

ATIONS

FOR GENERATIONS

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1. Diversity and Equality in Arendals Fossekompni

Arendals Fossekompni 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, new perspectives and helps us reach our long-term goals.

Arendals Fossekompni is committed to contribute to the UN Sustainable Development Goals (SDG). In our work for diversity and equality we have chosen to focus on the following SDGs that are particularly relevant:



SDG 5: Gender Equality

Arendals Fossekompni supports equal opportunities, equal rights, and equal treatment for all employees regardless of gender.



SDG 8: Decent work and economic growth

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

2. Strategy

GENDER EQUALITY

In Arendals Fossekompni, we have defined specific goals for gender equality, applicable for the entire group of Arendals Fossekompni companies. Gender equality is specifically measured at three corporate levels: Board of Directors, C-suite positions, and total work force. At year-end 2023, there were 25% women on our Boards, 24% women in C-suite positions and 21% women in the total work force. Our ambition is to achieve gender balance by 2027 with 30% women in the workforce and a share of at least 50% women in C-suite positions and on our Boards. Arendals Fossekompni also participates in the She Index, with focus on diversity and inclusion in leadership and workforce, equal compensation, and work life balance.

DECENT WORK AND HUMAN RIGHTS:

Arendals Fossekompni is committed to respecting human rights in all our operations. This includes the rules and principles laid out in the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and

the International Bill of Human Rights, and the OECD Guidelines for Multinational Enterprises. We do not accept any form of forced labour, including child labour. We comply with all fundamental labour rights and have a continuous focus on providing safe working conditions for all. Our policies are addressed in our Code of Conduct, signed by all employees and extended to our suppliers through our Business partner Code of Conduct.

In 2023, we published a Human Rights and Transparency Act Report to address the content in the Transparency Act. For more information about how Arendals Fossekompani works with human rights and a responsible supply chain, including screening of new suppliers on social criteria and negative social impact in the supply chain and actions taken, please refer to the separate Human Rights and Transparency Act Report found on our website.

3. The activity and reporting obligations in Arendals Fossekompani

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 must 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.

Within Arendals Fossekompani parent company, we count 35 employees, but we have still decided to use the four-step working method in our work. We also choose 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). We also encourage our portfolio companies to conduct their own mapping in accordance with the Activity and Reporting Obligation, to discover the status of diversity and equality within their own organisations.

For 2023 and according to The Equality and Anti-discrimination Act, we have mapped the state of gender equality, gender pay and the general risk of discrimination in Arendals Fossekompani.

4. Part 1: State of gender equality

The statement is limited to Arendals Fossekompani parent company and applies to the 2023 financial year as of 31.12.23. According to The Equality and Anti-discrimination Act, we have mapped the following elements: Gender balance, voluntary/involuntary part time, temporary workers, parental leave, and gender pay.

The general data protection regulation (GDPR) limits what organisations can do with personal data. Employers are required to provide a statistical mapping on gender equality, and Bufdir states that there must be at least five of each gender in a subgroup to publish the results regarding gender pay. The exception is that we, according to the Norwegian Public Limited Liability Companies Act section 6-16, have an obligation to publish a remuneration report for the Executive Management in Arendals Fossekompani. This is published as a separate report.

TABLE 1: GENDER BALANCE

	Women	Men
Gender balance	10	25
Temporary employees	0	2*
Parental leave (average number in weeks)	25	8
Part time	2	0
Involuntary part time	0	0
Recruitment	1	4
* Trainee (6 months contract)		

TABLE 2: GENDER PAY

	Comments	Women	Men
Total	We conducted a complete mapping of all employees in Arendals Fossekompani. We compared the employees background, tasks, experience, tenure, and salary within each subcategory. We found no major systematic differences The number in each subgroup is too small to publish the results and to provide a statistical average.	10	25
C-suite	The remuneration report for 2023 provides an overview of remuneration of the Executive Management of Arendals Fossekompani. The remuneration report is in accordance with the Norwegian Public Limited Liability Companies Act section 6-16 b.	2	4
Production	Less than five of each gender in the subgroup	1	15
Finance	Less than five of each gender in the subgroup	3	2
Property	Less than five of each gender in the subgroup		1
Business development	Less than five of each gender in the subgroup	3	3
Communication	Less than five of each gender in the subgroup	1	

5. Part 2: Our work for equality and against discrimination

Arendals Fossekompani strives to be 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 behaviour. Arendals Fossekompani has established a whistle blowing system for employees to report incidents and irregularities. If employees are discriminated against, bullied, or harassed, Arendals Fossekompani 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 had a team comprised of employees at different levels of the organisation who worked together on this project. The team members were employee representatives from both production and administration, HR and the Chief Sustainability Officer. The team examined the risks, analysed causes and discussed measures. 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.

RESULTS

Recruitment

This year, we acquired a recruitment/ applicant tracking system to help us professionalise the recruitment process. We have also included templates/ processes for pre-on and off-boarding in our HR system. If we use external recruiters, we emphasize the importance of diversity in the candidate pool. We have experienced a growth in the number of women recruited in the administration and female applicants for these positions. In production, the challenge is still that there are few or no female applicants for vacant positions. We will continue to identify opportunities to recruit more women and continue to focus on diversity in recruitments.

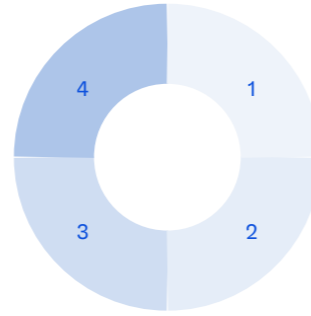
The duty to accommodate

Arendals Fossekompani strives to be a flexible employer, and we adjust tasks, working hours etc. for our employees when needed.

During spring 2023, the administration moved into the new and renovated office space. It is well-designed in regard to accessibility, but we will still need to make some adjustments in the old parts of the office buildings to make this space accessible for all. The office building in the production site is well accommodated, but most of the time the employees work outside the office. To be able to do most of the tasks on the hydropower plant, there are requirements regarding physical abilities.

In both locations we discussed topics like ergonomics and the work environment with the Occupational Health Service every two years. In addition, we have inspections with Safety Representatives every year.

This year, we did a complete mapping of the salary of all employees in Arendals Fossekompani, and we found no major systematic differences. We will continue to monitor this, and the topic is also discussed in the management team to ensure that we have good structures for deciding salary and salary reviews to prevent systematic differences. In production they have a collective agreement. The bonus agreement is based on KPIs for the team and the employee.



The four-step working method

- 1. Examine risks
- 2. Analyse causes
- 3. Implement measures
- 4. Evaluate

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.

We examined the general risk of discrimination in Arendals Fossekompani 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

We have two employees working part time by choice and no involuntary part-time. In 2023, we had three employees on parental leave.

Promotions and development

At least once a year all employees have an appraisal talk/ development discussion with their manager. In addition, we have a structure for mid-year check ins and end of year reviews. The template for appraisal talks and job descriptions for our employees are incorporated in our HR system.

In AFK Vannkraft, the employees have regular training/ courses. This is also required for health and safety reasons. In the administration, the employees are given the opportunity to attend courses and we also have internal training sessions for all employees. An example of internal training from 2023 is the Ethics programme for all employees (nano learning).

The opportunity to combine work with family life

In Arendals Fossekompani, we have a high degree of flexibility, and the feedback we get is that this gives room to combine work and family. In the administration, our employees can work from home when needed and can plan their schedule, travels etc to a large extent. In production, they follow a work schedule. The workload varies and if something unexpected happens at work they all need to contribute. The overall feedback is that the work-life balance is satisfactory in production as well.

PLANNED MEASURES FOR 2024

In 2022, we were part of the Equal Workplace certification process, and an action plan was developed for 2022-2025. The goals set during the certification process are related to topics such as inclusive working environment, recruitment and career, and life phases. This is a continuous improvement process, but the goals include creating and improving routines for a better follow-up of employees in different life situations, training of leaders in managerial positions, professionalising the recruitment processes, increasing knowledge about equality and diversity, and generally raising the quality of internal processes related to equality and diversity.

PLANNED MEASURES FOR 2024

Topic	Measures	Responsible	Timeframe
Working conditions	Establish AMU (working environment committee) with representatives from the management and employee representatives in both locations.	Management, Human Resources	Q1
Salary structure	Ensure that we have good structures for deciding salary and the annual salary reviews to prevent systematic differences.	Management	Q1-Q4
Development	Further develop/improve the HR system, appraisal talks and policies in the employee handbook. Develop policies/routines for parents-to-be, employees on parental leave and senior employees.	Human Resources, Management group	Q3
Competence	Provide learning sessions and information on different kinds of whistleblowing.	ESG team	Q2/Q3
	Provide learning sessions on equality, diversity and leadership	Management	Q1-Q4
	Learning session on work/life balance and stress management	Management, Human Resources	Q3

VISITING ADDRESS

Langbryggen 9
4841 Arendal

POSTAL ADDRESS

Box 280
4803 Arendal

+47 37 23 44 00
firmapost@arendalsfoss.no
arendalsfossekompani.no