deciding salary and salary reviews to prevent systematic differences.	Management group	Q4
	Implement an employee handbook as part of the HR system	HR/ Management group	Q1
Accommodation	Plan for inclusive design in our renovation projects	Management/ property	Q2
Development	Implement the HR system	HR/ Management group	Q2
	Better structures for performance review	HR/ Management group	Q2
	Updated job descriptions for all employees	HR/ Management group	Q2
	Policies for expecting parents, employees on parental leave, and senior employees.	HR/ Management group	Q2
	Provide learning sessions and information on different kinds of whistleblowing	ESG team	Q3
Equality and diversity	Annual wheel for our work and learning sessions on equality and diversity	ESG team	Q1
	Define diversity in Arendals Fossekompni	ESG team	Q1
	Annual wheel for our work and learning sessions on equality and diversity	ESG team	Q2



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